



Connecting Communities to Capital

Testimony of John Egan, on behalf of the Genesis Community Loan Fund, before the Committee on Taxation, in support of LD 146, "An Act to Increase the Maximum Amount of the Historic Property Rehabilitation Tax Credit That May be Taken in a Year" February 5, 2025

Good afternoon, Senator Grohoski, Representative Cloutier, and honorable members of the Taxation Committee.

My name is John Egan, and I am the Senior Program Officer for Strategic Initiatives at the Genesis Community Loan Fund. Genesis has been a trusted community development lender for over 30 years, providing financing and expertise to help create affordable housing and strengthen Maine communities.

I am here today to express strong support for LD 146, which would adjust the program to allow an eligible project to access a total \$10 million over a 2-yr period replacing the \$5 million annual cap, originally written in 2008. This change is critical for addressing Maine's housing crisis.

At Genesis, we help developers navigate complex financing and secure project funding. We also provide early-stage planning expertise. We know that affordable housing projects require long-term vision, strong partnerships, and smart policy tools like the Historic Rehabilitation Tax Credit.

Since Maine enacted the Historic Rehabilitation Tax Credit in 2008, it has been a catalyst for housing development that has transformed underutilized historic properties into much-needed homes. The credit has enabled developers to repurpose vacant downtown buildings, historic schools, and former mills into new housing that can help revitalize communities. It has been instrumental in creating affordable apartments for workers, families, and seniors.

The success of the tax credit is well-documented. In 2021, the Office of Program Evaluation and Government Accountability (OPEGA) found that it exceeded expectations, not only advancing historic preservation but also boosting housing development and job creation. At that time, 106 projects had used the credit to create or preserve 1,911 housing units, nearly 1,300 of them affordable. These numbers have since grown.

Despite its past success, I am seeing firsthand now, through my role at Genesis, that when developers need to navigate around the current \$5 million cap, that results in unnecessary complexities and makes processes more cumbersome. It very unfortunately can increase project costs and extend project timelines.

One example is the Nightingale project in Portland. As NewHeight Redfern worked to transform the former Mercy Hospital into one of the city's largest workforce housing projects, its process was complicated by the existing cap. Had a higher cap been available, the project could have been completed more efficiently, with reduced delays and expenses.

At a time when Maine faces a severe housing shortage, we must ensure that every available tool is working at full capacity. Increasing the cap over the first two years will give developers greater financial certainty, allowing them to complete projects faster, more efficiently, and at lower cost. It will help bring more housing online quickly.

LD 146 is about more than tax policy—it's about Maine's economy and the future of our communities. It will help our downtown areas thrive, support local jobs, and make affordable housing an attainable option for more Mainers.

I strongly urge you to support LD 146 and help us make this proven program even more impactful for Maine's future.

Thank you for your time and consideration.