

Joint Standing Committee on Taxation

Testimony of: Laura Reading, Developers Collaborative

In Favor of LD 2116, An Act to Make Permanent the Affordable Housing Income Tax Credit

Date: January 21, 2026 – 1 pm

Good afternoon, Chair Grohoski, Chair Sayre, and members of the Committee,

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

Maine's housing shortage is well documented and affects every part of our state from Portland and Lewiston to Hartland, Washburn, Skowhegan, Rockland, Orono, Fryeburg and Waldoboro. These are all towns that have benefited from the Maine State Affordable Housing Tax Credit.

The Legislature has made important one-time investments in housing in recent years, but the Affordable Housing Income Tax Credit is one of the few stable, predictable tools we have to support long-term housing production. We know it works. To date, \$61 million in state tax credits have leveraged approximately \$350 million in housing development, resulting in 824 new affordable homes built. Another 108 affordable homes that are many decades old have been preserved. That level of return on investment is only possible with a dependable, annual credit that partners can plan around.

Unlike one-year appropriations, this annual credit provides reliability, which is exactly what housing development requires. MaineHousing allocates the annual state credit as part of its highly competitive 9% Low Income Housing Tax Credit (LIHTC) application process and the state credit allows for funding of at least one more project each year that otherwise would not be funded. Three Developers Collaborative (DC) projects have been allocated state credits: one in Rockland and two in Portland, all of which are located in Qualified Census Tracts (QCTs). QCTs are census tracts in which either 50% or more of the households in the tract have an income which is less than 60% area median income (AMI) or the tract's poverty rate is at least 25%.

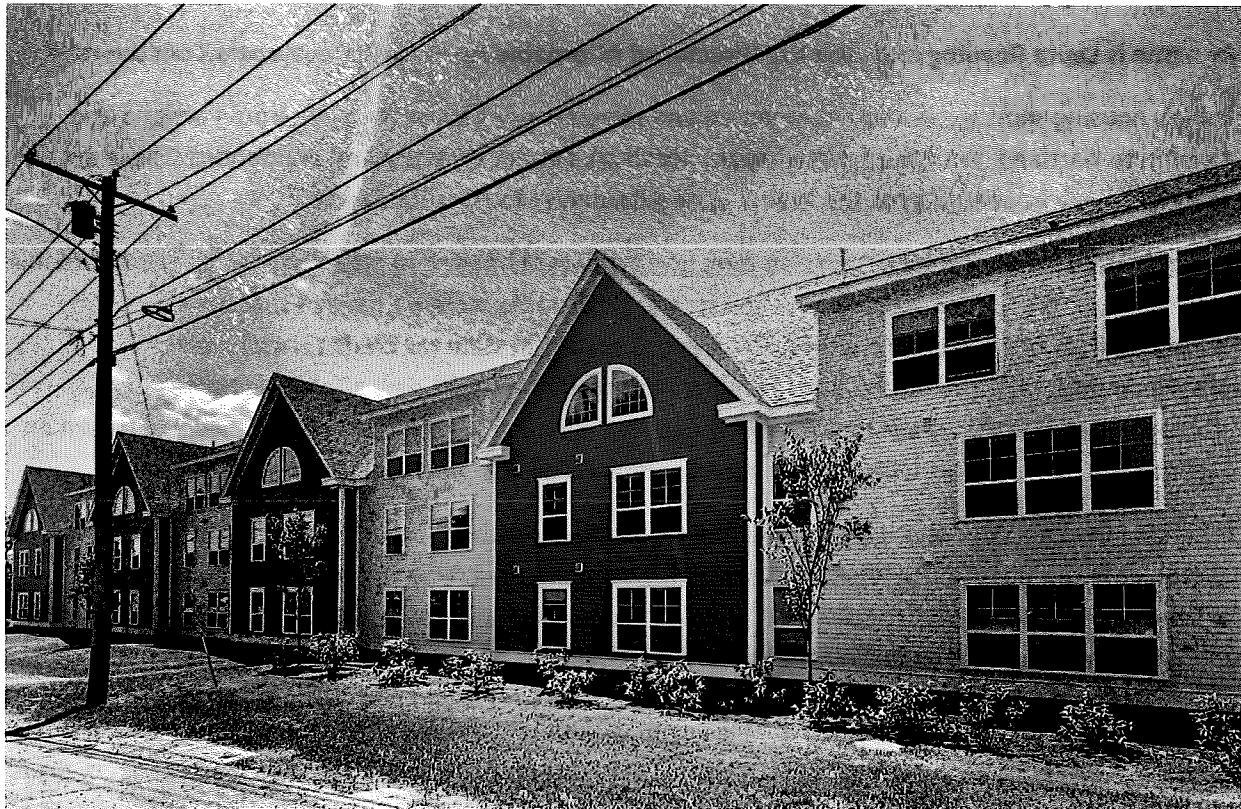
DC's first project with state credits, Peasley Park in Rockland, was completed last year. The development includes four efficiency apartments and forty-five one-bedroom homes designed to support aging in place, with seventeen fully accessible units, significantly exceeding required accessibility standards.

At least 60% of the apartments serve households earning 50% AMI or less, with the remaining units affordable to households earning up to 60% AMI. Eleven units are supported by MaineHousing project-based vouchers and are dedicated to seniors with disabilities or special needs.

Residents enjoy shared amenities including a community room, fitness room, laundry facilities, storage, and high-speed broadband capable of supporting telehealth and remote monitoring services. The site also features installed rooftop solar panels, raised garden beds, a neighborhood park, and 62 parking spaces, with flexibility to expand accessible parking.

Located within walking distance of shopping, essential services, and public transit, Peasley Park has had a profound social impact by addressing Rockland's senior housing needs while honoring service, legacy, and connection. Named for World War II veteran Leroy "Roy" Peasley, a beloved Rockland resident, the

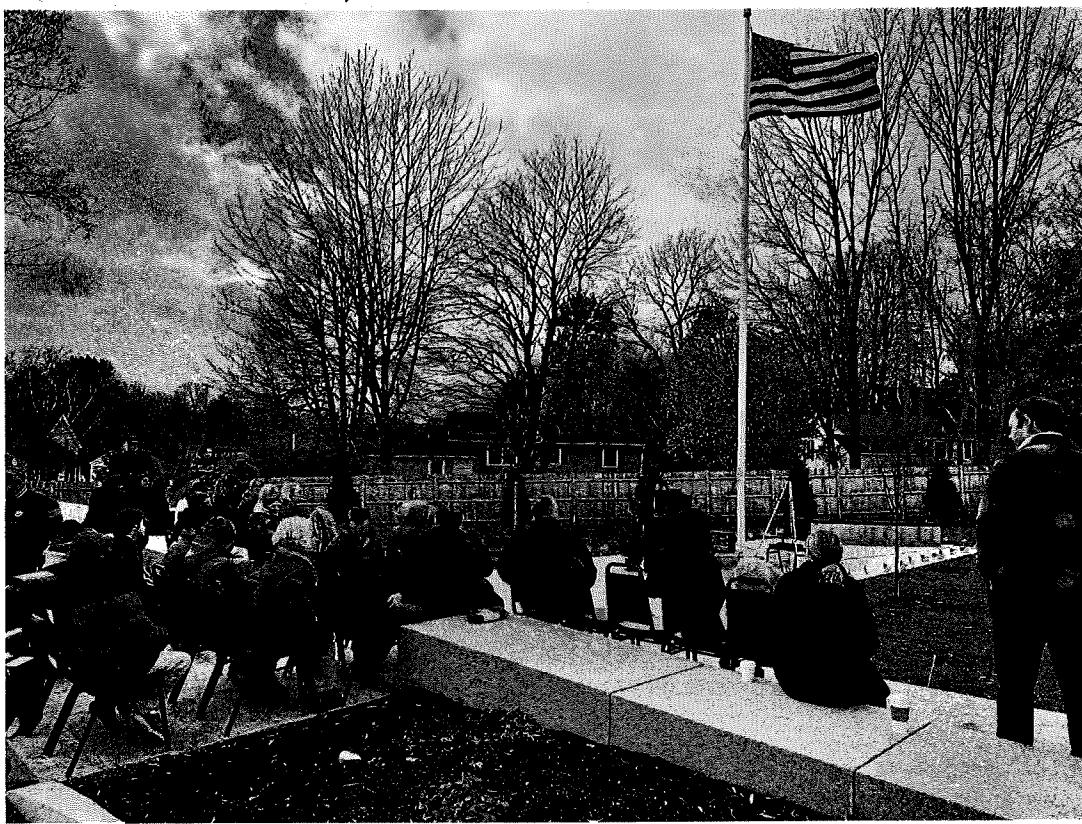
community is anchored by the Veterans Tribute Park, a memorial landscape providing a space for reflection, remembrance, and gathering. The Tribute Park's symbolic design—including commemorative plaques, granite elements, and flag-inspired geometry—creates a meaningful civic space that engages both residents and the broader community. It fosters intergenerational connection, civic pride, and respect for veterans. One resident and Veteran was previously homeless and now has a stable, quality place to live.



Above: Exterior of Peasley Park in Rockland



Above: Interior unit at Peasley Park



Above: Grand Opening at Peasley Park Veterans Tribute Park

DC's second project to receive an allocation of state credit was Equality Commons at 25 Casco Street in Portland, which is currently under construction. DC is the development consultant on this project for Equality Community Center, which is located next door to the new development. Once completed, Equality Commons will provide 54 units for seniors, including twelve efficiencies, thirty-four one-bedroom units, and eight two-bedroom units, designed to support aging in place, with nineteen fully accessible units, significantly exceeding required accessibility standards.

At least 60% of the units will be rented to households earning 50% AMI or less and the remaining units will be rented to households earning 60% AMI or less. MaineHousing will provide eleven project based vouchers for eleven units that will be pledged for use by populations with special needs. There will be a community room, laundry room, bike storage, and broadband infrastructure with capacity to support the provision of telemonitoring and/or telehealth services. On the first floor of the building there is a small commercial space that will be rented to a café with an outdoor patio.



Above: Equality Commons under construction in Portland

DC's third project to receive an allocation of state credit is another consulting project in Portland for Youth and Family Outreach (YFO). This development will address both the housing shortage and childcare shortage by providing 60 units of mixed-income housing for families and expanding YFO's

childcare facility. YFO currently has over 300 children on its waiting list. Of YFO's current families, 95% live in Portland and, at any given time, roughly 18% are unhoused. The expansion of the childcare facility would allow YFO to serve 50 additional children and nearly double the number of families they support through early childhood education and wrap-around services. Of the 60 units, 12 will be rented to households earning 100% AMI or less, 29 will be rented to households earning 50% AMI or less, and 19 units will be rented to households earning 60% AMI or less. There will be four efficiencies, twenty-four one-bedroom units, twenty-two two-bedroom units, and ten three-bedroom units. Allocation of the state credit in combination with the 4% LIHTC, which does not have a credit cap per project, allows the childcare facility to generate basis for additional 4% credits as a community service facility, bringing more equity into the project, which makes this unique co-location of housing and childcare feasible.



Above: Rendering of 60 units and expanded childcare facility for Youth and Family Outreach

As you can see, the annual state affordable housing credit plays a critical role in:

- Leveraging private investment alongside federal tax credits and other financing to maximize Maine's use of the unlimited 4% LIHTC
- Funding more affordable housing developments every year
- Supporting projects statewide, including in rural and smaller communities that struggle to compete for limited funds
- Providing predictability to lenders, investors, and partners, which is essential for projects to move forward

Importantly, this credit is needed to complement other financing sources. One-time funding can help jump-start projects, but without an ongoing, dependable credit, many developments simply cannot

close financing or proceed on schedule. Permanence reduces risk, improves efficiency, and ultimately stretches state dollars further.

At a time when construction costs remain high and housing needs continue to grow, Maine cannot afford to rely solely on short-term solutions. Making this credit permanent sends a clear message that Maine is committed to long-term, sustainable housing production for working families, older adults, people with disabilities, and others who need affordable homes.

For these reasons, I urge the Committee to support LD 2116 and make the Affordable Housing Income Tax Credit permanent.

Sincerely,

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