

# PL 2021, ch. 672 (LD 2003) and The Housing Opportunity Program

February 27, 2024



# LD 2003 Overview



- Signed by Gov. Mills in April 2022 to increase housing opportunities in Maine by requiring municipalities to amend or create new zoning ordinances.
- Broadly, LD 2003 allows:
  - For additional density for affordable housing developments;
  - The addition of between 2 and 4 dwelling units per lot where residential uses are permitted;
  - Accessory dwelling units on the same lot as a single-family home.
- Includes requirements that the
  - State establish housing production goals; and
  - Municipalities align ordinances with the federal Fair Housing Act and Maine Human Rights Act.
- Established the Housing Opportunity Program in DECD

# What is LD 2003?

## Affordable Housing Density Bonus

30-A M.R.S. 4364

**Density bonus for affordable housing developments of 2.5x base density; requirement of 2 parking spaces for every 3 units.**

To qualify for bonus:

- ✓ 51% or more of the units must be affordable;
- ✓ Development must be located in an area with zoning and multi-family housing; and
- ✓ Development must be located in a designated growth area or served by water/sewer or a comparable system.

## Up to Four Dwelling Units

30-A M.R.S. 4364-A

**Allows between 2-4 dwelling units on residential lots.**

- ✓ Lots without an existing unit:
  - Up to 2 units allowed
  - Exception: up to 4 units if lot is in designated growth area or has water/sewer in a municipality without a comprehensive plan.
- ✓ Lots with 1 existing dwelling unit:
  - Up to 2 units allowed (within, detached, or attached)

## Accessory Dwelling Unit

30-A M.R.S. 4364-B

**Allows 1 ADU on a lot with an existing single-family home within home, attached to it, or detached.**

- ✓ Exempt from zoning density requirements and rate of growth ordinances.
- ✓ No additional parking
- ✓ 190 square feet min; max can be set by municipality

# What parts of LD 2003 apply to my municipality?

## Affordable Housing Density Bonus

30-A M.R.S. 4364

Applies to municipalities with **zoning** with:

- (1) Adopted density requirements and multi-family housing; and
- (2) Designated growth areas OR public water/sewer

## Up to Four Dwelling Units

30-A M.R.S. 4364-A

Applies to all municipalities.

Number of allowed units on a lot will depend on whether:

- (1) a lot is within a designated growth area OR
- (2) a lot has public water/sewer in a municipality without a comprehensive plan

## ADU

30-A M.R.S. 4364-B

Applies to all municipalities

# LD 2003 Implementation Progress



- Implementation Dates:
  - January 1, 2024: Municipalities that adopt ordinances through town/city council
  - July 1, 2024: Municipalities that adopt ordinances by town meeting
  - Approximately 10% of municipalities in Maine adopt ordinances through a town/city council form of government and are subject to the January 1, 2024, deadline. The remaining approximately 90% of municipalities are subject to the July 1, 2024, deadline.
- DECD is slowly receiving adopted ordinances from January 1 communities, but only from communities who requested funding support.
- If you work with a municipality that recently updated ordinances to comply with LD 2003, would you send adopted ordinances to us (for data collection purposes)?

# Why does LD 2003 matter?

- The recently published 2023 Maine Housing Production Needs Study estimated that Maine needs 38,500 units to meet current demands, as well as 38,000+ units to meet future needs.

<i>Region</i>	<i>Historic Underproduction</i>	<i>Future Need (2021 - 2030)</i>	<i>Total</i>
<i>Coastal</i>	21,200	24,200 - 28,000	45,400 - 49,200
<i>Central Western</i>	13,000	9,700 - 11,700	22,700 - 24,700
<i>Northeastern</i>	4,300	4,000 - 6,100	8,300 - 10,400
<b><i>Maine</i></b>	<b>38,500</b>	<b>37,900 - 45,800</b>	<b>76,400 - 84,300</b>

- LD 2003 removes regulatory barriers to creating additional housing, while allowing municipalities to:
  - Create land use plans to protect sensitive environmental resources;
  - Regulate housing development based on documented water/wastewater capacity;
  - Enforce shoreland zoning;
  - Create rate of growth ordinances.

# Statewide and Regional Housing Goals



**Sec. 3. 5 MRSA §13056, sub-§9** is enacted to read:

**9. Establish statewide housing production goals.** Establish, in coordination with the Maine State Housing Authority, a statewide housing production goal that increases the availability and affordability of all types of housing in all parts of the State. The department shall establish regional housing production goals based on the statewide housing production goal. In establishing these goals, the department shall:

- A. Establish measurable standards and benchmarks for success of the goals;**
- B. Consider information submitted to the department from municipalities about current or prospective housing developments and permits issued for the construction of housing; and**
- C. Consider any other information as necessary to meet the goals pursuant to this subsection.**

Statewide and Regional Housing Goals Advisory Committee, facilitated between DECD, MaineHousing, and GOPIF began meeting in February 2024. P

# LD 2003 Municipal Payments

- Municipalities with and without zoning are eligible to request a one-time payment to be used for expenses associated with municipal ordinance development to comply with P.L. 2021, ch. 672 (LD 2003).
- Municipalities without zoning must provide DECD with a letter explaining why funding is requested, along with any applicable land use documents.
- Payment amount:
  - Municipalities that have designated growth area(s) or public water/sewer are eligible for up to \$10,000.
  - Municipalities that do not have designated growth areas or public water/sewer are eligible for up to \$5,000.
- Qualifying expenses include:
  - Legal fees;
  - Staff and volunteer time spent on ordinance development; and
  - Costs associated with conducting public meetings



# Housing Opportunity Program Municipal Grants

- This grant program provides funding to municipalities to assist with ordinance development and technical assistance necessary to support increased housing development.
- Types of projects:
  - Comprehensive plan updates to increase housing
  - Land use and zoning ordinance development to increase housing
    - Parking, minimum lot size, building height, floor area ratio, etc.
    - Permitting procedures
  - Incentives for affordable housing (beyond LD 2003)
  - Community housing studies
  - GIS mapping for affordable housing
  - Form Based Code
  - ADU incentives
  - Assessments related to infrastructure upgrades
- The 2024 Municipal Grants are **now open** as of January 29<sup>th</sup> and close on March 7th.

# Contact Information

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<https://www.maine.gov/decd/housingopportunityprogram>