



Maine Real Estate &  
Development Association

**Supporting Responsible Development**

**LD 1396, An Act to Amend Maine's Municipal Subdivision Standards to Increase the Number of Dwelling Units on or Divisions of a Tract of Land Before the Tract is Considered a Subdivision**

**Testimony in Support**

Sponsored by: Rep. Tiffany Roberts

April 25, 2025, 9:00 a.m.

Chair Curry, Chair Gere, and Honorable Members of the Housing and Economic Development Committee,

My name is Elizabeth Frazier, and I am testifying on behalf of the Maine Real Estate and Development Association (MEREDA) in support of LD 1396, *An Act to Amend Maine's Municipal Subdivision Standards to Increase the Number of Dwelling Units on or Divisions of a Tract of Land Before the Tract is Considered a Subdivision*, sponsored by Rep. Tiffany Roberts. In brief, LD 1396 proposes to raise the threshold for statutory municipal subdivision review to allow for the creation of up to 4 dwelling units or lots within a five-year period, and to eliminate the requirement for the internal division of a building in most cases.

It may be helpful to understand the landscape of subdivision and development review in Maine and the specific aspect of the law that LD 1396 seeks to modify:

- The municipal subdivision review at issue in LD 1396 is different than the DEP subdivision review conducted under the Site Location of Development Act (SLODA, sometimes referred to as "Site Law") at Title 38. DEP's SLODA subdivision review kicks in when a project covers more than 20 acres or would result in the creation of 15 or more lots.
- The type of municipal subdivision review at issue in LD 1396 is found at Title 30-A, governing municipal review and regulation. This provision of law mandates that a municipality's land use authority undertake a specific review with prescribed standards when a property adds a certain number of units or is divided into a certain number of lots. Standards may include: traffic, lighting, parking water and sewer, etc., This review must be undertaken in addition to any ordinances, including a site plan ordinance, that the town has adopted.
- Not to be confused with Site Law (SLODA), a site plan ordinance consists of a town's standards for specific development impacts including: sewer and water, lighting, parking and environmental. Most larger towns have a site plan ordinance in place, and municipal subdivision review is often duplicative of that effort.
- LD 1396 deals solely with municipal subdivision review but references municipal site plan ordinances. The attached graphics show the contrast between current law and the proposed changes in LD 1396 with respect to both lots and units.

LD 1396 would make two critical changes to help unlock infill development. First, it proposes to change the threshold for the review of the number of new units created from 2 units to 4 units, with subdivision reviewing kicking in at 5 or more units within a five-year period. This change effectuates Recommendation 1.6 of the HR&A Roadmap for the Future of Housing Production in Maine. It further unlocks the full promise of (formerly titled) LD 2003, by allowing a homeowner to construct up to four units on their property, as allowed by law, without the burden of a lengthy subdivision review.

Second, LD 1396 would raise the threshold for the review of the creation of new lots to allow for the creation of four lots before subdivision review is triggered. This change will enable small-scale infill development by permitting landowners to create housing units that require a division of property - particularly true of homes to purchase. As mentioned above, subdivision review touches on things like: parking, lighting, and other aspects of a traditional single-family sprawling subdivision. That review is time-consuming and costly for developers and discourages the kind of entrepreneurial infill development we need. We have heard from innumerable small developers that expanding from 2 lots to 4 lots will meaningfully increase the number of immediately available lots for housing creation.

It is worth noting that LD 1272, Speaker Fecteau's bill on ADU's and subdivision, proposes the same change to subdivision - raising the threshold for municipal subdivision review to allow for the creation of 4 lots or units before subdivision review takes effect. This speaks to the consensus in the housing advocacy community that the current lot threshold is unreasonably low and overly burdensome to housing creation.

MEREDA recognizes and respects the value of reducing sprawl in land-use planning. We do not believe that changing the number of allowable lots, before triggering subdivision, from 2 to 4 would incentivize sprawl. Sprawling developments are those that are governed under SLODA. Additionally, even these small-sized infill projects of 4 lots or units would be subject to existing environmental protections, including shoreland zoning, stormwater, local site plan review, and local land use restrictions and impact fees. These laws, regulations, and ordinances are equipped to manage proper environmental, health, and safety impacts from the creation of four lots or units. For these reasons, MEREDA believes that the move to allow up to 4 lots or units strikes the right balance between land use and environmental protection and incentivizing housing creation.

Finally, MEREDA's LD 1396 clarifies and expands existing law to ensure that the internal division of a building is not subject to municipal subdivision review so long as the municipality has a site plan review process. This change clarifies existing law and expands the exemption to allow an unlimited number of internal divisions of a building, subject to other municipal land use restrictions including density and dimensional standards. This is to avoid a non-sensical standards review - like street lighting and road design - standards relevant to a subdivision but not to the internal division of a building.

Finally, we would urge this committee to act on LD 1396 in the current session. We recognize that there may be a subdivision working group to look over the comprehensive mandates and standards in statutory municipal subdivision law. We support that effort. However, taking the action outlined in LD 1396 now will help lower barriers to housing creation. There is consensus amongst housing advocates that this step is important and overdue. Waiting two or more years for a thorough review of the land use standards applicable to subdivisions is a worthy but separate discussion. For now, we merely want to establish the law for the right-sized threshold for creation of a subdivision. We urge the committee to pass LD 1396 now.

Thank you for your thoughtful consideration of this important policy initiative, and for all you do for the State of Maine.

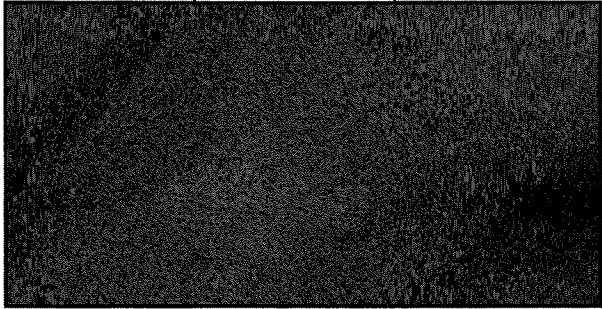
Sincerely,

Elizabeth M. Frazier

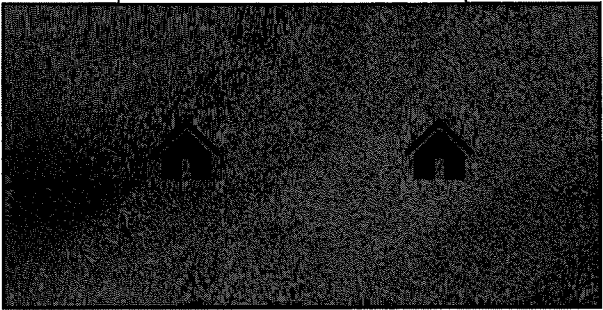
On behalf of the Maine Real Estate and Development Association (MEREDA)

**Current Law: Units Allowed\***

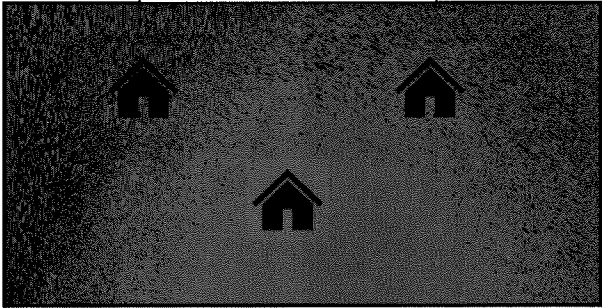
Original Lot



No Subdivision Created



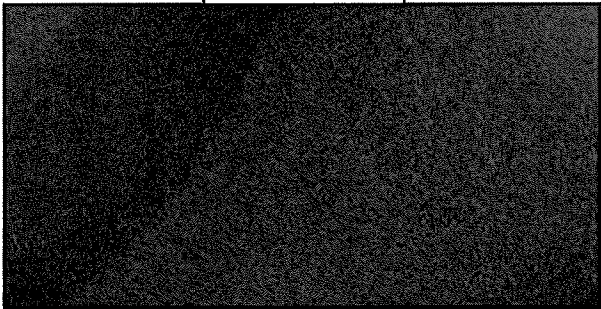
Subdivision Created



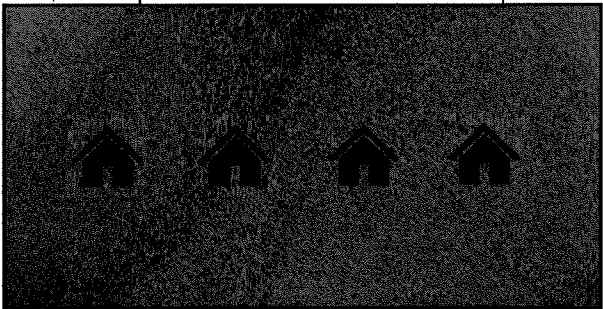
\*Within a five-year period, subject to municipal density limits.

**Proposed Law: Units Allowed\***

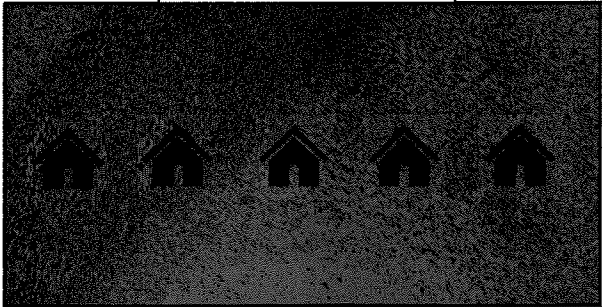
Original Lot



No Subdivision Created

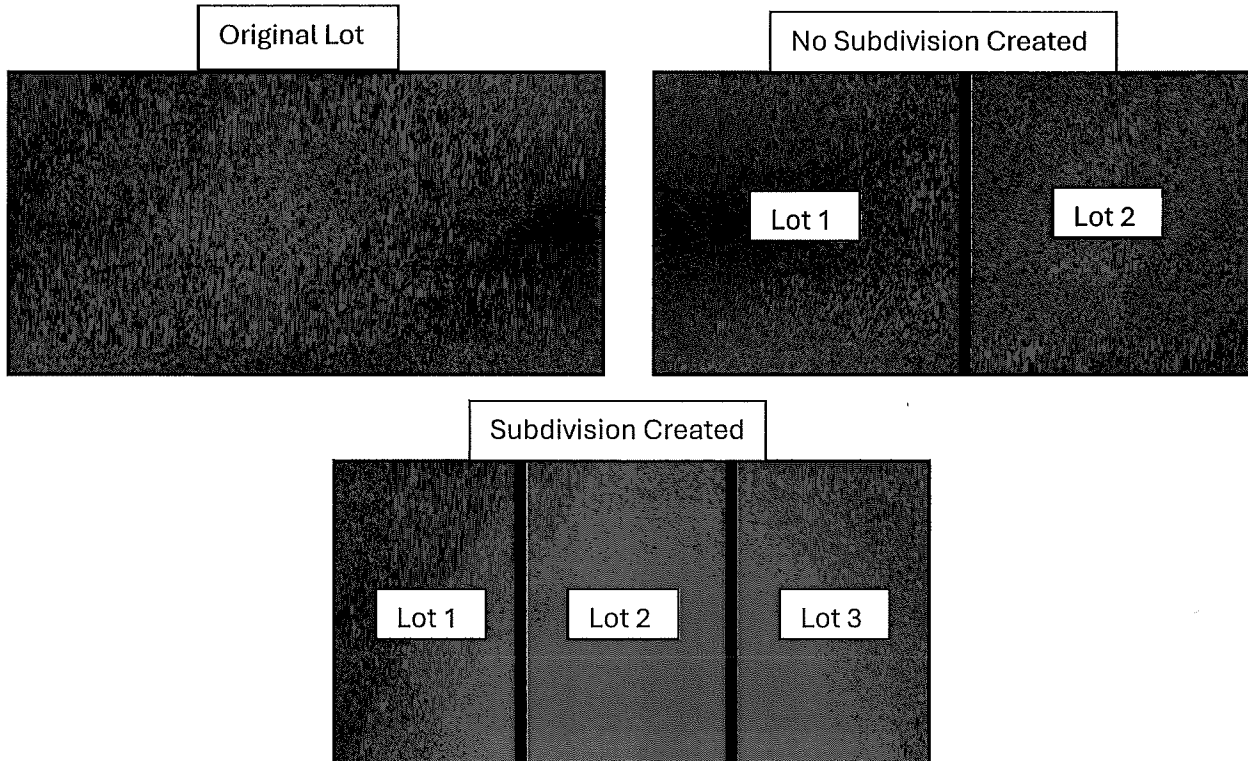


Subdivision Created



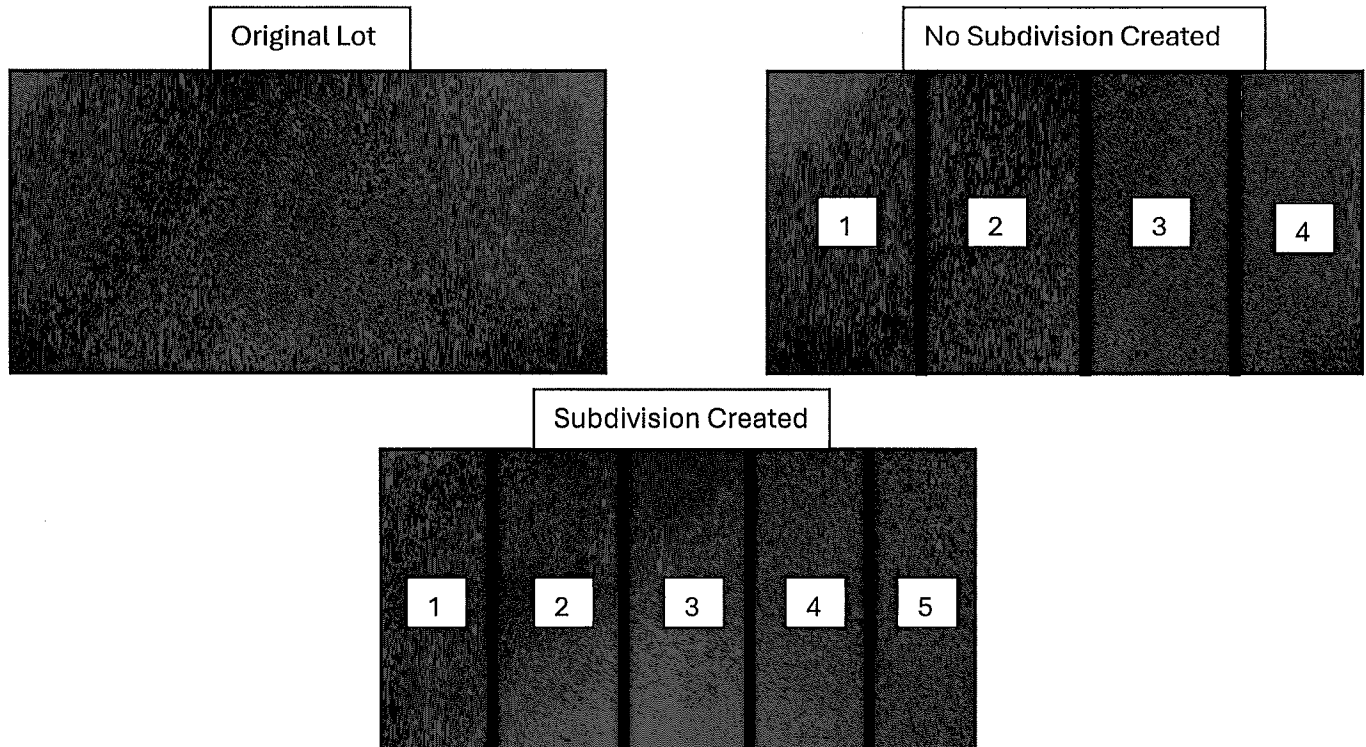
\*Within a five-year period, subject to municipal density limits.

### Current Law: Lots Allowed\*



\* Within a five-year period, subject to municipal dimensional standards.

### Proposed Law: Lots Allowed\*



\* Within a five-year period, subject to municipal dimensional standards.