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HOUSE OF REPRESENTATIVES

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Testimony of Representative Traci Gere Introducing LD 1246 Resolve, Directing the Department of Economic and Community Development to Convene a Working Group to Review the Process of Setting Impact Fees April 22, 2025

Good afternoon Senator Curry and fellow members of the Joint Standing Committee on Housing and Economic Development. I am Representative Traci Gere, and I represent House District 134, which encompasses Kennebunkport and coastal Biddeford and Kennebunk, I am before you today to present LD 1246, which would convene a working group to study the process by which municipalities impose impact fees and make recommendations to make the process consistent and predictable. In Maine statute, "Impact Fee" means a "charge or assessment imposed by a municipality against a new development to fund or recoup a portion of the cost of new, expanded or replacement infrastructure facilities necessitated by and attributable at least in part to the new development."

In January 2025, this committee heard a presentation on the HR&A report titled "A Roadmap for the Future of Housing Production in Maine." This report explored obstacles to housing production and detailed strategies that Maine can use to spur the creation of homes at price points that Mainers can afford. In particular, the report found that "Maine municipalities have traditionally had highly restrictive development approval processes that incentivize higher cost homes and limit the number of homes that can be built overall. This is reinforced by local concerns about the impact of growth."

The HR&A report recommends that we address impediments to market-based solutions to housing production. While Maine localities face infrastructure needs associated with the impact of housing development, private sector developers seek more clarity and predictability on the share of these costs their individual projects must bear. High fees also affect total project costs and can limit development of housing that meets the needs of middle- and lower-income people.

The working group proposed in this resolve would include representatives of municipalities and the developer community. It would conduct a review of current local practices and recommend new standards, explore strategies to ensure that impact fees are proportionate to the direct impacts of projects, increase transparency around how fees are calculated, and provide recommendations and any suggested legislation to the Joint Standing Committee on Housing and Economic Development. By developing clearer impact fee standards, we can clear the road to more housing production.

Thank you for your consideration, and I ask you to support LD 1246.



Traci Gere

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Respectfully,

Traci Gere

State Representative

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