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**March 11, 2026**

**Testimony of Phoenix McLaughlin**

**Regarding LD 2230**

**An Act to Invest in the Construction of Industrialized Housing**

Senator Curry, Representative Gere, and members of the Committee on Housing and Economic Development, my name is Phoenix McLaughlin, and I am the Director of Strategy Implementation at the Department of Economic and Community Development. I am here today to testify on LD 2230.

The Housing Production Innovation Working Group, which I staffed, recommended incentivizing the use of industrialized construction in Maine. To quickly summarize the case, industrialized construction methods—meaning greater use of factory-built components, modules, and homes—can reduce construction costs in the right conditions. One of those conditions is adequate scale to unlock the efficiencies of manufacturing. Incentivizing the use of industrialized construction in Maine can help reach that needed scale, ultimately bringing down per-unit costs through upfront investment.

This bill offers multiple ways to incentive industrialized construction, each of which the working group touched on. The first is to directly provide an incentive for the production and installation of factory-built housing. As proposed, the manufacturer would receive a bonus for housing both produced and installed in Maine. This is modeled most closely on a Colorado program, which supported over 900 units constructed in their state between mid-2023 and fall 2025 and is still ongoing.

The second is to establish a partnership aimed at improving construction methods in Maine. An early theme in the working group's conversations was the need to further the adoption of new techniques in the construction industry. This model is well-proven in the manufacturing and agricultural industries, which have longstanding extension partnership programs in Maine and across the country. This program would provide technical support to builders, improve data collection, and assist in facilitating certification in new building systems, which will be a key function if manufactured housing regulation is revised as recommended.



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The third component would establish a prize competition for innovative housing production. This would be a novel program to not only test and evaluate new building systems at scale, but to build Maine's reputation as a center of housing innovation.

Lastly, consumer and municipal education on different housing systems is key to growing the market. The Housing Opportunity Program can be a vehicle to help municipalities and the public understand what is possible in construction.

There are some changes we would like to see if the committee moves forward with this bill. For example, the Department would recommend offering the incentives strictly through grants, not loans. A loan product would not be a good fit for a per-unit incentive like this, and it would require another level of staffing to underwrite loans and track repayment. We are happy offer suggested language for any additional recommended changes before the work session.

Thank you for your time, and I am happy to answer any questions.