



Maine Real Estate &
Development Association

Supporting Responsible Development

LD 1755: An Act to Increase the Maine Historic Property Rehabilitation Tax Credit in Rural Areas

In Support

May 8, 2025

Chair Grohoski, Chair Cloutier, and members of the Taxation Committee:

On behalf of the Maine Real Estate and Development Association, please accept the following testimony in support of LD 1755: An Act to Increase the Maine Historic Property Rehabilitation Tax Credit in Rural Areas. MEREDA's members consist of a wide range of people and organizations involved in real estate development in Maine, from architects and contractors to bankers and attorneys to developers and municipalities. Our members work together to support responsible development in Maine.

In October of 2023, the State of Maine Housing Production Needs Study was released, and in that report, it documented Maine's drop in housing production after the Great Recession, combined with an influx of new residents, resulting in an incredibly tight market for housing.

In response to that report and other factors, HR&A was commissioned to report back to the Housing and Economic Development committee on potential solutions to the housing crisis in Maine. Notably for today's discussion, HR&A found that Maine needs housing throughout the state: 49,200 units in the more urban coastal areas, but also 24,700 units in Central Western Maine and 10,400 units in Northeastern Maine, frankly the most rural portions of the state. Housing needs exist outside our cities too.

HR&A noted three approaches to increase housing: streamlining processes, incentivizing production, and strengthening the private sector. This bill focuses on the second approach and can be a tool to increase units.

MEREDA generally believes that all housing is good housing and each portion of the housing market is needed, from incredibly affordable housing to workforce housing to luxury housing. We encourage the legislature to use all available tools to make housing happen. At the same time, we are concerned that taking away the additional incentive to build affordable housing in the more rural areas of our state could weaken the affordable housing incentives of the program.

Renovating our aging downtown buildings and putting them back into use is a worthwhile endeavor, and the Historic Property Rehabilitation Tax Credit program has been a game changer for our communities. MEREDA would like to see its use

increased and supports an increase in rural areas. We just wouldn't want to see the additional bump for affordable housing to be eliminated.

Thank you for your consideration of this testimony.

Elizabeth Frazier

On behalf of Maine Real Estate & Development Association

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