



**KNICKERBOCKER
GROUP**

Rick Nelson, AIA, Maine Licensed Architect
Testimony An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units
| LD 1538

Good morning, Senator Grohowski, Representative Perry, and Distinguished/Esteemed Members of the Joint Standing Committee on Taxation, my name is Rick Nelson I am a Maine Licensed Architect and architecture practice leader at the Knickerbocker Group I am here to speak in support of LD 1538, “An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units”

I have been with the company for nearly 18 years and we have 120 employees, all contributing to housing in Maine As a 100% employee-owned firm, our team of year-round Maine residents is heavily invested in Maine’s future and the impact we have throughout our communities

The combination of increased out-of-state buyers, climbing home prices, rising interest rates, and low housing inventory has led to a housing crisis in our state that is predicted to last for decades As demand continues to rise, Mainers will increasingly struggle to find and afford homes These impacts, coupled with the threat of rising energy costs and inflation (and the ongoing, elevated costs in construction material and labor), are driving the need not just for housing, but for smart, cost-effective, and energy-efficient housing solutions

For those who already own land in the state, we have an enormous opportunity to add housing simply by increasing density with ADUs Homeowners in rural and semi-rural regions have the space on their properties for these smart solutions Recent bills have allowed for additional density on these sites, yet due to regulatory structures and processes (which are in place for good reason) Maine will continue to have high demand for housing for many years to come

This past year, our company decided to do our part We made a commitment to increasing the number and affordability of quality living solutions for Mainers Knickerbocker Group now offers Prefab Pods – ADUs and living spaces – constructed at our in-state prefabrication facility in Wiscasset and delivered in a 5 to 10-week timeframe Upon launch of our 500 and 800 sq ft models, we saw immediate and high demand

Yet for many Mainers, the financials still do not add up We need incentives to help our fellow Mainers These incentives will help our elderly parents, who can move into an ADU in their backyard to free up their larger, family home for their adult children and their kids, who need housing These incentives are for new college graduates or young, working professionals returning to Maine to raise their family here These incentives will help our workforce housing, as a leased ADU can become a much-needed income-stream to help owners keep up with our high cost of living. These smart solutions will work for hundreds of Mainers in non-urban settings, if we can support them with this incentive This bill will make an impact by starting to close the critical housing gap

The legislature has made excellent progress and supporting this measure will only bring our state that much closer to providing cost-effective, smart housing solutions for so many Thank you.

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