April 30, 2025

Senator Nicole Grohoski, Chair
Representative Kristen Cloutier, Chair
Members of the Joint Standing Committee on Taxation
State House, Room 127

Re: LD 1783 An Act to Clarify Municipal Affordable Housing Tax Increment Financing

Senator Grohoski, Representative Cloutier and Honorable Members of the Taxation Committee:

Midcoast Regional Redevelopment Authority (MRRA) is in **support** of LD 1783 An Act to Clarify Municipal
Affordable Housing Tax Increment Financing.

My name is Daniel Stevenson, and I am MRRA's Executive Director.

LD 1783, if passed, is a straightforward cleanup bill that makes Affordable Housing TIFs work better financially for
development projects and creates efficiency in the annual reporting requirement. The language was crafted in
collaboration with Representative Salisbury, Maine Housing, Westbrook Housing, Avesta, City of Westbrook, and
the Developers Collaborative.

As an economic development practitioner in Maine, I understand how the Affordable Housing TIF economic
development tool works and can assert that this bill simply clarifies how these TIFS work and makes them more
effective. Affordable Housing TIFs, in conjunction with Low-income Housing Tax Credits and low interest loans,
play a critical role in financing affordable housing projects.

LD 1783 (1) corrects an ongoing project approval timing issue by allowing an Affordable Housing TIF to commence
after a project receives a municipal certificate of occupancy, thus the project timeline is aligned with both local
and state approvals to ensure success, (2) it includes public safety in improvements as authorized project costs,
(3) it aligns the remaining funds, at the end of the Affordable Housing TIF, with existing similar language in
commercial TIF districts, and (4) allows a municipal officer to complete annual reporting requirements.

In short, this bill simply clarifies how Affordable Housing TIFs work and adds some new elements to make them
more effective.

Respectfully submitted,

Daniel Stevenson
MRRA Executive Director