

Testimony in support of LD 1752, “Resolve, to Prepare Preapproved Building Types.”

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5/09/2023

Good afternoon, chairpersons Gere and Pierce, and all members of the Housing committee. My name is Josie Phillips, and I am representing Maine Center for Economic Policy. I am testifying in favor of LD 1752 because it would streamline production of affordable housing, reduce the costs of housing development, and help Maine meet its housing production goals.

There do not seem to be many studies done to date on the impact of providing pre-approved building designs for affordable housing development, but it stands to reason that this measure would incentivize affordable housing development by simplifying the permitting process and therefore reducing development costs. A Brookings review of the costs of affordable housing development found that “soft costs,” which include “design, engineering, financing, permitting, and impact fees” account for between 20 to 30 percent of total costs on average.ⁱ By simplifying the design process and making the permitting stage simpler, providing pre-approved housing designs could significantly reduce these costs, allowing more people to develop affordable housing in the state and reducing the amount of public subsidies that are necessary to make affordable housing viable.

Not only would pre-approved designs save money for both developers and the public, but they would also likely cut down on the amount of time affordable housing takes to reach the market. Currently, development for multi-family housing in the Northeast region takes more than 20 months on average.ⁱⁱ Shortening this time window would allow Maine to meet its housing production goals more quickly and provide quicker relief to Mainers struggling to find housing.

By providing pre-approved designs, LD 1752 would likely add significant efficiencies to the affordable housing development process. These efficiencies would save time and money, from a private and public perspective, and in doing so put Maine in a better position to alleviate the affordable housing crisis. Because of these benefits, I encourage this committee to vote yes on LD 1752.

ⁱ Brookings Institute, “Making apartments more affordable starts with understanding the costs of building them.” <https://www.brookings.edu/research/making-apartments-more-affordable-starts-with-understanding-the-costs-of-building-them/>

ⁱⁱ U.S. Census Bureau, “Average Length of Time from Start to Completion of New Privately Owned Residential Buildings.” https://www.census.gov/construction/nrc/pdf/avg_starttocomp.pdf

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