



2/8/2022

Testimony in Support

Senator Brenner, Representative Tucker, and Honorable Members of the Environment and Natural Resources Committee:

My name is Elizabeth Frazier and I am an attorney at Pierce Atwood. I am before you today on behalf of the Maine Real Estate and Development Association's (MEREDA) in support of LD 1732, An Act to Amend the Sales Tax Exemption for Nonprofit Housing Development Organizations.

MEREDA is a statewide, membership-based organization founded in 1985, whose members include real estate owners, for profit and nonprofit developers, architects, engineers, bankers, property managers and other related professionals. Through the work of its Public Policy Committee, MEREDA pursues a more fair, predictable and practical policy environment.

MEREDA supports LD 1732 because it will expand the availability of this important credit for nonprofit housing organizations to allow them to serve households with incomes up to 120% of area median incomes. The 120% income threshold aligns with Governor Mill's newest initiative to provide \$10 million of funding for the new Affordable Homeownership Program at MaineHousing. That initiative is aimed at helping resolve Maine's housing affordable housing crisis, and the 120% income threshold is based on an understanding that Maine homes at that income level are being consistently priced out of our home ownership market due to high home prices.

We understand from our members that expanding the credit could help individual affordable housing projects save as much as \$5,000 per unit. If the proposal in LD 1732 is enacted, the cost saving could go toward the construction of more affordable units. We think now is the time to take this action. To fix our low inventory, we need to build more units. To ensure enough of those units are affordable to Mainers, we must bring down the per-unit cost of production. MEREDA believe this legislation will help reduce costs and lead to more affordable housing production.

For these reasons, we thank the committee for its consideration and encourage you to support this legislation with an Ought to Pass vote.

Sincerely,

Elizabeth M. Frazier

On behalf of the Maine Real Estate and Development Association (MEREDA)

efrazier@pierceatwood.com

207-838-2257