
The Need for Housing in Maine



GOVERNOR'S OFFICE OF
Policy Innovation
and the Future



Production Lagging Behind

We need to be building about **1000 affordable units each year** to meet demand.
From 2014-2019, we were building only 25% of that need on average.

Year	Units
2015	254
2016	278
2017	304
2018	125
2019	295
2020	561
2021	791

Supply has not kept up with demand.

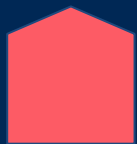
34K+ moved to Maine since July 2020

Median home prices from '21 to '22 jump by 12 percent

L.D. 2003 reforms zoning & land use requirements

Governor Mills makes historic housing investments

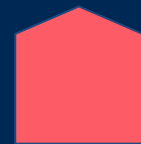
Other Maine-specific factors:



Oldest
housing stock
in the nation



1 in 5 Maine renters
pay **more than half**
their income
toward housing
costs



Maine's #1
emission is from
transportation

New initiatives to boost supply.

- + State Low-Income Housing Tax Credit (LIHTC) | \$80M over 8 years in 2019 | Additional \$35M in Proposed Budget | Larger Multi-Family Buildings | Under 60% of AMI**
- + Rural Affordable Rental Program | \$20M in 2022 | Additional \$35M in Proposed Budget | 5-18 Units | Under 80% of AMI**
- + Innovation Fund for Attainable Housing | \$10M in Proposed Budget | Under 80% of AMI for Rentals | Under 120% of AMI for Home Ownership | Flexible Funding to Incubate New Ideas**
- + Housing First Initiative | Considered the Most Effective Strategy to Address Chronic Homelessness | Roughly 14 New Housing First Sites to Be Added**



Work We've Done

Feb 2020

POLITICS

Gov. Mills signs bill to bring more affordable housing to Maine

The plan calls for the state to invest \$10 million a year over eight years into creating homes and apartments for low-income families, elderly, and rural communities

Gov. Mills expected to sign bill to bring more affordable housing to Maine



 NEWS CENTER
MAINE

\$50M investment in new affordable housing via funds received from the American Rescue Plan



Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions





LD 2003

Commission Recommendations

Recommendation 1

Allow ADUs by right in all zoning districts currently zoned for single-family homes.

Recommendation 4

Provide technical + financial assistance for communities making zoning changes to increase affordable housing.

Recommendation 7

Create a system of priority development areas, where multifamily housing is permitted with limited regulatory barriers.

Recommendation 2

Eliminate single-family zoning restrictions in all residential zones across the State.

Recommendation 5

Create density bonuses in all residential zones throughout the State.

Recommendation 8

Strengthen Maine's Fair Housing Act by eliminating the terms "character," "overcrowding of land," and "undue concentration of population" as legal bases for zoning regulations.

Recommendation 3

Prohibit municipal growth caps on the production of new housing.

Recommendation 6

Create a three-year statewide incentive program for municipalities.

Recommendation 9

Create a state-level housing appeals board to review denials of affordable housing projects made at the local level.

Compromise Reached

Recommendation 1

Allow ADUs by right in all zoning districts currently zoned for single-family homes. Edited with Municipal Feedback.

Recommendation 4

Provide technical + financial assistance for communities making zoning changes to increase affordable housing.

Recommendation 7

Create a system of priority development areas, where multifamily housing is permitted with limited regulatory barriers.

Recommendation 2

Eliminate single-family zoning restrictions in all residential zones across the State. Edited with Planner Feedback.

Recommendation 5

Create density bonuses in some zones. Edited with Municipal Feedback.

Recommendation 8

Strengthen Maine's Fair Housing Act by eliminating the terms "character" "overcrowding of land," and "undue concentration of population" as legal bases for zoning regulations.

Recommendation 3

Prohibit municipal growth caps on the production of new housing **only for ADUs.**

Recommendation 6

Create a three-year statewide incentive program for municipalities.

Recommendation 9

Create a state level housing appeals board to review denials of affordable housing projects made at the local level.

LD 2003

ACCESSORY DWELLING UNITS

Allow ADUs in all zoning districts currently zoned for single-family homes and exempts them from any growth caps.

TECHNICAL SUPPORT

Provide technical + financial assistance for communities making zoning changes to increase affordable housing through the Department of Economic and Community Development.

MORE ATTAINABLE UNITS

In residential zones without existing structures, allow up to 4 units per lot, subject to conditions to ensure adequate utilities and sprawl reduction. In residential zones with existing structures, allow up to 2 additional units on a lot.

PROMOTING DENSITY

Create density bonuses to incentivize more affordable housing development and ensure long-term affordability. Often the biggest factor in a project not moving forward or not leading to affordable units is density.

EQUITY

Recommendation 8 was reimagined to align Maine zoning ordinances with the federal Fair Housing Act and the Maine Human Rights Act, specifically provisions related to housing. Connecticut has adopted a similar law.

HOUSING PRODUCTION GOALS

The Department of Economic and Community Development is tasked with creating regional housing production goals to ensure there is measurable housing production in regions throughout the state.

Residential Areas

Where Single-Family Homes Are Already Allowed

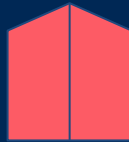
EMPTY LOT



Empty Lot



Single Family Home



Duplex



Triplex



Fourplex*

Only allowed if:

- Located in “growth area” according to comprehensive plan
- or
- Located in area with existing water/sewer capabilities in towns without comprehensive plans

Housing Opportunity Program

Technical and financial assistance will support communities implementing zoning and land uses related policies required to support increased housing development: The Housing Opportunity Program supports regional approaches, municipal model ordinance development, and will encourage policy that supports increased housing density where feasible while being sure to protect working and natural lands.

Housing Opportunity Fund: Service Provider grants and Municipal reimbursement funds Grants may be awarded to experienced service providers to support municipal ordinance development, technical assistance, and public process and community engagement support. These programs may encourage regional coordination between municipalities.

1. **Community housing planning grants** will be awarded through a competitive process to municipalities to support the creation of housing development plans which include ordinance and policy amendments to support those plans. The grants shall be awarded on an annual basis with required progress reports each year. \$2.4 million secured in annual budget to be awarded in FY '23 with carryover to FY '24.
2. **Direct reimbursement to municipalities** will be awarded on a limited, one-time basis to support municipal ordinance development and adoption related to LD 2003. Eligible expenses may include legal or consultant fees, costs related to public hearings including town meeting, costs related to technical support from qualified professionals. \$100,000 secured in FY '23 budget.

Direct Technical Assistance: Technical assistance will be provided for housing policy development, with guidance directly to regional groups, municipalities and other housing stakeholders. This may include, but is not limited to, assisting municipalities with information about available grant opportunities, sharing best practices from jurisdictions inside and outside of Maine, providing model language for local ordinances and policies, and providing information to the general public which may support local and statewide policy changes meant to increase the supply of housing.

Rulemaking

The Department is required to adopt rules to implement LD 2003 and the Housing Opportunity Program grants.

Public Comment	Summary of Comments	Adoption
February 8-March 13 March 1 Hearing	End of March/Early April Includes OAG Final Review	Late April 2023

Local implementation

South Portland, ME / ADU Ordinance Changes

New Regulations	Old Regulations
<ol style="list-style-type: none">1. Zoning Permit2. Building permit from the Code Enforcement Office	<ol style="list-style-type: none">1. Public hearing2. Mail abutters3. Zoning approval4. Building permit from the Code Enforcement Office
ADU could potentially be as large as 90% of the primary dwelling unit. Up to 800 sq. ft. on ¼ acre lots or smaller. Up to 1,200 sq. ft. on lots over ¼ acre.	ADU as large as 30% of primary unit.
No required parking.	Two parking spaces required.
ADU can be attached, detached, or built into existing structures.	ADUs can only be attached to existing dwelling unit.
Short-term vacation rentals are prohibited in any units where ADUs have been constructed.	Short-term vacation rentals are permitted.
Owner occupancy not required.	Owner occupancy required.