



March 7, 2022

Joint Committee on Labor and Housing
Maine State Legislature
c/o Legislative Information Office
100 State House Station
Augusta, Maine 04333

Senator Daughtry, Representative Sylvester, and Members of the Joint Standing Committee on Labor and Housing:

On behalf of Up for Growth, I am writing to provide our perspectives on LD 2003, *An Act to Implement the Recommendations of the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions*.

By way of background, Up for Growth is a national, cross-sector member network committed to solving the nation's housing shortage and affordability crisis through data-driven research and evidence-based policy. We provide policy resources, technical assistance, and comment letters to policymakers and stakeholders working to achieve housing equity, eliminate systemic barriers, and create more homes through our state and local programs.

From cities to suburbs to rural America, the cost of housing and demand for it has drastically outpaced salaries and supply. Today, far too many Americans cannot afford to live well where they work, play, and gather. One primary driver of the affordability crisis is that housing production is not keeping pace with housing needs. Artificial barriers, exclusionary zoning, and opposition from residents often combine to create a severe underproduction of homes.

Our 2018 report, *Housing Underproduction in the United States*, found that the U.S. fell 7.3 million homes short of meeting housing needs. Maine is no exception. Maine fell over 25,000 homes short of meeting housing needs over the same period. The impacts are clear. 27% of Maine households (both renters and homeowners) are cost-burdened.¹ The median home price in Maine increased 16.8% from 2020 to 2021.² A renter making minimum wage would have to work 70 hours per week to afford an average market-rate, two-bedroom home in the state.³ Maine ranks 9th in the nation regarding the severity of the Black versus White homeownership gap.⁴

Housing stability is foundational to economic mobility, health and well-being, inclusion, and livelihood. To create access to opportunity and a housing system that serves everyone, we believe policymakers must prioritize racial and economic equity outcomes and actively reverse the nation's history of exclusionary policies.

LD 2003 is a comprehensive legislative package that, if passed, would increase access to opportunity and ensure Maine's housing system serves everyone. It couples new resources, tools, and technical assistance with minimum standards for housing, strengthened fair housing law, and statewide enforcement.

LD 2003 proposes the following to address Maine's housing underproduction.

- First, the bill would strengthen fair housing law by defining terms "character of a location," "overcrowding of land," and "concentration of the population" and prohibit the ability for jurisdictions to deny housing approvals for any of these reasons.
- Second, the bill would create several new resources to support local government partners. The bill would establish an incentive grant program to support the modernization of zoning and land-use policies. It would also require the Department of Economic and Community Development to provide technical assistance resources.
- Third, the bill would establish minimum standards around zoning and land-use law, including (1) requiring municipalities to permit up to 4 dwelling units on any residential lot, (2) requiring municipalities to allow accessory dwelling units, and (3) prohibiting municipalities from establishing moratoria or limits on the rate of housing production.
- Fourth, the bill would create two new tools to increase affordable and market-rate housing in high-opportunity neighborhoods. The bill would establish a voluntary density bonus program for affordable housing developments that meet specific criteria. The bill would also create a mandatory priority development zone program, helping communities drive more homes in neighborhoods with concentrations of opportunity-driving assets, including jobs, schools, transportation, retail, and recreation.
- Finally, the bill would ensure the state can enforce the minimum standards by establishing an independent Municipal Housing Development Permit Review board to adjudicate housing permit denials.

We applaud the sponsors of this legislation and the members of the Maine Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions. LD 2003 takes a holistic approach to a critical and urgent issue facing Maine and its citizens.

Thank you for your leadership on this vital issue and your ongoing efforts to address Maine's housing underproduction and affordability crisis. Our organization stands ready to be a resource to bill sponsors, the Joint Committee on Labor and Housing, and other stakeholders in the legislative process.

Sincerely,



Mike Kingsella
Chief Executive Officer
Up for Growth

cc: Honorable House Speaker Ryan Fecteau
Honorable Senator Craig Hickman
Honorable Representative Amy Bradstreet Arata
Mr. Justin Purvis, Clerk, Joint Committee on Labor and Housing

¹ U.S. Census, 2019 ACS 1 Year Estimates

² Maine Association of REALTORS, Single Family Home Sales Data. Retrieved from <https://www.mainerealtors.com/wp-content/uploads/2022/02/Cumberland21Data.pdf>.

³ National Low Income Housing Coalition, Out of Reach 2021: Maine. Retrieved from <https://reports.nlihc.org/oor/maine>.

⁴ U.S. Census, 2019 ACS 1 Year Estimates