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Testimony of Representative Holly B. Stover presenting

LD 1926, An Act to Require Increased Housing Density or Lower Minimum Lot Sizes for Workforce Housing

Before the Joint Standing Committee on Housing and Economic Development

Senator Curry, Representative Gere and members of the Joint Standing Committee on Housing and Economic Development, I am Holly Stover. I am honored to represent House District 48. Thank you for the opportunity to speak today as sponsor of **LD 1926, An Act to Require Increased Housing Density or Lower Minimum Lot Sizes for Workforce Housing**.

This is timely, pragmatic legislation that addresses one of Maine's most urgent challenges: the growing shortage of affordable housing for working families.

LD 1926 provides a targeted, data-informed approach to increasing the supply of workforce housing in our state. By allowing increased housing density or reduced minimum lot sizes, this bill provides tools proven to be effective in other regions to support the development of affordable housing. It focuses on a crucial demographic—individuals and families earning between 80% and 220% of Area Median Income (AMI). These are our teachers, first responders, health care professionals, tradespeople and other essential workers who are being priced out of the very communities they serve.

The bill creates a clear and equitable structure for awarding density bonuses, tying incentives directly to affordability. Developers who commit to building units for households within the 80–220% AMI range receive scaled incentives, with larger bonuses reserved for projects targeting the lower end of the income spectrum. This proportional approach ensures that the greatest incentives are aligned with the areas of greatest need. Additionally, developers may use a blended approach when creating units across multiple income levels, allowing flexibility without compromising affordability.

To qualify, a development must include at least five housing units, with at least half designated as workforce affordable. A 30-year restrictive covenant will ensure long-term affordability, not just short-term gains. Importantly, income verification responsibilities fall on landlords or sellers, not the state, maintaining a cost-neutral implementation framework.

LD 1926 represents a thoughtful, scalable solution to Maine's housing crisis. It provides both economic feasibility for developers and real affordability for Maine's workforce. I would like to underscore two key reasons why this bill is so urgently needed:

First, as detailed in the HR&A report, *A Roadmap for the Future of Housing Production in Maine*, developing 150 housing units costs an estimated \$40 million and requires roughly \$425,000 in monthly rental income to be viable (pg. 52). These economics are daunting. However, increasing density can improve the financial viability of projects by allowing developers to spread fixed costs over more units and improve revenue potential. The density bonuses proposed in LD 1926 can be the tipping point that makes otherwise unviable projects possible.

Second, while local governments across Maine are working to reform zoning and land use policies, progress is often slow, inconsistent or met with resistance. LD 1926 offers a predictable, statewide framework that enables developers to move forward without navigating a patchwork of regulations. This statewide overlay removes barriers and brings consistency and clarity—key elements for accelerating housing production.

We cannot afford to wait. Planning and construction take time, and every day of delay pushes working Mainers farther from their jobs, families and support networks. LD 1926 offers an immediate and actionable path forward, unlocking stalled projects and encouraging new developments that meet the needs of our communities.

This bill combines sound economic reasoning with minimal fiscal impact to the state and has the potential to deliver long-term benefits for Mainers. I respectfully urge the Committee to vote Ought to Pass on LD 1926 and take meaningful action to expand access to affordable, workforce housing across our state.

Thank you for your time, your thoughtful consideration, and your continued service to the people of Maine.