



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1926

H.P. 1287

House of Representatives, May 6, 2025

### **An Act to Require Increased Housing Density or Lower Minimum Lot Sizes for Workforce Housing**

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Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative STOVER of Boothbay.  
Cosponsored by Senator BALDACCI of Penobscot and  
Representatives: ANKELES of Brunswick, COPELAND of Saco, Speaker FECTION of  
Biddeford, GERE of Kennebunkport, MALON of Biddeford, ROEDER of Bangor, Senators:  
President DAUGHTRY of Cumberland, TIPPING of Penobscot.

1       **Be it enacted by the People of the State of Maine as follows:**

2               **Sec. 1. 30-A MRSA §4364-D** is enacted to read:

3       **§4364-D. Workforce housing development**

4               Notwithstanding any provision of law to the contrary, for a workforce housing  
5               development approved on or after the implementation date, this section applies.

6               **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
7               following terms have the following meanings.

8               A. "Alternative minimum lot size" means a minimum lot size that is less than the  
9               minimum lot size required by statute or municipal ordinance.

10              B. "Area median income" means the median income for an area as defined by the  
11              United States Department of Housing and Urban Development under the United States  
12              Housing Act of 1937, Public Law 75-412, 50 Stat. 888, Section 8, as amended.

13              C. "Implementation date" means January 1, 2026 for municipalities for which  
14              ordinances may be enacted by the municipal officers without further action or approval  
15              by the voters of the municipality and July 1, 2026 for all other municipalities.

16              D. "Workforce housing development" means a housing development with at least 5  
17              dwelling units in which at least 50% of the dwelling units are workforce housing units.

18              E. "Workforce housing unit" means a dwelling unit that is offered for sale or rent to an  
19              individual whose income is less than 220% of the area median income.

20              **2. Density increases for workforce housing developments.** A municipality shall  
21              allow workforce housing developments wherever single-family or multifamily residential  
22              housing is allowed. A municipality shall allow a density increase for workforce housing  
23              developments as follows:

24              A. For a workforce housing development in which workforce housing units are  
25              available for rent or sale only to households whose income is between 80% and 100%  
26              of the area median income, a dwelling unit density increase of at least 75% of the base  
27              density that is otherwise allowed in the location. At least 50% of the increase in the  
28              number of units must be sold or rented to households whose income is within the limits  
29              set out in this paragraph;

30              B. For a workforce housing development in which workforce housing units are  
31              available for rent or sale only to households whose income is between 101% and 120%  
32              of the area median income, a dwelling unit density increase of at least 60% of the base  
33              density that is otherwise allowed in the location. At least 50% of the increase in the  
34              number of units must be sold or rented to households whose income is within the limits  
35              set out in this paragraph;

36              C. For a workforce housing development in which workforce housing units are  
37              available for rent or sale only to households whose income is between 121% and 180%  
38              of the area median income, a dwelling unit density increase of at least 45% of the base  
39              density that is otherwise allowed in the location. At least 50% of the increase in the  
40              number of units must be sold or rented to households whose income is within the limits  
41              set out in this paragraph; and

1        D. For a workforce housing development in which workforce housing units are  
2        available for rent or sale only to households whose income is between 181% and 220%  
3        of the area median income, a dwelling unit density increase of at least 30% of the base  
4        density that is otherwise allowed in the location. At least 50% of the increase in the  
5        number of units must be sold or rented to households whose income is within the limits  
6        set out in this paragraph.

7        A municipality may not require more than one off-street parking space for every 3  
8        workforce housing development units.

9        **3. Density increase; blended percentage.** When a workforce housing development  
10       includes multiple dwelling units at different levels of income restriction, the municipality  
11       in which the development is located shall allow the workforce housing development to  
12       apply a blended percentage to determine the overall density increase permitted. The  
13       blended percentage must be determined by the mean density increase percentage of all  
14       workforce housing units in the development.

15       **4. Alternative minimum lot size.** An alternative minimum lot size is allowed for a  
16       workforce housing development located where single-family or multifamily dwelling units  
17       are allowed when the alternative minimum lot size results in a greater number of dwelling  
18       units in the development than would result from the density increase allowed under  
19       subsection 2, as follows:

20       A. For a workforce housing development in which workforce housing units are  
21       available for rent or sale only to households whose income is between 80% and 100%  
22       of the area median income, an alternative minimum lot size of at least 90% less than  
23       the lot size otherwise allowed in the location;

24       B. For a workforce housing development in which workforce housing units are  
25       available for rent or sale only to households whose income is between 101% and 120%  
26       of the area median income, an alternative minimum lot size of at least 75% less than  
27       the lot size otherwise allowed in the location;

28       C. For a workforce housing development in which workforce housing units are  
29       available for rent or sale only to households whose income is between 121% and 180%  
30       of the area median income, an alternative minimum lot size of at least 65% less than  
31       the lot size otherwise allowed in the location; and

32       D. For a workforce housing development in which workforce housing units are  
33       available for rent or sale only to households whose income is between 181% and 220%  
34       of the area median income, an alternative minimum lot size of at least 50% less than  
35       the lot size otherwise allowed in the location.

36       **5. Municipal regulation.** A workforce housing development must comply with  
37       municipal ordinances for setbacks, height limitations and other requirements that are not  
38       unreasonably restrictive of implementing the intent of this section, including shoreland  
39       zoning and water and wastewater services. An owner of the workforce housing  
40       development who complies with section 4364, subsection 5 meets municipal requirements  
41       for water and wastewater services.

42       **6. Workforce income requirement.** A potential tenant or purchaser of a workforce  
43       housing unit must meet, at the time of tenancy or date of purchase, the applicable income  
44       limitations set out in subsections 2 and 4. A tenant or purchaser of a workforce housing

1 unit may not be required to vacate or sell the workforce housing unit if the tenant's or  
2 purchaser's future income exceeds the area median income requirement imposed at the time  
3 of rental or purchase.

4 The income requirement does not apply to units within a workforce housing development  
5 that are not designated as workforce housing units.

6 **7. Calculation of density, size or number.** Determination of compliance with  
7 municipal requirements that are based, in whole or in part, on the size of the workforce  
8 housing development structure or the number of units or lots in a workforce housing  
9 development must be based on the size of the structure or number of units or lots prior to a  
10 dwelling unit density increase under subsection 2 or an alternative minimum lot size  
11 allowance under subsection 4.

12 **8. Compliance with state or local requirements.** Notwithstanding any provision of  
13 law to the contrary, a workforce housing development that receives a density increase  
14 pursuant to this section must be considered in compliance with any state or local  
15 requirement that a certain number or percentage of units in a housing development be  
16 affordable housing units as defined by the state or local requirement.

17 **9. Declaration of restrictive covenant.** The owner of a workforce housing  
18 development shall record with the appropriate registry of deeds a declaration of restrictive  
19 covenant, on a form developed by the Maine State Housing Authority, that includes the  
20 following deed restrictions:

21 A. That, for a period of 30 years from the date the workforce housing development  
22 received all necessary state and local approvals or from the date the first workforce  
23 housing unit in the development is rented, whichever is later, all tenants of the  
24 workforce housing unit are subject to the income requirements of this section at the  
25 time of signing a rental agreement and the unit must be the tenant's primary residence;

26 B. That, for a period of 30 years from the date the workforce housing development  
27 received all necessary state and local approvals or from the date the first workforce  
28 housing unit in the development is sold, whichever is later, all purchasers of the  
29 workforce housing unit are subject to the income requirements of this section and the  
30 unit must be the purchaser's primary residence; and

31 C. That the municipality in which the workforce housing development is located has  
32 the right to enforce the restrictive covenants.

33 The declaration must be filed within 30 days of receiving approval from the municipality  
34 that a density increase or alternative minimum lot size is granted for the workforce housing  
35 development or within 30 days of purchasing the real estate where the development will be  
36 located, whichever is later.

37 **10. Record retention and compliance.** The owner, or agent of the owner, of a  
38 workforce housing unit designated as a workforce housing unit for rent shall keep records  
39 on file throughout the tenancy of a tenant, documenting the tenant's compliance with the  
40 income requirements of this section. The purchaser of a workforce housing unit designated  
41 as a workforce housing unit for sale shall recite in the deed for the unit that by virtue of  
42 taking title the purchaser meets the income requirements of this section on the date of  
43 purchase.

**11. Burden of proof; prima facie evidence.** In a civil action regarding the income restrictions of this section, the burden of proof is on the landlord or purchaser, as applicable, to prove that the tenant or purchaser met the income restrictions set out in subsections 2 and 4 at the time of tenancy or purchase. It is prima facie evidence that a tenant or purchaser meets the income restrictions if a 3rd-party organization, such as a municipal housing authority, bank, credit union or mortgage broker, provides written confirmation of the tenant's or purchaser's income at the time of tenancy or purchase. A challenge to the written confirmation may be successful only if evidence proves beyond a reasonable doubt that the tenant or purchaser did not meet the income requirements of this section. A cause of action is not available against a landlord or purchaser of a workforce housing unit for prior tenants or prior owners of the workforce housing unit.

## SUMMARY

This bill requires municipalities to allow for increased housing density or lower minimum lot sizes for housing developments rented or sold to households earning less than 220% of the median income for the area as defined by the United States Department of Housing and Urban Development. The bill requires that the owner of a housing development with a housing density or minimum lot size adjustment under the bill file in the appropriate registry of deeds a declaration of restrictive covenant that requires the units in the development to be rented or sold in accordance with the income limitations in the bill for a period of 30 years.

The bill requires a municipality to determine compliance with requirements applicable to the structure or number of lots or units based on the size of the structure or number of lots or units prior to a dwelling unit increase or an alternative minimum lot size allowance. It provides that a workforce housing development that receives a density increase is in compliance with any state or local requirement that a certain number or percentage of units be affordable housing units as defined by the state or local requirement.