

*Joint Standing Committee on Appropriations and Financial Affairs
and the Joint Standing Committee on Housing and Economic Development*

Testimony of: Laura Reading, Director of Affordable Housing, Developers Collaborative

*In Favor of LD 2212, the Governor's Supplemental Budget Proposal
Date: February 19, 2026 – 1:30pm*

Good afternoon, Senator Rotundo, Representative Gattine, and distinguished members of the Committees:

My name is Laura Reading, and I am the Director of Affordable Housing at Developers Collaborative.

Developers Collaborative has built nearly 1,100 affordable homes across 31 projects in 16 Maine communities, with more than 300 additional units in our active development pipeline. We work in rural towns, small cities, and regional centers across the state. We see firsthand how deeply the housing crisis is affecting Maine families, seniors, employers, and communities.

Maine's housing crisis is not limited to one population. It affects:

- Working families earning 60-120% of area median income
- Middle-income earners who don't qualify for assistance but cannot afford market prices
- Seniors on fixed incomes
- Rural communities where development is difficult
- Individuals and families experiencing homelessness

The shortage is structural. Construction costs have risen sharply. Financing costs remain elevated. At the same time, rents and sale prices must remain affordable to Maine households.

Affordable housing at restricted rents cannot be financed through traditional debt alone – the math simply does not work.

The federal Low-Income Housing Tax Credit (LIHTC) program provides equity by allowing private investors to purchase tax credits. That equity is a foundational component of the capital stack. However, LIHTC equity alone is not sufficient in today's market conditions. To make projects financially feasible at restricted rents, LIHTC must be paired with additional state subsidy and other sources of capital.

At the same time, LIHTC serves only a portion of Maine households in need. The Rural Affordable Rental Program and the Affordable Homeownership Program (AHOP) provide flexible state financing that allows housing to be built that would not otherwise be financially feasible and that serves a broader range of Maine people and communities, including rural households and middle-income families.

These programs are disciplined and structured. They require underwriting, long-term affordability covenants, reserve funding, and ongoing oversight. They create housing that remains affordable for decades.

What determines whether housing gets built is whether these capital programs are available. Funding levels directly determine how many units are produced. If subsidy is reduced, projects do not shrink; they simply do not move forward.

One recent example illustrating the complexity of housing finance and the necessity of multiple tools is Congress Square Commons in Belfast. That 48-unit mixed-income residential community was made possible through layered financing that included LIHTC equity, Rural Affordable Rental Program funding, and additional state and local support. It transformed a contaminated public works site into stable, energy-efficient housing for working families and lower-income Mainers. By offering housing at multiple income levels, the development supports a broader range of earners and contributes to a more resilient and inclusive community. That kind of outcome requires multiple funding sources working together.



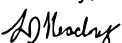
Above: Congress Square Commons in Belfast

Governor Mills' \$70 million housing proposal supports new production, rural rental housing, affordable homeownership, and homelessness response – a diversified approach that reflects the complexity of Maine's housing needs.

I respectfully urge you to support the housing investments included in the Governor's Supplemental Budget Proposal.

Thank you for your consideration.

Sincerely,


Laura Reading