



**Testimony of Marge Kilkelly on Behalf of
the Maine Council on Aging to the
Committee on Taxation**

**In Favor of LD 435 - An Act to Expand the Historic
Property Rehabilitation Tax Credit**

Submitted March 5, 2025

Greetings, Senator Grohoski, Representative Cloutier, and Members of the Committee on Taxation.

My name is Marge Kilkelly, and I am a Policy Consultant for the Maine Council on Aging (MCOA). The MCOA is a broad, multidisciplinary network of over 140 organizations, businesses, municipalities, and older community members working to ensure we can all live healthy, engaged, and secure lives with choices and opportunities as we age at home and in community settings.

I am testifying in favor of **LD 435 - An Act to Expand the Historic Property Rehabilitation Tax Credit**.

We applaud the various efforts to develop additional housing and particularly want you to be aware of the needs of older Mainers and assure that they are front and center in your deliberations.

Safe, affordable housing is one of the most complex and critical challenges facing older Mainers is the lack of affordable housing. While we have invested in new housing units, expanded development of accessory dwelling units, and supported home sharing programs – we still do not have even enough affordable housing units to meet current demand. Thus, we must continue to explore creative and intentional solutions to our housing shortage. LD 435 is one of those solutions.

In 2008 the legislature overhauled the Historic Property Rehabilitation Tax Credit and instituted a cap of \$5 million on the credit a historic property developer can take in one year. Given that construction costs have doubled since 2013 raising the cap is reasonable; it not only accelerates housing creation but also minimizes the fiscal impact on the state. Further, Maine has numerous historic mills, schools, churches and other buildings that can be rehabilitated and converted into affordable housing while celebrating the history of communities.

The housing issue is of particular concern to MCOA because we know the ramifications of the lack of housing stock are creating some deeply concerning trends for older people. According to

a 2023 federal Department of Health & Human Services Report entitled *Addressing Homelessness Among Older Adults: Final Report*, older adults are the fastest-growing homeless population in the nation. As of 2022, the number of homeless people over the age of 62 has doubled and the number of older adults who are unhoused is expected to triple by 2030.

Not all older adults are equally at risk. Older women, BIPOC, and LGBTQ+ people who experienced economic disparities and injustices throughout their lifetimes have significantly fewer resources and lower incomes than people who did not experience economic injustices. Older Maine women are at a particular disadvantage when compared to older men. Following a lifetime of fewer economic opportunities than their male counterparts, older women are twice as likely to live alone *and* to have incomes below 100% of the FPL.

This means that factors like inflation and the rising costs of food, interest rates, and utilities are pushing many older Maine people to the point of having to decide whether to pay the electric bill, the heating bill, or mortgage or rent, and the repercussions of making those decisions is leaving older adults out in the cold, literally. Though Maine is grappling with a housing shortage similar to what is being experienced throughout the country, our state's demographics ensure that older people, who have no ability to change their economic status, will be among those who are squeezed the hardest.

According to the 2023 *State of Maine Housing Production Needs Study*, Maine will need to add just under 40,000 homes to account for the current need and will then need to add an estimated 37,900 to 45,800 more homes to meet demand by 2030. Anything we can do to finance the production of these new units must be done.

Complex challenges like our current housing situation require bold action. I urge you to act in support of LD 435.

Thank you for your consideration.