

Office of Policy and Legal Analysis

Date: May 17, 2021
To: Joint Standing Committee on Innovation, Development, Economic Advancement and Business
From: Rachel Olson, Legislative Analyst
Re: LD 1694, An Act To Create the Maine Redevelopment Land Bank Authority (Sachs)

Bill Summary

This bill establishes the Community Redevelopment Land Bank Authority to coordinate the acquisition of blighted, abandoned and environmentally hazardous or functionally obsolete property for redevelopment, including property identified as historic but not including real property owned by a federally recognized Indian tribe, unimproved land or an active or former military facility. The bill establishes a fund to support the purpose of the authority, which includes as a source of revenue a fee on the disposal of construction and demolition debris. The bill also authorizes the creation of municipal redevelopment authorities to work with the Community Redevelopment Land Bank Authority for the purpose of transferring property and coordinating redevelopment. The Community Redevelopment Land Bank Authority is required to establish a Development Ready Community Planning Committee for the purposes of establishing statewide community redevelopment guidelines.

Testimony:

Proponents: Representative Sachs, sponsor; Senator Vitelli, cosponsor; Representative Arford; Representative Gere; Representative Cloutier; Eliza Cress, Bicycle Coalition of Maine; Nicholas Herold, The Fletcher Group, Keller Williams Realty; Matt Nazar, Development Services – City of Augusta; George OKeefe, Town of Rumford; Mandy Reynolds, Build Maine; Kara Wildbur, Build Maine; Nancy Smith, GrowSmart Maine; Robyn Stanicki, Kennebec Valley Council of Governments and Waterville Community Land Trust; Anne Ball, Maine Downtown Center at MDF; Kristina Cannon, Main Street Skowhegan; Anne-Marie Mastraccio, Mayor’s Coalition; Pete Didisheim, Natural Resources Council of Maine; Emily Doerr, State of Michigan Land Bank Authority; Elizabeth Frazier, MEREDA; Ben Frey, Newcastle Planning Board; Diane Gerry, Sanford Housing Authority; Michael Hall, Augusta Downtown Alliance; Jonathan Hall, Maine Preservation; Ian Houseal, City of Sanford; Ed Libby; Rob Liscord, Maine Equal Justice; Lado Lodoka, Immigrant Housing Coalition; AVCOG, HCPC, KVCOG, LCRPC, NMDC, SMPDC; Greg Payne, Maine Affordable Housing Coalition; Delilah Poupore, Heart of Biddeford; Margaret McCrea, Historic Thomaston Resource Group; Nate Rudy, Town of Gray; Lucy Van Hook, Our Katahdin; Minot Weld, Sierra Club Maine; John Caramihalis, Saco Land Bank; John Egan, Genesis Fund; Brian Eng; Michael Lyne, Developers Collaborative;

Opponents: None

Neither for nor against: Kate Foye, DECD; Neal Goldberg, MMA;

Potential Issues or Technical Problems:

- The use of “and” instead of “or” when describing the types of properties (addressed in sponsor amendment)

- There is no definition for the term “blighted”
- Unclear who the Authority would submit legislation to (§5161(6))

Information Requests:

1. There was a question around what types of properties would be exempted, especially as it related to federally owned land or property.

§5157 on page 4 states that the redevelopment authority may not acquire any property that is an active or former military facility that qualifies for inclusion in the [Defense Environmental Restoration Program under 10 USC, Section 2701](#). Additionally, the redevelopment authority may not acquire real property or land owned by a federally recognized Indian tribe or land the majority of which is unimproved or is not integral to the redevelopment property.

Properties identified as historic are not excluded if they meet other criteria outlined in subchapter 1.

2. What is the process that a town would go through once a property was identified?

Ian Houseal, City of Sanford Land Bank Authority, submitted testimony in the form of a presentation that walked through the steps a community may take once a property is identified.

3. How does this bill intersect with [LD 446](#) and [LD 1240](#)?

LD 446 An Act To Reestablish the State Planning Office (work session yesterday)

This bill reestablishes the State Planning Office, eliminated in 2012, within the Office of the Governor. The State Planning Office has 3 core functions: to advise the Governor on developing and implementing policy; to assist the Legislature with information and analysis; and to administer financial and technical assistance programs to help build sustainable communities.

LD 1240 Resolve, To Review Barriers to Regional Solutions for Housing Choices (tabled, voted as carryover)

This resolve directs the Department of Economic and Community Development, Office of Community Development to conduct a review of barriers to regional solutions to making housing affordable, accessible, available, functional and compatible with strategies outlined in the December 2020 climate action plan of the Maine Climate Council, "Maine Won't Wait: A Four-year Plan for Climate Action." It directs the office to report to the Joint Standing Committee on Labor and Housing by December 1, 2021 with a summary of these barriers, their implications and potential solutions.

4. How does this program compare with other land bank programs in other states, especially Michigan?

I have [included a list with links to the over 200 land bank programs in 28 states across the country](#). Twenty-one states have enacted enabling statutes to support the creation of land banks. Most operate at the municipal, county, or regional level. Only Michigan and Alabama appear to have jurisdiction at the State level. Neither Alabama or Michigan’s programs have the power of eminent domain.

Possible Amendments:

The sponsor has shared an amendment this morning.

Nancy Smith from GrowSmart Maine suggested Section §5156 (Creation of municipal authorities) be passed, but that the other elements be studied further to explore options to accomplish the stated goals.¹

Maine Equal Justice suggested two amendments to the Development Ready Community Planning Committee to have representation on the committee who are focused on creating safe and affordable housing. Amended language was included in [testimony](#).

DECD asked in testimony if some of the structures established in the bill could live within already established structures

Other Considerations:

[Title 30-A, §5108. Eminent domain](#)

Fiscal Impact: Not Yet Determined.

The bill creates a new 9-member board who will hire an executive director and may hire staff and employ counsel as necessary.

The fund established in §5155 is funded by the increased fee for the disposal of construction and demolition debris and residue from the processing of construction and demolition debris. Currently, the charge is \$2/ton. The bill proposes adding \$3/ton to go to the Community Redevelopment Land Bank Fund.

It may also receive state and federal funding.

¹ Testimony, Nancy Smith, GrowSmart Maine.