

STATE OF MAINE

HOUSE OF REPRESENTATIVES SPEAKER'S OFFICE AUGUSTA, MAINE 04333-0002 (207) 287-1300

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TESTIMONY OF SPEAKER RYAN D. FECTEAU REGARDING LD 1829, AN ACT TO BUILD HOUSING FOR MAINE FAMILIES AND ATTRACT WORKERS TO MAINE BUSINESSES BY AMENDING THE LAWS GOVERNING MUNICIPAL LAND USE DECISIONS

Good afternoon Senator Curry, Representative Gere, and esteemed members of the committee on Housing and Economic Development. I am House Speaker Ryan Fecteau, and I have the privilege of representing my hometown of Biddeford.

I am pleased to be here today to present LD 1829, An Act to Build Housing for Maine Families and Attract Workers to Maine Businesses by Amending the Laws Governing Municipal Land Use Decisions.

LD 2003 sought to increase access to affordable housing by increasing housing density. This committee hears often about the lack of affordable housing in Maine, where over the years our zoning and land use policies have created significant barriers to new housing development. LD 1829 aims to address this, amending and expanding upon LD 2003 by amending the laws governing municipal land use decisions. This proposal will support Maine's families, workforce, and economy by reducing barriers to new housing production.

Before the pandemic, housing production in Maine was far below what we needed to meet demand. We were building an average of 250 units of affordable housing each year—well below the 1,000 units needed annually to keep pace with demand. The result was rising rents for tenants, and rising prices for buyers.

During the pandemic, Maine received an infusion of federal dollars that allowed us to make transformational investments in housing. We actually started to eclipse the 1,000 new units threshold. Now, as those federal dollars phase out, we need to find a way to maintain our momentum so that housing production does not fall back to a rate that will fail to meet our state's housing needs.

I would like to quickly highlight the key pieces that LD 1829 proposes:

1. Reducing minimum lot sizes for construction

This bill would reduce minimum lot sizes for all residential construction to no more than 5,000 square feet per dwelling unit. This committee has already heard

Representative Gere's LD 1247, so you understand that current lot minimums significantly increase the cost of development, both by increasing the cost of land required to build and by increasing infrastructure costs.

2. Creating a height bonus for affordable housing

This bill proposes a 14 foot height bonus for any project that qualifies for the affordable housing density bonus in LD 2003. This allows affordable housing development to exceed any applicable height restrictions by at least 14 feet, further incentivizing new affordable housing development.

3. Streamlining municipal review

This proposal will require municipal administrative review only for housing projects with four units or fewer and/or for any project that qualifies for the affordable housing density bonus. This proposal will reduce delays and lower costs, by ensuring that new housing development does not get delayed by municipal review when town-level review is available.

4. Clarifying LD 2003's unit bonus

The bill simplifies the section of law resulting from L.D. 2003 which allows for more housing units in residential areas. Current law states, "For any area in which housing is allowed, a municipality shall allow structures with up to 2 dwelling units per lot if that lot does not contain an existing dwelling unit, except that a municipality shall allow up to 4 dwelling units per lot if that lot does not contain an existing dwelling unit and the lot is located in a designated growth area within a municipality consistent with section 4349-A, subsection 1, paragraph A or B or if the lot is served by a public, special district or other centrally managed water system and a public, special district or other comparable sewer system in a municipality without a comprehensive plan. A municipality shall allow on a lot with one existing dwelling unit the addition of up to 2 dwelling units: one additional dwelling unit within or attached to an existing structure or one additional detached dwelling unit, or one of each. A municipality may allow more units than the number required to be allowed by this subsection."

Under this proposal, the provisions are simplified. If the residential lot is not in a designated growth area, the owner is afforded up to 2 units. If the residential lot is in a designated growth area or has access to public water/public sewer, the owner is afforded up to 4 units. Any new units would need to comply with existing requirements such as setbacks, road frontage, height, etc. The only unit exempt from such requirements is 1 accessory dwelling unit (ADU). In other words, while the law might ALLOW for up to 2 or up to 4 units, practically speaking not all lots will be able to accommodate such density. This should clear up a lot of confusion that resulted from convoluted revisions during the initial passage of L.D. 2003.

5. Creating a Housing Resolution Board

LD 1829 would create a three-person housing resolution board within the Judicial Branch to consider appeals from developers or citizens who disagree with Planning Board decisions. This is similar to a proposal you'll hear later from Representative Gere. Establishing the board would offer a clear and efficient process for resolving conflicts between developers and municipalities, reducing delays in housing construction, ensuring consistency in decision-making, and reducing legal costs. Decisions made by the Resolution Board would be binding and not appealable. New Hampshire created such a Board in 2020. As New Hampshire Business Review notes, "The Housing Appeals Board was created by the Legislature in 2020 as a quicker, cheaper (\$250 filing fee) way to appeal local rulings about housing developments. Previously, the only outlet was going to Superior Court."

With this being said, I recommend that the committee remove this portion of my proposal and work on this concept via Rep. Gere's bill. I suspect this idea will need more time to be ironed out with the Judicial Branch. It could be a good carry over candidate.

6. Requiring training for municipal Planning Board members

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The bill would also require that members of municipal Planning Boards attend training provided by a statewide municipal organization or state entity within 180 days of appointment. This is important because planning board responsibilities are highly technical and the responsibility quasi-judicial.

7. Prohibit growth caps for residential development

To address potentially restrictive municipal regulation, this bill would prevent a municipality from enacting an ordinance that limits the rate of growth of residential development in a designated growth area, as defined in LD 2003. I would suggest the committee might extend this growth cap prohibition to residential lots served by public water and public sewer as well.

I have had a number of conversations on this bill, and continue to be open to suggestions from planners and stakeholders. I believe we share the goal of increasing access to housing in Maine, and I look forward to working together to make that happen.

Thank you for the opportunity to present this bill, and I am happy to answer any questions the committee may have.