



Maine Real Estate &  
Development Association

Supporting Responsible Development

## **In Support of LD 1657: An Act to Expand the Use of Tax Increment Revenue for Affordable Housing by Adding Authorized Project Costs**

May 7, 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 1657: An Act to Expand the Use of Tax Increment Revenue for Affordable Housing by Adding Authorized Project Costs. 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.

I would like to begin by thanking Representative Kuhn for bringing this bill forward, one that continues Maine's movement toward prioritizing meeting our housing needs now and into the future. LD 1657 is creative in its approach and allows municipalities flexibility to add another tool to its housing toolbox.

In January of this year, the Housing and Economic Development Committee received the HR&A Report "A Roadmap for the Future of Housing Production in Maine", which was in response to the previously received Maine Housing Needs Study. The Housing Needs Study showed that Maine needs approximately 84,000 new housing units by 2030, and the HR&A report this year laid out approaches and strategies to get there. Within the second approach which recommends incentivizing production, they offer Strategy 2.3: Prioritize State funding for municipalities that contribute to housing goals. This bill meets the intent of this strategy by allowing municipalities to shelter the value of improvements and reallocate those funds to make loans and/or grants for affordable or workforce housing purchases within their communities.

Maine's current housing crisis comes with very few inexpensive solutions. Because TIFs only impact the state budget in that they shelter improvements that have not yet been realized, this creative tool comes without a fiscal note. While the strategy laid out in this bill will not be one that every municipality chooses to take advantage of, we should not be in the business of stopping good ideas. This is one of those bills with a good idea and we encourage you to support its passage.

Thank you for your consideration of this testimony; I'm happy to answer any questions.

Bev Uhlenhake

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