

**Testimony of GrowSmart Maine
in support of LD 1694, An Act To Create the Maine Redevelopment Land Bank
Authority**

May 13, 2021

Senator Curry, Representative Roberts, and Members of the Joint Legislative Committee on Innovation, Development, Economic Advancement, and Business, I am Nancy Smith, and I live in Monmouth. I am executive director of GrowSmart Maine, a statewide organization devoted building lasting prosperity while protecting the quality of life that defines Maine. We support policies, programs and projects that define and protect the value of our unique built and natural places while supporting long term economic opportunity.

The need for community investment has been and continues to be an issue that impacts Maine's economic future. Resources and tools are needed to help communities address revitalization. Among the issues challenging communities is providing housing choices. Right now, the lack of housing choices puts at risk economic development, workforce development, housing equity, climate action and all aspects of Maine's unique quality of life. As with most significant challenges, there is no single solution, thus the large number of legislative proposals this session proposing ways to knock down barriers to housing choices. ***We have supported LDs 609, 1312, 1240, 1246, 1312, and 1530 because each presents compatible and effective strategies. In addition, LD 446 and LD 1240 address land use planning and development capacity at state, regional, and local levels.*** LD 446 is being held by the Committee on State and Local Government in anticipation of this bill so they could be considered together, and LD 1240 is tabled for a request to Carry Over to the next session so the more immediate bills can be activated, and the Dept of Economic and Community Development will seek funds to complete the report and update to the Growth Management Act. We know the deadline for committee work is approaching, and ***suggest this committee confer with State and Local Government and Labor and Housing committees to consider how this bill intersects with the comparable bills presented this session.***

We support this bill's creation of a statewide system for municipal land banks. However, we have questions about the necessity of creating a statewide authority, with its own dedicated funding and powers, as well as the "Development Ready Communities" element of the bill. We would suggest that Section §5156 be passed,

and the other elements be studied to further explore options to accomplish the stated goals. Several board members have worked with me over the past few months as this bill has evolved, and some of us were a part of early discussions in 2019. We all agree on the need for local land banks, but some members have concerns that the other elements of the bill may distract and even detract from this core need.

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Section 5152. Statement of Need: We agree with this statement of the necessity to address abandoned property as a component of community revitalization and economic development though disagree that the only solution is creation of the redevelopment authority outlined in this bill.

Section 5153. Community Redevelopment Land Bank Authority: We support creation of a statewide land bank authority with the understanding it enables land banks specifically. Where it is best located in state government, what powers it has, and how it is funded are all in need of further discussion.. Land banks were identified in our [2021 Summit](#) as an underutilized mechanism that communities can use to develop or redevelop properties for housing and other uses. ***If a primary goal of this bill is to increase housing choices, as mentioned by bill proponents, the committee could consider adding that to the language of the bill.***

Section 5154. Appointments to the redevelopment authority:

- 1. Members: Given the broad powers given to this board, including bonding, contractual agreements and eminent domain, ***it should be stated clearing in the legislation that these members will be confirmed by the Senate as well as reviewed by a legislative committee. Members should also have fixed terms that are long enough to provide for consistency and stability.***
- Point C: ***it would be wise to add additional requirements over residency to ensure statewide coverage, to ensure the authority encompasses broad perspectives.***
- 2. Is it necessary to clarify that all appointments are made by the governor?

Section 5156. Creation of municipal authorities: ***The power to create municipal (and regional) land banks is the greatest value in this bill.*** Land banks were identified in our [2021 Summit](#) as an underutilized mechanism that communities can use to develop or redevelop properties for housing and other uses. Most property-specific decision-making ought to reside here, closest to the properties, with resources available from the state level authority. Regional land banks were discussed in earlier versions but are not listed here. ***There is likely a role for regional approaches in such a complex process, for those towns lacking capacity to access this process.***

- Section 4 B (page 4, line 5): ***More clarity in the experience and perspective sought in municipal members would be helpful,*** something beyond “some of whom.”

Subsection 2. Powers and Duties

Section 5161. Powers and duties: To my earlier point, this authority will have a great deal of...authority! ***The committee may consider either making appointments to the state level authority confirmable by the Senate (as most are, in my experience) and perhaps this authority makes recommendations to its home agency or Office of the Governor for some of these actions.*** This authority may be on par with Finance Authority of Maine and Maine Housing in its level of authority such as eminent domain, contracting and bonding. It should be answerable for its actions, as other agencies are.

- ***Section 5: Eminent domain: It must be made clear in this legislation that the decision-making authority on eminent domain MUST reside with the municipal authority, given their understanding of each property and owners' circumstances. I am concerned with the potential for abuse of this authority in the name of greater good and believe local control will mitigate this risk.*** Some of us Mainers love our properties even with the lack of resources to restore them to their original beauty. As written, it appears that single family dwellings are also eligible for eminent domain and perhaps should be exempted.

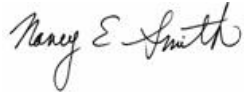
Section 5162. Development Ready Community Planning Committee: *This section of the bill moves beyond the Land Bank concept that GrowSmart Maine supports, into a distinct process for which our support is divided.* It is unclear how this committee interacts with the redevelopment authority. Is its purpose solely to prioritize properties for redevelopment through land banks, or more broadly to encompass all components of community development? If the purpose goes beyond the singular challenge of redeveloping abandoned properties, ***we see it as no more effective than the proposals in LD 446 and LD 1240, though far more complicated and potentially exclusionary.*** The redevelopment authority could move forward without this level of authority, instead trusting and supporting the local land bank authorities to focus on their priority areas and properties.

- **Section 1. Committee established.** (page 5 lines 17 and 18) If this section is to move forward, it would be better if it is designed to address community development goals specific to redevelopment of properties outlined in the land bank process. "Community development" is MUCH broader than redevelopment of derelict properties. Expertise is sought only in redevelopment and housing. DEP is the only environmental representation, and they are regulatory. There is no requirement for an agriculture or natural resources perspective.
 - Section H: We agree that this as an important improvement over earlier versions, in which I believe one regional planning organization was listed. To ensure statewide consensus, all regionals should be represented.
- **Section 2. Community development guidelines:**
 - Sections A and B are addressed within the current Growth Management Act and comprehensive plans. Those of us that oppose this portion of the bill believe these priorities are best managed at a local level through existing process, which is set for updating and improvements in LD 446 and LD 1240.
 - Section C does not provide clarity in its intention. Is this the initial stage of prioritizing state funding and federal funding that comes through state agencies, as outlined in earlier versions of the bill, with the singular focus on redevelopment of derelict properties, prioritized at the state level?
- **Section 5. Fee:** Several concerns outlined below:
 - A question of process: What other funding options were considered and why was this one chosen? How much will this raise?
 - The Michigan model of this program provides a host of staffing at a significant cost. It includes the resources addressed in LD 446 such as technical assistance from planners on contingency agreements with the agency and a SWAT team focused on readiness/marketing of properties in positions for redevelopment. In MI, these resources, and the state's significant gap funding program, are available only to those municipalities enrolled in the program. We understand that Michigan spent \$280 million of federal ARRA monies to implement their program, and supporters of this bill note that pending federal funds could be used in Maine to do so as well. Though significant funds are headed to Maine, there are also significant need, and competition for these funds should and will be strong to ensure best investment. Reliance on one-time federal funds leaves an expectation of future state funding to continue the program if the construction and demolition fees proposed in the bill are not sufficient. This fee is also counter to the Governor's pledge to fund state government without new taxes and fees.
 - Will funding and planning support programs in Maine be available only to those communities who participate in the program? ***There is some concern with readiness and capacity of smaller communities, as well as this framework vs a broader resource hub more readily available to all municipalities.*** For instance, one that can provide model ordinances for accessory dwelling units and Tiny Houses, as addressed in LDs 1312 and 1530 this session in Labor and Housing. Resources to support continuation and strengthening of agriculture and farming would not be available in this

model if a municipality decided that was their economic development focus, rather than redevelopment of abandoned properties.

- There is some concern of the potential to increase cost on redevelopment (even affordable housing) and on potential for increased illegal dumping since this fee applies to all construction and demolition debris disposal.
- While we fully support this level of resources for communities and for regional efforts, will the cost be covered by the proposed fee?

I realize that our testimony is more complex than usual, but this bill is important and complicated. We appreciate the opportunity to offer our perspective for this bill, and of course are willing to support the bill in any way that is helpful.

A handwritten signature in cursive script that reads "Nancy E. Smith".

Executive Director