

Testimony in Support of LD 1500
“An Act to Establish the Maine Community Development Financial Institution Fund to
Support Small Businesses, Rural Economic Development and Affordable Housing”
By: Robert P. Clark, Executive Director
Northern Maine Development Commission
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Senator Curry, Representative Gere and members of the Joint Standing Committee on Housing and Economic Development.

My name is Robert Clark, and I am the Executive Director of Northern Maine Development Commission (NMDC) based in Caribou. NMDC became a Certified Community Development Financial Institution in 2017.

The Housing Crisis in Northern Maine

Northern Maine, like many rural regions across our state, faces significant housing challenges that impact our economic vitality and community sustainability:

- Working families struggle to find affordable, quality housing options
- Our housing stock is aging, with many properties requiring substantial rehabilitation
- Vacant and tax-acquired properties sit unused while housing needs go unmet
- Traditional financing mechanisms often fail to address our unique regional housing challenges

These issues create barriers to workforce attraction and retention, limit economic growth, and contribute to community decline.

The Opportunity: Transforming Vacant Properties into Family Homes

The Northern Maine Development Commission strongly supports LD 1500 because it would enable us to establish a single-family housing program focused on rehabilitating tax-acquired and vacant properties for working families. This initiative would:

1. **Revitalize communities** by transforming blighted properties into quality homes
2. **Create affordable housing opportunities** for Maine's workforce
3. **Preserve existing housing stock** through strategic investments in rehabilitation
4. **Generate economic activity** through construction jobs and increased property values
5. **Strengthen municipal tax bases** by returning properties to productive use

The CDFI Advantage

A Maine CDFI program would provide flexible financial tools and technical assistance needed to address our housing challenges. Unlike traditional lenders, CDFIs:

- Can take measured risks on projects that commercial banks often cannot
- Provide patient capital with favorable terms for community development projects
- Offer technical assistance alongside financing
- Leverage federal dollars and private investment to maximize impact
- Respond to unique regional needs with tailored financial products

The Return on Investment

The state's investment in a Maine CDFI program would yield significant returns:

- **Economic returns** through job creation, increased property values, and expanded tax base
- **Social returns** by providing stable housing for Maine families and strengthening communities
- **Environmental returns** by improving energy efficiency and reducing sprawl
- **Fiscal returns** as municipalities recover delinquent taxes and maintenance costs

LD 1500 represents a forward-thinking approach to addressing Maine's housing challenges. By creating a Maine CDFI program and enabling the rehabilitation of vacant and tax-acquired properties, we can make meaningful progress toward ensuring all Maine families have access to safe, affordable housing while strengthening our communities and economy.

On behalf of the Northern Maine Development Commission and the communities we serve, I urge you to support LD 1500. Thank you for your consideration, and I would be happy to answer any questions you may have.