

MAINE STATE LEGISLATURE

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Date: 4/14/22

Majority
LABOR AND HOUSING

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1489, L.D. 2003, "An Act To Implement the Recommendations of the Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions"

Amend the bill by striking out all of the emergency preamble.

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 5 MRSA §13056, sub-§7, as amended by PL 2003, c. 159, §3, is further amended to read:

7. **Contract for services.** When contracting for services, to the maximum extent feasible, seek to use the State's private sector resources in conducting studies, providing services and preparing publications; ~~and~~

Sec. 2. 5 MRSA §13056, sub-§8, as enacted by PL 2003, c. 159, §4, is amended to read:

8. **Lead agency for business assistance in response to certain events.** Be the lead agency for the State to provide information and business assistance to employers and businesses as part of the State's response to an event that causes the Department of Labor to carry out rapid-response activities as described in 29 United States Code, Sections 2801 to 2872 (2002); ~~and~~

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;

COMMITTEE AMENDMENT

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1 B. Consider information submitted to the department from municipalities about current
2 or prospective housing developments and permits issued for the construction of
3 housing; and

4 C. Consider any other information as necessary to meet the goals pursuant to this
5 subsection.

6 **Sec. 4. 5 MRSA §13056-J** is enacted to read:

7 **§13056-J. Housing Opportunity Program**

8 **1. Program established; administration.** The Housing Opportunity Program,
9 referred to in this section as "the program," is established within the department to
10 encourage and support the development of additional housing units in this State, including
11 housing units that are affordable for low-income and moderate-income people and housing
12 units targeted to community workforce housing needs. The department shall administer
13 the program and provide technical and financial assistance to support communities
14 implementing zoning and land-use related policies required to support increased housing
15 development. The program must support regional approaches and the development of
16 municipal model ordinances and must encourage policies that support increased housing
17 density where feasible to protect working and natural lands.

18 **2. Housing Opportunity Fund.** The Housing Opportunity Fund, referred to in this
19 section as "the fund," is established as a fund within the department for the purpose of
20 providing funds for the program in accordance with this section. The fund consists of
21 money appropriated to the fund by the Legislature and any money received by the
22 department for the purposes of the program.

23 A. The department shall solicit applications for grants from the fund through a
24 competitive application process that may be awarded to experienced service providers
25 to support municipal ordinance development, technical assistance, public input,
26 community engagement and regional coordination between municipalities.

27 B. The department shall solicit applications for grants from the fund through a
28 competitive application process for the following:

29 (1) Community housing planning grants for municipalities that support the creation
30 of housing development plans that include, as needed, ordinance and policy
31 amendments to support those plans. The grants must be awarded for a period of up
32 to 3 years, with required progress reports each year; and

33 (2) The implementation of community housing priorities.

34 **3. Direct technical assistance.** The department shall provide technical assistance,
35 including housing policy development and guidance, directly to regional groups,
36 municipalities and other housing stakeholders to the extent feasible within available
37 resources. Technical assistance may include, but is not limited to, assisting municipalities
38 with information about available grant opportunities, sharing best practices from
39 jurisdictions inside and outside the State, providing model language for local ordinances
40 and policies and providing information to the general public that may support local and
41 statewide policy changes meant to increase the supply of housing.

1 **4. Program evaluation.** Any recipient of grant funds through the program shall
2 cooperate with the department in performing program evaluation and specific reporting
3 requirements.

4 **Sec. 5. 30-A MRS §4364** is enacted to read:

5 **§4364. Affordable housing density**

6 For an affordable housing development approved on or after July 1, 2023, a
7 municipality with density requirements shall apply density requirements in accordance
8 with this section.

9 **1. Definition.** For the purposes of this section, "affordable housing development"
10 means:

11 A. For rental housing, a development in which a household whose income does not
12 exceed 80% of the median income for the area as defined by the United States
13 Department of Housing and Urban Development under the United States Housing Act
14 of 1937, Public Law 75-412, 50 Stat. 888, Section 8, as amended, can afford a majority
15 of the units that the developer designates as affordable without spending more than
16 30% of the household's monthly income on housing costs; and

17 B. For owned housing, a development in which a household whose income does not
18 exceed 120% of the median income for the area as defined by the United States
19 Department of Housing and Urban Development under the United States Housing Act
20 of 1937, Public Law 75-412, 50 Stat. 888, Section 8, as amended, can afford a majority
21 of the units that the developer designates as affordable without spending more than
22 30% of the household's monthly income on housing costs.

23 **2. Density requirements.** A municipality shall allow an affordable housing
24 development where multifamily dwellings are allowed to have a dwelling unit density of
25 at least 2 1/2 times the base density that is otherwise allowed in that location and may not
26 require more than 2 off-street parking spaces for every 3 units. The development must be
27 in a designated growth area of a municipality consistent with section 4349-A, subsection
28 1, paragraph A or B or the development must be served by a public, special district or other
29 centrally managed water system and a public, special district or other comparable sewer
30 system.

31 **3. Long-term affordability.** Before approving an affordable housing development, a
32 municipality shall require that the owner of the affordable housing development have
33 executed a restrictive covenant, recorded in the appropriate registry of deeds, for the benefit
34 of and enforceable by a party acceptable to the municipality, to ensure that for at least 30
35 years after completion of construction:

36 A. For rental housing, occupancy of all of the units designated affordable in the
37 development will remain limited to households at or below 80% of the local area
38 median income; and

39 B. For owned housing, occupancy of all of the units designated affordable in the
40 development will remain limited to households at or below 120% of the local area
41 median income.

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1 **4. Shoreland zoning.** An affordable housing development must comply with
2 shoreland zoning requirements established by the Department of Environmental Protection
3 under Title 38, chapter 3 and municipal shoreland zoning ordinances.

4 **5. Water and wastewater.** The owner of an affordable housing development shall
5 provide written verification to the municipality that each unit of the housing development
6 is connected to adequate water and wastewater services before the municipality may certify
7 the development for occupancy. Written verification under this subsection must include:

8 A. If a housing unit is connected to a public, special district or other comparable sewer
9 system, proof of adequate service to support any additional flow created by the unit
10 and proof of payment for the connection to the sewer system;

11 B. If a housing unit is connected to a septic system, proof of adequate sewage disposal
12 for subsurface wastewater. The septic system must be verified as adequate by a local
13 plumbing inspector under section 4221. Plans for subsurface wastewater disposal must
14 be prepared by a licensed site evaluator in accordance with subsurface wastewater
15 disposal rules adopted under Title 22, section 42;

16 C. If a housing unit is connected to a public, special district or other centrally managed
17 water system, proof of adequate service to support any additional flow created by the
18 unit, proof of payment for the connection and the volume and supply of water required
19 for the unit; and

20 D. If a housing unit is connected to a well, proof of access to potable water. Any tests
21 of an existing well or proposed well must indicate that the water supply is potable and
22 acceptable for domestic use.

23 **6. Subdivision requirements.** This section may not be construed to exempt a
24 subdivider from the requirements for division of a tract or parcel of land in accordance with
25 subchapter 4.

26 **7. Restrictive covenants.** This section may not be construed to interfere with,
27 abrogate or annul the validity or enforceability of any valid and enforceable easement,
28 covenant, deed restriction or other agreement or instrument between private parties that
29 imposes greater restrictions than those provided in this section, as long as the agreement
30 does not abrogate rights under the United States Constitution or the Constitution of Maine.

31 **8. Rules.** The Department of Economic and Community Development shall adopt
32 rules to administer and enforce this section. The department shall consult with the
33 Department of Agriculture, Conservation and Forestry in adopting rules pursuant to this
34 subsection. The rules must include criteria for a municipality to use in calculating housing
35 costs. Rules adopted pursuant to this subsection are routine technical rules as defined in
36 Title 5, chapter 375, subchapter 2-A.

37 **Sec. 6. 30-A MRSA §4364-A** is enacted to read:

38 **§4364-A. Residential areas, generally; up to 4 dwelling units allowed**

39 **1. Use allowed.** Notwithstanding any provision of law to the contrary, except as
40 provided in Title 12, section 4807-A, for any area in which housing density is limited to no
41 more than one dwelling unit per lot or no more than 2 dwelling units per lot, a municipality
42 shall allow structures with up to 2 dwelling units per lot if that lot does not contain an
43 existing dwelling unit, except that a municipality shall allow up to 4 dwelling units per lot

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1 if that lot does not contain an existing dwelling unit and the lot is located in a designated
2 growth area within a municipality consistent with section 4349-A, subsection 1, paragraph
3 A or B or if the lot is served by a public, special district or other centrally managed water
4 system and a public, special district or other comparable sewer system in a municipality
5 without a comprehensive plan.

6 A municipality shall allow on a lot with one existing dwelling unit the addition of up to 2
7 dwelling units: one additional dwelling unit within or attached to an existing structure or
8 one additional detached dwelling unit, or one of each.

9 **2. Zoning requirements.** With respect to dwelling units allowed under this section,
10 municipal zoning ordinances must comply with the following conditions.

11 A. A lot is considered single-family even if more than one dwelling unit has been
12 constructed as a result of the allowance under this section or section 4364-B.

13 B. A municipal zoning ordinance may establish a prohibition or an allowance for lots
14 where a dwelling unit in existence after July 1, 2023 is torn down and an empty lot
15 results.

16 **3. General requirements.** A municipal ordinance may not establish dimensional
17 requirements or setback requirements for dwelling units allowed under this section that are
18 greater than dimensional requirements or setback requirements for single-family housing
19 units.

20 **4. Water and wastewater.** The owner of a housing structure must provide written
21 verification to the municipality that the structure is connected to adequate water and
22 wastewater services before the municipality may certify the structure for occupancy.
23 Written verification under this subsection must include:

24 A. If a housing structure is connected to a public, special district or other comparable
25 sewer system, proof of adequate service to support any additional flow created by the
26 structure and proof of payment for the connection to the sewer system;

27 B. If a housing structure is connected to a septic system, proof of adequate sewage
28 disposal for subsurface wastewater. The septic system must be verified as adequate by
29 a local plumbing inspector under section 4221. Plans for subsurface wastewater
30 disposal must be prepared by a licensed site evaluator in accordance with subsurface
31 wastewater disposal rules adopted under Title 22, section 42;

32 C. If a housing structure is connected to a public, special district or other centrally
33 managed water system, proof of adequate service to support any additional flow created
34 by the structure, proof of payment for the connection and the volume and supply of
35 water required for the structure; and

36 D. If a housing structure is connected to a well, proof of access to potable water. Any
37 tests of an existing well or proposed well must indicate that the water supply is potable
38 and acceptable for domestic use.

39 **5. Municipal implementation.** In adopting an ordinance, a municipality may:

40 A. Establish an application and permitting process for housing structures;

41 B. Impose fines for violations of building, zoning and utility requirements for housing
42 structures; and

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C. Establish alternative criteria that are less restrictive than the requirements of subsection 4 for the approval of a housing structure only in circumstances in which the municipality would be able to provide a variance under section 4353, subsection 4, 4-A, 4-B or 4-C.

6. Shoreland zoning. A housing structure must comply with shoreland zoning requirements established by the Department of Environmental Protection under Title 38, chapter 3 and municipal shoreland zoning ordinances.

7. Subdivision requirements. This section may not be construed to exempt a subdivider from the requirements for division of a tract or parcel of land in accordance with subchapter 4.

8. Restrictive covenants. This section may not be construed to interfere with, abrogate or annul the validity or enforceability of any valid and enforceable easement, covenant, deed restriction or other agreement or instrument between private parties that imposes greater restrictions than those provided in this section, as long as the agreement does not abrogate rights under the United States Constitution or the Constitution of Maine.

9. Rules. The Department of Economic and Community Development may adopt rules to administer and enforce this section. The department shall consult with the Department of Agriculture, Conservation and Forestry in adopting rules pursuant to this subsection. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

10. Implementation. A municipality is not required to implement the requirements of this section until July 1, 2023.

Sec. 7. 30-A MRSA §4364-B is enacted to read:

§4364-B. Accessory dwelling units

1. Use permitted. A municipality shall allow an accessory dwelling unit to be located on the same lot as a single-family dwelling unit in any area in which housing is permitted.

2. Restrictions. An accessory dwelling unit may be constructed only:

A. Within an existing dwelling unit on the lot;

B. Attached to or sharing a wall with a single-family dwelling unit; or

C. As a new structure on the lot for the primary purpose of creating an accessory dwelling unit.

This subsection does not restrict the construction or permitting of accessory dwelling units constructed and certified for occupancy prior to July 1, 2023.

3. Zoning requirements. With respect to accessory dwelling units, municipal zoning ordinances must comply with the following conditions:

A. At least one accessory dwelling unit must be allowed on any lot where a single-family dwelling unit is the principal structure; and

B. A lot must be deemed single-family even if more than one dwelling unit has been constructed as a result of the allowance under this section or section 4364-A;

4. General requirements. With respect to accessory dwelling units, municipalities shall comply with the following conditions.

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- A. A municipality shall exempt an accessory dwelling unit from any density requirements or calculations related to the area in which the accessory dwelling unit is constructed.
- B. For an accessory dwelling unit located within the same structure as a single-family dwelling unit or attached to or sharing a wall with a single-family dwelling unit, the setback requirements and dimensional requirements must be the same as the setback requirements and dimensional requirements of the single-family dwelling unit, except for an accessory dwelling unit permitted in an existing accessory building or secondary building or garage as of July 1, 2023, in which case the requisite setback requirements for such a structure apply. A municipality may establish more permissive dimensional and set back requirements for an accessory dwelling unit.
- C. An accessory dwelling unit may not be subject to any additional parking requirements beyond the parking requirements of the single-family dwelling unit on the lot where the accessory dwelling unit is located.
- 5. Shoreland zoning.** An accessory dwelling unit must comply with shoreland zoning requirements established by the Department of Environmental Protection under Title 38, chapter 3 and municipal shoreland zoning ordinances.
- 6. Size requirements.** An accessory dwelling unit must meet a minimum size of 190 square feet. If the Technical Building Codes and Standards Board under Title 10, section 9722 adopts a different minimum size, that standard applies. A municipality may impose a maximum size for an accessory dwelling unit.
- 7. Water and wastewater.** The owner of an accessory dwelling unit must provide written verification to the municipality that the accessory dwelling unit is connected to adequate water and wastewater services before the municipality may certify the accessory dwelling unit for occupancy. Written verification under this subsection must include:
 - A. If an accessory dwelling unit is connected to a public, special district or other comparable sewer system, proof of adequate service to support any additional flow created by the accessory dwelling unit and proof of payment for the connection to the sewer system;
 - B. If an accessory dwelling unit is connected to a septic system, proof of adequate sewage disposal for subsurface wastewater. The septic system must be verified as adequate by a local plumbing inspector under section 4221. Plans for subsurface wastewater disposal must be prepared by a licensed site evaluator in accordance with subsurface wastewater disposal rules adopted under Title 22, section 42;
 - C. If an accessory dwelling unit is connected to a public, special district or other centrally managed water system, proof of adequate service to support any additional flow created by the accessory dwelling unit, proof of payment for the connection and the volume and supply of water required for the accessory dwelling unit; and
 - D. If an accessory dwelling unit is connected to a well, proof of access to potable water. Any tests of an existing well or proposed well must indicate that the water supply is potable and acceptable for domestic use.
- 8. Municipal implementation.** In adopting an ordinance under this section, a municipality may:

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- 1 A. Establish an application and permitting process for accessory dwelling units;
- 2 B. Impose fines for violations of building, zoning and utility requirements for
- 3 accessory dwelling units; and
- 4 C. Establish alternative criteria that are less restrictive than the requirements of
- 5 subsections 4, 5, 6 and 7 for the approval of an accessory dwelling unit only in
- 6 circumstances in which the municipality would be able to provide a variance under
- 7 section 4353, subsection 4, 4-A, 4-B or 4-C.

8 9. Rate of growth ordinance. A permit issued by a municipality for an accessory
9 dwelling unit does not count as a permit issued toward a municipality's rate of growth
10 ordinance as described in section 4360.

11 10. Subdivision requirements. This section may not be construed to exempt a
12 subdivider from the requirements for division of a tract or parcel of land in accordance with
13 subchapter 4.

14 11. Restrictive covenants. This section may not be construed to interfere with,
15 abrogate or annul the validity or enforceability of any valid or enforceable easement,
16 covenant, deed restriction or other agreement or instrument between private parties that
17 imposes greater restrictions than those provided in this section, as long as the agreement
18 does not abrogate rights under the United States Constitution or the Constitution of Maine.

19 12. Rules. The Department of Economic and Community Development may adopt
20 rules to administer and enforce this section. The department shall consult with the
21 Department of Agriculture, Conservation and Forestry in adopting rules pursuant to this
22 subsection. Rules adopted pursuant to this subsection are routine technical rules as defined
23 in Title 5, chapter 375, subchapter 2-A.

24 13. Implementation. A municipality is not required to implement the requirements
25 of this section until July 1, 2023.

26 **Sec. 8. 30-A MRSA §4364-C is enacted to read:**

27 **§4364-C. Municipal role in statewide housing production goals**

28 This section governs the responsibilities and roles of municipalities in achieving the
29 statewide and regional housing production goals set by the Department of Economic and
30 Community Development in Title 5, section 13056, subsection 9.

31 1. Fair housing and nondiscrimination. A municipality shall ensure that ordinances
32 and regulations are designed to affirmatively further the purposes of the federal Fair
33 Housing Act, 42 United States Code, Chapter 45, as amended, and the Maine Human Rights
34 Act to achieve the statewide or regional housing production goal.

35 2. Municipalities may regulate short-term rentals. A municipality may establish
36 and enforce regulations regarding short-term rental units in order to achieve the statewide
37 or regional housing production goal. For the purposes of this subsection, "short-term rental
38 unit" means living quarters offered for rental through a transient rental platform as defined
39 by Title 36, section 1752, subsection 20-C.

40 **Sec. 9. Report.** By January 15, 2024, the Department of Economic and Community
41 Development shall report to the Governor and the joint standing committees of the
42 Legislature having jurisdiction over economic development matters and housing matters

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COMMITTEE AMENDMENT "A" to H.P. 1489, L.D. 2003

1 about the Housing Opportunity Program established in the Maine Revised Statutes, Title
2 30-A, section 13056-J with any recommendations for changes in the statutes to improve
3 the program and its delivery of services to municipalities. The joint standing committees
4 of the Legislature having jurisdiction over economic development matters and housing
5 matters may each report out a bill to the 131st Legislature in 2024 relating to this program
6 and continued funding.

7 **Sec. 10. Appropriations and allocations.** The following appropriations and
8 allocations are made.

9 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**

10 **Housing Opportunity Program Z336**

11 Initiative: Establishes 2 limited-period Public Service Coordinator II positions through
12 June 8, 2024 and provides funding for the associated All Other costs to administer the
13 Housing Opportunity Program within the Department of Economic and Community
14 Development.

15	GENERAL FUND	2021-22	2022-23
16	Personal Services	\$0	\$243,874
17	All Other	\$0	\$206,126
18			
19	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$450,000</u>

20 **Housing Opportunity Program Z336**

21 Initiative: Provides funding for competitive grants to regional service providers to support
22 municipal housing ordinance development and planning board and public processes in each
23 participating municipality.

24	GENERAL FUND	2021-22	2022-23
25	All Other	\$0	\$1,000,000
26			
27	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,000,000</u>

28 **Housing Opportunity Program Z336**

29 Initiative: Provides funding for community housing implementation grants to individual
30 municipalities to support community housing priorities.

31	GENERAL FUND	2021-22	2022-23
32	All Other	\$0	\$1,450,000
33			
34	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,450,000</u>

35 **Housing Opportunity Program Z336**

36 Initiative: Provides one-time funds to reimburse municipalities by June 30, 2023 for the
37 mandated costs of amending and implementing ordinances related to accessory dwelling
38 units and multifamily dwelling units allowed in residential areas.

39	GENERAL FUND	2021-22	2022-23
40	All Other	\$0	\$100,000
41			
42	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$100,000</u>

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ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF DEPARTMENT TOTALS	2021-22	2022-23
GENERAL FUND	\$0	\$3,000,000
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$3,000,000

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment, which is the majority report of the committee, makes the following changes. The amendment:

1. Removes the emergency preamble and clause;
2. Eliminates amending the fair housing provisions of the Maine Human Rights Act;
3. Eliminates the Municipal Housing Development Permit Review Board;
4. Eliminates the prohibition on municipalities from adopting any ordinance that caps the number of building or development permits each year for any kind of residential dwellings;
5. Establishes the Housing Opportunity Program and the Housing Opportunity Fund within the Department of Economic and Community Development to encourage and support the development of additional housing units in this State, including housing units that are affordable to low-income and moderate-income people and housing units targeted to community workforce housing needs;
6. Eliminates a municipal incentive program to provide grants to municipalities for fulfilling certain requirements related to reviewing how its zoning and land use ordinances may impact the availability of housing;
7. Clarifies that density requirements apply to zoning ordinances where multifamily housing is already permitted;
8. Clarifies that long-term affordability in affordable housing developments applies only to the majority of affordable units;
9. Provides that, in a municipality in which housing density is limited to no more than one dwelling unit per lot or no more than 2 dwelling units per lot, the municipality shall allow structures with up to 2 dwelling units per lot if that lot does not contain an existing dwelling unit, except that, as long as the minimum lot size requirements for waste disposal are not violated, a municipality must allow up to 4 dwelling units per lot if that lot does not contain an existing dwelling unit and the lot is located in a designated growth area within a municipality consistent with the Maine Revised Statutes, Title 30-A, section 4349-A, subsection 1, paragraph A or B or if the lot is served by public water and sewer systems in a municipality without a comprehensive plan;

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10. Provides that a municipality must allow structures on a lot with an existing dwelling unit to add up to 2 additional dwelling units on that lot if one additional dwelling unit is within or attached to the existing structure and the other additional dwelling unit is detached;

11. Specifies that, for a lot in any zone for which housing is permitted, the intent is not to exempt a subdivider from the requirements for division of a tract or parcel of land in accordance with Title 30-A, chapter 187, subchapter 4;

12. Specifies that accessory dwelling units are not subject to a municipality's rate of growth ordinance;

13. Provides that the Department of Economic and Community Development, in cooperation with the Maine State Housing Authority, must establish both statewide and regional housing production goals;

14. Specifies that municipalities must, to fulfill the statewide or regional housing production goal established by the Department of Economic and Community Development, ensure that all zoning ordinances affirmatively further fair housing in accordance with federal law and the Maine Human Rights Act; and

15. Specifies that a municipality may regulate a short-term rental to meet the statewide or regional housing production goal established by the Department of Economic and Community Development.

FISCAL NOTE REQUIRED
(See attached)



130th MAINE LEGISLATURE

LD 2003

LR 2299(02)

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

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-1013)

Committee: Labor and Housing

Fiscal Note Required: Yes

Fiscal Note

State Mandate - Funded

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$0	\$3,000,000	\$3,007,804	\$2,550,000
Appropriations/Allocations				
General Fund	\$0	\$3,000,000	\$3,007,804	\$2,550,000

State Mandates

Required Activity

Requires municipalities to 1) implement ordinances with respect to allowing accessory dwelling units on the same lot as a single-family dwelling unit in any area in which housing is permitted and 2) amend ordinances to comply with certain conditions with respect to the number of dwelling units allowed in residential areas.

Unit Affected

Municipality

Local Cost

\$100,000

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

This bill establishes the Housing Opportunity Program within the Department of Economic and Community Development and includes ongoing General Fund appropriations totaling \$3,000,000 in fiscal year 2022-23 to a newly created Housing Opportunity Fund within the department to support the development of additional housing units in the State.

Of that amount: 1) \$450,000 is provided in fiscal year 2022-23 to fund 2 limited-period Public Service Coordinator II positions to administer the program; 2) \$1,000,000 per year is provided beginning in fiscal year 2022-23 for competitive grants to regional service providers to support town housing ordinance development, planning board and public processing in participating municipalities; 3) \$1,450,000 in fiscal year 2022-23 and \$1,550,000 per year beginning in fiscal year 2023-24 is provided for community housing implementation grants to individual towns to support community housing priorities; and 4) \$100,000 in fiscal year 2022-23 is provided on a one-time basis to reimburse municipalities by June 30, 2023 for the mandated costs of amending and implementing ordinances related to accessory dwelling units and multiple dwelling units allowed in residential areas.

Establishment of the Housing Opportunity Program and the related funding initiatives, with the exception of the one-time funding or \$100,000 to reimburse municipalities for mandated related costs, are included in LD 1995, the Governor's proposed supplemental budget. The General Fund appropriations included in this bill may need to be adjusted based on the final legislative actions on the supplemental budget.

Additional costs to the Department of Economic and Community Development and the Maine State Housing Authority to develop a statewide housing production goal and regional housing goals can be absorbed within the department's and the authority's existing budgeted resources.