



# Permanent Commission RACIAL, INDIGENOUS & TRIBAL POPULATIONS

## Testimony Neither for Nor Against LD 2116

### ***An Act to Make Permanent the Affordable Housing Income Tax Credit***

January 21, 2026

Senator Grohoski, Representative Sayre and members of the Joint Standing Committee on Taxation, my name is Sam Zuckerman. I am the Policy Coordinator of the Permanent Commission on the Status of Racial, Indigenous, and Tribal Populations. I am submitting this testimony on behalf of the Permanent Commission's Policy Committee neither for nor against LD 2116, "An Act to Make Permanent the Affordable Housing Income Tax Credit."

Every Mainers should have a safe, affordable place to call home. Homeownership increases long-term economic security<sup>1</sup> and access to stable housing provides children and families with an environment where they can grow and flourish.<sup>2</sup> But homeownership has quickly become an unattainable goal for too many Mainers as the cost of housing has rapidly outpaced Maine's median income.<sup>3</sup> These challenges touch all of us, but are even more pronounced for Mainers of color. As a result of longstanding wealth and income inequality<sup>4</sup> and challenges securing home loans and other vital resources<sup>5</sup>, 75% of white Mainers are homeowners, while only 31% of Black Mainers are.<sup>6</sup> Disparities similarly exist for other racial

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<sup>1</sup> Di, Z.X., & Yang, Y. (2002). Intergenerational wealth transfer and its impact on housing. Joint Center for Housing Studies, Harvard University. [https://www.jchs.harvard.edu/sites/default/files/media/imp/di\\_w02-2.pdf](https://www.jchs.harvard.edu/sites/default/files/media/imp/di_w02-2.pdf)

<sup>2</sup> Fowler, P. J., & Farrell, A. F. (2017). Housing and child well being: implications for research, policy, and practice. *American Journal of Community Psychology*. 60(1-2), 3-8.

<sup>3</sup> Maine State Housing Authority. Homeownership Affordability Metrics. <https://www.mainehousing.org/data-research/housing-data/test-homeownership-program-metrics>

<sup>4</sup> Permanent Commission on the Status of Racial, Indigenous, and Tribal Populations. 2024. State of Racial Disparities Report. Pages 5-6. [https://www.pcritp.me/sites/pcritp.me/files/inline-files/State\\_of\\_Disparities.pdf](https://www.pcritp.me/sites/pcritp.me/files/inline-files/State_of_Disparities.pdf)

<sup>5</sup> Rothstein, R. (2017). *The color of law: A forgotten history of how our government segregated America*. Liveright Publishing.

<sup>6</sup> America's Health Rankings. (2024). Homeownership Racial Disparity in United States. [https://www.americashealthrankings.org/explore/measures/homeownership\\_disparity](https://www.americashealthrankings.org/explore/measures/homeownership_disparity)

groups. Today, Maine ranks 42<sup>nd</sup> out of 50 states on the national housing equity index as a result of these unequal forms of access.<sup>7</sup>

But these disparities are not limited to homeownership. Maine similarly stands out at the national level in the significant disparities we see in our unhoused population: 32% of Maine's unhoused population come from Black communities, despite those communities making up only 1.6% of the overall state population.<sup>8</sup>

Because Maine's housing crisis has such an extreme disproportionate impact on Mainers of color, the solution to this crisis will require an active political intervention into the poverty cycles that are a driving force behind housing instability and that are disproportionately harming people of color. Thank you for your time and attention. Our website has additional resources on disparities in Maine if you want more information.<sup>9</sup>

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<sup>7</sup> America's Health Rankings. (2024). Homeownership Racial Disparity in United States.

[https://www.americashealthrankings.org/explore/measures/homeownership\\_disparity](https://www.americashealthrankings.org/explore/measures/homeownership_disparity)

<sup>8</sup> MaineHousing. (2023). 2023 Point in time count. <https://rb.gy/x0frf> (Note: The Maine Point in Time study changed its methodology in 2020 to include individuals living in transitional housing. The statistic offered here represents an approximation of the real increase in homelessness with those data removed from analysis.)

<sup>9</sup> Permanent Commission on the Status of Racial, Indigenous, and Tribal Populations. <https://www.pcritp.me/>

# Housing

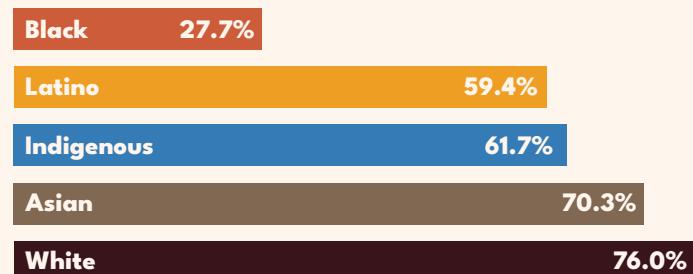
No matter our income, faith, or skin color, we all do better when every person and every family has a safe, affordable place to call home. Homeownership increases long-term economic security,<sup>3</sup> while access to stable housing more broadly reduces exposure to transmissible disease,<sup>4</sup> and provides children and families an environment in which they can grow and flourish.<sup>5</sup> Today, Maine is in the midst of an affordable housing crisis, stemming from our aging infrastructure, slow rate of development, and high levels of demand as more people want to call Maine home. The rising cost and limited availability of high-quality, accessible housing across the state has contributed to economic stagnation and a lack of critical services as doctors, care providers, and skilled tradespeople leave Maine. Moreover, the burdens associated with this crisis do not fall evenly across the landscape. Today, 87% of Mainers name homelessness, and 79% name housing more broadly, as the most significant area of disparity in our state.<sup>6</sup> And research backs up those claims. For people of color, these disparate conditions are the result of decades-old practices of exclusion from social, economic, and political life. If we want Maine to be “the way life should be” for everyone, we need to act quickly to ensure safer, more affordable, and more accessible housing for all.

## Maine's Affordable Housing Crisis

Maine's current housing crisis stems in part from aging homes that require additional maintenance, harsh environmental conditions, and the rural geography of our state. Despite this, Maine has historically maintained relative housing affordability compared with other US states.<sup>7</sup> This largely changed during the COVID-19 pandemic, which drove significant in-migration of both second-home buyers

and newly remote workers, placing pressure on the state's aging housing market. As a result, Mainers saw a rapid increase in home and rental prices as demand outstripped housing supply (see Figure 3).<sup>8</sup> As of 2023, these pressures resulted in a rental vacancy rate of only 2.1% across the state.<sup>9</sup> Coupled with stagnating wages and only minor increases to median household income —also unequal across race, Maine has entered into a severe affordable housing crisis that is fueling a troubling spike in the number of unhoused individuals across the state<sup>10</sup> (see more in [Wealth and Income](#)). According to a 2023 report by the Maine State Housing Authority, the state would need to build 84,000 new homes in the next seven years to account for existing and anticipated demand across the state, a growth rate not seen in decades.<sup>11</sup>

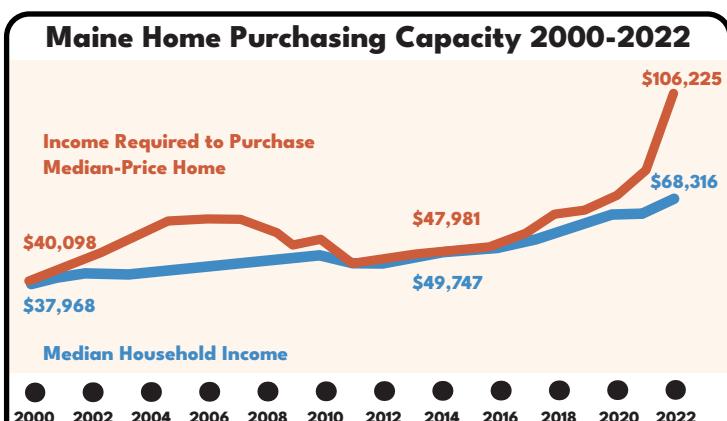
### Maine Homeownership Rates by Race & Ethnicity



**Figure 4.** Homeownership rates by race and ethnicity in Maine 2022. Adapted from America's Health Rankings (2024).<sup>10</sup>

## Disparities in Housing

Maine's housing crisis is made more complex when we look beyond the lack of housing and ask who is housed here and why. Within and beyond Maine, disparities in housing today can be traced to long histories of racial segregation embedded in law and practice. Prior to the passage of the 1968 Fair Housing Act, this segregation was legally enforced through exclusionary zoning laws and racially restrictive covenants. Following the Act's passage, which made housing discrimination illegal, segregation continued through red-lining practices that allowed lenders to deny loans on the basis of race and ethnicity, shaping the racial make up of communities.<sup>12</sup> Both the legacies of these forms of biased exclusion and the active practices of exclusion continue today as Black, Latino, and Indigenous renters across the country face numerous barriers to accessing housing - from credit checks to lack of past rental histories to issues securing deposits and fees - and are denied home mortgages at as much as twice the rate of white homebuyers.<sup>13</sup>



**Figure 3.** Maine's median home price far surpasses Mainers' ability to purchase. Adapted from HR&A Advisors (2023).<sup>16</sup>

While most explicitly racist policies and practices were outlawed in the late 20th century, the impacts can still be widely seen throughout our state's housing crisis (see Figure 4). Disparities in income and generational wealth are exacerbated by the state's rising cost of living, creating a poverty trap that makes saving for a down payment even more unachievable for marginalized families. Today, over 70% of Black Mainers are renters, compared with only 25% of the white Mainers, making Maine 50th out of 50 states on the national housing equity index.<sup>10</sup> As these factors compound, we see racial disparities manifest not just in housing, but also in who is unhoused. Since 2019, Maine has experienced a significant increase in the number of unhoused people across the state, with roughly 47% coming from Black communities, despite making up only 1.6% of the state's population.\*<sup>14</sup>

Addressing our current affordable housing crisis requires an investment by the state in developing new affordable housing, and making sure Mainers — including people of color most impacted by this crisis — can access the homes we do have. Today, 75% of Mainers support a state policy that provides public assistance to help cover the cost of housing for those with low incomes,<sup>15</sup> which can help to stall the growing number of unhoused Mainers living in shelters, on the streets, and in untenable temporary arrangements. To solve this crisis will also require an active political intervention into the poverty cycles that are a driving force behind housing instability and disproportionately harm people of color.

**“I was getting my first apartment and I sound white. I mean you couldn’t tell on the phone that I’m a Black person. So I’m talking to the landlord. I think I’ve got this place, I’m going to see it. Everything is great and awesome, right? This is my first wake up call. When I get there, allegedly, the place is ‘taken’...”**

**-Black Mainer**

## QUICK FACTS

**The average income needed to purchase a median-priced home in Maine today is \$106,225. The median income in Maine is \$68,316.**

**Maine has the nation’s lowest rental vacancy rate (2.1%) as of 2023.**

**47% of the state’s unhoused population is Black, despite only making up 1.6% of Maine’s population.**

**Only 28% of Black Mainers own their home, compared with 76% of white Mainers.**

**Maine ranks 50th out of 50 states in terms of racial equity in homeownership.**

## BACKGROUND CONTEXT & THEORY

[A Tale of One City - The Delmar Divide \(video\).](#)

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Wachter, S. M., & Megbolugbe, I. F. (1992). [Impacts of housing and mortgage market discrimination racial and ethnic disparities in homeownership.](#) *Housing Policy Debate*, 3(2), 332-370.

## NATIONAL-LEVEL DATA SOURCES

[US Census Bureau: American Housing Survey.](#)

[Urban Institute Data Tools \(sort by housing\).](#)

[Pew Research Center: Homeownership and Renting.](#)

[US Dept. of the Treasury: Racial Differences in Economic Security](#)

[St. Mungo’s Real Life Stories.](#)

## MAINE-SPECIFIC DATA SOURCES

[Maine Point-in-Time Study.](#)

[Maine State Housing Authority Research & Reports.](#)

[US Census Bureau: Maine Housing Data.](#)

[Zillow Data for Maine.](#)

[UNH: Pine Tree State Poll.](#)

\* The Maine Point in Time study changed its methodology in 2020 to include individuals living in transitional housing. The statistic offered here represents an approximation of the real increase in homelessness with those data removed from analysis.

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