



HOUSE OF REPRESENTATIVES  
2 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0002

**Amy B. Arata**

P.O. Box 2

New Gloucester, ME 04260

Residence: (207) 333-1817

[Amy.Arata@legislature.maine.gov](mailto:Amy.Arata@legislature.maine.gov)

(207) 287-1440

TTY: (207) 287-4469

Testimony for LD 2003

An Act To Implement the Recommendations of the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions

Senator Daughtry, Representative Sylvester, and distinguished members of the Labor and Housing Committee, my name is Amy Arata and I represent House District 65. I'm pleased to testify in support of most of LD 2003.

The housing market, like all markets, is subject to the law of supply and demand. For a long time, government over-regulation has distorted the housing market. LD 2003 includes a free-market solution to housing shortages and honors property rights.

It used to be that a hard-working person of modest means would notice a demand for housing and then construct a small multifamily property to meet that demand, and perhaps live in it himself. Overly-strict zoning ordinances put an end to that, and now we've become dependent on large corporations to supply most housing. These corporations know how to work around complicated zoning ordinances and build huge tax-subsidized developments. This segregates people by income level and rewards those who are already wealthy by reducing their taxes. LD 2003 will allow regular, hard-working people, to build up to four units of housing on their property, subject to common-sense regulations to preserve the quality of life in their neighborhoods. This will allow the supply of housing to rise to meet demand without taxpayer dollars, and thereby lower the cost of housing.

You may have noticed that LD 2003 is a huge bill. The commission met for many dozens of hours and tried to honor diverse perspectives. Therefore, much was left up to the Labor and Housing Committee to sort out. I'd like to go through the bill

with you and give my concerns. This is an emergency bill, and I'd really like us to reach a consensus so that we can have a 2/3 majority.

Page 1 amends the Maine Human Rights Act. The commission spent at least one meeting discussing the racist origination of some zoning ordinances. We really wanted to acknowledge that disturbing history and ensure that it can't happen again. We tried to identify some ways that municipalities might include racist language in their ordinances. However, upon reviewing the language we included, I do not think we accomplished that. The three terms listed, "Character of a location", "Concentration of the population", and "Overcrowding of land", can all be used legitimately. This is certainly true with regard to historic districts and areas that are environmentally significant. The state should not sue municipalities for using this language. Therefore, I propose you strike this section of the bill.

Turning to Page 2, growth caps are prohibited. If you can imagine a town with an annual cap of 20 houses per year, and your house is number 21, you can imagine why we would want to eliminate arbitrary caps. However, it was not our intent to prohibit caps that are based on a defined limit, such as public sewer or water capacity. You may want to include such language as you amend the bill.

Section 7 provides technical assistance to municipalities to assist with implementing this bill. However, similar funding is included in the governor's proposed supplemental budget. Turning to page 3, the grant and incentive programs also have a similar proposal in the governor's supplemental budget. We do not yet know if the governor's budget will pass as proposed, but it may make sense in the future to eliminate these items from LD 2003 in order to simplify this bill.

Page 4, section 9, may be the most controversial part of LD 2003. I propose you strike this part of the bill and instead rely on the municipal grant programs and Subchapter 7 on page 8) for affordable housing needs. During our deliberations we said that we wanted a carrot rather than a stick approach. Section 9 looks too much like a stick.

Section 10 allows up to 4 units in a residential zone because 4-unit properties are considered residential for financing purposes. This means that a person of modest means could obtain an FHA mortgage (3.5% down payment) or a Veterans Administration loan (zero down payment) if he lives in the property. Therefore, these properties are more likely to be owner occupied and show pride of

ownership. It's an opportunity for regular people who are willing to work hard to get ahead through real estate investment, not just the large corporations that build huge apartment complexes. Of course, these properties will be subject to setback, height, and other common sense zoning requirements. This part of the bill reduces

segregation by income level, allows the free market to work, and I hope will someday make tax credit financed apartment complexes obsolete.

One concern with Section 10 is the question of whether it allows private covenants and restrictions that prohibit multifamily structures. People should be able to choose to live in such developments if they want to. We assumed that private deed restrictions supersede zoning regulations, but I would like a legal opinion on this matter and to have it spelled out clearly in LD 2003.

On page 6, I suggest section 3.H be struck. Needs change and it may be necessary at some point for a family to rent out an ADU for less than 30 days. Also, this will be difficult for municipalities to enforce.

Turn to Page 7, regarding the Municipal Housing Development Review Board. The make-up of this board is too politically driven. Also, most towns have an appeals process. If that fails, they have the option to go to court. If you insist on keeping this Board as part of LD 2003, I suggest that it only apply to individuals (not corporations) developing homes, who might not be able to afford legal representation.

Turning to page 8, I suggest that the requirement to have Priority Development Zones only apply to larger municipalities. It does not make sense for small rural towns to go through the time and expense to comply with this. Perhaps amend it to only require Priority Development Zones where the population is 15,000 or more.

It's not often that we have the opportunity to honor the priorities of such a diverse group. Amended correctly, LD 2003 can satisfy both those who advocate for affordable housing and those who support private property rights. It's now in your hands to marry the two. Thank you for listening to my testimony and I'd be happy to answer any questions and to attend the work session.