

Testimony of Chris Marshall, on behalf of GreenMars Real Estate
Before the Joint Standing Committee on Appropriations and Financial Affairs in
conjunction with the Joint Standing Committee on Housing and Economic
Development

In support of continued funding for Maine's Rural Rental Program and Affordable
Homeownership Program

February 5, 2025

Good afternoon, Senator Rotundo, Representative Gattine, and members of the Joint
Standing Committee on Appropriations and Financial Affairs, and Senator Curry,
Representative Gere, and members of the Joint Standing Committee on Housing and
Economic Development.

My name is Chris Marshall, and I'm the co-founder of GreenMars Real Estate, based in
Portland. Thank you for the opportunity to testify today.

GreenMars is a mission-driven real estate development company focused on adding as
many reasonably priced and affordable housing units to the Maine market as possible.
As we've grown, we've prioritized projects that can deliver high-quality housing at price
points within reach for Maine's working families. One example of this is our latest
development, Nasson in the Pines, a market-rate rental community in Sanford, where
all units rent below the 100% AMI affordability level as calculated by the Maine
Housing Authority. This is an unsubsidized project, and we were able to deliver these
rents because we had a rare opportunity to renovate existing buildings rather than
build from the ground up. But opportunities like that are few and far between.

Looking forward, we are planning to bring approximately 300 units of affordable
homeownership condominiums to walkable neighborhoods in Portland, including
Stroudwater Commons and Deering Village. These projects rely on the policy
framework established under LD 2003 and its implementation at the local level. While
we focus primarily on market-rate development, our mission is to create housing that
works for Mainers across income levels. And the reality is, there are many projects that
simply do not work economically under current market conditions without targeted
support.

That is why I am here today—to speak to the importance of two programs that have
been instrumental in our ability to deliver housing at affordable price points: the Maine

Rural Rental Program and the Maine Affordable Homeownership Program (AHOP). These programs make projects possible that otherwise would not get built.

GreenMars has already seen the direct impact of AHOP through our Wilbur's Woods development, which is currently under construction. This program enabled us to sell 20 homes—950-square-foot, 3 bedroom units—for \$325,000 each. While that number may not seem low to those who purchased homes prior to 2020, in today's market, this is one of the most attainable new homeownership opportunities available in Brunswick.

The demand for these homes speaks for itself. Within three weeks of listing them, all 20 units were reserved, with a growing waitlist of buyers hoping for an opportunity. The families moving into this community have expressed their deep appreciation for a chance to own a home in a location with access to jobs, schools, and amenities.

We are now working on another 13 units of similar size and price point in Sanford and expect a similar response. This program is a powerful tool in addressing Maine's need for attainable homeownership opportunities.

Rural Rental Program: Addressing the Feasibility Gap

Beyond homeownership, GreenMars has also applied for funding under the Rural Rental Program for two projects—one in Brunswick and one in Sanford. I want to emphasize how critical this program is in making rental housing financially viable in today's economic climate.

Our team analyzes potential housing projects every day. More often than not, we find that current market rents do not come close to justifying the cost of new construction, particularly in smaller cities and rural communities. Without subsidy support, these projects simply do not get built.

For example, our proposed Brunswick project would generate negative cash flow if built at market rate, as operating costs and debt service would exceed rental income. The Rural Rental Program allows us to make the numbers work and bring much-needed rental housing to this area. Similarly, our Sanford project is another example of a development that would not move forward without this support.

We take seriously the responsibility that comes with utilizing taxpayer dollars, and we only pursue subsidy funding for projects that genuinely require it to move forward. These programs are not handouts—they are investments in housing that will serve Maine families for decades to come.

Maine is facing a housing crisis, and the private market alone is not capable of delivering the full spectrum of housing needed, particularly for lower-income Mainers. While subsidy programs like the Maine Rural Rental Program and AHOP are essential today, long-term solutions must also acknowledge the realities of the housing development market.

Real estate development is highly regulated, and those regulations—while often well-intended—create a floor for how low home prices and rents can go. Policies that reduce unnecessary barriers to construction are just as important as direct financial support. The passage of LD 2003, which increased density allowances across the state, is a strong example of how regulatory changes can help lower costs and expand housing supply. Other policies that promote a more predictable development environment are equally important.

One of the most significant expenses in development is managing risk. When policies create an unpredictable landscape—whether through shifting zoning rules, uncertain permitting timelines, or fluctuating impact fees—risk increases, and so do costs. By creating a regulatory framework that developers can confidently plan around, we can reduce that risk and, in turn, reduce overall costs. If applied broadly across the market, these savings will ultimately reach the consumer, leading to more attainable home prices and rents.

I urge the committee to continue funding these critical programs while also supporting policies that bring greater predictability to the housing development process. By working on both fronts, Maine can foster an environment where more housing is built, costs are controlled, and more Mainers have access to homes they can afford.

Thank you for your time and for your leadership in tackling Maine's housing challenges. I welcome any questions you may have.