



Joint Standing Committee on Taxation

Laura Mitchell, Executive Director, Maine Affordable Housing Coalition

IN FAVOR of LD 2116,

January 21, 2026

Good morning Chair Grohoski, Chair Sayre, and members of the Taxation Committee.

My name is **Laura Mitchell**, and I am the Executive Director of the **Maine Affordable Housing Coalition**. I'm here today to urge your support for **LD 2116**, which would make the Maine Affordable Housing Income Tax Credit permanent.

Maine's housing shortage affects every part of our state. From **Portland and Lewiston to Hartland, Washburn, Skowhegan, Rockland, Orono, Fryeburg, and Waldoboro**. These are real communities where the State Affordable Housing Tax Credit has been put to work creating and preserving scarce affordable housing. Who the beneficiaries are of this credit is what matters most – the people that desperately need affordable housing – aging Mainers, people with disabilities, working families and others. This tax credit changes their lives. It also supports local economies and helps Maine people stay in the places they call home.

The Affordable Housing Income Tax Credit is one of the **few stable, predictable tools** Maine has, and we know it works. The economic impact is huge. To date, **\$61 million in state tax credits has leveraged \$350 million in outside investment for housing development**, resulting in **824 new affordable homes built**. **Further, 108 older affordable homes have been preserved** across the state. That's construction and design jobs created, and lives changed for people in that housing.

While the Legislature has made important housing investments in recent years, much of that funding has been **one-time or annual**. This makes it difficult to plan, finance, and deliver housing at the scale and speed Maine needs. Housing development does not work on a one-year timeline.

That's why maintaining this tax credit is so important. Further there is a backlog of affordable housing preservation projects in small towns and this is the only dedicated funding for that purpose.

Unlike one-year appropriations, this annual credit provides the reliability needed to leverage private and federal dollars, reduce financing risk, and keep projects moving forward—especially in rural and smaller communities.

This credit **complements other housing investments**. One-time funding can help start projects, but without a dependable, ongoing credit, many developments simply cannot close financing or proceed.

At a time when construction costs remain high and housing need continues to grow, Maine needs long-term solutions, not short-term fixes. Please **support LD 2116** and make the Affordable Housing Income Tax Credit permanent.

Thank you for your time and consideration.