

Taxation Committee of the Maine Legislature

January 21, 2026

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

Senator Grohowski, Representative Sayre, and members of the Taxation Committee,

My name is Nichole Lorentzen, Development Officer for Realty Resources Development, a partner of Coastal Affordable Housing, a non-profit organization whose mission is to provide stable, safe, and affordable housing for low- to moderate-income individuals and families. Thank you for the opportunity to provide testimony regarding the importance of Maine's Affordable Housing Tax Credit and its impact on rural Maine communities.

There is a clear and critical need for affordable housing throughout the rural Maine communities we serve. These areas face aging housing stock, limited new construction, and modest local incomes, making the protection and preservation of existing affordable housing especially urgent. Preserving valuable units already in place is often the only realistic way to ensure long-term housing availability and stability for residents in these communities.

Coles Hill Apartments in Waldoboro, Maine is an existing federally assisted affordable housing property serving elderly, low-income households. The 2025 allocation of \$500,000 in Maine Affordable Housing Tax Credits has been a cornerstone of the financing strategy used to move this rehabilitation forward. The credit filled a critical gap that could not be addressed through conventional financing or federal resources alone.

This state Affordable Housing Tax Credit makes it possible to rehabilitate the property, addressing critical life-safety improvements, modernizing building systems, and upgrading an ADA unit to meet current standards. These improvements will not only enhance residents' quality of life but will also extend the useful life of the property, ensuring continued affordability and habitability.

Preservation of federally assisted projects like Coles Hill Apartments also protects one of the most valuable federal resources available: Rental Assistance (RA). The RA is what keeps rents affordable for the households who live there. If this federally funded Rental Assistance is lost, it will not return to small rural Maine towns like Waldoboro, leaving residents with few, if any, affordable alternatives.

Development and preservation funds are particularly difficult to secure in small rural towns where property values and rents cannot support significant debt. State programs such as the Maine Affordable Housing Tax Credit are therefore crucial, as they provide flexible and reliable capital that allows these projects to move forward when other sources fall short.

Finally, interested buyers of these smaller properties are often small, mission-driven organizations committed to long-term affordability. Without the support of the Maine Affordable Housing Tax Credit, these organizations would not be in a position to purchase, rehabilitate, and responsibly maintain these properties. The credit makes these transfers and improvements feasible, ensuring that affordability is preserved while critical investments are made in the housing and the communities they serve.

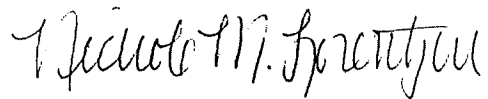
The \$500,000 State Affordable Housing Tax Credit investment in Coles Hill Apartments represents a high-impact use of public resources and is essential to preserving affordable housing in rural Maine.

Making the Maine Affordable Housing Tax Credit a permanent financing source provides the stability and certainty needed to protect existing affordable housing, preserve irreplaceable federal sources, and support rural Maine communities and families.

For these reasons, I respectfully urge you to support LD 2116.

Thank you kindly for your time and consideration.

Respectfully,

A handwritten signature in cursive script, reading "Nichole M. Lorentzen".

Nichole M. Lorentzen
Development Officer
Realty Resources Development