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**Testimony of Nancy Smith, CEO of GrowSmart Maine
In Support of LD2106 An Act to Accelerate the Production of Affordable Housing
and Strengthen the Historic Property Rehabilitation Tax Credit**

January 24, 2024

Senator Grohoksi, Representative Perry, and members of the Joint Standing Committee on Taxation,

My name is Nancy Smith, I live in Ellsworth, and I am the CEO of GrowSmart Maine. We are a statewide non-partisan non-profit organization helping communities navigate change in alignment with smart growth. We advocate for comprehensive policies and funding for smart growth practices and outcomes.

It is from that perspective, we support making Maine's historic rehabilitation tax credit (HRTC) more robust, and have been doing so for more than fifteen years, since this was one of the recommendations in the Brookings Report, Charting Maine's Future in 2006! The many positive impacts are noted in both the OPEGA report and a 2020 economic impact study commissioned by an ongoing advocacy group you'll be hearing from today.

Though we learned about this bill only a few months ago, GrowSmart believes it is appropriate to raise the cap on individual project eligibility in recognition not only of general inflation, but the significant increase in construction costs in the past four years. Currently, developers taking on significant redevelopment projects must spend additional money on administrative costs to phase a project over time. By raising the cap for large redevelopment projects most often located in Maine's larger municipalities, developers will have more funds available to invest in the actual construction and redevelopment of Maine's historic old mill buildings.

In work session later today, this committee will take up LD 1810, which broadens the HRTC by opening it to homeowners and nonprofits, and strengthening the small project component. LD 1810 comes from two years of collaborative and transparent advocacy process led by Maine Preservation and others you'll hear from today as part of Policy Action 2023. The two proposals are compatible, and together will benefit property owners and communities across Maine, by addressing specific recommendations from the OPEGA report.

I am available to assist in any way that is helpful to the Committee.

With gratitude,

CEO

GrowSmart Maine