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Testimony of GrowSmart Maine in neither for nor against LD 1272, An Act To Address The Housing Crisis By Reducing Barriers To Building More Accessory Dwelling Units

April 29, 2025

Senator Curry, Representative Gere, and Honorable Members of the Joint Standing Committee on Housing and Economic Development,

My name is Nancy Smith, I live in Ellsworth, and I am the CEO of GrowSmart Maine. We are a statewide non-partisan non-profit organization helping communities navigate change in alignment with smart growth. We advocate for comprehensive policies and funding for <u>smart growth practices and outcomes</u>.

We support much of what is in this bill as actionable changes that will remove barriers to housing. <u>We continue to oppose easing restrictions on subdivisions</u> <u>outside of designated growth areas.</u> Thus our "neither for nor against" this bill. I have included additional information to frame our argument.

Creating accessible housing that eliminates farmland needed for accessible food is not a wise or sustainable strategy. This is not about aesthetics. It is about the financial damage done to municipalities and households, while undermining the food security and frankly national security benefits of being able to grow our own food here in Maine and across the country.

Attached please find two resources from American Farmland Trust. First, a Fact Sheet entitled, "<u>Why Save Farmland</u>," that outlines the benefits of targeting growth where it makes sense in the long term:

- Protecting the food and farming systems
- Fiscal and economic stability
- Environmental Quality

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Heritage and Community Character

Secondly, a handout illustrating the impacts of how we choose to locate development here in Maine, with three counties most at risk: Somerset, Aroostook, and Cumberland. <u>By choosing to build strategically, we can</u> <u>save 44,100 acres of farmland compared to sprawling growth. That</u> <u>means saving the equivalent of 300 farms, 1,200 jobs, and \$27</u> <u>million in farm outputs.</u>

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Don't be fooled by the argument that small subdivisions will have little impact on Maine's communities, families, and economy. Low density sprawl is how the most damage is happening across the country. Consider it a gateway drug to loss of farmland, leading to other forms of growth like warehouses and more dense residential development. We aren't arguing that there should be no subdivisions outside of growth areas, but that these projects should fall under the subdivision process.



To the specifics of the bill:

<u>Sections 1 and 10:</u> we support a prohibition on requiring fire sprinkler systems, as the committee we recall our support of Policy Action 2025 legislation, <u>LD 659</u>. The cost/benefit analysis simply does not justify this expense.

<u>Sections 2 through 9:</u> We continue to advocate for removal of barriers to development within designated growth areas and where there is sufficient water and sewer infrastructure, while keeping in place restrictions on subdivisions outside of those areas. This is the very foundation

of smart growth and at the core of why municipalities go through the process of creating and implementing comprehensive plans.

<u>Section 4</u>: As with section 2, ensuring this is for areas with sufficient water and swerve, and that the existing phrase "or other comparable sewer system" is not interpreted to allow additional housing outside of sufficient sewer infrastructure. We are unsure of the intent in Section 4A, for the phrase, "except as allowed by the municipality," and advocate to ensure it does not lead to the same outcome.

<u>Section 11, 12:</u> We support this language to increase flexibility in ownership and residency with ADUs.

<u>Section 13:</u> We oppose the easing regulation on subdivision in rural areas, because it does not provide a net benefit to the community or to Mainers

<u>Section 14:</u> We do support the easing of regulation related to subdividing a structure into multiple dwelling units. This sort of adaptive reuse should be encouraged, though again, with more activity encouraged within designated growth areas than in rural areas. Having this sort of project fall under municipal site plan review, while exempting it from subdivision rule, makes good sense.

Please know that we support development when it is sited where it makes sense for the long term. <u>We are launching a 3-part webinar series entitled "The House is Not Enough</u>", with the first, "Alternative Housing Models," next Wednesday, 4:30-6:00. We're happy to share a comped registration with any legislator who would like to attend.

Nany & Smith



Farms Under Threat 2040: Choosing an Abundant Future mapped three scenarios of development between 2016 and 2040. If recent trends continue, **53,400 acres** of Maine's farmland will be paved over, fragmented, or converted to uses that jeopardize agriculture. **That's 5%.** Mainers can slash conversion, save farmland, and safeguard the future of agriculture and the environment by choosing compact development.



WHICH FUTURE WILL WE CHOOSE?

How Mainers choose to develop will shape the future of farming. The scenarios in **Farms Under Threat 2040** show the impacts:



Business as Usual: Development follows recent patterns. Poorly planned development and low-density residential sprawl continue to rapidly convert farmland and ranchland.



Runaway Sprawl: Development becomes even less efficient than in *Business as Usual*. Low-density housing sweeps across the countryside, displacing farmers and ranchers.

Better Built Cities: Policymakers and land-use planners promote compact development and reduce sprawl, saving irreplaceable farmland and ranchland from conversion.

COMPACT GROWTH CAN SAVE FARMS



©American Farmland Trust 2022. Analytics and mapping by Conservation Science Partners and the University of Wisconsin-Madison.



FACT Sheet

WHY SAVE

FARMLAND?

American Farmland Trust

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January 2003

AMERICA'S AGRICULTURAL LAND Is at risk

Fertile soils take thousands of years to develop. Creating them takes a combination of climate, geology, biology and good luck. So far, no one has found a way to manufacture them. Thus, productive agricultural land is a finite and irreplaceable natural resource.

America's agricultural land provides the nation —and world—with an unparalleled abundance of food and fiber products. The dominant role of U.S. agriculture in the global economy has been likened to OPEC's in the field of energy. The food and farming system is important to the balance of trade and the employment of nearly 23 million people. Across the country, farmland supports the economic base of many rural and suburban communities.

Agricultural land also supplies products with little market value, but enormous cultural and ecological importance. Some are more immediate, such as social heritage, scenic views, open space and community character. Long-range environmental benefits include wildlife habitat, clean air and water, flood control, groundwater recharge and carbon sequestration.

Yet despite its importance to individual communities, the nation and the world, American farmland is at risk. It is imperiled by poorly planned development, especially in urbaninfluenced areas, and by the complex forces driving conversion. USDA's Economic Research Service (ERS) developed "urban influence" codes to classify each of the nation's 3,141 counties and county equivalents into groups that describe the degree of urban influence.¹ AFT found that in 1997, farms in the 1,210 most urban-influenced counties produced 63 percent of dairy products and 86 percent of fruits and vegetables.²

According to USDA's National Resources Inventory (NRI), from 1992 to 1997 more than 11 million acres of rural land were converted to developed use—and more than half of that conversion was agricultural land. In that period, an average of more than 1 million agricultural acres were developed each year. And the rate is increasing—up 51 percent from the rate reported in the previous decade.

Agricultural land is desirable for building because it tends to be flat, well drained and generally is more affordable to developers than to farmers and ranchers. Far more farmland is being converted than is necessary to provide housing for a growing population. Over the past 20 years, the acreage per person for new housing almost doubled.³ Most of this land is outside of existing urban areas. Since 1994, lots of 10 to 22 acres accounted for 55 percent of the growth in housing area.⁴ The NRI shows that the best agricultural soils are being developed fastest.

THE FOOD AND FARMING SYSTEM

The U.S. food and farming system contributes nearly \$1 trillion to the national economy or more than 13 percent of the gross domestic product—and employs 17 percent of the labor force.⁵ With a rapidly increasing world population and expanding global markets, saving American farmland is a prudent investment in world food supply and economic opportunity.

Asian and Latin American countries are the most significant consumers of U.S. agricultural exports. Latin America, including Mexico, purchases an average of about \$10.6 billion of U.S. agricultural exports each year. Asian countries purchase an average of \$23.6 billion/year, with Japan alone accounting for about \$10 billion/year.⁶ Even as worldwide demand for a more diverse diet increases, many countries are paving their arable land to support rapidly expanding economies. Important customers today, they are expected to purchase more agricultural products in the future.

While domestic food shortages are unlikely in the short term, the U.S. Census predicts the population will grow by 42 percent in the next 50 years. Many developing nations already are concerned about food security.

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The Farmland Information Center (FIC) is a public/private partnership between American Farmland Trust and the USDA Natural Resources Conservation Service that provides technical information about farmland protection.

Of the 78 million people currently added to the world each year, 95 percent live in less developed regions.⁷ The productivity and diversity of American agriculture can ensure food supplies and continuing preeminence in world markets. But this depends upon an investment strategy that preserves valuable assets, including agricultural land, to supply rapidly changing global demand.

FISCAL AND ECONOMIC STABILITY

Saving farmland is an investment in community infrastructure and economic development. It supports local government budgets and the ability to create wealth locally. In addition, distinctive agricultural landscapes are often magnets for tourism.

People vacation in the state of Vermont or Steamboat Springs, Colo., because they enjoy the scenery created by rural meadows and grazing livestock. In Lancaster, Pa., agriculture is still the leading industry, but with the Amish and Mennonites working in the fields, tourism is not far behind. Napa Valley, Calif., is another place known as a destination for "agro tourism." Tourists have become such a large part of most Napa Valley wineries that many vintners have hired hospitality staff. Both the valley and the wines have gained name recognition, and the economy is thriving.

Agriculture contributes to local economies directly through sales, job creation, support services and businesses, and also by supplying lucrative secondary markets such as food processing. Planning for agriculture and protecting farmland provide flexibility for growth and development, offering a hedge against fragmented suburban development while supporting a diversified economic base.

Development imposes direct costs to communities, as well as indirect costs associated with the loss of rural lands and open space.⁸ Privately owned and managed agricultural land generates more in local tax revenues than it costs in services. Carefully examining local budgets in Cost of Community Services (COCS) studies shows that nationwide farm, forest and open lands more than pay for the municipal services they require, while taxes on residential uses consistently fail to cover costs.⁹ (See COCS fact sheet.) Related studies measuring the effect of all types of development on municipal tax bills find that tax bills generally go up as communities become more developed. Even those communities with the most taxable commercial and industrial properties have higher-than-average taxes.¹⁰

Local governments are discovering that they cannot afford to pay the price of unplanned development. Converting productive agricultural land to developed uses creates negative economic and environmental impacts. For example, from the mid-1980s to the mid-1990s, the population of Atlanta, Ga., grew at about the same rate as that of Portland, Ore. Due to its strong growth management law, Portland increased in size by only 2 percent while Atlanta doubled in size. To accommodate its sprawling growth, Atlanta raised property taxes 22 percent while Portland lowered property taxes by 29 percent. Vehicle miles traveled (and related impacts) increased 17 percent in Atlanta but only 2 percent in Portland.¹¹

ENVIRONMENTAL QUALITY

Well-managed agricultural land supplies important non-market goods and services. Farm and ranch lands provide food and cover for wildlife, help control flooding, protect wetlands and watersheds, and maintain air quality. They can absorb and filter wastewater and provide groundwater recharge. New energy crops even have the potential to replace fossil fuels.

The federal government owns 402 million acres of forests, parks and wildlife refuges that provide substantial habitat for wildlife. Most of this land is located in 11 western states. States, municipalities and other nonfederal units of government also own land. Yet public agencies alone cannot sustain wildlife populations. Well-managed, privately

WHY SAVE

FARMLAND?

The Farmland Information Center offers publications, an on-line library and technical assistance. For additional information on farmland protection, Call (800) 370-4879. Or visit us on the web at www.farmlandinfo.org owned agricultural land is a critical resource for wildlife habitat.

With nearly 1 billion acres of land in farms, agriculture is America's dominant land use. So it is not surprising that farming has a significant ecological impact. Ever since the publication of Rachel Carson's *Silent Spring*, environmentalists have called attention to the negative impacts of industrial agricultural practices. However, converting farmland to development has detrimental long-term impacts on environmental quality.

Water pollution from urban development is well documented. Development increases pollution of rivers and streams, as well as the risk of flooding. Paved roads and roofs collect and pass storm water directly into drains instead of filtering it naturally through the soil.¹² Septic systems for low-density subdivisions can add untreated wastes to surface water and groundwater-potentially yielding higher nutrient loads than livestock operations.¹³ Development often produces more sediment and heavy metal contamination than farming does and increases pollutantssuch as road salt, oil leaks from automobiles and runoff from lawn chemicals-that lead to groundwater contamination.14 It also decreases recharge of aquifers, lowers drinking-water quality and reduces biodiversity in streams.

Urban development is a significant cause of wetland loss.¹⁵ Between 1992 and 1997, NRI showed that development was responsible for 49 percent of the total loss. Increased use of automobiles leads to traffic congestion and air pollution. Development fragments and often destroys wildlife habitat, and fragmentation is considered a principal threat to biodiversity.¹⁶

Keeping land available for agriculture while improving farm management practices offers the greatest potential to produce or regain environmental and social benefits while minimizing negative impacts. From wetland management to on-farm composting for municipalities, farmers are finding ways to improve environmental quality.

HERITAGE AND COMMUNITY Character

To many people, the most compelling reasons for saving farmland are local and personal, and much of the political support for farmland protection is driven by grassroots community efforts. Sometimes the most important qualities are the hardest to quantify-such as local heritage and sense of place. Farm and ranch land maintain scenic, cultural and historic landscapes. Their managed open spaces provide beautiful views and opportunities for hunting and fishing, horseback riding, skiing, dirt-biking and other recreational activities. Farms and ranches create identifiable and unique community character and add to the quality of life. Perhaps it is for these reasons that the contingent valuation studies typically find that people are willing to pay to protect agricultural land from development.

Finally, farming is an integral part of our heritage and our identity as a people. American democracy is rooted in an agricultural past and founded on the principle that all people can own property and earn a living from the land. The ongoing relationship with the agricultural landscape connects Americans to history and to the natural world. Our land is our legacy, both as we look back to the past and as we consider what we have of value to pass on to future generations.

Public awareness of the multiple benefits of working lands has led to greater community appreciation of the importance of keeping land open for fiscal, economic and environmental reasons. As a result, people increasingly are challenging the perspective that new development is necessarily the most desirable use of agricultural land—especially in rural communities and communities undergoing transition from rural to suburban.

- ¹ "A County-Level Measure on Urban Influence," Rural Development Perspectives, Vol. 12, No. 2, Feb. 1997.
- ² "How AFT Created Its 2002 Farming on the Edge Map," *Connection*, Vol. V, Issue 4, Fall 2002 (Northampton, Mass.: AFT).
- ³ U.S. Department of Housing and Urban Development, *State of the Cities 2000*, Fourth Annual, June 2000, online at www.hud.gov/library/bookshelf18/pre
- ssrel/socrpt.pdf. Ralph E. Heimlich and William D. Anderson, Development at the Urban Fringe and Beyond: Impacts on Agriculture and Rural Land, Agricultural Economic Report No. 803 (Washington, D.C.: USDA ERS, 2001), 14.
- Kathryn Lipton, William Edmondson and Alden Manchester, The Food and Fiber System: Contributing to U.S. and World Economies, Agricultural Information Bulletin No. 742, July 1998 (Washington, D.C.: USDA ERS).
- U.S. Bureau of the Census, Statistical Abstract of the United States 2001 (Washington, D.C.: U.S. Department of Commerce), 535.
- ⁷ United Nations Population Division, The World at Six Billion, 3.
- Heimlich and Anderson, ibid.
- Julia Freedgood, Cost of Community Services Studies: Making the Case for Conservation (Northampton, Mass.: AFT, 2002).
- ¹⁰ Deb Brighton, Community Choices: Thinking Through Land Conservation, Development, and Property Taxes in Massachusetts (Boston, Mass.: The Trust for Public Land, 1999).
- "New Research on Population, Suburban Sprawl and Smart Growth, online at www.sierraclub.org/sprawl.
- ²² Real Estate Research Corporation, The Costs of Sprawl: Environmental and Economic Costs of Alternative Development Patterns at the Urban Fringe (Washington, D.C.: U.S. Government Printing Office, 1974); Heimlich and Anderson, ibid.; Robert W. Burchell, Impact Assessment of New Jersey Interim State Development and Redevelopment Plan, Report II (Trenton: N.J.: Office of State Planning, 1992).
- b) State ramming, 1992,
 b) R.J. Perkins, "Septic Tanks, Lot Size and Pollution of Water Table Aquifers," *Journal of Environmental Health* 46 (6), 1984.
- ¹⁴ A.J. Gold et al, "Nitrate-Nitrogen Losses to Ground Water from Rural and Suburban Land Uses," *Journal of Soil and Water Conservation*. March-April 1990; *Results of the Nationwide Urban Runoff Program, Volume I - Final Report* (Washington, D.C.: U.S. Environmental Protection Access (1982)
- Agency, 1983). ¹⁵ Heimlich and Anderson, ibid.; *The Costs of Sprawl*, Maine State Planning Office, 1997.
- Weimlich and Anderson, ibid.; G. Macintosh, ed., Preserving Communities and Corridors (Washington, D.C.: Defenders of Wildlife, 1989); R.F. Noss and A.Y. Cooperrider. Saving Nature's Legacy (Washington, D.C.: Island Press, 1994).

American Farmland Trust

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Information and Tools for Citizen Planne

Is Your Fuse Lit?

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Do you live in a rural town within a 30- or 40-minute drive of a job center? Is your population growing? Has the population reached 2,500? Is there at least one home per 20 acres in town (for example, 1,000 homes in a town of about 30 square miles?)?

If you answered yes to any three of these questions, the fuse has been lit. Your days as a rural town are numbered.

You are on your way to becoming a low-density suburb, a different, more demanding animal than the rural town you've been living in. Within the foreseeable future, the per capita cost of providing town and K-12 services will start to rise at a rate and with a persistence that will seem impossible to control. Maybe it has already started.

The One-Two Punch

Suburban sprawl happens at two scales. The first is regional: the leapfrogging of development across boundaries into towns 10, 20, even 40 minutes away from traditional job or "service" centers. The second is local: low-density households spreading out of the town's villages into its rural territories.

Together, they are a one-two punch on local budgets.

In the first instance, it is regional sprawl that matters most. In most regions, the spreading out of the population happens over such a large area that any town experiences it incrementally. But looking at it over a period of two or three decades reveals an unmistakable pattern.

The best indicator is the size of population itself. For most Maine towns with populations under 2,500, the sense of being in a rural place is strong: not just in the landscape, but also in town government. Town government likely depends on a town meeting, is very part-time, involves many volunteers, and delivers only limited town services beyond K-12 education.

When a town passes the 2,500 to 3,500 mark, it experiences a notable change. On average, local costs for non-educational services increase from less than 30% of the total budget to more than a third (See Chart 1, from the Maine Municipal Association). The pressure grows to deliver more services and on a more full-time basis.

Above the 5,000 mark, non-educational costs on average approach 45% of the total. Costs required for public safety services go from about 5% of the total to about 11%. The share required for general

administration rises to about a tenth of the budget. Other services, such as parks and recreation, may be introduced for the first time.



The Rise of the 2,500+ Town

More and more towns are passing the 2,500, 3,500, and 5,000 population thresholds. This is due only in part to overall population growth in Maine, which has been modest. It is due primarily to a migration of the population out of service centers - first to close-in suburbs, then to second- and third-tier suburbs, especially in southern, central, and coastal Maine.

In 1960, only 80 of Maine's 489 organized municipalities had populations over 2,500, including 61 above 3,500 and 38 above 5,000. In 2000, these numbers had increased to 131, 96 and 58 respectively. By 2015, the State Planning Office projects nearly 150 municipalities, about 30% of the total statewide, will have passed the 2,500 mark. See Charts 2 and 3.

Twenty-six towns passed the 3,500 populations, they	CI that had fewe mark as of 20 are:	n art 2 or than 2,500 people in 100. In descending orde	1960 had er of 2000
Standish	9,285	China	4,106
Buxton	7,452	Greene	4,076
Gray	6,820	Vassalboro	4,047
Waterboro	6,214	Glenburn	3,964
Harpswell	5,239	Oxford	3,960
Lebanon	5,083	Lyman	3,795
Turner	4,972	Warren	3,794
Poland	4,866	Monmouth	3,785
Sabattus	4,486	Kennebunkport	3,720
Hermon	4,437	Wiscasset	3,603
Raymond	4,299	Winterport	3,602
North Berwick	4,293	Arundel	3,571
Hollis	4.114	Sidney	3.514

GrowSmart THE CREEPING COSTS OF SPRAWL

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In fact, by 2015, **more than half the municipalities in Maine's southern 7 counties – 74 out of 135** – will have populations of over 3,500, and more than a third of them (48) will have populations of over 5,000. This means increased demand for services, bigger budgets, and higher local property taxes. It is a onetwo punch against rural towns."

Creeping Costs

Suburbanizing towns may not appreciate the fiscal impacts that await them. That's because they do not experience the fiscal effects of the one-two punch until much later. The fuse, once lit, takes 10-15 years to ignite the spending associated with sprawl. By then, other things may get the blame: the school board for not controlling costs, the state for not handing out more aid, the teachers for asking higher salaries, etc. But sprawl lit the fuse.

In the early years of suburbanization – when incremental development is spread over a large area and rural character still dominates – the per capita costs of town services actually fall.

Why? Because towns are frugal. They absorb the first waves of growth within the same voluntary governmental structure that has served them well over the years. Selectmen carry out most executive functions. Many staff are part-time or wear two or more hats. The fire department is all-volunteer. The town relies on the county sheriff for police services. A road commissioner performs the duties of public works. There is no recreation department. Most costs are school-related.

This describes Standish in 1970. Suburbanization had begun slowly in the 1960s, and in 1970 the population reached about 3,100. Throughout the 1970s and into the 1980s, suburbanization accelerated. But the town worked hard to absorb the growth "at the margins" –

that is, within its existing capabilities. As a result, real per capita spending dropped by more than 40% (See Chart 4).

But this bottomed out in 1984-85. The "margins" were all used up. By then the population was well over 5,000. The town switched to a manager-council form of government and added capacity in schools, public works, public safety, and community services. By 2000, the real per capita costs had returned to their 1970 level and were still rising. By 2003, general government was 10% of the expenditures, and total non-school expenses were 40% of the total.

The result is the U-shaped cost curve you see below on Chart 4. On the 15-year downslope, the creeping fiscal costs of sprawl may be camouflaged. As a result, concern about sprawl may be small. When the turn is made and per capita costs start rising again, so does dissatisfaction with higher property taxes. The question is whether people connect the town's fiscal situation to the real culprit: regional sprawl.



How much of these rising costs are due to sprawl versus other factors beyond a town's control? Can the costs of sprawl be controlled--through good local land use decisions (such as directing growth into village areas)--once regional sprawl has engulfed a town? What we do know is that as more towns break the 2,500-3,500 mark – not because of population growth but because of migration- the cost of local government is rising beyond the means of many.

ADDITIONAL RESOURCES

- "<u>The Cost of Spraw!</u>" Maine State Planning Office
- <u>Economic Benefits of Smart Growth and Costs</u>
 <u>of Sprawl</u>