

Genesis

Testimony of Liza Fleming-Ives, executive director, Genesis Community Loan Fund

In Support of LD 2116

Committee on Taxation

January 21, 2026

Good afternoon, Senator Grohowski, Representative Sayre, and members of the Committee on Taxation.

My name is Liza Fleming-Ives, and I'm the executive director of the Genesis Community Loan Fund. Thank you for the opportunity to testify today in support of LD 2116.

Genesis is a certified nonprofit Community Development Financial Institution, or CDFI, working throughout Maine to provide loans and expert guidance that support both the development and preservation of affordable housing, particularly in rural regions of the state.

My comments today focus on why Maine's Affordable Housing Tax Credit is such an essential and cost-effective tool for preserving and improving the affordable housing Maine has now—and why it's important to remove the current sunset date, as proposed in LD 2116, to ensure that this resource continues into the future.

Maine has over 7,600 rental apartments that were largely built 40 and 50 years ago and made affordable through the USDA's Rural Development Section 515 mortgage program. As these mortgages now begin to mature, the federal rental assistance tied to them can disappear. When that happens, long-time rural residents—seniors, working families, and people with disabilities—may suddenly be at risk of losing their affordable homes. In many rural communities, there are few, if any, alternatives.

To address this challenge, partners like Genesis have been working with the USDA to help transfer these properties from private landlords to nonprofit organizations and public housing authorities—buyers who are committed to keeping rents affordable and reinvesting in the buildings. These transfer transactions are complex, and they simply could not happen without a reliable and predictable financing tool.

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Maine's Affordable Housing Tax Credit is that tool.

No other program in Maine is designed to support the preservation and improvement of RD 515 housing in this way. Having this tool has been one of the reasons that Maine has been able to make progress in preserving rural properties in recent years.

To date, five projects have used the state credit, preserving the long-term affordability of nearly 100 homes in communities including Thomaston, Mapleton, Orono, and Waldoboro. Two additional projects (in Washburn and Eastport) will be making use of the tax credit in the coming months.

The credit is working as intended, and mission-oriented owners are stepping up because of this tool. Organizations such as Volunteers of America of Northern New England, the Housing Authority of the City of Old Town, Presque Isle Housing Authority and Coastal Affordable Housing have become owners of RD 515 properties and with the tax credit been able to improve accessibility, address safety concerns, and make core building system investments that have been deferred for years.

The credit has proven to be cost-effective. These transactions have used an average of \$25,323 in credit per-unit-preserved, representing a highly efficient state investment.

Looking ahead over the next decade, nearly 2,800 additional RD 515 apartments in Maine are at risk of losing affordability as their mortgages mature. Our immediate pipeline of potential transfers includes nearly 150 of these homes.

Attracting developers to build new housing in many rural communities is extremely challenging, making preservation of existing homes essential. Removing the sunset provision will ensure this efficient and well-targeted tool remains available to protect rural Maine residents and communities for years to come.

Thank you for your time. I would be pleased to answer any questions.



Being able to stay in the place I have lived for all these years means everything. If we could not afford living here, I don't know where we would go or what I would do.

– Resident of a preserved USDA financed property in Orono

Extend Maine's Affordable Housing Tax Credit

It's a unique, highly efficient state investment that helps ensure long-term housing stability and community benefit.

Maine's Affordable Housing Tax Credit plays a vital role in both the creation and preservation of affordable homes across the state. It funds development of new affordable housing through the Low-Income Housing Tax Credit program as well as the acquisition and rehabilitation of affordable units in rural parts of the state through USDA's Rural Development Section 515 program.



The tax credit is critical for preserving affordable rural homes.

Housing built 40-50 years ago, financed by USDA's Rural Development Section 515 mortgage program, is critical in rural Maine. In fact, it's sometimes the only affordable housing available for older adults, working families, and people with disabilities.

But as these mortgages begin to mature, the ongoing affordability and rental assistance tied to the properties is put at risk.

The tax credit helps public and mission-oriented organizations become owners of these properties, and improve them so that they remain affordable, safe, and comfortable.

Who lives in these homes?

- Older adults on fixed incomes
- People with disabilities
- Working families supporting schools, healthcare, and small businesses
- Long-time residents aging in place
- Veterans

What the tax credit makes possible

The tax credit makes it possible to transfer ownership and complete repairs and improvements that include:

- Accessibility upgrades (ramps, elevators, and more)
- Fire safety improvements
- Energy efficiency updates
- Roof, window, and heating system replacements

The tax credit helps keep neighbors in their homes and communities.

The state credit has helped preserve nearly 100 RD 515 homes through ownership transfers to public and mission-driven owners.

It's essential this tool continues to be available. Many current residents will have nowhere nearby to go if the affordability of their homes is not preserved.

The results of preserving these properties will include:

- Residents staying in their homes.
- Rents remaining stable and affordable.
- Ownership being mission-driven.
- Buildings being repaired and brought up to life-safety standards.

Photo: S. Smit



How Genesis Helps

With a grant from USDA Rural Development, Genesis provides free guidance to preserve RD 515 properties. We help:

- Identify properties at risk
- Connect sellers to buyers (nonprofits and public housing authorities)
- Support buyers and sellers through the transfer
- Structure financing that preserves affordability
- Work with USDA and MaineHousing to align resources

As Need Increases, It's Critical that Maine Extend the Tax Credit

The need to preserve rural housing is increasing, not decreasing, as more RD 515 properties in Maine reach the point of potential mortgage maturity every year. Extending the Maine Affordable Housing Tax Credit ensures:

- Maine does not lose existing affordable housing faster than we can build new housing.
- Rural towns retain their workforce, school enrollment, and community life.
- Residents maintain stability close to family, healthcare, and support networks.

The Maine Affordable Housing Tax Credit is a unique tool that preserves and improves housing stock to build stability for rural Maine households.

About Genesis

Genesis connects communities creating affordable housing and other essential community resources with the capital and expertise they need to overcome barriers to opportunity and prosperity. A certified nonprofit Community Development Financial Institution (CDFI), Genesis works throughout Maine and in northern New England to make flexible loans, deliver expert project guidance, and promote policy solutions.

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COMMUNITY LOAN FUND

Let's talk

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Maine's Affordable Housing Tax Credit is preserving affordable homes.

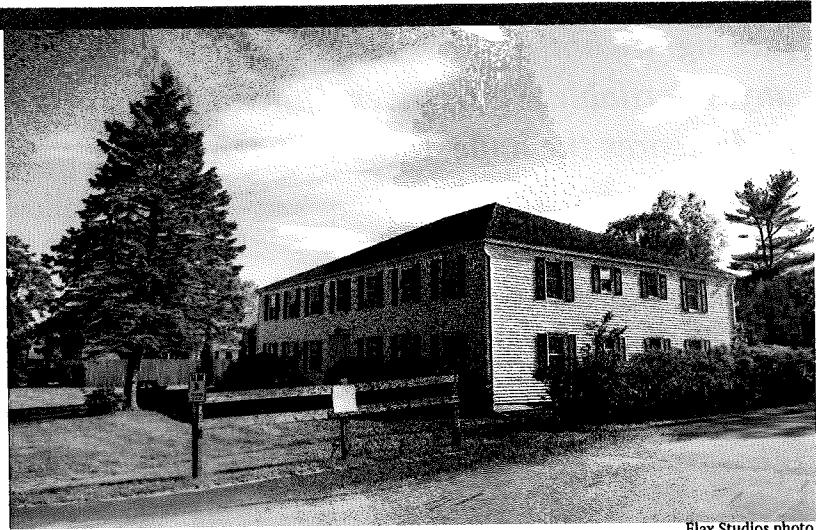
The tax credit enables outcomes that would not occur without it, and it fills a gap not served by any other state or federal program. It's time to extend this efficient, high-performing tool.

In Thomaston

In the midst of an historic housing crisis, Maine's Affordable Housing Tax Credit allowed VOA Northern New England to preserve two important affordable housing properties in rural Maine.

It helped us purchase and improve them and honor our commitment to providing high-quality homes that strengthen rural communities and ensure that long-time residents aren't priced out of the places they call home.

– Rich Hooks Wayman, Volunteers of America Northern New England president and CEO



Flax Studios photo

Mary and Dick Nightingale built two USDA 515 Rural Development properties with 28 apartments in Thomaston, Maine in 1978.

Says their daughter Beth Nightingale, “My parents recognized the importance of affordable housing and understood the impacts of removing the properties from the 515 program.”

Instead, to preserve their affordability, the properties' ownership was transferred to Volunteers of America of Northern New England.

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COMMUNITY LOAN FUND

Genesis is a certified nonprofit Community Development Financial Institution that provides flexible financing and expertise to help communities create affordable housing and provide essential services across Maine.



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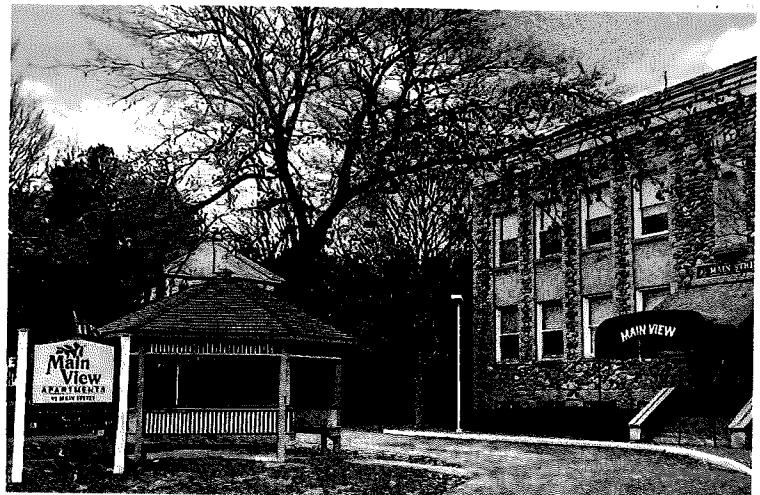
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In Orono

This acquisition, made possible through the Maine Affordable Housing Tax Credit, allowed us to preserve long-term affordability while completing key repairs and system upgrades.

In today's housing market, these efforts protect residents who would otherwise face significantly higher rents and few, if any, affordable alternatives. Our work underscores the importance of extending the tax credit.

– Laurie Miller, Housing Authority of the City of Old Town executive director



The Housing Authority of the City of Old Town assumed ownership of Main View apartments, a USDA Rural Development 515 property in Orono, preserving 24 apartment homes.

Use of the Maine Affordable Housing Tax Credit has allowed older Mainers to stay in their homes and benefit from improvements that include upgrading heating and elevator systems, installing new ceilings where the old plaster was decaying, repaving the crumbling parking lot, installing new kitchen cabinets and countertops, and addressing ADA compliance needs.



In Aroostook County, Lester and Debbie Hersey wanted to retire, while making sure the apartments they had owned and rented for four decades in Mapleton remained affordable. The Maine Affordable Housing Tax Credit made that possible.

Presque Isle Housing Authority was able to purchase the property and preserve the affordability of 12 homes and begin maintenance and safety improvements for low-income seniors and families.

In Mapleton

Preserving this property means low-income families and seniors in rural Aroostook County can continue to afford a safe place to call home.

We're proud to maintain and improve this critical housing, supported by Maine's Affordable Housing Tax Credit.

– Jennifer Sweetser, Presque Isle Housing Authority executive director