



Maine Real Estate &
Development Association

Supporting Responsible Development

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

January 21, 2026

Chair Grohoski, Chair Sayre, 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 2116, An Act to Make Permanent the Affordable Housing Income Tax Credit.

The passage of the State Low Income Housing Tax Credit (SLIHTC) in 2019 was a hallmark moment for housing creation in Maine. Prior to that time, low-income housing creation was only subsidized by the federal tax credit. By adopting a state level credit, Maine has helped unlock significant funding and creation of low-income affordable housing. Since that time, the challenges to creating low-income housing have only increased. From supply chain changes and disruptions to tariffs, rising labor and land costs, and the incredibly burdensome regulatory environment for housing creation, the cost needed to create one low-income housing unit is currently pegged by MEREDA developers at approximately \$500,000 per unit.

That price tag is so high that it is fair to say

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