

# Housing Opportunity Program



# LD 2003 Overview



- Signed by Gov. Mills in April 2022 to increase housing opportunities in Maine by requiring municipalities with zoning to amend or create new zoning ordinances.
- Designed to remove unnecessary regulatory barriers to housing production, while preserving local ability to create land use plans.
- Broadly, LD 2003 allows:
  - For additional density for affordable housing developments;
    - Between 2 and 4 dwelling units per lot where housing is permitted;
    - Accessory dwelling units on the same lot as a single-family home.
- Includes requirements that the
  - State establish housing production goals and; and
  - Municipalities align ordinances with the federal Fair Housing Act and Maine Human Rights Act.
- Established the Housing Opportunity Program in DECD.

# Why Does LD 2003 Matter?

- Housing that is affordable to people of all income levels is crucial to allow long-time residents, older adults, recent graduates and working people to live and work in communities of their choice.
- Updating ordinances is a way for community members to help shape the future of their communities in a socially and environmentally responsible way and to come up with creative solutions to fit the needs of their community.
- LD 2003 removes some regulatory barriers, providing landowners with the ability to use their land to their benefits; it provides more housing options to create more equitable and inclusive neighborhoods
- LD 2003 is just one of many tools and programs in Maine that support the development of affordable housing.

# Affordable Housing Density Bonus

30-A

M.R.S. § 43  
64

- Creates an automatic density bonus for certain “affordable housing developments.”
- To qualify for bonus, development must
  - ✓ Be approved on or after July 1, 2023;
  - ✓ Designate more than half of the units in the development as affordable;
  - ✓ Be in a growth area as defined by Maine law or served by public water and sewer or a comparable centrally managed system;
  - ✓ Be in an area in which multifamily dwellings are allowed;
  - ✓ Meet shoreland zoning requirements, meet minimum lots sizes if using subsurface waste disposal, and prove that water and sewer capacity is adequate for the development.
- If eligibility requirements are met, the affordable housing development qualifies for the following exceptions to zoning requirements:
  - The number of units allowed will be 2.5 times greater than the number allowed for a development not designated as affordable (**base density**).
  - The off-street parking requirements may not exceed 2 spaces for every 3 units.

# What does “affordable” mean?

- For rentals: a household with an income at no more than 80% of the area median income for the community, as defined by HUD, must be able to afford more than half of the units in the development.
- For homeowners: a household with an income at more than 120% of the area median income for the community, as defined by HUD, must be able to afford more than of the units in the development.
- Affordable units must be restricted through a restrictive covenant for at least 30 years.

Area Median Income:

- updated annually by HUD
- AMI data available on MaineHousing’s website

# 30-A M.R.S. § 4364-A- Residential Areas; Up to 4 Dwelling Units

- Requires municipalities to allow multiple dwelling units on parcels where housing is allowed with evidence of sufficient water and wastewater capacity.
- Municipalities may not apply different dimensional requirements to lots with more than one housing unit on them than they would to a lot with one housing unit, with the exception that minimum lot area per dwelling unit can be required.



# Number of Units

## General Rule: Up to 2 Units

- Generally, municipality must allow up to 2 dwelling units per lot that allows housing if that lot does not contain an existing dwelling unit.
- A lot with an existing dwelling unit may have up to two additional dwelling units either attached, detached, or one of each.

## Exception: Up to 4 Units

- A municipality must allow up to 4 units on a lot that allows housing if the lot does not contain an existing unit and:
  - Is located within a designated growth area; or
  - Is served by public water and sewer ( or a comparable designation) in a municipality without a comprehensive plan.

Municipalities may allow more than the minimum number of units described above.

# ADUs

30-A

M.R.S. §

4364-B

- This section allows a lot with a single-family dwelling in an area where housing is permitted to have one ADU.
- The ADU can be:
  - Within the existing home;
  - Attached to it; or
  - A new structure.
- Dimensional requirements for a single-family home apply unless the municipality makes the dimensional requirements more permissive for an ADU.
- Additional parking requirements for the ADU beyond those required for the single-family home are not permitted.
- ADUs must be at least 190 square feet in size. Municipalities can set a maximum size.
- Municipalities may establish an application and permitting process for ADUs.



# Final Notes on LD 2003

- LD 2003 does not:
  - Annul the validity or enforceability of any valid and enforceable easement, covenant, deed restriction or other agreement or instruction between private parties that imposes greater restrictions than the legislation, as long as the agreement does not restrict constitutional rights.
  - Exempt a subdivider from the requirements of Maine subdivision laws; and
  - Exempt an affordable housing development, dwelling unit, or ADU from Maine shoreland zoning law or municipal shoreland zoning ordinances.

# Housing Opportunity Program Grants

## Service Provider Grants

- Municipal ordinance development;
- Technical assistance to encourage public participation and community engagement in the process of increasing housing;

Technical assistance in support of the creation of municipal housing development plans, including ordinances, and policy amendments to support those plans; and

- Community housing implementation service grants

Prior to distributing funds, the Department must adopt rules and go through the competitive application process.

# Rulemaking

The Department is required to adopt rules to implement LD 2003 and the Housing Opportunity Program grants.

<b>Public Comment</b>	<b>Summary of Comments</b>	<b>Adoption</b>
February 8-March 13	End of March/Early April Includes OAG Final Review	Late April/ Early May 2023

# Does LD 2003 apply to my municipality? What is my municipality required to do to implement LD 2003?

## Questions to consider:

- 1) Does my municipality have zoning?
- 2) Does my municipality have a comprehensive plan or other master plan?
- 3) Where are public utilities (i.e., water and sewer) located in my community?

## Action Steps:

- 1) Review LD 2003 guidance document
- 2) Review example model ordinance language
- 3) Connect with local resources:
  - Regional planning organizations or COG's
- 4) Update ordinances and town permits, only if applicable

# Questions?

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