

Testimony in Support

LD 772, An Act to Establish a Process to Vest Rights for Land Use Permit Applicants

Senator Pierce, Representative Gere, and Honorable Members of the Housing Committee:

My name is Kevin Bunker, and as a long-time Brunswick resident I am pleased to be before you as the founder of the Developers Collaborative in support of LD 772, An Act to Establish a Process to Vest Rights for Land Use Permit Applicants.

Since founding Developers Collaborative in 2007, I have worked on projects in dozens of Maine municipalities, focusing on affordable housing, historic rehabilitation, and community development projects. We employ a community-based approach to planning and building our projects, and we frequently participate in public-private partnerships to achieve public goals. In 17 years I have invested around \$200 million in Maine communities and built approximately 1,000 units of housing, most of it permanently affordable.

As you know, a newly released Maine Housing Production Study highlighted the need for Maine to create over 80,000 units of housing by 2030 to remedy historic underproduction and to meet expected population growth and household change. While we and the rest of the housing production infrastructure are working as fast as we can to fill the gap, uncertainties around local land use regulation, including NIMBYism, are one of our biggest obstacles to housing production, in the same conversation with interest rates and construction costs. And while the latter two are cyclical – we are coming off a very positive economic development climate – the former seems to be only increasing with time.

While the consensus that supports housing production is broad, it can be diffuse compared to the dedicated efforts of intelligent and dedicated opponents who do not want a project in their backyards. These opponents grow ever more sophisticated in their efforts to thwart projects that serve the common goal of housing production.

An increasingly common tool is changing the rules of the game mid-stream so a contemplated development no longer fits the code of ordinances. While this would seem to violate a basic principle of fairness, it is completely legal and can be applied selectively at the whims of a local interest group that is able to influence politics at the municipal level.

For example, under current law, when retroactive ordinances are applied to existing land use applications, it requires the applicant to go back to the drawing board, wasting thousands and sometimes millions of dollars on existing architectural, structural, legal, and land use purchase costs. These added costs guarantee higher prices to accommodate the higher costs of development.

I have encountered such efforts in several Maine municipalities and they have delayed, increased the cost of, and potentially even ended very worthwhile projects. One Maine town in which I have recently worked has even raised the spectre of changing their state-approved 10

year Comprehensive Plan to remove a development site under current consideration from its growth area! The reality is that while local politics are a vital part of our Maine culture and way of life, housing projects, and investment generally, require a stable environment and predictability where the rules of the game are known. Capital will go where it is welcomed and so will housing.

This holds true for both large and small- and medium-sized infill developers: we all need a predictable regulatory environment to flourish. As a community-first developer, we rely on local banks as our primary source of capital and banks will not lend into an uncertain environment.

LD 772 would establish a new law that locks in land use ordinance requirements on the day a land use application is submitted. The goal of this bill is to help catalyze housing creation in Maine by reducing risk, lowering housing costs by reducing overall costs, and encouraging local housing creators to engage in the solution. It will stimulate local housing conversations as communities will need to proactively ensure their ordinances reflect the current local consensus around housing, as opposed to the self-interest of a vocal minority.

Thank you for your consideration of this important legislation and for your efforts to help solve Maine's housing crisis.

Sincerely,

Kevin Bunker
Developers Collaborative