

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 Gary Vogel and I am writing in support of LD 1926, An Act to Require Increased Housing Density or Lower Minimum Lot Sizes for Workforce Housing. For the past 40 years, my legal practice has involved developing affordable housing throughout the state of Maine, and I am proud to have been involved in the development of most of the affordable housing projects built since 1986. Those projects involved the use of the Federal Low Income Housing Tax Credit (LIHTC) creating rental housing for persons with incomes at or below 60% of the area median income (AMI). I have also worked many of the very few affordable homeownership projects developed over the past 40 years, but those projects were primarily targeted at individuals with incomes at or below 80% of AMI. The rapid increase in housing prices and rents has left many Mainers whose income is above 80 percent of AMI unable to afford to buy a home or to afford to pay rent, and those individuals do not qualify for any of the housing subsidies available to persons at 80% of AMI and below. Not only is this situation devastating for these would be homeowners and renters, it is also significantly affecting the ability of companies to hire employees who are unable to find housing and is greatly depressing the number of young people able to remain in Maine or to relocate here. We need more tools to solve the Housing crisis.

This bill, sponsored by Rep. Holly Stover, is one of those tools. It 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.

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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.

Many Maine towns and cities are working to revise their zoning to encourage housing. Others are not, but need to take part in solving our housing crisis. Unfortunately, most towns and cities have neither the tools nor the time to move quickly and overcome local entrenchment to make the changes necessary to create the housing we need today. Individualized town policies on density do not encourage - in fact they discourage - workforce affordable housing creation. A statewide density overlay will give developers predictability and provide the incentive necessary to generate workforce affordable housing in Maine. It will also create a level playing field that will not pit one community against another.

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.

Maine cannot afford to wait longer for planning and construction of workforce affordable housing units – we need to build them now. We have seen many projects that developers want to build be put on hold because the numbers don't work. This bill can help unlock projects in the pipeline by allowing developers to add a couple more units, or reduce lot size, to ensure that the finances work for provide needed housing to the missing middle.

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

Sincerely,



Gary D. Vogel

Attorney, Drummond Woodsum.