Executive Summary

The 130th Legislature established the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions (referred to in this report as the “commission”), with the emergency passage of Resolve 2021, chapter 59 (Appendix A), Pursuant to the resolve, 15 members were appointed to the commission: two members of the Senate appointed by the President of the Senate; two members of the House of Representatives appointed by the Speaker of the House of Representatives; the Director of the Maine State Housing Authority, or the director's designee; one member representing the Office of the Governor appointed by the Governor; and four public members appointed by the President of the Senate including: one representing a statewide municipal association, one representing a statewide organization that advocates for affordable housing, one representing statewide agricultural interests, and one who is in the building trades; and five public members appointed by the Speaker of the House, including: one representing a regional planning association or a statewide organization that advocates for smart growth policies and projects, one representing the real estate industry, one who is a residential developer, one representing an organization that advocates for low-income or middle-income renters or homeowners and one representing a local or statewide organization promoting civil rights that has racial justice or racial equity as its primary mission. A list of commission members can be found in Appendix B.

Pursuant to Resolve 2021, chapter 59, the commission was charged with the following duties:

1. Review data on housing shortages in the State for low-income and middle-income households;
2. Review state laws that affect the local regulation of housing;
3. Review efforts in other states and municipalities to address housing shortages through changes to zoning and land use restrictions;
4. Consider measures that would encourage increased housing options in the State, including but not limited to municipal incentives, state mandates, eliminating or limiting single-family-only zones and allowing greater housing density near transit, jobs, schools or neighborhood centers; and
5. Review and consider the historical role of race and racism in zoning policies and the best measures to ensure that state and municipal zoning laws do not serve as barriers to racial equality.

Over the course of seven commission meetings the commission developed the following recommendations [NOTE: once all of the recommendations are finalized, we will list the bold, single-sentence summary of each recommendation here]
I. Introduction

The 130th Maine Legislature established the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions (referred to in this report as the “commission”) with the emergency passage of Resolve 2021, chapter 59, sponsored by Speaker of the House of Representatives Ryan Fecteau of Biddeford (Appendix A).

Pursuant to the resolve, 15 members were appointed to the commission: two members of the Senate appointed by the President of the Senate; two members of the House of Representatives appointed by the Speaker of the House of Representatives; the Director of the Maine State Housing Authority, or the director's designee; one member representing the Office of the Governor appointed by the Governor; and four public members appointed by the President of the Senate including: one representing a statewide municipal association, one representing a statewide organization that advocates for affordable housing, one representing statewide agricultural interests, and one who is in the building trades; and five public members appointed by the Speaker of the House, including: one representing a regional planning association or a statewide organization that advocates for smart growth policies and projects, one representing the real estate industry, one who is a residential developer, one representing an organization that advocates for low-income or middle-income renters or homeowners and one representing a local or statewide organization promoting civil rights that has racial justice or racial equity as its primary mission.

The chairs of the commission were designated in the Resolve with the first-named member of the Senate as the Senate chair and the first-named member of the House of Representatives as the House chair. As such, Senator Craig Hickman served as the Senate chair, and Speaker Ryan Fecteau served as the House chair. A copy of the commission membership is attached (Appendix B).

The resolve authorized the commission to meet six times,¹ and set forth the following duties for the commission:

1. Review data on housing shortages in the State for low-income and middle-income households;
2. Review state laws that affect the local regulation of housing;
3. Review efforts in other states and municipalities to address housing shortages through changes to zoning and land use restrictions;
4. Consider measures that would encourage increased housing options in the State, including but not limited to municipal incentives, state mandates, eliminating or limiting single-family-only zones and allowing greater housing density near transit, jobs, schools or neighborhood centers; and

¹ Although the resolve authorized only six meetings, the commission ultimately requested, and was approved by Legislative Council, for an additional meeting and an extension of the report date until December 15, 2021.
5. Review and consider the historical role of race and racism in zoning policies and the best measures to ensure that state and municipal zoning laws do not serve as barriers to racial equality.

Over the course of seven meetings, the commission received several presentations relevant to its duties from state government agencies, municipal leaders, national experts, and stakeholders. The commission also heard from members of the public through the public comment periods at each of its meetings and the submission of written testimony.²

The enabling legislation charges the commission with submitting a report of its findings and recommendations, including any suggested legislation, to the Joint Standing Committee on Labor and Housing by November 3, 2021, although this deadline was later extended by Legislative Council to December 15, 2021.

II. Commission Process

The commission held meetings on August 12, September 9, September 16, September 30, October 7, October 28, and [December 2, 2021]. All meetings were held in either a hybrid (remote and in-person) format or fully remote format and were open to the public. Each meeting also included a public comment period.

a. First Meeting

The first meeting of the commission was held on August 12, 2021. The meeting began with commission member introductions, opening remarks, and comments and suggestions on some of the challenges and barriers to increase housing opportunities in Maine, and what each commissioner would like to see accomplished through the commission’s work. Following introductions, legislative staff provided an overview of the enabling legislation (see Appendix A), covering the duties, process and timeline for the commission’s work, as described above.

During this first meeting, the commission then focused on the current state of housing in Maine, and heard from two presenters who provided a review of current data on housing shortages in the State for low-income and middle-income households. First, Peter Merrill, Deputy Director of Maine State Housing Authority, and serving on the commission for the first meeting only as the Director of Maine State Housing Authority’s designee, provided an overview of housing and rental affordability in Maine, which as a largely rural, sparsely populated state with modestly sized urban or service centers,³ has seen flat population growth since 2000. Handouts from MaineHousing’s presentation are included as Appendix __. Then, Greg Payne, who at the time

² Written public comment submitted to the commission may be found here: https://legislature.maine.gov/presentation-materials
³ A service center community means a municipality or group of municipalities identified by the Department of Agriculture, Conservation and Forestry according to a methodology established by rule that includes 4 basic criteria, including level of retail sales, jobs-to-workers ratio, the amount of federally assisted housing and the volume of service sector jobs. 30-A MRSA §4301(14-A)
was serving as the Director of the Maine Affordable Housing Coalition, provided a closer look at the shortage of rental homes that are affordable and available to extremely low-income households in Maine and provided statistics regarding income to cost ratios for housing in each county across the State. Handouts from Greg Payne’s presentation are included as Appendix __.

At times during this meeting commission members referenced helpful resources, news articles, and reports that other commission members may find interesting and helpful to the commission’s work. Staff assisted in compiling and updating the list of these resources throughout the commission’s work, which is included as Appendix __.

The commission then held a public comment period where members of the public were invited to provide input on current challenges and barriers to increasing housing options in the State. The commission heard from: Mal Carey; George Rheault; Deborah Ibonwa, Maine Equal Justice; Doug Dunbar; Bridget Quinn, American Association of Retired Persons; Nick Murray, Maine Policy Institute; and Roberta Manter.

Topics of discussion at this meeting varied considerably as members of the public and commission members raised areas of interest, goals, concerns, and barriers to increasing housing opportunities in Maine. Topics included, but were not limited to:

- Impacts of COVID-19 on housing availability and affordability;
- The rise in the average median housing costs from 2020 to 2021;
- The rate of housing costs and rent increases against the rate of income increases;
- The racial history and impact of the law and policies that resulted in zoning laws and the availability of affordable housing;
- Reduction of housing supply and household size;
- Wait times and ability to utilize affordable housing vouchers;
- Credit score, background, and income barriers to housing;
- The relationship between local housing authorities and landlords;
- Data on seasonal housing versus year-round housing;
- Preferences for renting versus homeownership;
- How zoning can delay or block housing developments from being considered;
- Financing and infrastructure issues related to housing; and
- The impact of tax credits on affordability.

b. Second Meeting

The second meeting of the commission was held on September 9, 2021. The commission heard from a panel of municipal decision-makers on their experiences with affordable housing challenges and efforts in their respective municipalities to address housing shortages through changes to zoning and land use restrictions. The commission felt it was important to hear from a variety of municipalities covering both the urban and rural parts of the state, as well as southern and northern regions, as the needs of municipalities vary throughout the state. Accordingly, the panel consisted of:
• Jean-Marie Caterina, Councilor, Scarborough;
• Jason Levesque, Mayor, Auburn;
• Andrea Powers, Manager, Fort Fairfield; and
• Christine Grimando, Planning and Urban Development Department, Portland.

Key points of the discussion included:

• The lack of affordable housing in Southern Maine;
• The need for monetary incentives for the production of affordable and workforce housing, as there are developers who want to build affordable housing, but cannot afford it;
• Recent initiatives discussed or implemented in Auburn, such as changing the definition of housing from “affordable” to “attainable,” elimination of commercial parking requirements, and elimination of exclusive zoning that segregated multi-unit housing into one area;¹
• A proposal to amend Maine’s Municipal Revenue Sharing to shelter the value of new affordable housing units;
• Recent initiatives being discussed or implemented in Portland, such as adjusting dimensional standards for certain residential and business zones, exploring inclusionary zoning requirements, a new ordinance for accessory dwelling units, more flexible parking standards, density and height bonuses and permit fee reductions, and creating mechanisms to fund housing trusts;²
• What housing shortages and the “housing crisis” look like and can differ in different parts of the state (for example, the areas with limited space for building new affordable housing and areas with aging properties);
• The importance of Home Rule Authority, the balance of state mandates and local control, and that municipalities cannot be relied upon to implement policy changes without resources and funding;
• That no single tool will speak to all municipal needs and there must be a multiplicity of ways of addressing each issue;
• How to encourage diversity in housing, which is just as essential as dedicated affordable and workforce housing projects; and
• The need for education of the community and ongoing, robust community dialog about the need for change.

The commission also received a memorandum from the Maine Municipal Association’s Affordable, Senior and Workforce Housing Working Group, which highlights that municipal leaders are keenly aware of the housing crisis and the opportunities that exist to amend local

¹ For more information on Auburn’s work to increase affordable housing, see Jason Levesque’s written testimony, included as Appendix __.
² For more information on Portland’s work to increase affordable housing, see Christine Grimando’s written testimony included as Appendix __.
ordinances and state statutes and rules to make zoning more inclusive and accessible. The memorandum also noted the challenges, resources and solutions, which should be considered in attempting to solve the housing crisis.

Following the panel discussion, the commission held a public comment period where members of the public were invited to provide input. The commission heard from the following: Cynthia Dill; Eamonn Dundun, Portland Regional Chamber of Commerce; and George Rheault.

c. Third Meeting

The third meeting of the commission was held on September 16, 2021. The focus of this meeting was to review and consider the role of race and racism in zoning policies and the best measures to ensure that state and municipal zoning laws do not serve as barriers to racial equality. The commission reached out to experts in this field, many at the suggestion of commission members. Ultimately, the commission heard presentations from:

- Matt Mleczko, Graduate Research Assistant, The Eviction Lab at Princeton University;
- Yonah Freemark, Senior Research Associate, The Urban Institute;
- Andy O’Brien, Communications Director, Maine AFL-CIO; and
- Morgan Williams, General Counsel, National Fair Housing Alliance

During these presentations, the commission heard how zoning is a key tool that governments use to regulate land use and building form. There are 5 main elements of zoning: the zoning map and text, requirements and incentives, flexibility measures, administration, and procedures. In context, these elements fit inside broader state and federal regulations, the real-estate market, and societal trends as a whole.

The earliest zoning codes addressed the perception that closely-knit communities were bad for health and the negative impacts of living near industrial uses, however many were implemented with racist motivations. Anti-density standards and single-family zoning (and restrictive covenants) were often used to prevent people of color from living in certain neighborhoods.

A common term used to describe some of these practices is “exclusionary zoning,” which relates to restrictive land use and zoning policies meant to exclude certain uses of land (and, in effect, persons of low or moderate income from a municipality) and are often accompanied through low-density regulation, large minimum lot sizes, parking requirements, height restrictions, explicit population growth controls, and sometimes excessive bureaucratic procedures and delays. It is important to note that “inclusionary zoning,” which is the provision of below-market rate units alongside market-rate units (usually 20%) through either incentives or mandates is not necessarily the converse of exclusionary zoning.

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6 See Appendix __.
7 See Yonah Freemark’s presentation materials, included as Appendix __.
8 See id.
9 See Matt Mleczko’s presentation materials, included as Appendix __.
10 See id.
The commission also heard about evidence that exclusionary zoning inflates housing prices, has exacerbated regional income inequality, and helped establish and maintain segregation. Limited evidence shows that upzoning, which typically amends zoning codes to increase density and/or relax height restrictions, can result in higher densities and more housing supply, but can also lead to higher short-term housing costs and increase the odds of a neighborhood becoming whiter.\(^\text{11}\)

The commission also received information about the use of inclusionary zoning and impact fees to combat exclusionary zoning. As heard during the presentation, some economists view inclusionary zoning and impact fees as a tax on development, which raises housing prices and reduces supply, but can produce more affordable housing and be a mechanism to increase residential integration via mixed-income developments.\(^\text{12}\)

In addition to the national experts, the commission received a brief history on racism and discrimination in Maine, including the examples of the forcible eviction of the mixed-race community of Malaga Island and the free black farming communities formed by Black Revolutionary War Veterans in Warren and Macias in the 1780s.\(^\text{13}\)

In the search for solutions, suggestions from presenters included: cutting bureaucratic red tape by streamlining review and reducing discretion, allowing increased density, considering measures such as inclusionary zoning, density bonuses, eliminating parking requirements, and disposition of public land.\(^\text{14}\)

To ensure that state and municipal zoning laws do not serve as barriers to racial equality, presenters also recommended recentering race in zoning policy through rigorous enforcement of state and federal fair housing laws, renewed commitment to public subsidies, robust community engagement, regional approaches and state oversight, and improved data, metrics and accountability.\(^\text{15}\)

The final presenter, Morgan Williams, focused specifically on four potential solutions:

- Affirmatively Furthering Fair Housing\(^\text{16}\);

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\(^{11}\) See id.

\(^{12}\) See id.

\(^{13}\) See Andy O’Brien’s presentation materials, included as Appendix__

\(^{14}\) Freemark, Appendix__

\(^{15}\) See id.

\(^{16}\) The federal Fair Housing Act includes a mandate that executive agencies and departments of the federal government and recipients of federal funds from the U.S. Department of Housing and Urban Development (“HUD”) further the Fair Housing Act’s policies and purposes. “Generally, in administering programs and activities relating to housing and community development, the federal government, HUD, and its recipients must: determine who lacks access to opportunity and address any inequity among protected class groups; promote integration and reduce segregation; and transform racially or ethnically concentrated areas of poverty into areas of opportunity.” [https://www.hud.gov/program_offices/fair_housing_equal_opp/affh](https://www.hud.gov/program_offices/fair_housing_equal_opp/affh) HUD’s 2015 Affirmatively Furthering Fair Housing rule was indefinitely suspended in 2018, but an interim final rule was published on June 10, 2021.
• Zoning and Land use measures;
• Race-conscious housing programs; and
• Fair Housing Centers.¹⁷

Mr. Williams provided the commission with a number of links and resources, which is included as Appendix __.

These presentations also touched on some of the efforts in other states and municipalities to address housing shortages through changes to zoning and land use restrictions, including those in California (SB9),¹⁸ Connecticut, Oregon (SB 2001),¹⁹ Massachusetts (40B)²⁰ and Minneapolis, Minnesota.

Following the panel discussion, the commission held a public comment period where members of the public were invited to provide input. The commission heard from the following: Zuri Rashad; Lado Lodoka; Timothy Wells, Greater Portland Community Land Trust; and Joby Thoyalil, Maine Equal Justice Partners.

d. Fourth Meeting.

The fourth meeting of the commission was held on September 30, 2021. After commission member introductions, the commission received a presentation from staff covering a general overview of the State laws on zoning and land use regulation, including the Shoreland Zoning Act, an overview of the federal Fair Housing Act²¹ and it’s Maine counterpart,²² and a brief summary of some of the major exclusionary zoning cases and other fair housing cases in the courts.²³

¹⁷ The Fair Housing Initiative Program (FHIP), provides funding to organizations and other nonprofits to assist people who believe they have been victims of housing discrimination. The FHIP include four initiative, three of which provides funds, through competitive grants to eligible organizations. The four initiative of the FHIP are the Fair Housing Organizations Initiative, The Private Enforcement Initiative, the Education and Outreach Initiative, and the Administrative Enforcement Initiative.

²¹ An overview of the federal Fair Housing Act (FHA) published by the Congressional Research Service in 2016 can be found here: https://crsreports.congress.gov/product/pdf/RL/95-710

²² 5 MRSA §§ 4581-4583. &

The commission also invited members of state agencies whose purview includes zoning and land use issues to answer questions from the commission, including:

- Nick Livesay, Director, Bureau of Land Resources, Maine Department of Environmental Protection
- Judith East, Executive Director, Land Use Planning Commission, Maine Department of Agriculture, Conservation, and Forestry
- Michael Allen, Associate Commissioner for Tax Policy, Department of Administrative and Financial Services
- Deborah Johnson, Director, Maine Department of Economic and Community Development
- Richard McCarthy, Assistant State Fire Marshal, Department of Public Safety, Office of State Fire Marshall

Director of MaineHousing, Daniel Brennan (also a member of the commission), also provided the commission with a memorandum providing the demographic and housing profile for the State.24

Following the presentations provided by staff and the commission’s opportunity to ask questions of the state agencies, the commission held a public comment period. The commission heard from the following: Kristina Egan, Great Portland Council of Governments;25 and George Rheault.

Prior to the conclusion of the fourth meeting, the Chairs of the commission requested that each commission member compile and submit a list of proposed recommendation for discussion and review at the following meeting.

e. Fifth Meeting

The fifth meeting of the commission was held on October 7, 2021. After commission member introductions, Senator Hickman opened the meeting for (what at that time was believed to be) the final public comment period. The commission heard from: Julia Basset Schwerin, Agents for the Built Environment; Eamonn Dundon, Portland Regional Chamber of Commerce; and George Rheault.

Following public comment, staff reviewed the commission’s activities up and until that point. At the previous meeting, the commission had been tasked with providing suggested lists of recommendations, which were then compiled into a single document by topic. This list was not intended to be the entire universe of suggestions open for discussion, but rather an outline to help

24 See Appendix __.
25 During Kristina Egan’s comments, Senator Hickman requested that the Greater Portland Council of Governments work with regional agency colleagues across the state to develop a proposal and budget on how the state can support municipalities with technical assistance. That proposal was provided to the commission for their October 28th meeting, is attached as Appendix __, and is discussed more fully as part of Section III, Recommendation # 6.
guide the commission’s discussions and help the commissioner’s see what each other were thinking about. Suggested recommendations and clarifications on certain recommendations that were provided during and after the October 7th meeting were also incorporated into the final, comprehensive list, which is attached as Appendix __.

The commission discussed many of the suggested recommendations submitted by the members including but not limited to those relating to accessory dwelling units, single and multi-family zoning, fair housing practices, and technical assistance for municipalities.

Over the course of the commission’s discussion, it became clear that commission members were not yet in a position where they felt comfortable voting on any of the suggested recommendations, and decided they needed an additional meeting to complete their duties. Speaker Fecteau moved that the commission request authorization from Legislative Council for an additional meeting, which was seconded by commissioner Pingree. The commission unanimously voted in favor of the motion.26

Following additional discussion of proposed recommendations, the meeting concluded with a discussion of next steps, including moving towards final recommendations and drafting the report.

f. Sixth Meeting

The sixth meeting of the commission was held on October 28, 2021. After commission member introductions, Speaker Fecteau opened the meeting for the final public comment period. The commission received public comment from George Rheault.

Following public comment, Speaker Fecteau resumed discussion of the suggested recommendations from commission members that had not been raised at the previous meeting, including but not limited to: incentive programs such as density bonuses; housing trusts; priority development areas; fees; income requirements; and lot size and parking requirements.

After concluding review of the suggested recommendations, the commission also reviewed a proposed recommendation framework submitted by commission members Erin Cooperider, Jeff Levine, and Dana Totman, which is included as Appendix __, and then began substantive discussion and preliminary votes on which recommendations the commission wanted to include in its final report. The substantive discussions, votes, and recommendations are included in the Recommendations section of this report.

g. Seventh Meeting

At its seventh and final meeting on [December 2, 2021], the commission reviewed and finalized its draft report...

26 See Appendix __ for the Commission’s letter to Legislative Council requesting authorization for an additional meeting and an extension of the report deadline to accommodate the additional meeting. Legislative Council approved this request.
III. Recommendations

The commission was charged with studying the impact of zoning and land use restrictions on the availability of housing opportunities in Maine and was required to submit a report with its findings and recommendations, including any suggested legislation, to the Joint Standing Committee on Labor and Housing no later than November 3, 2021.27

As summarized in Section II of this report, the commission met seven times in the development of these recommendations, engaged in robust discussions on the numerous issues related to, and the impact of, zoning and land use restrictions on the availability of housing opportunities in Maine, and heard from experts, state agencies, and members of the public in relation to each duty set forth in the commission’s enabling legislation.

One theme that carried throughout these discussions was trying to achieve the appropriate balance between state mandates on municipalities and preserving local control under Maine’s Home Rule Authority.28 However, as evidenced by the Legislature’s passage of the enabling legislation of this commission, some zoning and land use restrictions have historically, and continue today, to act as barriers to increasing housing opportunities in this State.

In accordance with working to achieve the right balance between state mandate and local control, throughout the development of its recommendations, the commission stresses specifically the need to tie mandates on municipalities to the provision of technical and financial assistance that will be necessary to enable municipalities to successfully implement the legal changes, policies, and programs contemplated by the commission. As discussed more thoroughly in Recommendation #6, it is important that, in considering methods of providing technical and financial assistance for municipalities, the Legislature consider how municipal needs vary and that what might work in some municipalities may not be successful in others. Furthermore, based on the complexity of some of these recommendations, the Legislature may want to consider including sunrise clauses in implementing legislation so as to allow municipalities sufficient time to plan for the changes.

As previously noted, the full compilation of suggested recommendations proposed and considered by commission members is attached as Appendix __.

NOTES:

1) We’ll include a sentence or two here about the final adoption of these recommendations at the 7th meeting, depending on how final votes are taken at the final meeting.

27 As previously noted, this deadline was extended to December 15, 2021 at the request of the commission and as approved by Legislative Council.
28 Constitution of Maine, Article VII, Part Second, section 1; 30-A MRSA §3001.
2) Each recommendation currently includes the votes, including those who were not present and those who abstained, so that you can easily make any corrections and/or so we can ensure everyone the opportunity to vote on recommendations for which you may have missed or abstained. At the final meeting, we will ask the commission how you want final votes reflected in the final report.

3) We have reordered the topics from how they were discussed in an effort to group similar/related recommendations and to improve the overall flow.

1. Allow Accessory Dwelling Units by right in all zoning districts currently zoned for single-family homes.

Vote (Unanimous):
For: Sen. Hickman, Sen. Pouliot, Kate Dufour, John Napolitano, Heather Spalding, Dana Totman, Speaker Fecteau, Erin Cooperrider, Cheryl Golek, Madeleine Hill, Anthony Jackson, Dan Brennan, Hannah Pingree

The commission recommends allowing Accessory Dwelling Units (referred to as ADUs) by right in all zoning districts currently zoned for single-family homes. An ADU is currently defined in the Maine Revised Statutes as a self-contained dwelling unit located within, attached to or detached from a single-family dwelling unit located on the same parcel of land.29

The commission discussed at length whether to move forward with a recommendation related to LD 1312, An Act to Remove Barriers to Accessory Dwelling Units and Allow Accessory Dwelling Units where Single-family Houses Are Allowed (Appendix___), which was referred during the 130th Legislature, First Regular Session and considered by the Joint Standing Committee on Labor and Housing during the First Special Session.

The Joint Standing Committee on Labor and Housing unanimously voted LD 1312 “Ought To Pass As Amended,” but there was some confusion regarding the version passed in committee and it was ultimately further amended on the floor. LD 1312, as amended by House Amendment “A” to Committee Amendment “A” (Appendix___), was placed on the Special Appropriations Table and carried over to the 130th Legislature, Second Regular Session.

Although there is general support among commission members to increase the allowances for ADUs, as evidenced by this recommendation, there are concerns about the language of LD 1312, as currently amended. One concern raised at the fifth meeting is whether LD 1312, as amended, would allow municipalities to essentially block ADUs by circumventing the requirement based on the minimum lot size or other locally adopted ADU land use restrictions. Some commission members expressed greater support for the bill as originally drafted, rather than the amended

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29 30-A MRSA §4301(1-C).
version as it currently sits on the Special Appropriations Table, because the original version explicitly lays out the prohibited requirements. Conversely, other commission members are concerned that this bill would be a mandate on local municipalities and ultimately function as a greater restriction on municipalities, and would prefer to give communities latitude to implement land use regulations that impact their scale, location and environmental impacts.30

Accordingly, the commission decided not to endorse LD 1312 specifically, but agreed on the recommendation that ADUs should be permitted by right in all districts zoned for single-family housing.

The commission also recognizes that there may be overlap between this recommendation and the subsequent recommendation regarding allowing up to four units in all single-family zones. To the extent the Legislature moves forward with either of these recommendations, the commission encourages the Legislature to consider them in tandem to prevent any overlap. Moving forward with the latter recommendation could negate the need for requiring ADUs by right, although, given the unique characteristics of ADUs, the implementation of this recommendation may alternatively complement or augment legislation on single-family zones in general.

2. Eliminate single-family zoning restrictions in all residential zones across the State by allowing up to four residential units on all lots, in compliance with any health and safety requirements such as minimum septic and lot sizes, and with a sunrise clause to provide adequate time for municipalities to prepare for this change.

Vote (Unanimous of those present (14)):
Not present: Sen. Pouliot

The commission recommends eliminating single-family zoning restrictions in all residential zones across the State by allowing up to four residential units on all lots, so long as doing so would still comply with any health and safety requirements, such as building codes, and when determined to be environmentally sound on properties served by private wastewater and drinking water systems and applicable shoreland zoning laws and regulations. [NOTE: There was a little bit of confusion with this recommendation during the October 28th meeting. We’ve tried to clean it up a little, but you may want to discuss or clarify this recommendation, especially in regards to the meaning of “environmentally sound” (for example, incompliance with subsurface wastewater disposal rules?)] Because of the significance of this change, the commission recommends including a sunrise clause to provide adequate time for municipalities to prepare and adapt to this change.

30 The commission also noted, but did not discuss in depth, the recently passed legislation regarding accessory dwelling units in New Hampshire, RSA 674:71 through 674:73, which can be found at:
As mentioned in Recommendation #1, there is overlap between the recommendation to eliminate single-family zoning restrictions in all residential zones and the recommendation to allow ADUs by right, and the commission recommends that the Legislature consider the impact implementing both of these recommendations may have on one another.

In developing this recommendation, the commission considered the impact of eliminating single-family zoning restrictions entirely, allowing up to two residential units on all lots, and, as ultimately recommended, allowing up to four residential units on all lots. The number of units the commission ultimately voted in support of allowing takes into consideration certain practical financial and regulatory implications. While a project of up to four units is considered to be a multifamily home, a project of more than four units is a commercial residential property and is subject to different regulations and borrowing requirements.

The commission recognizes, however, that some single-family zoning is a result of necessary health or safety requirements, such as septic requirements. Similarly, some environmental or shoreland zoning may restrict lot size or the number of units that are permissible. The commission supports these types of exceptions to this recommendation, but also cautions that such exceptions to the general rule should not enable municipalities to evade the elimination of single-family zones nor should they be used as loopholes for municipalities to unnecessarily restrict multi-family units.


**Vote (10-1)**

**For:** John Napolitano, Heather Spalding, Dana Totman, Speaker Fecteau, Erin Cooperrider, Cheryl Golek, Anthony Jackson, Jeff Levine, Dan Brennan, Hannah Pingree  
**Against:** Rep. Arata  
**Abstain:** Kate Dufour, Madeleine Hill  
**Not present:** Sen. Hickman, Sen. Pouliot

The commission unanimously supports the need to prohibit growth caps, but is divided on the recommendation as to the scope of such a prohibition: the debate that arose over this recommendation was whether to recommend a prohibition of caps generally on housing production, or whether the prohibition on caps should remain specific to the production of new affordable housing. A straw vote to recommend a prohibition on all caps received eight votes in favor and three opposed, with two abstaining;\(^{31}\) the straw vote on the prohibition on caps on the production of new affordable housing received ten votes in favor and one opposed, with two abstaining. Accordingly, the latter is the recommendation of the commission. Important to this

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\(^{31}\) Commissioners Kate Dufour and Madeleine Hill abstained from the initial straw vote in order to discuss this potential recommendation with the Maine Municipal Association and the Maine Association of Realtors, respectively.
recommendation, however, is that growth caps in general should be revisited in the future as the needs of municipalities change.

Representative Arata voted in opposition to the final recommendation, not because of any opposition to the prohibition of caps on affordable housing, but because she would have instead supported the full prohibition on all growth caps.

[NOTE: Commissioner Dufour was going to get more information/clarification on why municipalities implement such caps for our next meeting]

4. Eliminate zoning provisions that include minimum income requirements

**Vote (Unanimous of those voting (10)):**
- Abstain: Madeleine Hill
- Not Present: Sen. Pouliot, Dana Totman, Cheryl Golek, Dan Brennan

This recommendation arose from information the commission received about an ordinance in Auburn, in which zoning was based on minimum income requirements.

[NOTE: Commissioner Dufour was going to get more information/clarification on the issue for our next meeting]

5. Reduce minimum lot sizes and relax parking requirements to support diversity of housing sizes and types.

**Vote (Unanimous of those voting (11)):**
- For: Sen. Hickman, John Napolitano, Heather Spalding, Dana Totman, Speaker Fecteau, Erin Cooperrider, Madeleine Hill, Anthony Jackson, Jeff Levine, Hannah Pingree
- Abstain: Rep. Arata
- Not present: Sen. Pouliot, Cheryl Golek, Dan Brennan

Two of the barriers to multi-family zoning identified during the course of the commission’s work were minimum lot sizes and unreasonable parking minimums. Relaxing parking standards can lower the cost of multifamily housing development, especially in areas that are walkable or near public transportation. The commission heard from Auburn Mayor Jason Levesque during the commission’s second meeting about Auburn’s efforts to eliminate minimum parking requirements for commercial development to allow more downtown land to be used as residential, especially in areas served by sidewalks, proximity to municipal parking, and public transportation.

Rep. Arata abstained due to the lack of specificity in the recommendation.
[NOTE: There was not a lot of discussion about this recommendation during the last meeting, let us know if you would like to provide additional reasoning or description].

6. Provide technical and financial assistance for all communities seeking support in making zoning improvements and in identifying opportunities for increasing affordable housing.

Vote (Unanimous of those present (12)):
For: Kate Dufour, John Napolitano, Heather Spalding, Speaker Fecteau, Rep. Arata, Erin Cooperrider, Cheryl Golek, Madeleine Hill, Anthony Jackson, Jeff Levine, Dan Brennan, Hannah Pingree
Not present: Sen. Hickman, Sen. Pouliot, Dana Totman

In order to increase housing opportunities, local governments will need additional resources to proactively plan for housing production. Accordingly, the commission recommends that the State must provide technical and financial assistance to communities in order for any of the commission’s other recommendations to be successful. The State should provide funding for technical assistance for all communities seeking support in making zoning improvements and implementing other policy changes and programs. However, what that assistance looks like in each municipality may need to vary greatly depending on the needs of that particular community.

The commission received numerous suggestions on how to best provide this assistance. While some of these suggestions are discussed in more detail below, please also see the full compilation of suggested recommendations submitted by commission members in Appendix __.

At the fifth meeting the commission discussed the former State Planning Office and the role that office played in the state prior to its elimination. The commission debated the merits of creating another government office versus other resources and organizations that may be available to help provide technical assistance to municipalities in implementing state zoning and land use requirements. While there was general agreement on a need for technical assistance for municipalities, commission members expressed the need for further discussion and study on who and where that assistance should come from and how that assistance can be provided.

Some of the proposals put forth that the commission deliberated include:

- The creation of a state technical assistance office on housing and zoning, which could administer grants and provide direct technical assistance, or assistance through regional planning organizations or tools such as community land trusts;
- Alternately, the same type of technical assistance noted above, but provided through a current state agency, in particular if federal funds are available for this purpose;
- Encouraging the creation of housing trusts, which can help leverage other funding sources through direct local investment. Local housing trusts could also be authorized to
collect impact fees for housing from commercial development through state legislation. And consideration could be given to a state match to local Housing Trust investments;

- A Vacant Apartment Acquisition Program (VAAP)\(^{32}\)
- Requiring municipalities to establish a minimum affordable housing goal on a regular basis;
- Priority development areas (see Recommendation # 8)
- An Equitable Share Housing Plan\(^{33}\)
- [NOTE: If there are others that were mentioned or that you want explicitly mentioned, they can be added here]

The Greater Portland Council of Governments also submitted a proposal for a pilot project, included as Appendix __, which the Legislature may want to consider. The proposal tasks a single state entity to establish three channels of technical assistance: direct state technical assistance, regional technical assistance, and direct municipal technical assistance grants funded by the State. The proposal recognizes that a reliance on one channel of assistance, for example a single regional entity, will not be viable in all areas of the state, and that technical and financial assistance must be available to fill the gaps in areas where other channels would be less successful.

7. Create density bonuses in all residential zones throughout the State for the purpose of developing low-to-middle-income housing, with the requirement that those units be protected as affordable for a specific period of time.

Vote (Unanimous of those present (13))

For: Kate Dufour, John Napolitano, Heather Spalding, Dana Totman, Speaker Fecteau, Rep. Arata, Erin Cooperrider, Cheryl Golek, Madeleine Hill, Anthony Jackson, Jeff Levine, Dan Brennan, Hannah Pingree

Not present: Sen. Hickman, Sen. Pouliot

[NOTE: there was a lot of discussion on this recommendation, but after re-listening, we think there may still be some confusion. We’ve attempted to put as much into context and our understanding of the reasons for this recommendation, but Jeff Levine may want to provide additional clarification on some of the technical terms. In addition, we want to flag this to make sure that everyone has the same understanding of the recommendation.]

The commission makes this recommendation in recognition of the general principle that a certain threshold number of units needs to be met in a project in order to spread out costs sufficiently to make those units affordable. The commission specifically discussed creating density bonuses through the application of floating overlay zones that contain criteria designed to encourage affordable housing. Overlays are used to modify existing zones with additional zoning

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\(^{32}\) See Commissioner Cheryl Golek’s recommendation on VAAP programs included in Appendix __.

\(^{33}\) See id.
restrictions, and an overlay is considered “floating” when it is not tied to a specific piece of land until a project is approved. Once the project is approved the overlay is applied to the lot. As discussed by the commission, floating overlay zones could be created that would be applicable in any existing residential zone and used to create zoning criteria that, if met by a proposed project, would allow for a greater density of units than is otherwise allowable in the specified zone. Floating overlay zones can also be used to create further incentives for affordable housing such as reduced parking requirements, decreased setback requirements, increased lot coverage allowances, and increased building height allowances.

Although the commission unanimously makes this recommendation, there are some concerns about how it could be implemented and the potential for unintended consequences. Specifically, some commission members expressed concerns that density bonuses could result in the segregation of low-income housing, especially if there is only partial implementation of the density bonuses and the overlays are not applicable to all residential zones. Additionally, if the bonuses require that the income of those occupying the units remains below a certain level, there could be a risk of some people losing their housing because of increased income or obtaining a higher paying job.

Despite these concerns, however, the commission recognizes this could be a highly effective tool for municipalities to encourage affordable housing, and believes the concerns can be mitigated by requiring that density bonuses are applicable to all residential zones.

8. Create a 3-year municipality incentive program; in Year 1, a qualifying community must make a commitment to reviewing zoning and land use restrictions; and in Years 2 and 3 adopt home-friendly policies. Qualifying communities would receive a state financial reward for up to 3 years, so long as they remain in good standing with the program requirements.

Vote (Unanimous of those voting (11)):
For: Kate Dufour, John Napolitano, Heather Spalding, Speaker Fecteau, Erin Cooperrider, Cheryl Golek, Madeleine Hill, Anthony Jackson, Jeff Levine, Dan Brennan, Hannah Pingree
Abstain: Rep. Arata
Not present: Sen. Hickman, Sen. Pouliot, Dana Totman

The commission recommends creating a municipal program to provide an incentive to municipalities that want to review their own zoning and land use restrictions. [NOTE: the original recommendation included the program name “You’re Home” – did you want to include that?]. The program would have a duration of 3 years. During the first year, a qualifying community would be required to make a commitment to reviewing their zoning and land use restrictions. During the 2nd and 3rd years, the community would be required to adopt home-friendly policies [NOTE: do you want to expand on what kind of policies? For example, policies/ordinances/zoning that encourage a particular kind of development or development in a particular area?]. Qualifying communities would receive a financial award from the state for up
to there years, so long as the community remains in good standing with the program requirements.

Although the initial proposal would have required MaineHousing to develop and administer the program qualifications and model zoning polices for municipal reference, there is concern that this would create a conflict for MaineHousing. For this reason, the commission recommends that the program be administered by a different agency or entity, but without a specific recommendation as to where. [NOTE: There was some discussion about DECD and the GOPIF, but we were not sure if that was intended to be included in this recommendation]

Additionally, there is some concern about the source of the funding for the state award. Some members of the commission endorse the concept, but have reservations about the funding source. Members who abstained from this vote did so with the intent to get better clarity on where the funding would come from. Should federal funding sources be identified that could be used for this purpose, there would be greater support from members of the commission who are otherwise hesitant to endorse this recommendation fully.

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

**Vote (Unanimous of those voting (7)**
**For:** Kate Dufour, John Napolitano, Speaker Fecteau, Erin Cooperrider, Jeff Levine, Dan Brennan, Hannah Pingree
**Abstain:** Rep. Arata, Madeleine Hill, Anthony Jackson
**Not present:** Sen. Hickman, Sen. Pouliot, Heather Spalding, Dana Totman, Cheryl Golek

The commission recommends the creation of a system of priority development areas where multifamily housing is permitted at a minimum density with limited regulatory barriers. Under this system, each community would be asked to pick a growth area in which state investment would be focused and state review of projects in the priority development area would be expedited, provided the community updates its local zoning and other ordinances (by, for example, upzoning) to encourage development in the priority development area. This would put the infrastructure in place to make higher-density development workable in that area. However, any legislation implementing this recommendation should include a reasonable time limit for municipalities to complete any necessary tasks. Priority development areas such as these could also tie in with the financial and technical assistance highlighted in Recommendation # 6 as an additional incentive to municipalities to increase affordable housing opportunities.

Some members of the commission emphasize that a certain level of flexibility for municipalities is important, especially in retaining local authority to designate the location, type (e.g. duplexes, triplexes, row houses, multi-story, shared housing, etc.) and the scale of multi-unit development authorized in the area. At the same time, however, commission members caution that
municipalities should be cognizant of the pitfalls of designating an area as a priority development area and creating an unintended consequence of increased segregation of that area.

10. Strengthen Maine’s Fair Housing Act by specifically including exclusionary zoning, with a clear definition, as a violation.

**Vote (Unanimous of those present (13))**

**For:** Kate Dufour, John Napolitano, Heather Spalding, Dana Totman, Speaker Fecteau, Rep. Arata, Erin Cooperrider, Cheryl Golek, Madeleine Hill, Anthony Jackson, Jeff Levine, Dan Brennan, Hannah Pingree  
**Not present:** Sen. Hickman, Sen. Pouliot

The commission recommends strengthening Maine’s fair housing laws by specifically including exclusionary zoning, with a clear definition, as a violation.

**NOTE: The commission may want to further clarify this recommendation, even if not giving a full definition, that the intent is not to eliminate all zoning that excludes certain uses (because that could include, for example, shoreland zoning), but those exclusionary zoning ordinances that are intended to or have the result of unlawful housing discrimination – or at least I think this is what you are getting at**

As the commission heard in the presentations during the third meeting, exclusionary zoning relates to restrictive land use and zoning policies meant to exclude certain uses of land and are often accompanied through low-density regulation, large minimum lot sizes, parking requirements, height restrictions, explicit population growth controls, and sometimes excessive bureaucratic procedures and delays.³⁴

Under Maine’s fair housing statutes, the opportunity for an individual to secure housing in accordance with the individual’s ability to pay, and without discrimination because of race, color, sex, sexual orientation, physical or mental disability, religion, ancestry, national origin or familial status is recognized as, and declared to be, a civil right and unlawful housing discrimination is prohibited.³⁵

Exclusionary zoning is not a term that is defined in Maine law, and the commission emphasizes that any reference to exclusionary zoning in law should include an explicit and clear definition of “exclusionary zoning.” Exclusionary zoning has historically been used unfairly, whether intended or not. Municipalities in particular will need guidance on what exclusionary zoning means; a clear definition is needed so that communities can understand where violations may occur and the penalties for such violations.

³⁴ See presentation of Matt Mleczko, Appendix __
³⁵ 5 MRSA §4581 & §4581-A.
In strengthening Maine’s fair housing laws, the commission recommends that the Legislature may want to further explore policies that have come out of the Desegregate Connecticut coalition, which includes work on Connecticut’s Public Act 21-29 (aka HB 6107), requiring all zoning regulations to “affirmatively further fair housing”, 36 promote housing choice and economic diversity, address significant disparities in housing needs and access to educational, occupational and other opportunities, and expressly require the development of housing in the state’s consolidated plan for housing and community development. This policy further eliminates terms such as “character,” “overcrowding of land,” and “undue concentration of population” as legal bases for zoning regulations and allows towns to consider only the “physical site characteristics” of a district. 37

11. The Legislature should contemplate the creation of a State-level housing appeals board to review decisions made at the local level.

**Vote (Unanimous of those voting (8)):**

**For:** Sen. Hickman, John Napolitano, Heather Spalding, Dana Totman, Speaker Fecteau, Erin Coopperrider, Anthony Jackson, Jeff Levine

**Abstain:** Kate Dufour, Madeleine Hill, Hannah Pingree

**Not present:** Sen. Pouliot, Rep. Arata, Cheryl Golek, Dan Brennan

The commission recommends that the Legislature contemplate the creation of a State-level housing appeals board to review decisions made at the local level, especially in regards to situations in which it appears that a community is engaging in exclusionary zoning or effectively preventing the development of affordable housing.

A State-level housing appeals board could be authorized to override local zoning decisions when it appears a decision is effectively limiting or excluding viable affordable housing proposals from being developed.

However, even if there could be some potential benefit, there is also concern that a state-level board like this would result in an erosion of local control. There was also a larger question of what this type of board would look like and for whom and for what circumstances would the appeals board be available.

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36 Public Law 2019, chapter 270 enacted a new provision of law in Maine, which provides as follows: Affirmatively further fair housing. The Maine State Housing Authority shall, to the extent consistent with federal law, ensure that any Maine State Housing Authority funding or any state or local funding is used in a manner that will affirmatively further fair housing in this State. For the purposes of this subsection, “affirmatively further fair housing” means to engage actively in efforts to address barriers to and create opportunities for full and equal access to housing without discrimination on the basis of race, color, sex, sexual orientation or gender identity, physical or mental disability, religion, ancestry, national origin, familial status or receipt of public assistance. (30-A MRSA, §4741, sub-§20). Maine State Housing Authority is required to submit a report to the Joint Standing Committee on Labor and Housing no later than January 15, 2022 on the development of a plan to ensure funds are used to affirmatively further fair housing in this State. The full text of this law is attached as [Appendix](#).

37 See the Desegregate Connecticut coalition’s website: [https://www.desegregatect.org/hb6107](https://www.desegregatect.org/hb6107)
Accordingly, the majority of the commission felt that at this time, without more details and without more time for consideration and study, the appropriate recommendation is that this is something the Legislature may want to explore or study further. The specifics of a board of this type would need to be explored in greater detail, and considerations may include who could avail themselves of appeals and whether it would specifically be limited to affordable housing projects.

IV. Additional Considerations

Over the course of the commission’s seven meetings, discussions were wide-ranging and included many topics that the commission was either not able to fully explore or felt were beyond the scope of the commission’s charge. However, the commission feels that these additional topics merit inclusion in this report as additional considerations for the Legislature to advance the overall goal of increasing opportunities for quality, affordable housing in Maine.

- **Fees:** The commission had an extended discussion regarding a potential recommendation to prevent zoning that charges unreasonable or different fees for multi-family affordable housing or land-lease communities, or impose onerous consulting fees on property owners. In support of this recommendation, commissioners noted that any unreasonable fee is discriminatory on its face, and that fees have been used as a tool to limit affordable housing projects. One example given was a situation in which tree fees [NOTE: I wasn’t sure if I heard this correctly] were being assessed on residential properties but not commercial properties. However, fees may be legitimately used for purposes related to, for example, the creation of affordable housing, and eliminating them would put costs back on property taxes. For example, a code enforcement program may be financed in part by fees and in part by property taxes; removing the fees would make the program entirely reliant on funds raised through property taxes. Ultimately, the commission felt that it did not receive much information or any substantive presentations on this particular topic, leaving the commission unable to make a full recommendation.

- **Short-term rentals:** Short term rentals, such as Airbnb’s, are another area of concern that was raised but that the commission feels requires a more in-depth study. Commissioners noted that the rapid growth of short-term rentals in Maine has taken existing housing stock out of the year-round rental pool, putting pressure on rental rates throughout the State. Although long-term impacts may not yet be known, there is evidence that short-term rentals are impacting the housing market. While the commission has not made a formal recommendation, this may be a topic that deserves further study to assess the benefits and drawbacks of regulating short-term rentals.

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38 When called to a vote, a minority of the commission (Senator Hickman, Representative Arata, Commissioner Jackson, and Commissioner Napolitano) were in favor with moving forward this recommendation, but the majority of the commission was opposed (Speaker Fecteau, and commissioners Cooperrider, Dufour, Hill and Levine), with two members (Commissioners Spalding and Pingree) abstaining.
• **Farmworker housing:** One specific area of housing shortages that the commission did not have time to engage in more fully is workforce housing, and specifically housing for farmworkers. Recommendations related to this topic that the Legislature may want to consider are specifically noted on the final page of the commission’s suggested recommendations attached in Appendix __.

• **Reconstitution of the State Planning Office:** In its discussions of providing technical assistance to municipalities, the commission discussed the former State Planning Office, which was eliminated in 2012. Members discussed the advantages and disadvantages of having a centralized office responsible for providing technical and financial assistance, whether that be a full separate agency or a smaller division within an existing state agency. Overall, the commission recommends that technical assistance must be provided to municipalities to encourage changes in zoning and land use regulation, but does not come to consensus or make a formal recommendation on where that technical assistance comes from or the umbrella agency under which it should sit.

• **Energy efficient building materials:** Although not directly related to zoning and land use regulation, one suggested topic that arose out of the discussion of the development of new affordable housing, is the quality of the building materials and the use of energy efficient and environmentally friendly building materials, especially when building new housing or refurbishing older buildings to be used as affordable housing.

• **[NOTE: There were a few other additional considerations that seemed to fit better as footnotes in the other parts of the report (for example information on Fair Housing Centers) but if there are others that we missed or you would like to add, we can add them here.]**

V. **Conclusion**

The commission recognizes that addressing Maine’s housing shortages must be multi-faceted, and that there is both an immediate need to increase housing opportunities in Maine, and a need to plan for increased housing opportunities in the future. The commission urges the Legislature to continue the work that this commission has begun, as continued research and study of these issues is critical.

**[NOTE: Any other closing thoughts the commission would like to include?]**
APPENDICES
A. Resolve 2019, chapter 59
B. Committee Membership List
C. Peter Merrill presentation/statistics
D. Greg Payne presentation/statistics
E. Committee Memo of Suggested Resources
F. Jason Levesque written testimony
G. Christine Grimando written testimony
H. MMA Workgroup August 30th Memo
I. Matt Mleczko Presentation
J. Yonah Freemark Presentation
K. Andy O’Brien Presentation
L. MaineHousing Memo on demographics
M. OPLA state law quick reference guide
N. Committee Suggested Recommendations List
O. Letter to Leg Council request add’l meeting
P. Cooperrider/Totman/Levine Framework
Q. LD 1312 original bill
R. LD 1312 as amended
S. Public Law 2019, chapter 270
T. CPCOG Pilot Project Proposal