

Joint Standing Committee on Taxation

Testimony of: Sherrin Vail, VP of Asset Management and Portfolio Initiatives, Evernorth

In Favor of LD 2116, An Act to Make Permanent the Affordable Housing Income Tax Credit

Date: January 21, 2026 – 1 pm

Good morning, Chair Grohoski, Chair Sayre, and members of the Committee,

My name is Sherrin Vail, and I work for Evernorth, a nonprofit that creates affordable housing and invests in communities across Maine. Our mission is to serve low- and middle- income residents, and we have a long track record of bringing investors together to create housing and build opportunities for our neighbors and communities.

Maine's housing shortage impacts communities statewide, from Portland to Waldoboro, many of which have already benefited from the State Affordable Tax Credit.

While the Legislature has made important investments in housing in recent years, much of that funding has been one-time or short-term, creating uncertainty that makes it hard to plan and finance the sustained housing production Maine needs

The Affordable Housing Income Tax Credit is one of the state's few stable, predictable tools for long-term housing production. We know it works: \$61 million in state tax credits has leveraged \$350 million in investment, creating 824 new affordable homes and preserving another 108 aging units. This level of return on investment is only possible with a dependable, annual credit that partners can plan around.

Unlike one-year appropriations, this annual credit provides reliability, which is exactly what housing development requires. Evernorth has invested in five developments that have benefitted from the State Affordable Housing Credits – these credits created and preserved 330 affordable homes for families and older adults in Portland, Lewiston, and Hartland. Building affordable housing requires bringing multiple funding sources together, and each source is vital to leverage private investment, keep costs and rents affordable, and allow for more housing in rural and smaller communities.

This credit is essential because it:

- Attracts private investment and leverages federal tax credits to bring new funding into Maine
- Lowers development costs, helping keep rents affordable
- Supports projects statewide, including in rural areas with limited resources
- Gives lenders and investors the predictability needed for projects to move forward

The credit is a necessary complement to other financing sources. While one-time funds can launch projects, ongoing, reliable credits are what allow developments to close financing and stay on schedule. This reduces risk and maximizes the impact of state dollars.

With construction costs high and housing needs rising, Maine cannot rely on short-term fixes. Making this credit permanent demonstrates a long-term commitment to addressing the housing crisis for all Mainers, including working families, older adults, and people with disabilities.

For these reasons, Evernorth urges the Committee to support LD 2116 and make the Affordable Housing Income Tax Credit permanent.