



Maine Real Estate &  
Development Association

Supporting Responsible Development

**Testimony in Opposition to LD 916  
An Act to Promote Investment in Housing**

**February 17, 2026**

**Chairman Curry, Chairwoman Gere, and Honorable Members of the Housing and Economic Development Committee:**

My name is Elizabeth Frazier, and I am testifying on behalf of the Maine Real Estate and Development Association (MEREDA) in opposition to LD 916, An Act to Promote Investment in Housing, as amended by the Sponsor's Amendment.

MEREDA does not support the proposal in LD 916 which is before the committee today. While MEREDA members will always appreciate support in the form of a financial subsidy, MEREDA feels strongly that endorsing this program would send the wrong message that we believe this is the right way to tackle the missing middle. We do not.

- **This bill takes the wrong approach to solving Maine's missing middle problem.** Less than a month ago, this Committee voted down MEREDA's proposal to unlock housing production statewide at no cost. Instead of removing barriers and allowing private capital to build housing at scale, this amendment creates a discretionary subsidy program with no identified funding source and a narrowed income band. It leans into an administratively heavy, state-managed solution that will cost money to operate, create inefficiencies that drive up per-unit costs, and ultimately assist only a small number of recipients.
- **It also does not meaningfully address the missing middle — it addresses lower-middle income households.** The proposal limits rental eligibility to 120% of AMI and homeownership to 150% of AMI. True middle-income housing in Maine should extend at least to 220% of AMI. For context, 220% of AMI for a family of four in Maine is roughly \$217,000. That figure may sound high, but two solid middle-class incomes in Maine rarely approach it. The average Maine public school teacher earns approximately \$63,000 per year. A registered nurse in Maine earns roughly \$75,000 to \$80,000 annually. Together, that household would earn approximately \$138,000 to \$145,000 — well below 220% of AMI — and increasingly struggle to afford market housing in many parts of the state. The "missing middle" is not theoretical. It is the teacher and the nurse. It is the firefighter and the municipal employee. It is the workforce we rely on every day.
- **This bill creates a new fund within MaineHousing without identifying a stable funding source.** As a threshold matter, it is not clear whether LD 916 is intended to serve as a standalone policy vehicle for the proposal for a pilot program for middle housing in the Governor's supplemental budget proposal. The language for that proposal is in Part T-16, page 46, of the General Fund Language, as follows:

Housing Authority - State program 0442

Initiative: Provides one-time funding for a pilot program supporting the construction of new middle-income housing units, with incentives added for projects that invest in wood fiber insulation and heat pumps, with consideration for those that utilize a modular building approach. This is a new model that would focus on rental housing for households with incomes up to 120% of area median income (AMI) and homeownership housing for households with incomes up to 150% of AMI.

The proposed language for LD 916 has some similarities to the above proposal. For example, the proposed income limit for homeownership is 150% of AMI. Additionally, the language in both bills would direct Maine Housing to run the program. However, there are components of the proposed supplemental budget language that do not appear in LD 916, including the incentives for wood fiber insulation, heat pumps, and a modular building approach. Additionally, the supplemental budget language is pitched as a pilot program, where LD 916 seems to create a permanent program.

If LD 916 is not intended as the policy match for the \$100 million in proposed middle housing spending in the supplemental budget proposal, MEREDA is not sure what funding mechanism *is* intended. The amended version of LD 916 would authorize loans or grants but does not identify an ongoing dedicated revenue. At best, if funded, this proposal would inject limited capital into a small number of MaineHousing approved projects. Without a defined funding source or clear program parameters, the likely beneficiaries will be a narrow subset of applicants already positioned to navigate MaineHousing programs, rather than everyday property owners across the state. A better policy approach would empower everyday Mainers to leverage their property, add units, or unlock incremental housing supply across the state.

- **The program lacks critical structural guardrails.** It does not specify how long units must remain income restricted. It does not identify who verifies beneficiary income. It does not address equity build-up for income-restricted homebuyers. These are not minor technicalities — they are foundational design elements of any serious housing program.

Too often, policy conversations mistake activity for impact. Creating a new fund without supply reform does not solve a housing shortage. Aspirational funding without structural change will not produce the scale Maine requires to tackle the middle housing crisis. If this bill reaches the Special Appropriations Table without funding, it becomes symbolic. If it receives short-term funding, it becomes temporary. Neither outcome addresses the magnitude of the crisis.

If we continue to prioritize small, uncertain subsidy programs over structural production reforms, we will not solve Maine's housing shortage at scale. We will instead continue to manage scarcity rather than eliminate it.

Thank you for your consideration.

Elizabeth Frazier

On behalf of Maine Real Estate & Development Association

efrazier@pierceatwood.com