

January 21, 2022

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To Senate Chair Libby, House Chair McDonald, and Members of the Government Oversight Committee,

GrowSmart Maine is a statewide non-profit supporting Maine communities in creating economically, ecologically and socially sustainable communities *that build on local cultures*, by convening diverse stakeholders, providing educational resources, and advocating for smart growth solutions. It is from this perspective that I write to amplify the findings of OPEGA in their evaluation of Maine's Historic Rehabilitation Tax Credit (HRCT).

I listened to the presentation back in November, in which OPEGA staff outlined their process and findings related to the program goals within the scope of Historic Preservation, Affordable Housing Development, Community Revitalization, and Economic Impacts and Jobs. The report notes that the design of the program, building on the federal tax credit, aligns with these goals.

Beyond those initial goals, we now know that the benefits of rehabilitation and reuse of historic buildings also include municipal fiscal health, as growth occurs in areas already served by public infrastructure and often accessible by public services. In addition, we know this counter to sprawling growth outside of developed areas offers significant climate benefits by reducing demolition and increasing re-use of materials on site, and in the long-term decreasing need for single occupant vehicles for many daily life activities. These added dimensions to the values of the HRTC are worth highlighting in future legislative discussions.

In closing, I'll also highlight several OPEGA recommendations related to evaluating the sunset and biennial reporting requirement as well as improving the effectiveness of the small project credit. The report also suggests consideration of expanding eligibility while balancing the costs of such a strategy. We encourage further discussion of these important points.

Please know I am willing to assist in any way that is helpful to the committee, and please note this recent opinion piece on this value of the program:

<https://www.pressherald.com/2021/12/15/maine-voices-maines-historic-rehabilitation-tax-credit-exceeds-expectations/>



Executive Director