

Engineers, surveyors, scientists

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Testimony in Support LD 1926, An Act to Require Increased Housing Density or Lower Minimum Lot Sizes for Workforce Housing May 9, 2025, 1:00 p.m. Housing and Economic Development Committee

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

My name is Richard Dunton and I am writing in support of LD 1926, An Act to Require Increased Housing Density or Lower Minimum Lot Sizes for Workforce Housing.

This bill, sponsored by Rep. Holly Stover, would accelerate Maine workforce housing creation by providing density bonuses for workforce housing units for sale or rent at between 80-220% of Area Median Income (AMI). Alternatively, the bill would permit a reduced minimum lot size. To set the appropriate bonus density, this proposal would create multiple AMI brackets with density higher density bonuses at the lower AMI scale and lower density bonuses at the higher AMI scale. A workforce housing creator could use a blended percentage if they seek to create units within multiple income brackets.

To take advantage of these bonuses, a housing creator would need to build at least 5 units of housing, at least 50% of which must be workforce affordable defined as affordable to individuals making between 80% and 220% of AMI. The housing creator would be required to place a restrictive covenant on the property to restrict those units as workforce affordable for 30 years. The landlord or seller would be responsible for income verification upon consideration of the transfer of property.

This legislation would enable the housing creator to choose the most efficient, and typically affordable, path for workforce housing creation. It would also encourage workforce housing development in **rural areas** with high minimum lot size requirements. **This is especially important to Main-Land and our clients.**

Today, fewer and fewer <u>market rate</u> housing projects are meeting the financial proformas of developers – they just don't pencil out and therefore will not move forward. Furthermore, today's developer faces increasing cost due to the extended timeframe, decreased predictability, and oversized voice of NIMBY during the permitting processes. Considering this, developers' ability to deliver workforce priced housing to meet Maine's needs is almost a forgone conclusion without state subsidy. Density bonuses will allow creation of workforce housing on the coattails of market rate housing, both of which are in sore need and will reduce pressure within our housing market in Maine. Further, it will help our developers succeed in these projects which boosts the overall economy.

This bill is designed to be free to the state – the burden of income verification falls to the landlord or seller. The intent of this bill is to provide a no-cost solution to the challenges of making finances work for workforce affordable housing construction. At a time when market forces, the high cost of

land, workforce challenges, and pending tariffs are threatening the already precarious process of housing construction in Maine, the HED Committee can act to lower barriers to statewide workforce affordable housing.

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

Sincerely,

Main-Land Development Consultants, Inc.

Richard W. Dunton, P.E. Chief Operating Officer

