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Testimony of the Maine Municipal Association

In Opposition to

LD 1247 – *An Act to Restrict Municipal Ordinance Requirements Regarding Housing Developments*

April 25, 2025

Sen. Curry, Rep. Gere and distinguished members of the Housing and Economic Development Committee, my name is Rebecca Graham, and I am submitting testimony in unanimous opposition to LD 1247 at the direction of MMA's Legislative Policy Committee (LPC). Our LPC is composed of municipal officials from across Maine, elected by their peers to represent communities under the legislative senate model and representing communities with vastly different enforcement staff, resources and capacities.

As drafted this bill upends existing ordinances, will require municipalities to adopt and update their ordinances just adopted under LD 2003 resulting in a mandate on municipal government, and force the property tax payers to absorb the cost of construction and expansion of existing water and sewer infrastructure for any development in a community that includes housing as a component by exempting such development from impact fees. As such, the bill requires the mandate preamble.

Proponents of this bill desire to force the splitting of intown lots for resale and condominium projects which should be part of local conversations not forced from the state level. Larger into lots help slow the flow of stormwater into municipal conveyance and address harm caused by the runoff to urban impaired streams and waters of the state.

Infrastructure expense planning informed the adoption of new ordinances to allow ADU's on lots where there was existing capacity, and many communities adopted restrictions on ADU's to limit the splitting of lots specifically to encourage long term rental options instead of additional vacation homes. As drafted, this bill disregards all of that deliberate work and changes the rules yet again to force the community to pay for infrastructure upgrades necessary to accommodate the new subdivision which benefits real estate investment over community.

Such development is already possible under local home rule authority and if it is feasible and desired, able to be accomplished without state intervention. This bill further erodes community building tools and democratically informed approaches to planning.

Under Sec 1. 2(b) the bill creates road set back standards lower that needed to address snow removal in many communities, and setback requirements with a single vision of what a residential area served by sewer and water is and may need. The property setbacks in the bill would apply to areas that cannot shoulder increased residential connections like St. Agatha and also happen to have sewer system to keep Long Lake pristine in their growth area finding themselves unable to maintain the current system without significant costs. Additionally, the changes are likely to increase the need for residential sprinkler ordinances as 10 feet between buildings poses a significant risk of fire spreading to adjacent residents and poses a significant challenge for battling structure fires in small densely built environments.

The reduction of additional unit size standards that limits the ability for a dwelling unit to be considered subservient to primary use as defined in Sec. 1 2(b) will trigger the need for the communities who have just passed ordinances to comply with new accessory dwelling unit requirements enacted under PL 2022 Ch. 672 to again rewrite them. As drafted, any municipal ordinance that was enacted to create a subservient to primary use clause for the new units will now need to find another way to define units that are used as definitions for residential short-term rental units regulated under the new law in tandem with ordinance adoption. It is these provisions that prevent such units from being considered commercial for individuals who live on the premises and rent out another unit and benefit from that income.

The primary reason heard as to why individuals are not adding units are the cost of construction and the lack of financial loan products available for working Mainers to add to their existing dwellings. While some municipalities have adopted granting programs to aid in the financing piece, this is one key area for improvement that the committee can and should consider addressing.

Currently, banks and appraisers view accessory dwelling units as “features” and not income production opportunities which can limit their appraised value. Only homeowners with ability to take out home equity at higher mortgage rates interest can add a unit to their property. Very few financial lenders have adopted programs that offer financing products for ADU’s and those only allow you to finance 89% of the complete appraised value.

This one size fits all approach to statute writing for decisions that should be led by local communities with an understanding of lot specific reality, is adversely impacting communities that are rarely discussed in this committee. It does not meet the guidance of the American Planning Association for empowering community led planning in home rule states. Officials ask that you let the prior ADU law settle and look at the reasons for the lack of ADU expansion before you further try to undo the sensible approaches communities took to expanding their use.