

A Roadmap for the Future of Housing Production in Maine

HR&A Advisors

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HR&A

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INTRODUCTION

Maine is experiencing a housing shortage that is harming the quality of life and economic prosperity of all Mainers.

Like states across the country, Maine is experiencing a housing shortage that was growing for decades and was accelerated by the COVID-19 pandemic. Decades of building too few homes, growing demand for labor as workers retire and businesses seek to grow and an influx of new residents to the state during the pandemic exacerbated the shortage of homes and drove up their costs. Simultaneously, elevated construction costs and interest rates coupled with restrictive development approval processes limit the ability of the market to build new homes to fill the shortage.

Maine's housing shortage impacts the quality of life of all Mainers. Long-time residents and workers moving to and within Maine are struggling to find homes that they can afford close to job opportunities. Young people who grew up in Maine face rising housing costs for rental homes and entry-level homeownership, making it hard for them to stay. Aging Mainers struggle to downsize and find adequate housing to age in place in their communities. While these issues take different forms in different parts of the state, it is a challenge everywhere.

Maine's housing shortage constrains statewide economic growth. Many Maine companies now struggle to fill open job positions due to limited housing options. This issue will grow as an increasing number of Mainers reach retirement and growing businesses require more workers. Without enough homes available for eligible workers to take open jobs and stay in or move to the state, businesses will continue to struggle and at times fail—harming the prosperity of all.

In response to these growing issues, the 2023 State of Maine Housing Production Needs Study identified that **the state needs to roughly double its annual rate of housing production to create 84,000 additional homes by 2030** to meet current and future need and support Maine businesses.

84,000

Additional Homes Needed by 2030

2%

Share of Homes Vacant and Available
Statewide
(Compared to >5% in Healthy Housing Markets)

>\$100K

Household Income Required to Afford
the Median Home Price in Maine

2X

Increase in Annual Building
Permits Needed Statewide

Sources: State of Maine Housing Production Study (2023)

INTRODUCTION

The State of Maine has the opportunity to lead the effort to double housing production rates statewide, in partnership with municipalities, the private sector and partner organizations.

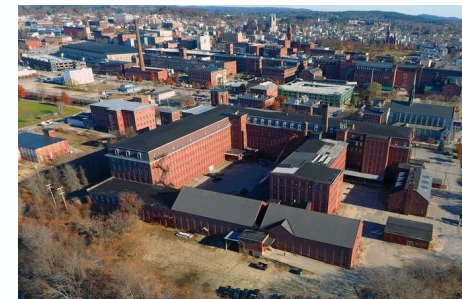
While doubling the current level of statewide housing production is an ambitious goal, it is achievable. The State of Maine’s role is to align State agencies through clear priorities, set expectations and provide resources for municipalities, and collaborate with the private sector and partner organizations to create an environment in which the housing market can meet the needs of Mainers, aligned with the State’s economic and climate goals.

The State, municipalities and private sector actors are already taking action by investing in innovative housing types, workforce programs, building technology and creative financing solutions. The Housing Opportunity Program has provided technical assistance and support to communities across the state. In partnership with MaineHousing, the University of Maine Advanced Structures and Composites Sector developed the world’s first 3D-printed house in 2022, using biomaterials from Maine. The State launched pre-apprenticeship programs with AGC and AFL-CIO to build the pipeline of construction workers. Municipalities have released housing plans in 2024 to plan for local housing needs. These are just a sample of the many actions taken across the public and private sectors to rise to the challenge in Maine.

This report presents a series of strategies that are designed to take a comprehensive approach to growing housing production in the state of Maine, informed by best practice examples from across the country but tailored to Maine’s specific challenges and opportunities. These strategies focus on the role of the State, in partnership with municipalities, the private sector and partner organizations. Ultimately, Maine’s ambitious production goals can only be achieved if the State, municipalities and the private sector work together on an ongoing basis.



Scarborough Downs Mixed-Use Community (600+ units)



Lewiston Continental Mill Mixed-Use Redevelopment (377 units)



18 Homes Constructed with Modular Units Manufactured by Maine-based KBS Builders in Madison, Maine

INTRODUCTION

The State of Maine can build on steps it has taken in recent years to understand and address the housing shortage.

How we got here: Recognizing the urgency of Maine’s housing shortage, the Maine State Legislature and Governor Mills passed LD 2003 in 2022 to reduce land use and regulatory barriers to housing production and increase housing opportunities. This legislation also created a requirement for the State to set housing production goals. In response, the State released the State of Maine Housing Production Needs Study in October 2023, which quantifies the homes required to meet the needs of current and future residents, support Maine’s growing economy and improve affordability.

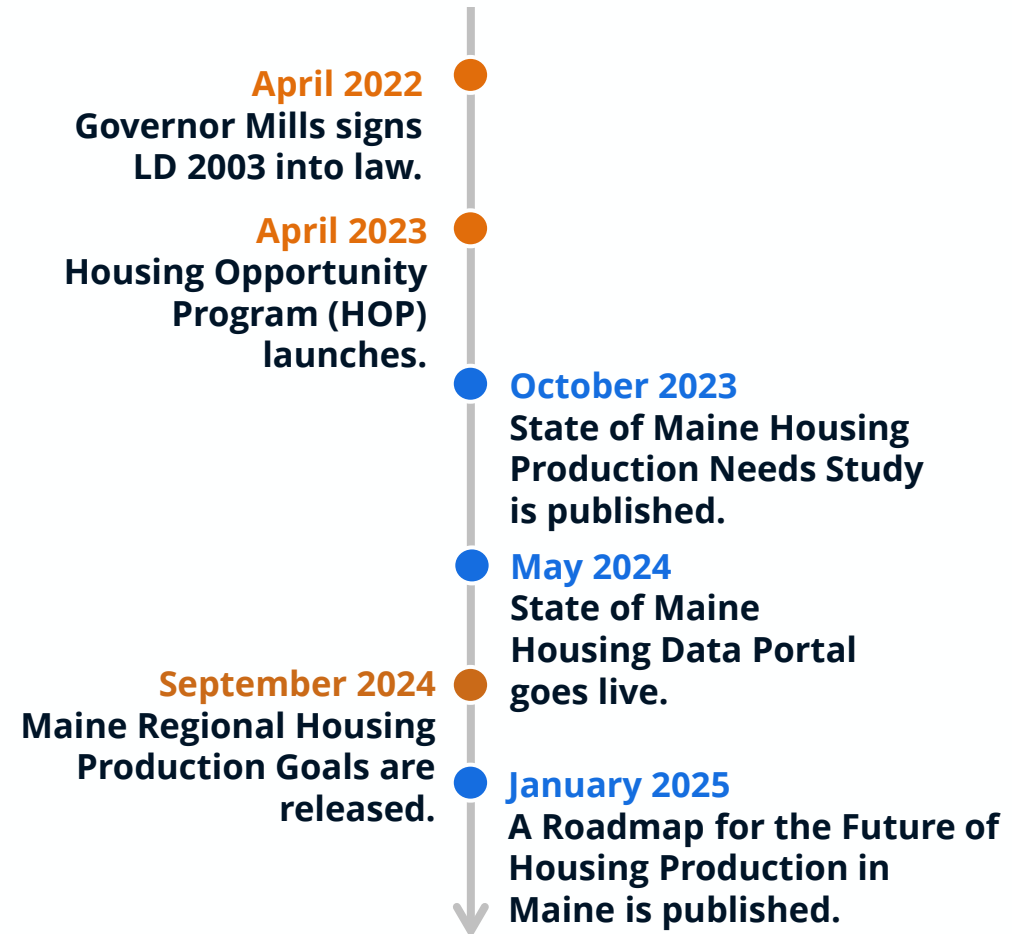
Study purpose: As a follow-up to the 2023 report, GOPIF, DECD, and MaineHousing commissioned HR&A to complete this study to identify State actions that will enable Maine to produce homes faster and at a lower cost than is possible today, guided by the following questions:

- *What are the key barriers to increasing housing production in Maine? What is working well now?*
- *What are states across the country doing to increase housing production?*
- *What are the highest-impact strategies the State can deploy to spur greater production of homes that are affordable to working Mainers, and to strengthen the construction workforce?*

HR&A interviewed a wide range of housing, planning and economic development professionals in the state and drew on national examples of highly impactful State interventions to develop the recommendations in this report.

For more information on HR&A’s process, see Appendix.

Key Milestones





Executive Summary

DRIVERS OF LOW PRODUCTION

HR&A has identified several macroeconomic, state-level, regional and local factors that constrain housing production and escalate the cost to build homes in Maine.

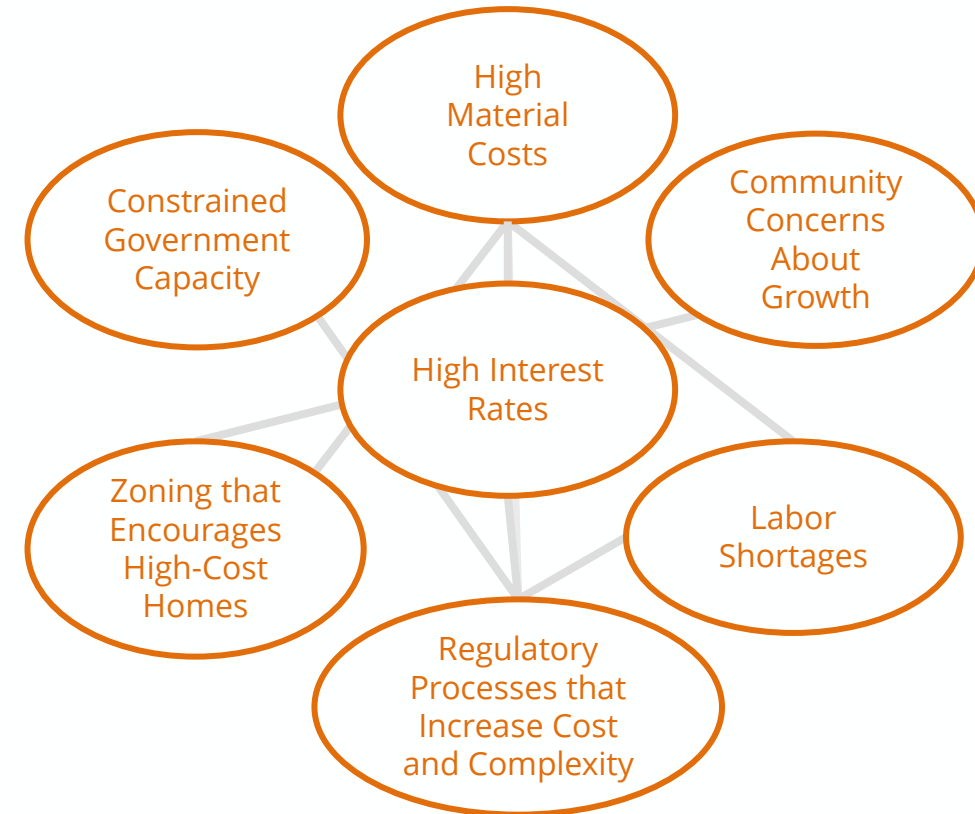
Maine's housing market is not delivering enough homes overall to meet the need or homes at price points that most Mainers can afford. This is driven by a series of macroeconomic, state and local factors which coalesce to determine the amount and price of homes in Maine. These issues are not unique to Maine, and many are outside of State and municipal control, like high interest rates and growing material costs. However, some issues are specific to or particularly acute in Maine given the regulatory, demographic and economic context.

While there are many overlapping barriers, the following key challenges are particularly impactful in Maine:

- **State and local agencies have constrained capacity, which leads to unpredictability, lack of clear prioritization and delays.** This impacts building code, infrastructure, planning and development approvals processes, increasing the cost and uncertainty of building homes for developers and lenders.
- **Maine municipalities have traditionally had highly restrictive development approval processes** that incentivize higher cost homes and limit the number of homes that can be built overall. This is reinforced by local concerns about the impact of growth.
- Maine has a **construction labor shortage** that limits the ability of firms to form, grow and respond to the substantial need for more homes and increases labor costs.

For more information on key barriers to production, see Appendix.

Housing Production Barriers in Maine



THE ROLE OF THE STATE

The State of Maine must use multiple levers to increase statewide housing production, driving further collaboration between the state, municipalities, and the private sector.

The State can lead this effort by setting clear priorities around housing that flow across agencies. Then, the State can deploy a series of financial, regulatory and administrative tools to drive collaboration.

Specifically, the State has a series of levers that it can use to help foster an environment in which the housing market can deliver more homes of the type and price point Mainers can afford:

- **As a priority-setter**, the State can focus its financial, regulatory and administrative tools on its most pressing housing priorities to concentrate and maximize impact, set clear metrics for tracking progress and promote transparency.
- **As a funder**, the State can provide different types of incentives to reduce the cost of building homes for key projects that unlock further market-driven investment and solutions and reward municipalities that are taking action, such as establishing a new dedicated funding source for housing production.
- **As a regulating authority**, the State can expedite approvals processes and reduce the complexity and uncertainty of the overall regulatory process for priority housing projects.

Sample State Tools to Lead Housing Production Efforts



Set Priorities



Deploy Incentives



Expedite Approvals Processes



Reduce Complexity of Regulations



Set Clear Metrics



Promote Transparency

EVALUATION METHODS

HR&A used the following principles to guide the evaluation and development of policy recommendations.



Build on existing State laws, programs and capacity | The State oversees an extensive regulatory environment fostering housing production and manages a robust set of housing programs focused on affordable housing. Refining existing regulatory processes, housing programs, and capacity is a highly effective strategy to maximize the impact of the State's current investments.



Prioritize a select number of high-impact interventions | The State has the ability to set a targeted statewide housing agenda. Concentrating state resources and political energy around a few high-impact interventions can secure a high and visible return on investment of public resources in Maine and catalyze transformative impacts on housing opportunity that might not otherwise be achieved.



Focus on financial tools that enable market-based solutions | The State must cooperate with the private sector to unlock further private investments in housing production. The State can continue to design creative financing tools and programs to maximize the amount of private dollars committed to housing per public dollar spent.



Promote clear targets, tracking, and transparency | The State has the ability to establish clear housing production targets and standardized tracking. A centralized data system and specific goals can create a solid foundation for municipalities to work toward meeting their local housing needs.

EVALUATION METHODS

HR&A evaluated strategies across a series of metrics to enable comparison and prioritization.



Impact: The potential impact on overall housing production.

Ex. Strategies with high impact significantly reduce the time and cost required to build housing, establish new funding sources, or enable new housing development at higher densities and in more locations.



Cost: The level of State investment required.

Ex. Strategies with high cost have major State budget implications, such as establishing a new dedicated funding source for housing production.



Capacity: The level of public sector capacity or coordination required to implement.

Ex. Strategies with high-capacity requirements may need new staff or highly-trained staff with technical expertise.

Administrative or Legislative Change: Whether an administrative or legislative change is required.



Administrative

Ex. Adjustments, decisions, or new programs implemented by a State agency.



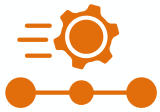
Legislative

Ex. Changes that require new laws or amendments to existing laws.

Administrative changes that require **legislative approval** are denoted with both icons.

STRATEGY RECOMMENDATIONS

The State should focus on **three parallel approaches** to double the number of homes being built and close Maine's housing shortage.



1) Streamline Processes and Build Public Capacity

Expand the capacity of State and municipal government to plan for, approve and provide infrastructure for new homes by providing technical assistance and by streamlining State and municipal processes, building codes and land use laws.



2) Incentivize Production and Increase Transparency

Use incentives and increased transparency to promote the development of homes in growth areas in collaboration with municipalities.

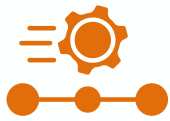


3) Strengthen the Private Sector

Invest in recruitment and retention of workers in construction and skilled trades, engage employers to support workforce housing development, and explore opportunities to adopt innovations that reduce costs.

STRATEGY RECOMMENDATIONS

Strategy 1: Streamline Processes and Build Public Capacity



This strategy aims to expand the capacity of State and municipal government to plan for, approve and provide infrastructure for new homes by providing technical assistance and by streamlining State and municipal processes, building codes and land use laws. These actions can directly reduce the cost and complexity of building homes and change development approvals processes to deliver homes more quickly.

Potential Actions:

- 1.1: Provide support to municipalities to build and redevelop homes.
- 1.2: Increase the pace and volume of housing development reviews and approvals.
- 1.3: Streamline the State environmental review process.
- 1.4: Establish a predevelopment meeting for priority projects.
- 1.5: Set clear standards about what infrastructure costs can be assigned to a development.
- 1.6: Raise the threshold for State subdivision review.
- 1.7: Reform State and local building codes to reduce development costs.

STRATEGY RECOMMENDATIONS

Strategy 2: Incentivize Production and Increase Transparency



This strategy uses incentives and increased transparency to promote the development of homes in growth areas in collaboration with municipalities. By offering targeted incentives, the State can ensure that homes that use public resources are aligned with State housing priorities. By requiring and enabling increased transparency, the State can help municipalities understand, track and plan for their local housing needs.

Potential Actions:

- 2.1: Designate an entity to monitor and ensure progress towards meeting statewide and regional housing goals.
- 2.2: Determine criteria for high-priority projects to prioritize for funding, incentives and approvals.
- 2.3: Prioritize State funding for municipalities that contribute to housing goals.
- 2.4: Require municipalities to regularly report data on housing production and demolition.
- 2.5: Establish a housing appeals process to limit delays and unlawful denials of housing proposals.
- 2.6: Accelerate statewide housing production through high impact investments.
- 2.7: Establish a housing fund to finance mixed-income development.
- 2.8: Identify State-owned vacant properties that could be sold for housing development.
- 2.9: Build on the success of existing state tax credit programs.

STRATEGY RECOMMENDATIONS

Strategy 3: Strengthen the Private Sector



This strategy strengthens the development ecosystem by investing in recruitment and retention of workers in construction and skilled trades, engaging employers to support workforce housing development, and exploring opportunities to adopt innovations that reduce costs. Growing the residential construction workforce will allow the private sector to build more homes. Engaging employers will help align new homes with growing jobs. Widespread adoption of construction innovations can reduce the cost and timeframe to build homes.

Potential Actions:

- 3.1: Provide long-term, dedicated funding for apprenticeship programs.
- 3.2: Give students access to experiential learning opportunities.
- 3.3: Expand strategies that welcome nontraditional workers into quality construction jobs.
- 3.4: Explore opportunities to improve worker retention and career growth.
- 3.5: Streamline licensing for trades.
- 3.6: Accelerate employer-financed workforce housing projects.
- 3.7: Establish a working group to examine the potential of innovative construction technologies to reduce costs and speed up housing production in Maine.

STRATEGY RECOMMENDATIONS

Overview of recommended strategies and actions to increase housing production.

Action	Impact	Requirements			
	<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Administrative or Legislative</i>	<i>Page</i>
Strategy 1: Streamline Processes & Build Public Capacity					
1.1: Provide support to municipalities to build and redevelop homes through Housing Opportunity Program 2.0.	Moderate	Low	Moderate	Both	20
1.2: Increase the pace and volume at which housing developments can be reviewed and approved.	Moderate	Low	Moderate	Administrative	24
1.3: Streamline and improve the State environmental review process.	High	Low	Moderate	Administrative	26
1.4: Establish a predevelopment meeting for priority projects where all key regulatory agencies give feedback on the proposed development.	Moderate	Low	Moderate	Administrative	28
1.5: Set clear standards about what infrastructure costs can be assigned to a development.	High	Low	Moderate	Legislative	30
1.6: Raise the threshold for State subdivision review to support additional density and infill development.	Moderate	Low	Moderate	Legislative	32
1.7: Reform State and local building codes to reduce the cost of development.	Low	Low	Low	Administrative	33
Strategy 2: Incentivize Production & Increase Transparency					
2.1: Designate an entity to monitor and ensure progress towards meeting statewide and regional housing goals.	Moderate	Low	Moderate	Legislative	39
2.2: Determine criteria for high-priority projects to prioritize for funding, incentives and development approvals.	High	Low	Low	Legislative	40
2.3: Prioritize State funding for municipalities that contribute to statewide and regional housing production goals and adopt supportive zoning and land use policies.	High	Moderate	Low	Legislative	41
2.4: Require municipalities to regularly report data on housing production and demolition to a centralized data tracking system.	Moderate	Moderate	High	Legislative	44
2.5: Establish a housing appeals process to limit delays and unlawful denials of housing proposals.	High	Low	Moderate	Legislative	47
2.6: Accelerate statewide housing production through high impact investments.	High	High	Moderate	Legislative	50
2.7: Establish a housing fund to finance mixed-income development.	High	Low	High	Legislative	51
2.8: Identify publicly-owned vacant land that could be sold to developers at a reduced price in exchange for the development of affordable homes.	Moderate	Low	Moderate	Legislative	54
2.9: Build on the success of existing state tax credit programs.	Moderate	Moderate	Low	Legislative	56
Strategy 3: Strengthen the Private Sector					
3.1: Provide long-term, dedicated funding for apprenticeship and pre-apprenticeship programs in the trades.	Moderate	Moderate	Moderate	Legislative	61
3.2: Give students access to experiential learning opportunities by sustaining investment in career and technical education (CTE) and career exploration.	Low	Moderate	Moderate	Administrative	62
3.3: Continue and expand strategies that welcome nontraditional workers into quality jobs in construction.	Low	Moderate	Moderate	Administrative	63
3.4: Explore opportunities to improve worker retention and career growth.	Low	Moderate	Moderate	Administrative	64
3.5: Explore strategies to streamline and improve licensing for trades occupations.	Low	Low	Moderate	Both	65
3.6: Accelerate employer-financed workforce housing projects.	Moderate	Low	Moderate	Administrative	66
3.7: Establish a working group to examine the potential of innovative construction technologies to reduce costs and speed up housing production in Maine.	Low	Low	Moderate	Administrative	69

The image shows a construction site in the foreground with a wooden frame structure. Several workers are visible on the site. In the background, there is a cityscape with various buildings and greenery. A blue vertical bar is positioned to the left of the text.

1) Streamline Processes & Build Public Capacity



Housing production in Maine is currently limited by complex and inconsistent local and state review processes, limited municipal capacity and local opposition, which together lead to higher costs and construction delays.

Findings

- **Limited municipal capacity:** For local municipalities, resource, staff and knowledge gaps constrain their ability to proactively plan for growth and review proposed projects quickly. These gaps also create construction delays and increase costs.
- **Local opposition:** Widespread resistance towards new development among community members and local authorities results in lengthy and uncertain land use and site review processes and deters developers from proposing projects. Much of this is active resistance and NIMBYism, whereas some of it stems from misinformation and lack of awareness around State regulations and goals. This opposition is also reflected in local zoning and regulatory processes.
- **Unpredictable and variable local processes:** Entitlement and permitting processes vary substantially from locality to locality and from one project to the next, making it resource intensive for developers to navigate and reducing the incentive for developers to enter certain markets.
- **Slow State review and unclear prioritization:** Insufficient staffing capacity at key agencies, including DEP, DOT and MaineHousing, limit their ability to review projects quickly and with certainty. Smaller projects often experience faster review and fewer barriers. Without clear State prioritization, key agencies are not geared towards scaling up production.
- **Infrastructure needs:** The lack of water and sewer infrastructure, and sometimes power connectivity and capacity, add to the complexity of projects, pre-development timeframe and funding gaps. Developers are often unclear about which costs they are responsible for and what the cost will be. When costs are born by the developer it often impacts the project's financial feasibility.









STREAMLINE & BUILD PUBLIC CAPACITY | **ACTIONS**

The following actions build local government capacity and political support for Maine’s statewide and regional housing goals, while addressing regulations that increase the time and cost of development or limit what can be built.

Action	Description	Lift	Impact
<p>1.1: Provide support to municipalities to build and redevelop homes through Housing Opportunity Program 2.0. <i>*Case Study: Maine Community Resilience Partnership; Westchester County Pre-Development Workshops</i></p>	<ul style="list-style-type: none"> As the Housing Opportunity Program (HOP) is expected to transition to the new Maine Office of Community Affairs (MOCA), the State should invest in HOP 2.0 and ensure supporting staff positions are made permanent, with the goals of working with local governments to: <ul style="list-style-type: none"> Elevate the importance of housing. Adopt model building plans and ordinances to support ADUs and affordable homeownership. Return blighted and vacant properties and main streets to productive use. Track data on housing construction and demolition. Overcome barriers to compliance with State requirements like LD2003. Offer support and training to code enforcement officers. 		
<p>1.2: Increase the pace and volume at which housing developments can be reviewed and approved. <i>*Case Study: New Jersey Third Party Reviews</i></p>	<ul style="list-style-type: none"> Add additional staff at the Department of Environmental Protection, Department of Transportation, and MaineHousing to speed up the approvals process. Allow for third-party contractors to complete regulatory and underwriting reviews, paid for by developers. Establish criteria for priority projects to ensure high impact housing developments are approved in a timely manner. Offer trainings on local and state code enforcement and building approvals with an emphasis on their role in meeting their community’s housing needs. 		
<p>1.3: Streamline and improve the State environmental review process. <i>*Case Study: State of Washington SEQA Exemption</i></p>	<ul style="list-style-type: none"> Form a working group with State environmental agencies, industry representatives, and local officials to define project types eligible for expedited environmental review in growth areas. Prioritize public-private partnerships, projects that boost economic growth, and affordable or mixed-income housing. 		

STREAMLINE & BUILD PUBLIC CAPACITY | **ACTIONS (continued)**

The following actions build local government capacity and political support for Maine’s statewide and regional housing goals, while addressing regulations that increase the time and cost of development.

Action	Description	Lift	Impact
<p>1.4: Establish a predevelopment meeting for priority projects where all key regulatory agencies give feedback on the proposed development. <i>*Case Study: Portland Predevelopment Review Process</i></p>	<ul style="list-style-type: none"> Under new Maine Office of Community Affairs, Department of Economic and Community Development, or other agency, convene representatives from key regulatory agencies to administer a pre-development review process for developers of priority housing projects. Developers can receive direct feedback on requirements such as environmental impact assessments, site law review, fire safety standards, and funding eligibility, ensuring they are informed of requirements, preventing avoidable delays. Participants will receive a primary point of contact at each state agency. 		
<p>1.5: Set clear standards about what infrastructure costs can be assigned to a development. <i>*Case Study: Examples from other states</i></p>	<ul style="list-style-type: none"> Set requirements that local infrastructure costs and impact fees must be justified, transparent and disclosed up front in the project approval process. Establish a working group to conduct a review of current local fees and recommend new standards, such as prohibiting fees for deferred maintenance and broad area upgrades, requiring localities to publish fee schedules, and setting guidelines for the timing of fee calculation and imposition. 		
<p>1.6: Raise the threshold for State subdivision review to support additional density and infill development.</p>	<ul style="list-style-type: none"> Increase the subdivision review threshold from 3 or more units to 5 or more units in designated growth areas and places served by public water and sewer infrastructure, making it easier for owners to take full advantage of LD2003 density provisions. Consider eliminating the existing exemption for projects in municipalities that don't have separate site plan review procedures. 		
<p>1.7: Reform State and local building codes to reduce the cost of development.</p>	<ul style="list-style-type: none"> Consider modifying elements of the building code which have been shown to unnecessarily increase construction costs. Areas for reform include sprinkler requirements for small residential buildings, elevator sizing requirements, secondary staircase requirements, and MaineHousing window requirements. 		

1.1: Provide support to municipalities to **build** and **redevelop** homes through a **Housing Opportunity Program 2.0**.

Initiative At-A-Glance

The **Housing Opportunity Program (HOP)**, established within DECD, helps municipalities comply with LD 2003 and proactively plan for housing by providing technical assistance and administering grants to service providers and municipalities. HOP also establishes state and county-level housing production goals. As the HOP likely transitions to the new Maine Office of Community Affairs, the **State should invest in HOP 2.0 and ensure supporting staff positions are permanent**, with the goals of working with local governments to:

- **Elevate the importance of housing.**
- **Adopt model building plans and ordinances to support ADUs and affordable homeownership.**
- **Work with the new Maine Redevelopment Land Bank Authority to return blighted and vacant properties and main streets to productive use.**
- **Track and publicly report data on what homes are being permitted and built in Maine and assess progress towards meeting production goals.**
- **Overcome barriers to compliance with State requirements, like LD2003.**
- **Offer support and training to code enforcement officers.**

Achieving impact at scale will require program staff be made permanent this legislative session and may require the annual program budget to scale over time based on uptake from municipalities.

Precedents & Foundations to Build On

- *Maine Community Resilience Partnership* ★
- *Westchester County Pre-development Workshops* ★

Cost	Capacity	Legislative & Administrative	Home Yield
\$			

Potential Benefits

- Empowers municipalities, as the primary drivers of housing production, with the support needed to deliver housing for their communities.
- Increases awareness and advocacy for Maine's housing needs through data-driven insights and compelling narratives.
- Requires budget approval but expanded HOP program initiatives do not require statutory change.

Potential Considerations

- HOP is currently administered by two full-time staff, and scaling the program will require increased capacity. This need could be met in part through contracting with regional coordinators ([see page 21](#)).
- As a critical component of the State's housing strategy, the State should consider making HOP staff positions permanent. This will require legislative approval.

1.1: Provide support to municipalities to **build** and **redevelop** homes through a **Housing Opportunity Program 2.0**. (Continued)

Initiative At-A-Glance

The following initiatives are examples of the activities, technical assistance, training and research that a HOP 2.0 can oversee to help build the public and private sector housing ecosystem.

Trainings for Elected and Government Officials on State Housing Needs: MOCA can design and execute trainings (potentially with a third-party partner) to increase local awareness and support for the state's housing production agenda, particularly code enforcement and planning officials. Code enforcement officers have noted a need for more in-person training and regional collaboration in topics like subdivision review, shoreland zoning, housing and LD 2003 implementation.

Road Show for Modular/ADU/Innovative Projects: MOCA can organize road shows for municipalities and the private sector to promote visibility of successful modular construction, ADUs, and other innovations like 3D printing. This would help provide developers with state and local agency contacts and feedback on issues while exposing municipalities to obstacles and solutions for these projects.

Regional Coordinators: MOCA could contract with regional coordinators and work with nonprofits to increase uptake of grants and awareness of HOP among municipalities who have not opted into the program. This can support a wider range of municipalities to achieve compliance with State housing goals ([see case study on page 22](#)).

Centralized Data Collection and Reporting from Municipalities and MaineHousing: MOCA can oversee the collection and summary of housing permit, production and demolition data from municipalities and State entities – particularly MaineHousing and DEP - to track progress against the state's housing goals and review timelines for high priority projects. This could be assisted by the regional Councils of Government, who already gather data in some cases and work directly with municipalities.

Research Office: MOCA can build a research office to produce regular reports on statewide housing needs to increase local awareness and assist municipalities on development-related issues.

Pre-development Workshops: MOCA should consider supporting an outside partner to run pre-development workshops for housing projects on priority vacant, underutilized sites. These workshops would help municipalities and developers assess preliminary designs in alignment with zoning and potential funding availability ([see case study on page 23](#)).

Guidance and Convenings for Municipalities and Stakeholders: MOCA should act as a convener and share best practices and examples of promising housing initiatives with municipalities and regional organizations. It can create model codes to outline best practices for local housing regulations and ready-build plans designed for local adoption to streamline approval processes for ADUs and missing middle housing types.

Community Engagement Toolkit: MOCA should work with a partner to create a toolkit for community engagement to increase support within municipalities for advancing housing production and engage communities, including models of community conversations, narratives that address common concerns (e.g., land conservation, school resources, and traffic impacts), steps to form outreach groups, definitions of key housing issues and policy tools, town meeting agendas, and resources to help communities identify potential projects to pursue. MOCA can incentivize towns to adopt portions of the toolkits by opening up eligibility for HOP grant funding.

1.1: Provide support to municipalities to **build** and **redevelop** homes through a **Housing Opportunity Program 2.0**.

Case Study: Maine Community Resilience Partnership

Description

Maine's **Community Resilience Partnership** was launched in 2021 after the release of the State's Climate Action Plan, with the goal of helping municipalities, tribal governments, and unorganized territories in Maine take action aligned with State actions from the climate plan. While enrollment was not statutorily required, the State **required** communities to enroll in the program **to become eligible for grants**. Municipalities have the option to choose from a menu of 72 activities.

The CRP has two components: (1) Community Action Grants: support climate actions from an approved list of climate mitigation and adaptation activities; and **(2) Service Provider Grants:** support service provider organizations to assist communities with climate action, energy and resilience planning. The program also offers additional climate and energy technical assistance and funding opportunities such as from federal funding resources as available.

The CRP is supported by a full-time program manager. New federal funding will support contracts with regional coordinators from all 10 regional councils to help communities seek funding and implement priority projects, and 2-4 additional contracts with providers to serve high-need communities with low coverage. An additional coordinator will manage regional coordinators and share resources.

Regional coordinators play a major role in educating municipalities about the program and sharing examples from nearby communities. They supplement service providers by offering municipalities assistance with funding sources and developing applications. However, **service providers** play the greatest role in increasing the capacity of communities to identify local climate and energy priorities, enroll in the CRP, and pursue their first CRP grant; many communities would not be able to do so successfully without **technical assistance**. Further, streamlined application and reporting processes has allowed CRP to scale up to reach more communities.

Outcomes

- The program has been very successful in enrolling municipalities and encouraging participation in the State's climate plan; up to 226 communities in Maine (of nearly 500 total) are enrolled in CRP or working with service providers to become enrolled.
- The State has awarded 40-50 Community Action Grants per year. In the latest grant round, they are increasing the number of grant awards to 90-100 and expect the program to be fully subscribed.

Lessons for Maine

- Many **municipalities** face **significant capacity gaps** and want more support from the State.
- **Service providers** have a major role to play in increasing the capacity of communities to pursue grants. Technical assistance is essential during the entry process.
- The State should leverage **networks of regional coordinators** and service providers to increase participation among municipalities.
- **Coordination of regional coordinators** is needed to provide resources and guidance to each region, which requires additional staff capacity.
- **Accessible applications** and simple reporting requirements improve uptake.
- **Program administration** can become a burden as more communities participate in the program.

1.1: Provide support to municipalities to **build** and **redevelop** homes through a **Housing Opportunity Program 2.0**.

Case Study: Westchester County Pre-Development Workshops

Description

The Land Use Law Center conducts **site feasibility workshops** to advance feasibility studies and early predevelopment on priority sites in Westchester County. These workshops are targeted for public and mission-driven organizations such as faith-based and medical institutions that are in possession of high priority parcels, and the goal is to establish partnerships with mission-driven landholders **to promote the development of affordable housing on identified undeveloped sites**. This model has been successfully executed since 2021 in Westchester by the Land Use Law Center's Land Use Leadership Alliance.

The workshops bring together landholders with technical experts and guide them through the process of feasibility analysis and financial modeling to prepare specific sites for Requests-for-Proposals. The workshops are run over the course of three days. Specific landholders and communities with priority sites for housing development are invited to attend, and communities bring a leadership team of 6, comprising staff from the planning board, a local legislator, municipal staff member, and housing committee member. During the workshop, each team brings their site to the training program and assesses preliminary designs in alignment with zoning and potential funding availability.

The capacity of the Land Use Law Center is relatively limited– they have a staff of three people and rely heavily on partners to run the workshops. Workshops are staffed with architects who are compensated but offer their time at a discount. Pace, who funds the program, has been able to run two to three of these sessions each year. The program is free to all participants and typically costs \$45,000 per session. This covers food, materials, payments to architects, zoning analysis work.

Outcomes

- The pre-development workshops have supported 7 to 8 sites in progressing to implementation in each workshop.
- The workshops can help municipalities identify specific local barriers to development through tangible examples, which they can then work to address.
- However, the workshops alone will not drive production – they require follow up work, engineering studies, and funding to move projects forward.
- The program is unlikely to incentivize municipalities that are opposed to growth to participate but can be successful at attracting municipalities that are already proactively pursuing development opportunities.

Lessons for Maine

- **Engaging collaboratively on real project sites** is an effective way to get homes built and help communities understand the value of housing.
- **Identify high priority sites and partners**, including mission-driven landholders, State owned sites or municipalities with publicly-owned land that are suitable for housing development.
- **Identify a partner organization** with sufficient capacity, expertise, and regional connections to coordinate effective workshops.
- **Promote participation from high priority communities**, such as those implementing pro-housing land use changes or those experiencing high housing demand.

1.2: Increase the **pace** and **volume** at which housing developments can be **reviewed and approved**.

Initiative At-A-Glance

To address delays in **non-land use approvals** (i.e., traffic permits, site law review, code enforcement) that **create bottlenecks** for housing development, the Department of Environmental Protection (DEP), Department of Transportation (DOT), and MaineHousing should:

Increase Staffing: DEP, DOT and MaineHousing require additional staffing to ensure timely reviews. MaineHousing specifically needs additional underwriters.

Set Clear Prioritization: Lack of prioritization, combined with low staff capacity, mean large, high-impact projects compete with a wide range of smaller or less impactful projects for review. Establishing criteria for priority projects will help ensure high-impact housing developments are approved in a timely manner.

Train Code Enforcement: Train staff on their role in advancing housing goals, covering state housing needs, priority projects, and the impact of timely approvals.

Allow Third-Party Reviews: To reduce agency workloads and accelerate approval timelines, allow State-approved third-party review entities, paid for by developers, similar to DEP's existing Site Law third-party inspectors' program. Reviewers share findings with the agency, who retains decision-making authority.

Approval Timelines: There are also ways the State can encourage timely review, including setting required time frames to review decisions. If localities or other regulatory agencies do not meet these timelines, an event can be triggered, such as refunding fees to the applicant or elevating the decision to an appeals process.

Precedents & Foundations to Build On

- [*New Jersey Affordable Housing Construction Inspection Bill A573*](#) ★
- [*Washington State Default Permit Processing Time Frames*](#)

Cost	Capacity	Administrative	Home Yield
\$	👤 👤	📋	🏠 🏠

Potential Benefits

- Permitting third-party reviews would alleviate pressure on agency staff, with no cost to the State.
- With clear prioritization and targeted training, review staff will better understand their role in helping Maine achieve its housing goals.
- Prioritizing larger projects in the review process will provide more predictability for developers, expedite impactful housing developments, and ensure agency efforts directly support the State's housing goals.

Potential Considerations

- Hiring additional staff requires more funding, although some of this capacity need could be met by third-party reviewers.
- Relying on third-party contractors for reviews may raise concerns about quality and availability of qualified third-party reviewers.
- To increase accountability, the State could require quarterly reports to the DEP and DOT commissioners on the timeline of pending housing permits.

1.2: Increase the **pace** and **volume** at which housing developments can be **reviewed and approved**.

Case Study: New Jersey Affordable Housing Construction Inspection Bill A573

Description

In February 2023, the State of New Jersey enacted legislation (Bill A573) that allows developers of residential and commercial properties to **hire third-party, on-site private inspection agencies** (with authorization by the Department of Community Affairs) to perform building code inspections if local officials are unable to complete an inspection within three business days of the requested date. This new law aims to improve speed and efficiency for the construction permitting inspection process, because municipalities, especially small towns with limited resources and staff to conduct inspections, have been unable to conduct the permit inspection process without significant delays. This change is one of many substantive changes to the Uniform Construction Code Act, including the designation of the Department of Community Affairs to place penalties on towns that don't meet their deadlines.

New Jersey's Department of Community Affairs has developed a list of approved firms, including some focused on all building code and elevators, and plans to expand this list over time. Construction inspection firms are required to keep municipalities informed throughout the private inspection process, and municipalities have the ultimate approval and sign off on certificates of occupancy.

In recent years, several other states have passed laws to allow builders to hire third-party reviewers to supplement government inspection of building plans.

- Florida – allows state building code review and local review
- Tennessee – applies to specific jurisdictions for local commercial, residential, and electrical code inspections or plan examinations
- Texas – applies to state and local inspections and plan review if the regulatory authority fails to issue a decision within 15 days after statutory deadline
- Virginia – allowed in some municipalities only if officials are delayed

Outcomes

- Legislation has now codified a three-business day turnaround for inspections of affordable housing construction sites when an inspection is requested by the developer.
- The State's Department of Community Affairs has established a list of third-party reviewers.

Lessons for Maine

- **Determine if there should be a delay time** when third-party private inspections become allowed. This may differ by agency.
- **Dedicate a state agency** to be responsible for establishing rules for the program.
- **Define eligible review processes**, including state or local review, building code review, environmental review, etc.
- **Develop a list of private inspectors** that have been vetted by the State.
- **Require 3rd party inspectors to keep municipalities and relevant state agencies informed** throughout each and every step of the private inspection process.

1.3: Streamline and improve the State environmental review process.

Initiative At-A-Glance

Maine’s Natural Resources Protection Act (NRPA) and Site Location of Development Act (SLODA) regulate activities that have the potential to impact Maine’s environment, including construction and land use changes. However, there are cases where rigorous review creates significant administrative burdens for DEP, contributing to development delays and higher costs to develop homes, when a streamlined review process could deliver adequate environmental protection.

The State of Maine can take steps to streamline and improve the Department of Environmental Protection’s process to allow more homes to be built at lower costs:

- **Rule-making:** A working group of State environmental agencies, industry representatives, and local officials should establish project types that qualify for expedited Environmental Review Site Plan in growth areas. The State should set priorities for eligible developments, such as projects involving public-private partnerships, those that contribute to economic growth, and those that are affordable or mixed-income. In addition to State-level review changes, there are opportunities to advocate for improvements to the federal review process.
- **Project Prioritization:** Set criteria for projects that are prioritized for review, ensuring that the order in which projects get reviewed aligns with State housing production goals.

Precedents & Foundations to Build On

- State of Washington SEPA Exemption ★
- *California CEQA Exemption*

Cost	Capacity	Administrative	Home Yield
\$	👤 👤	📋	🏠 🏠 🏠

Potential Benefits

- Reduces the cost of developing homes.
- Reduces permitting delays for priority developments that make significant contributions to the state’s housing production goals.
- Streamlines housing production in the state’s growth areas.
- Provides clearer guidance for DEP in prioritizing projects for review, which has been mixed due to an absence of state guidance.

Potential Considerations

- Can have impacts on the state’s natural resources and environment if not designed for specific use in growth areas.
- Can create tradeoffs between prioritizing certain kinds of developments over others (e.g., prioritizing review of affordable housing could create further delays for other development categories).

1.3: Streamline and improve **environmental review process.**

Case Study: Washington SB 5412 State Environmental Policy Act Exemptions for Residential Development

Description

The Washington State Environmental Policy Act (SEPA) requires state and local agencies to identify environmental impacts that result from project development. SEPA is an important tool to make sure that government agencies give proper consideration of environmental matters in making decisions that may impact the environment, supporting conservation and environmental quality. However, the environmental review process required under SEPA can contribute to significant delays to housing development and additional costs for developers. SEPA review triggers a Master Use Permit, which requires a public permit process including notice, public comments, and an ability to appeal the final decision.

Washington passed SB 5412 in 2023, which provided a SEPA categorical exemption for residential development to expedite the review of development that includes housing.

This bill made most projects proposing additional housing exempt from SEPA review, no longer requiring a public permit process to move to a construction permit, which does not require public notice. The types of projects eligible for this exemption include those that develop one or more residential housing units within the incorporated areas in an urban growth area or middle housing within the unincorporated areas of an urban growth area. This legislation also has provisions unique to Seattle; all projects proposing one or more residential housing units or middle housing units are exempt from SEPA.

This new bill builds on statutory exemptions made in 2017, including infill development. In addition to statutory exemptions, Washington also has State SEPA rule exemptions for projects that are unlikely to cause a significant adverse environmental impact (e.g., construction of 4 housing units or less). Furthermore, City and County options provisions allow for flexible exemptions levels for minor new construction projects, such as developments with up to 30 units in an urban growth area and in-fill.

Outcomes

- The State's Department of Ecology set state rules in 2023.
- There was widespread confusion about how to implement the bill due to a lack of clarity in the drafting language; it was unclear if the bill was mandatory, and if mandatory, whether it applied to municipalities automatically or needed a city to adopt it.
- The State legislature has introduced a trailer bill to fix issues with the original bill, confirm the exemption is mandatory, and require cities to adopt the exemption within a certain time frame.

Lessons for Maine

- **Define urban growth areas and residential development types** where exemptions should apply (e.g., infill, middle housing, affordable housing).
- **Statutory mandates and state rulemaking** are important tools that can help to streamline the review process for housing development by exempting projects from a public permit process where appropriate.
- **State legislation must be written clearly** to avoid implementation challenges and articulate whether regulations are mandatory and apply automatically to municipalities.

1.4: Establish a **predevelopment meeting** for **priority projects** where all key regulatory agencies give feedback on the proposed development.

Initiative At-A-Glance

To streamline approvals and reduce unexpected delays, the new Maine Office of Community Affairs, Department of Economic and Community Development, or other agency, should implement a **pre-development review process** for developers of priority housing projects. This process would engage representatives from key state agencies—such as the Department of Environmental Protection (DEP), Department of Transportation (DOT), and State Fire Marshall’s Office—to **provide early feedback** on proposed projects before they are submitted for approvals. Meetings could also engage local planners when needed, particularly in cases where state and local requirements may be in conflict and require alignment.

During these sessions, developers can receive direct feedback on requirements such as **environmental impact assessments, site law review, fire safety standards, and funding eligibility**, ensuring they are informed of requirements and can adjust plans accordingly, preventing avoidable delays. Participants will receive a primary point of contact at each agency to help them navigate challenges.

A pre-development review process would also help agencies identify bottlenecks in their own procedures. By pinpointing inefficiencies and discussing challenges during these meetings, agencies can streamline their workflows and ultimately accelerate project approval timelines for priority projects.

Precedents & Foundations to Build On

- ***Portland, ME Predevelopment Review Process*** ★
- *Portland, OR Pre-Application Conference*

Cost	Capacity	Administrative	Home Yield
\$			

Potential Benefits

- Creating an opportunity for early feedback gives developers an opportunity to seek clarity early on and remove uncertainty throughout the approvals process.
- Early issue resolution will speed up approvals for priority housing projects, resulting in more housing production overall.
- An early review process can help both developers and agencies allocate resources and time more efficiently and helps establish relationships between developers and agency staff.

Potential Considerations

- Conflicting agency priorities or requirements may arise, but setting clear goals and prioritization, and identifying these issues through pre-development review, can help resolve them.

1.4: Establish a **predevelopment meeting** for priority projects where all key regulatory agencies give feedback on the proposed development.

Case Study: Portland Predevelopment Review Process

Description

The City of Portland offers a **pre-development review process** to support developers in understanding what is required to meet regulatory standards and requirements **early in the development process**. Reviewers include staff from Planning & Urban Development, Public Works (engineers, transportation manager), Water Resources, Historic Preservation, Permitting & Inspections (zoning administrator, building code reviewers) and Life Safety (fire).

This **interdepartmental review** offers comprehensive feedback, advising developers on **required applications, reviews, and permits** for their project. Where applicable, reviewers walk applicants through inclusionary zoning requirements, stormwater management, urban design guidelines, zoning and compliance issues, and any waivers or exemptions staff would support. If a zoning amendment is required, staff walk through the process and often hold a smaller follow-up meeting.

While some developers utilize pre-application meetings effectively, others treat them as formality, potentially limiting their impact. The process can be challenging when certain departments offer detailed technical guidance too early on, which can overwhelm less-experienced applicants. To improve the process, Portland is considering implementing follow-up memos to document discussions, helping developers retain clarity on feedback and requirements.

Outcomes

- Pre-application reviews have been shown to occasionally speed up the approvals process for smaller projects, but large-scale projects in Portland have not realized this benefit.
- The outcomes of the process depends largely on the experience and preparation of the applicant. Often less experienced applicants come seeking free consulting, which is not the purpose of the process.

Lessons for Maine

- The State should consider who needs to be included in a state-level review to ensure these meetings are most effective and not overly burdensome.
- The State review process should establish clear goals and expected outcomes from review. It should also determine the level of feedback the group will provide and in what form.
- Making clear distinctions when providing feedback between required actions and best practices, and summarizing feedback in a written memo will help make these sessions most effective.

1.5: Set clear standards about what **infrastructure costs** can be assigned to a development.

Initiative At-A-Glance

Many Maine localities face significant water, sewer, and power infrastructure needs, both to meet existing demand and to support the new housing required to meet State production goals. Developers, however, seek more clarity and predictability on the share of these costs their individual projects must bear. High fees also have affordability implications and can limit development of lower-cost housing.

The State should ensure infrastructure-related fees are proportionate to the direct impacts of projects and increase transparency around how fees are calculated. The State should establish a working group to develop guiding principles and standards, including updating the 2003 Manual for Maine Municipalities on the Design and Calculation of Development Impact Fees. This group should conduct a review of current local practices and recommend new standards, such as prohibiting fees for deferred maintenance, broad area upgrades, or previous capital improvements unrelated to new development. Additional measures to consider include requiring localities to publish fee schedules, guidelines for the timing of fee calculation and imposition, and exemptions for affordable housing and ADUs.

Precedents & Foundations to Build On

Many States impose more restrictions on infrastructure fees relative to Maine. These studies provide a helpful overview of precedents and considerations: ★

- *Summary of State Impact Fee Enabling Acts* (Duncan Associates, 2018)
- *Residential Impact Fees in California: Current Practices and Policy Considerations to Improve Implementation of Fees Governed by the Mitigation Fee Act* (Turner Center, 2019)

Cost	Capacity	Legislative	Home Yield
\$	👤 👤	🏴‍☠️	🏠 🏠 🏠

Potential Benefits

- Makes fees easier to estimate, reducing risk for developers and making it easier for lower capacity municipalities to implement fee programs.
- Ensures infrastructure costs do not unfairly overburden “first mover” projects, and that new development is not responsible for existing infrastructure deficiencies unrelated to direct project impacts.
- Promotes more timely and cost-effective housing development, potentially lowering housing costs for homebuyers and renters.

Potential Considerations

- Increased requirements may raise administrative costs for local agencies, especially those with existing capacity constraints. The State should consider whether additional support or technical assistance is needed.
- The State should consider how adjustments to impact fees could have implications for municipal budgets, especially given the limited sources of infrastructure funding available.

1.5: Set clear standards about what **infrastructure costs** can be assigned to a development.

Case Study: How States Set Limitations & Requirements on Impact Fees on Residential Projects

Description

While impact fees are an essential source of local infrastructure funding, when left unregulated they can be **unpredictable and overly burdensome**, deterring development. Establishing **clear requirements** can help ensure fees accurately reflect direct project impacts and do not unnecessarily disincentivize development. Strategies used by other states to set these standards include:

Limiting Eligible Costs. States determine what types of infrastructure costs and capital improvements can be paid for by impact fees. For example, Wisconsin prohibits fees for major park improvements and public safety vehicles.

Planning & Analysis Requirements. Many states require that impact fees align with growth projections or capital improvement plans, ranging from requiring a published list of capital projects (e.g., Texas, Arkansas) to having a comprehensive plan in place (e.g., Georgia). Some states also cap fees; Texas limits fees to the cost of improvements divided by the projected number of units.

Levels of Service. Some states mandate clearly defined standard levels of service (e.g., 10 acres of park required per 1,000 residents) and/or restrict the geographic area that can be evaluated as part of a fee calculation. For example, Texas caps transportation fee service areas at six miles. Levels of service requirements can also be used to ensure costs of existing deficiencies in public service and infrastructure do not get passed on to new development (i.e., California, Colorado, and Utah).

Procedural Requirements. States also impose procedural requirements, like when fees can be charged. South Carolina and Texas requires fees to be set at early development stages, such as platting, giving developers cost predictability. States can also dictate at what stage in the process fees are collected. Allowing fees to be collected later in the development process can benefit project financial feasibility.

Outcomes

- **National Context** – Cities across the country are facing higher infrastructure costs and increased state and federal mandates (higher level of service, environmental standards), driving an increased reliance on impact fees to cover local infrastructure costs.
- **Supreme Court Ruling** - Earlier this year the Supreme Court issued a decision requiring local governments to set an impact fee standard that demonstrates the relationship and relative impact of development on the community. Local governments may expect to be held to a higher justification standard and could see more legal challenges.

Lessons for Maine

- **Transparency** – Maine should consider requiring localities to publish fee schedules and their nexus justifications, so developers have access to this information to estimate fees accurately. Some localities may require technical assistance to implement this through the Housing Opportunity Program.
- **Review Local Fees** – The State could commission a study of how fees are currently implemented across jurisdictions, to determine where requirements and limitations may be needed.
- **Planning & Analysis** – Setting requirements for how fees are determined or requiring alignment with comprehensive or capital plans may be difficult in Maine due to the planning capacity constraints of small towns.
- **Fee Structure** – Maine should consider requiring fees to be set early in the development process to provide developers cost certainty, but allow payment at later stages, such as at the certificate of occupancy.

1.6: Raise the **threshold** for State **subdivision review** to support additional density and infill development.

Initiative At-A-Glance

Maine's subdivision law requires review when a parcel is divided into three or more dwelling units or when three or more units are built on a single parcel. While this process helps regulate land division, ensures infrastructure capacity, promotes environmental protection, and prevents issues like poorly designed lots or inadequate access, it can also be unnecessarily burdensome. For developers, subdivision review often delays projects and increases costs, hindering infill development and residential density in smart growth areas.

To address this, the State should increase the subdivision review threshold from three to five units in designated growth areas and locations served by public water and sewer. This change would allow landowners to fully utilize the density provisions in LD2003, which mandate that municipalities permit 3-4-unit housing projects on lots where housing is allowed.

Additionally, the State should consider eliminating the existing exemption for projects in municipalities that don't have separate site plan review procedures. The changes would better align state subdivision law with LD 2003.

Precedents & Foundations to Build On

- *LD1787 - Directing the Department of Agriculture, Conservation and Forestry to Convene a Stakeholder Group Tasked with a Comprehensive Overhaul and Modernization of the State Subdivision Statutes (Not Passed)*
- *LD1257 - An Act to Increase Housing Capacity and Protect the Municipal Tax Base and Working Lands (Not Passed)*

Cost	Capacity	Legislative	Home Yield
\$			

Potential Benefits

- Will allow municipalities to take advantage of density provisions in LD2003.
- Will streamline development timelines and costs for developers.
- Will promote infill development in growth areas.

Potential Considerations

- Could lead to impacts on natural resources and transportation systems if implemented outside of growth areas.
- Does not address the fact that subdivision law is very complicated in Maine and difficult to interpret and navigate across municipalities. Subdivision law requires a more comprehensive review and overhaul.

1.7: Reform State and local building codes to reduce the cost of development.

Initiative At-A-Glance

Building codes play a crucial role in ensuring safety and protecting public health, but certain provisions in Maine's codes increase housing costs and delay construction unnecessarily. The State should consider the following updates to make building codes more cost-effective and efficient while maintaining safety standards and explore establishing a task force to make recommendations on unnecessarily costly building code requirements:

- **Adjust Sprinkler Requirements:** Require sprinklers only in newly added units when a third unit is added to a 2-unit building, instead of retrofitting the entire property. Revisit sprinkler requirements for 3 and 4-unit buildings generally.
- **Delegate Sprinkler Reviews:** Allow qualified municipalities to conduct sprinkler reviews to expedite permitting and leverage local building code expertise.
- **Reevaluate Elevator Sizing:** Revisit elevator size requirements based on cost-effective European standards.
- **Reform Egress Rules:** Raise the requirement for a second stairway from buildings with 3+ stories to 6+ stories, and explore single-staircase designs for smaller, urban parcels.
- **Revise MaineHousing Requirements:** Revisit building requirements, such as window requirements, that add to the cost of building more units.

Precedents & Foundations to Build On

- *Bills have been introduced in many states, including Oregon, Colorado, Tennessee, Connecticut, Virginia, Pennsylvania and New York, to reform egress rules to allow for single-stair apartment buildings up to six stories. Tennessee adopted this change and Oregon and Virginia passed legislation to evaluate the recommendation.*

Cost	Capacity	Administrative	Home Yield
\$			

Potential Benefits

- Reduces the cost and timeframe for developing homes, especially the cost of adding one to two additional units to an existing property, which can increase the number of units that can be built in a given development.
- Improves alignment between state building code and local building code requirements.
- Leverages the expertise of local personnel experienced with navigating local regulations.

Potential Considerations

- Need to consider tradeoffs between safety concerns – what regulations are actually necessary to promote safety—and cost savings.
- May face opposition from understaffed municipalities that prefer to implement strict building code and fire safety requirements out of heightened caution.

The image shows a construction site in the foreground with a wooden frame structure. Several workers are visible on the site. In the background, there is a cityscape with various buildings and a parking lot. The text is overlaid on a dark blue semi-transparent box.

2) Incentivize Production and Increase Transparency








Currently, municipalities and State regulatory agencies lack clear incentives, transparency and State-led prioritization to build the amount and type of homes needed to meet existing and future need in Maine.

Findings

- **Lack of enforcement:** LD2003 has limited enforcement mechanisms outside of litigation, offering limited tools to hold municipalities accountable for contributing to production targets or addressing non-compliance and misconduct. Developers in localities not acting in alignment with State and local regulations have no nimble means of recourse.
- **Lack of data:** Municipalities vary dramatically in their capacity and willingness to track and report important metrics that will increase transparency. There is no statewide system to gather, standardize and report on key production indicators.
- **Competing State and local policy goals:** Developers and municipalities lack clarity from State agencies around the prioritization of housing production, environmental protection and other goals. In some localities, housing development projects can appear at odds with other communicated goals like environmental protection, wetland and open space preservation, and agriculture.
- **Deliveries misaligned with State priorities:** Local land use and review process decisions mean that housing production is dominated by single-family, affordable multifamily, or luxury typologies, preventing the market from meeting the need for mixed income, mixed use and missing middle housing. Furthermore, the existing housing stock is aging and in need of investment and preservation, but owners are hesitant or unable to take on risk.
- **State investment in infrastructure not structured to prioritize housing development:** Many existing State tools and financial resources are not yet maximized for high priority development projects in smart growth locations. There is opportunity to prioritize and redirect resources and tools.







INCENTIVIZE PRODUCTION AND INCREASE TRANSPARENCY | ACTIONS

The following actions create ways for the State to increase transparency around local housing production across the state, align existing State resources to incentivize production or leverage private financing to support development.

Action	Description	Lift	Impact
<p>2.1: Designate an entity to monitor and ensure progress towards meeting statewide and regional housing goals.</p>	<ul style="list-style-type: none"> An entity should be responsible for setting and updating production targets, tracking local housing production, ensuring local compliance with state regulations, providing technical assistance and deploying pilot funding. Evaluates outcomes of housing initiatives, producing research and identifying areas for improvement and coordinating across agencies. Maine Office of Community Affairs (MOCA) is well-positioned to take on this role. 		
<p>2.2: Determine criteria for high-priority projects to prioritize for funding, incentives and development approvals.</p>	<ul style="list-style-type: none"> Determine criteria for high-priority projects that are eligible for streamlined development approvals, funding, and incentives, in alignment with State housing and land use priorities. Convene stakeholders across key state departments with influence over funding, incentives, and development approvals to establish consensus around these criteria. Criteria may vary by region. 		
<p>2.3: Prioritize State funding for municipalities that contribute to statewide and regional housing production goals and adopt supportive zoning and land use policies. <i>*Case Study: Massachusetts Section 3A</i></p>	<ul style="list-style-type: none"> Prioritize infrastructure and school renovation funding for municipalities that proactively work towards meeting their housing production goals, recognizing that new housing development may impact existing infrastructure and school capacity. Municipalities are eligible for prioritization based on progress towards meeting their housing production targets and adoption of policies from the State's list of priority pro-housing land use and zoning reforms. 		
<p>2.4: Require municipalities to regularly report data on housing production and demolition to a centralized data tracking system. <i>*Case Study: Oregon Housing Production Reporting</i></p>	<ul style="list-style-type: none"> Require municipalities to report data on certificates of occupancy, building permits, and demolition permits to the Maine Office of Community Affairs' Housing Opportunity Program. Fund technical staff and technology to standardize the approach to data gathering. 		





INCENTIVIZE PRODUCTION AND INCREASE TRANSPARENCY | ACTIONS

The following actions create ways for the State to increase transparency around local housing production across the state, align existing State resources to incentivize production or leverage private financing to support development.

Action	Description	Lift	Impact
<p>2.5: Establish a housing appeals process to limit delays and unlawful denials of housing proposals. <i>*Case Study: New Hampshire Housing Appeals Board, Connecticut Housing Appeals Procedure</i></p>	<ul style="list-style-type: none"> Set criteria based on compliance with local and state laws and/or availability of affordable housing. Propose composition of potential appeals board and burden of proof requirements in alignment with political feasibility. 		
<p>2.6: Accelerate statewide housing production through high impact investments.</p>	<ul style="list-style-type: none"> Increase subsidies for the 4% Low-Income Housing Tax Credit, the Rural Affordable Rental Housing Program, and affordable homeownership programs. Allocate funding to preserve and expand mobile home parks as a stable, affordable housing option and explore opportunities to utilize modular homes on site with extra capacity. 		
<p>2.7: Establish a housing fund to finance mixed-income development. <i>*Case Study: Colorado Affordable Housing Financing Fund; Montgomery County Housing Production Fund</i></p>	<ul style="list-style-type: none"> Stand up a housing fund to finance mixed-income housing. Pair low-cost subordinate debt with tax abatements and other forms of low-cost financing, such as FHA debt, 501C3 bonds, TIFs, and free land. Consider offering PILOTS by-right. Identify technical capacity to underwrite these deals. 		

INCENTIVIZE PRODUCTION AND INCREASE TRANSPARENCY | ACTIONS

The following actions create ways for the State to increase transparency around local housing production across the state, align existing State resources to incentivize production or leverage private financing to support development.

Action	Description	Lift	Impact
<p>2.8: Identify publicly-owned vacant land that could be sold to developers at a reduced price in exchange for the development of affordable homes.</p>	<ul style="list-style-type: none"> • Create a process to identify publicly-owned vacant land that can be used to support affordable housing, including identifying suitable sites for affordable housing and making them available to developers as direct subsidy or selling sites (including those not suitable for affordable housing) at market price and using proceeds to support other affordable housing efforts. 		
<p>2.9: Build on the success of existing state tax credit programs.</p>	<ul style="list-style-type: none"> • Renew funding for the Maine Affordable Housing Tax Credit Program, which is set to expire in 2028. • Adjust the Maine Historic Rehabilitation Tax Credit Program by increasing the 1st year cap from \$5m to \$10m to make it easier for developers to utilize the program effectively. 		

2.1: Designate an **entity** to **monitor** and **ensure progress** towards meeting statewide and regional housing goals.

Initiative At-A-Glance




The State should establish a **dedicated entity** to oversee the **implementation and evaluation of its housing production strategy**. This entity will be responsible for setting and updating production targets, tracking local housing production, ensuring local compliance with state regulations, and providing technical assistance.

This entity will evaluate the effectiveness of key housing initiatives, **producing research** on Maine's housing needs and identifying successes and areas for further intervention. It will also facilitate collaboration among stakeholders, as achieving Maine's housing goals requires coordination across state and local agencies.

The **Maine Office of Community Affairs** is likely well-positioned to take on this role, as it is expected to assume responsibility for many of the state's existing code enforcement, land use planning, and technical assistance functions. For example, it will absorb the State Building Code Office from the Office of State Fire Marshal, the Municipal Planning Assistance Program from the Department of Agriculture, Conservation and Forestry, and the Housing Opportunity Program from the Department of Economic and Community Development (DECD). To be effective, this entity will need to be adequately funded and staffed.

Precedents & Foundations to Build On

- [*Maine's Housing Opportunity Program*](#)
- [*State of Oregon Housing Accountability and Production Office*](#)
- [*State of California Housing Accountability Unit*](#)

Cost	Capacity	Legislative	Home Yield
\$			

Potential Benefits

- Centralized enforcement prevents issues of diffused responsibility and makes it clear who acts around issues of noncompliance.
- Creates a clear mechanism for tracking municipal progress towards statewide and regional housing production goals.
- Increases State capacity to take a comprehensive approach to housing, coordinating across State agencies and aligning on housing priorities.

Potential Considerations

- The consolidation of multiple responsibilities into one entity, especially a new entity, could strain resources and capacity.

2.2: Determine criteria for **high-priority projects** to **prioritize** for funding, incentives, and development approvals.

Initiative At-A-Glance

Housing projects in the state currently face extensive review processes across multiple state departments to ensure safety and environmental compliance (e.g., reviews by the Department of Environmental Protection). While these reviews are critical, they often result in **unnecessary delays** for high-priority projects.

The State should establish clear **criteria for identifying high-priority** housing projects eligible for **streamlined approvals**, funding, and incentives. These criteria would guide expedited reviews across state departments, ensuring that critical projects move forward efficiently. For example, the Department of Environmental Protection could prioritize reviews for housing developments or public-private partnerships in designated growth areas. Acknowledging that priority projects may look different in different parts of the state, these criteria might vary by region.

As a first step, the State should **convene stakeholders** across key state departments with influence over funding, incentives, and development approvals and establish consensus on high-priority project criteria. It should then work with state departments to align resource allocation with high-priority projects.

Precedents & Foundations to Build On

- *Several states provide categorical exemptions for environmental review for priority housing projects. For example, the State of Washington provides some exemptions for residential development. California offers CEQA exemptions for certain affordable housing projects, infill development and transit-oriented development.*

Cost	Capacity	Legislative	Home Yield
\$	👤	🏛️	🏠🏠🏠

Potential Benefits

- **Expedited and increased local housing production.** Concerted prioritization of certain housing projects can have a transformative impact on moving the needle on statewide housing production.
- **Alignment with smart growth and other key planning principles.** This initiative can help advance projects contributing to the state's smart growth agenda.
- **Clarity around state agencies' roles in supporting housing production.** With a clear prioritization framework, state agencies can shift their priorities to better support housing production.

Potential Considerations

- Requires **extensive cross-agency collaboration** for implementation. The State will need to establish agreement across departments to determine the appropriate criteria for priority projects.

2.3: Prioritize state funding for municipalities that **contribute to statewide and regional housing production goals** and adopt supportive zoning and land use policies.

Initiative At-A-Glance

The State should create a **voluntary incentive program** to encourage municipalities to actively contribute to statewide housing goals. Participating municipalities would gain **prioritized access to discretionary funding**, such as **school renovation** and **infrastructure** funding, by meeting or exceeding housing production targets and adopting priority zoning and land use policies.

To ensure flexibility, municipalities could be scored based on their adoption of a range of land use policies from a menu of strategies (see page 42), allowing them to select the approaches best suited to local needs. Additionally, municipalities could earn credit for participating in technical assistance from the Housing Opportunity Program.

Since the State's housing production targets are set at the county level, the program would need to break these down to a smaller geography or create a new method to evaluate production, such as one based on increases relative to local population share. Successful implementation would depend on the State's ability to develop a **centralized data-tracking system** to monitor building permits and assess local contributions, as outlined in [Action 2.4](#).

Precedents & Foundations to Build On

- [Massachusetts Housing Choice Community Designation](#) ★
- [New Hampshire Housing Champion Designation and Grant Program](#)
- [New York State Pro-Housing Community Program](#)

Cost	Capacity	Legislative	Home Yield
\$ \$	👤	🏛️	🏠 🏠 🏠

Potential Benefits

- Infrastructure and school renovation funding have the potential to be significant motivators for communities to increase housing production while also building community support.
- Prioritizing school and infrastructure funding to localities building new housing can also help alleviate the cost burden on the city and developers to accommodate growth.

Potential Considerations

- As a voluntary program, municipalities may choose to opt out, limiting program impact on housing production.
- Developing a centralized system to monitor building permits requires significant investment and coordination with municipalities.
- Smaller communities with lower capacity to plan for housing and implement policy change are less likely to benefit from the program.

2.3: Prioritize state funding for municipalities that **contribute to statewide and regional housing production goals** and adopt supportive zoning and land use policies (continued).

Initiative At-A-Glance

Based on input from a wide range of stakeholders, including local jurisdictions and State agencies, and national best practices, the following reforms are examples of local zoning and regulatory changes that could prioritize municipalities for State funding:

- **Cap minimum lot sizes** at 0.5 acres in designated growth areas or in areas with public water and sewer to encourage density and efficient land use.
- **Allow residential uses in all commercially zoned areas** to promote mixed-use development and support growth density.
- **Classify short-term rentals as a business use** for property tax purposes to ensure equitable contributions and maintain housing availability.
- **Exempt priority housing projects in designated growth areas from local growth caps**, building on the LD2003 Accessory Dwelling Unit (ADU) exemption.
- **Standardize Accessory Dwelling Unit (ADU) requirements** across municipalities. Municipalities concerned about ADUs being used as short-term rentals should consider local restrictions, as seen in Portland.
- **Revise growth management laws to require multifamily housing** provisions in local comprehensive plans to support diverse housing need.

2.3: Prioritize state funding for municipalities that **contribute to statewide and regional housing production goals** and adopt supportive zoning and land use policies.

Case Study: Massachusetts Section 3A Compliance for Multi-Family Zoning Requirement

Description

Massachusetts Section 3A has a multifamily zoning requirement for Massachusetts Bay Transportation Authority (MBTA) communities to permit multifamily housing as of right within half a mile from a commuter rail station, subway station, ferry terminal or bus station. This law applies to communities that have hosted or currently host MBTA services and aims to create new homes in walkable neighborhoods closer to transit, to meet housing demand in the state and support smart growth.

Massachusetts' Executive Office of Housing and Livable Communities issued final guidelines to determine if a MBTA community is compliant with Section 3A in August 2022 and has established deadlines for compliance for different communities. The State of Massachusetts has developed a model to verify compliance.

MBTA communities that are noncompliant with section 3A become ineligible for state funding from several annual funding sources:

- [Housing Choice Initiative](#) – incentives, rewards, technical assistance, and legislative reform to municipalities to build more housing
- [Local Capital Projects Fund](#)
- [MassWorks Infrastructure Program](#)- competitive grant to support public infrastructure projects that support housing production
- [HousingWorks Infrastructure Program](#) –a competitive grant to municipalities and public entities for infrastructure activities to support and unlock housing opportunities

Outcomes

- State resources for infrastructure and housing production were restricted to communities that were compliant with Section 3A.
- 11 of 12 MBTA communities with deadlines in December 2023 complied with Section 3A.
- 68 of 130 MBTA communities with deadline in December 2024 complied with Section 3A.

Lessons for Maine

- **Funding Incentive vs. Penalty:** The State of Maine can use its existing infrastructure and housing funds to support projects in municipalities that comply with and promote state housing production goals. While Massachusetts has structured its program as a penalty, State funding programs can be structured more as a true incentive program rather than a penalty. For instance, compliance with zoning or high housing production could unlock additional funding or move a town to the top of the list for State funds.
- **Reasonable Inclusionary Zoning:** The State can consider requiring that communities with inclusionary zoning over a certain threshold complete an economic feasibility analysis to demonstrate that a variety of multifamily housing types can be developed at proposed affordability levels.
- **Compliance Guidelines:** The State should establish minimum requirements for compliance for different communities, clear guidance to achieve compliance, and a deadline for completion.

2.4: Require municipalities to regularly report data on housing production and demolition to a centralized data tracking system.

Initiative At-A-Glance

Accurate data reporting is necessary for the state and municipalities to track their progress toward meeting housing production goals. Investing in a centralized system and process to collect and analyze data is essential for measuring progress and informing effective housing policy decisions. The State should:

- **Mandate Reporting:** Require municipalities to regularly report data on certificates of occupancy, building permits, and demolition permits to the Maine Office of Community Affairs.
- **Provide Education and Training:** Through the Housing Opportunity Program (HOP) or COGs, offer education and training to municipal staff, both improving data quality and helping localities leverage data for their own planning purposes.

Implementing a centralized data reporting will help Maine ensure that decisions are informed by reliable data and aligned with state and regional goals.

Precedents & Foundations to Build On

- [*State of Oregon Housing Production Reporting*](#) ★
- [*Connecticut Mandated Data Reporting*](#) ★
- [*Maine's Housing Opportunity Program*](#)

Cost	Capacity	Legislative	Home Yield
\$ \$	👤👤👤	🔨	🏠🏠

Potential Benefits

- Improved local data strengthens municipalities' ability to plan effectively for future housing needs.
- Increased transparency in municipalities' contributions to statewide housing goals, encouraging alignment with broader policy objectives.
- Accurate data can guide the state in prioritizing areas for investment or assistance, optimizing the impact of housing programs.

Potential Considerations

- Need to enact a state mandate that requires and enforces reporting requirements, otherwise certain municipalities may opt out.
- Some municipalities will have limited staff capacity to conduct reporting. The State could consider focusing implementation first on larger towns above a certain population threshold where the Housing Opportunity Program (HOP) can facilitate reporting. In the long-term, HOP can work with the regional Councils of Government (COGs) on a reporting for small towns.

2.4: Require municipalities to regularly report data on housing production and demolition to a centralized data tracking system.

Case Study: Oregon Housing Production Reporting

Description

The State of Oregon passed legislation in 2023 requiring Oregon cities with a population of 10,000 or more to submit annual housing reports to the Department of Land Conservation and Development (DLCD). These reports include the number of homes produced in the previous calendar year and must be submitted by February 1st of the following year. These reports require reporting of the building permits issued and the number of units produced (temporary or final certificate of occupancy issued) for residential units. In addition, subject jurisdictions must report the number of homes subject to a recorded affordability agreement not captured by the Oregon Affordable Housing Inventory for each category.

The State of Oregon provides a housing portal platform for local governments to fulfill required reporting. Each jurisdiction registers for an account on the platform, receives authorization by the DLCD administrative system, and can proceed with annual reporting.

The State of Oregon passed legislation in 2024 establishing the Housing Accountability and Production Office. They are currently revamping the formal housing production reporting process, but since 2018, they have required housing reporting, including:

- Housing permitted and produced: for municipalities with populations +10,000 on an annual basis
- Housing capacity analysis (based on land capacity)
- Surplus lands inventory: all cities and counties every even numbered year

Outcomes

- The State of Oregon has successfully reported annual summaries of housing permitted and produced for municipalities between 2018 and 2023.
- In 2023, 47 of 58 subject jurisdictions submitted the required housing reporting data for units permitted and produced by housing type, as well as data for regulated affordable units.

Lessons for Maine

- **State-mandated reporting requirements** are needed to ensure that municipalities continue to keep track of housing production.
- **Reporting categories** should be comprehensive (include housing types, affordability, and demolitions) but not too detailed to overburden municipal staff with reporting requirements.
- **State-Provided Reporting Platform:** Providing a central data reporting platform to collect housing data from local governments will ensure that data reported is standardized and comparable across jurisdictions.

2.4: Require municipalities to regularly report data on housing production and demolition to a centralized data tracking system.

Case Study: Connecticut Housing Data Reporting Requirement - Section 8-3I

Description

Connecticut has had a longstanding requirement that municipalities report data on building permits to the Department of Economic and Community Development (DECD). However, until recently, there was no enforcement mechanism to ensure municipalities complied. In 2023, the State of Connecticut passed Connecticut General Statute (CGS) Section 8-3I, which requires each municipality to report information on housing production annually to the Department of Economic and Community Development (DECD). If a municipality fails to comply within 60 days of the request, they become ineligible for discretionary state funding from DECD until the next reporting period.

CGS 8-3I only requires municipalities to report data on residential building and demolition permits, however, DECD leverages this reporting process to also collect supplemental data on the number of new housing units that started construction, number of new units that are age or income restricted, certificates of occupancy, and any zoning and land use changes implemented that year.

While the updated legislation is still relatively new, DECD has had success collecting this data with few complaints or push back from municipalities. During the first year of data collection, they also utilized the survey to verify historic data on permits and demolitions, allowing them to create a comprehensive inventory of annual permits, demolitions, and total housing inventory by town.

Outcomes

- This reporting system allows DECD to act as a research office on behalf of the state (see Action 2.1), publishing data and reports on the state's housing market. The Department publishes an annual construction report, as well as a housing permit update in the Connecticut Economic Digest (in collaboration with the Department of Labor).
- DECD also publishes a range of datasets on its website including Annual Housing Permit Data, Annual Demolition Data by Town, Annual Housing Inventory by Town, and Annual New Construction Permit Report by Town by Unit Type.

Lessons for Maine

- **Enforcement:** Linking compliance to ineligibility for state funding, and setting a clear and predictable timeline (e.g., 60 days) creates accountability and encourages timely reporting.
- **Standardized Systems:** Requiring commonly tracked data, like building and demolition permits, establishes a baseline reporting process that can later be expanded to include supplemental data, such as certificates of occupancy or income-restricted units, without overburdening municipalities.
- **Capacity Building:** A standardized reporting process also provides an opportunity for the state to offer technical assistance, improving municipalities' data tracking systems. This not only enhances reporting quality but also builds local capacity for more comprehensive data collection in the future.

2.5: Establish a **housing appeals process** to limit delays and unlawful denials of housing proposals.

Initiative At-A-Glance

The State of Maine should reintroduce legislation to **establish a housing appeals process** through which developers can appeal in court or regulatory body local board or commission decisions that deny approvals for housing projects.

The State will need to determine what actions trigger a project to be eligible for appeal. Based on precedents in other states, this may include instances where municipalities **fail to comply with state or local land use and approval procedures** or unlawfully deny housing proposals. Some states, such as Connecticut, limit eligible projects to those with affordable housing.

Drawing from peer states like Connecticut and Massachusetts, Maine could also **establish criteria to exempt municipalities** from the appeals process. For example, Connecticut exempts municipalities where at least 10% of housing units are affordable. In Maine, criteria could be designed in alignment with other state housing policy, such as contributions to statewide and regional housing production goals. To support this, the state will need a centralized system for tracking housing production (see [Recommendation 2.4](#)).

Precedents & Foundations to Build On

- [***New Hampshire Housing Appeals Board***](#) ★
- [***Connecticut Affordable Housing Land Use Appeals Act***](#) ★
- [*Rhode Island Low- and Moderate-Income Housing Act*](#)
- [*Massachusetts Housing Appeals Committee*](#)

Cost	Capacity	Legislative	Home Yield
\$			

Potential Benefits

- Hold municipalities accountable for adhering to state law and local land use and approval procedures.
- Creates an incentive for municipalities to make measurable progress on housing production.
- Promotes more consistent decision-making across municipalities, reducing uncertainty for developers and increasing overall production
- Solidifies political will in support of state housing priorities.

Potential Considerations

- Resistance from municipalities, local officials and planners, fearing a loss of local control over land use decisions.
- Legal hearings can add to the cost and time burden of the approvals process, especially if the burden of proof is on the developer applicant.

2.5: Establish an **appeals procedure** to limit delays and unlawful denials of housing proposals.

Case Study: New Hampshire Housing Appeals Board

Description

New Hampshire was the most recent state to enact a housing appeals statute, which was signed into law by Governor John Sununu (R) in July 2020. The Housing Appeals Board (HAB) consists of three full-time board members appointed by the New Hampshire Supreme Court, including one licensed attorney and one professional engineer or land surveyor.

The HAB has the authority to **review, reverse, or modify decisions made by municipal boards and commissions** on a variety of issues, including **subdivisions, zoning variances, special exceptions, growth management controls, historic district commissions, and other housing-related permits and fees**. The board evaluates whether municipal land use ordinances provide a realistic opportunity for the development of housing, whether specific conditions imposed by land use boards render housing proposals economically unviable, and whether any decisions were unreasonable or unlawful.

Appeals must be filed within 30 days of the final decision of a municipal board or commission. Cases can be settled through mediation or through a hearing held within 90 days of the notice of appeal. The board has 60 days to make a decision.

A key difference between HAB and its other similar statutes in Massachusetts, Rhode Island, and Illinois, is that it **does not include a requirement for a comprehensive permitting process or planning mandate**. It also does not explicitly define itself as a mechanism to preserve and create affordable housing, whereas **other states make affordable housing central to their statute's purpose**. In New Hampshire, the law is not linked to minimum affordable housing mandates or planning directives.

Outcomes

- Appeal statutes have proven to be effective tools for increasing housing stock and solidifying political will around housing goals.
- While the NH board is relatively new, so far these cases get decided in favor of the developer about 50% of the time.

Lessons for Maine

- **Permitting and exemptions:** Statutes in other states include comprehensive permitting systems, mandatory minimum housing stock exemptions and planning element requirements.
- **Structure:** Statutes are divided in whether they explicitly include housing advocates on their boards and have affordable housing agendas. NH does not.
- **Who can appeal?** States range in their standing requirements, with NH on the more expansive side. Maine should consider how restricting this scope may improve political feasibility.
- **Burden of proof:** In NH the burden is on the applicant, but Maine should consider placing a higher burden of proof on the municipality.

2.5: Establish an **appeals procedure** to limit delays and unlawful denials of housing proposals.

Case Study: Connecticut Affordable Housing Land Use Appeals Procedure

Initiative At-A-Glance

Connecticut's Affordable Housing Appeals Procedure, established in 1990, allows developers to appeal local board or commission decisions that deny approvals for affordable housing projects. Unlike other states with similar procedures, Connecticut directs these appeals to select judges in **the jurisdiction's presiding court, rather than to a dedicated housing appeals board.**

Developers who submit applications for **projects qualifying as "assisted housing" or "set-aside developments" can use the appeals process.** "Assisted housing" are projects supported by public funds; "set-aside developments" are those where 30% of homes serve households earning below 80% of the area median income (AMI).

Like statutes in Massachusetts, Rhode Island, and Illinois, **Connecticut exempts municipalities where at least 10% of housing units are affordable.** Notably, the 10% threshold is not tied to any specific state affordable housing goal or mandate.

In Connecticut, the **burden of proof lies entirely with the local board or commission.** If they cannot satisfy their burden of proof that the decision 1) is necessary to protect public interests, 2) the public interests outweigh the need for affordable housing, and 3) the public interests cannot be protected by a reasonable change to the affordable housing development, then the court can revise, modify or reverse the decision.

In the 1990s, the Connecticut Supreme Court significantly lowered the burden of proof on local zoning commissions. The ruling was determined to be so detrimental to the efficacy of the appeals process that the legislature ultimately decided to reinstate a higher standard. Other states, such as New Hampshire and Illinois, place the burden on the developer. In Massachusetts and Rhode Island each party carries a different burden of proof.

Outcomes

- There are 31 (of 169) municipalities exempt from the Appeals Procedure; the number of exempt municipalities has not grown since the statute was enacted.
- Developers win around 75% of appeals cases.
- At least 8,500 affordable units were created directly through the 180 court decisions since the statute's enactment. While impossible to measure, it is estimated the existence of the law has encouraged thousands more.

Lessons for Maine

- **Structure:** Connecticut is unique in that existing courts decide on housing appeals decisions. Maine should consider whether to have a designated board of housing and land use experts.
- **Exemptions:** Maine should consider how county-level production targets can be applied towards an exemption, using the 10% affordable housing threshold in MA, RI and CT as a precedent. However, it's important to note these examples are not tied to production targets or housing needs.
- **Affordability:** The CT appeals process is limited to affordable housing. NH sits on the other end of this spectrum, as a generalized appeals process for all types of housing development.
- **Burden of Proof:** Model legislation should follow the precedent set by Connecticut's statute, placing the burden on the municipality.

2.6: Accelerate statewide housing production through high impact investments.

Initiative At-A-Glance

Maine needs housing across a range of affordability levels and housing types. To support this, the State should finance high-impact programs focused on mixed-income rental housing, affordable rental and homeownership, and preservation of existing affordable housing. Potential high-impact programs include:

- **Mixed-Income Housing Fund:** Establish a dedicated housing fund to build mixed-income rental housing across Maine, targeting middle-income renters who are underserved by existing programs (those earning 80-120% of Area Median Income) (see pages 51-53 for more details).
- **Affordable Rental and Homeownership Programs:** Increase subsidies for the 4% Low-Income Housing Tax Credit, the Rural Affordable Rental Housing Program, and Affordable Homeownership Program.
- **Mobile Home Park Preservation:** Allocate funding to preserve and expand mobile home parks as a stable, affordable housing option. Explore opportunities to utilize modular construction on sites that have extra capacity.

These initiatives will require significant State investment, which could be financed through a housing bond or a housing element within a larger bond package. Bond financing could also support investments in infrastructure required to support new development, such as water, sewer, and utility infrastructure and capital investments in housing manufacturing, such as modular construction.

Precedents & Foundations to Build On

- *In 2024, voters in Los Angeles County, North Carolina and Rhode Island approved over \$275 million in bonds to build and preserve low- and moderate-income housing and create or supplement local mixed-income housing funds.*

Cost	Capacity	Legislative	Home Yield
\$\$\$	👤👤	🔨	🏠🏠🏠

Potential Benefits

- Prioritizing State funding for proven programs, such as the 4% Low-Income Housing Tax Credit and Rural Affordable Rental Housing Program, ensures that investments have a significant impact on housing production.
- Creating a mixed-income fund allows Maine to support housing needs across income levels, helping fill the supply gap for middle-income households.

Potential Considerations

- Large-scale housing investment will create significant workforce demands, requiring parallel investments in workforce development to ensure there's adequate skilled labor.
- Lack of adequate water, sewer, and utility infrastructure in some areas could impede housing development, requiring additional investments.
- If financing was pursued through a bond measure, a bond of this scale will require significant bipartisan support.

2.7: Establish a housing fund to finance mixed-income development.

Initiative At-A-Glance

Housing funds are an effective tool for **financing mixed-income rental housing** without reliance on scarce affordable housing resources like Low-Income Housing Tax Credits (LIHTC). The strongest emerging approach is to combine a low-cost first mortgage and **low-cost secondary financing from a Housing Fund** with a program that reduces or eliminates property taxes. Together, the boost from reduced taxes and low-cost financing make building affordable rental homes in a mixed-income building financially viable.

Housing funds **replace high-cost equity with low-cost financing**. Given their mission, housing funds have lower return requirements than private investors typically demand, making their financing cheaper. This financing can be **structured as debt, equity, or a hybrid**. For example, the Colorado Affordable Housing Financing Fund (AHFF) offers below-market-rate equity investments, whereas the Montgomery County Housing Production Fund (HPF) provides 5-year loans.

To make this model successful, Housing Fund financing should be paired with other **forms of low-cost capital**. These can include **property tax exemptions, discounted land and tax-exempt bonds**. A housing fund will also require staff with the technical capacity to underwrite these deals efficiently.

Precedents & Foundations to Build On

- ***Colorado Affordable Housing Financing Fund (AHFF)*** ★
- *Montgomery County Housing Production Fund (HPF)*
- *Amazon Housing Equity Fund*

Cost	Capacity	Legislative	Home Yield
\$			

Potential Benefits

- In a mixed-income building, market-rate units help subsidize affordable units, reducing the need for ongoing government subsidies.
- Mixed-income buildings also benefit residents through greater economic integration and improved access to neighborhood and housing amenities.
- There are opportunities to engage the private sector as investors in this model, looking to examples like the Amazon Housing Equity Fund.

Potential Considerations

- In this model, market-rate units must be able to fetch market-rate rents. The model works best when paired with tax abatements and/or free or discounted land. It would pair well with a public land disposition program, outlined in [Strategy 2.8 \(see page 54\)](#).
- Some housing funds have leveraged this financing structure to create publicly owned housing. This is not inherent to the model but illustrates how it can be implemented in a variety of ways, by both public and private entities.

2.7: Establish a housing fund to finance mixed-income development.

Case Study: Mixed-Income Rental Housing Illustrative Example

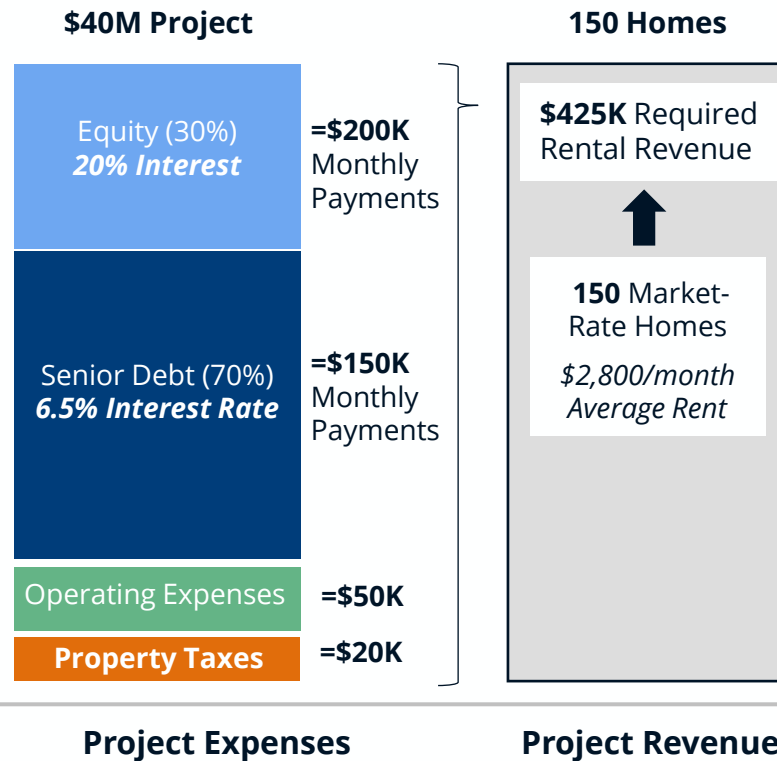
Tools to Reduce Rents for Mixed-Income Housing :

- (A) Housing Fund mission-driven subordinate debt** from the public sector or impact investors reduces costs by replacing high-cost equity.
- (B) Below-market senior debt** products offer lower interest rates and flexible terms, increasing the loan amount while decreasing interest costs.
- (C) A Payment in Lieu of Taxes (PILOT)** agreement that removes some or all property tax burden decreases expenses, allowing the project to support more below-market senior debt and charge lower rents.

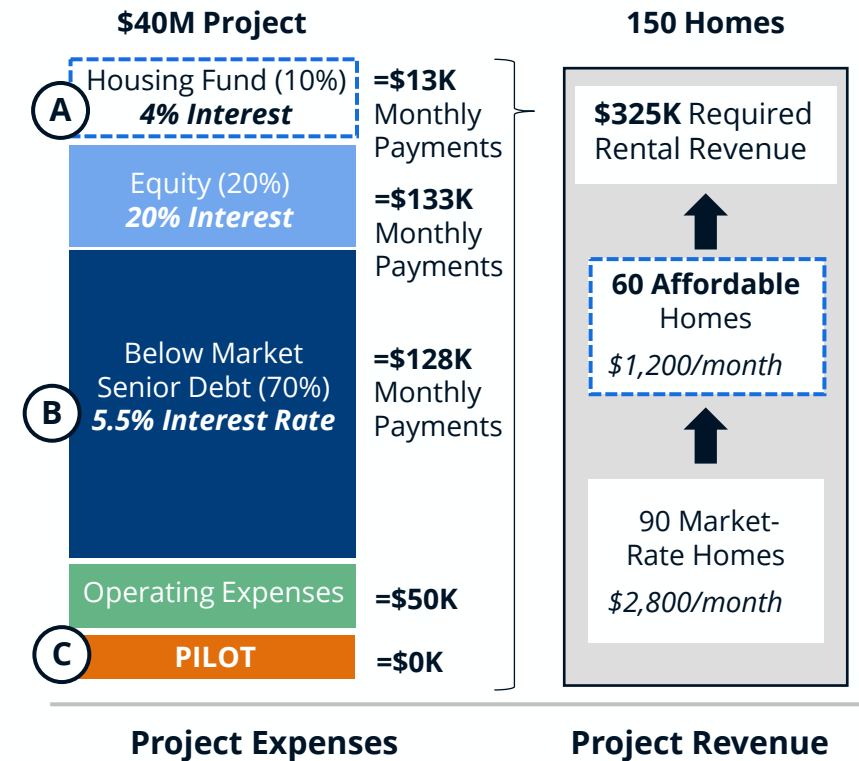
Other Tools:

- Free or reduced-cost land is another form of public subsidy that can be used to reduce rents (see Action 2.8).
- Density bonuses can be used to increase revenue by allowing the developer to build more homes, generating surplus revenue that can reduce rents.

MARKET-RATE BUILDING (Illustrative)



MIXED-INCOME BUILDING (Illustrative)



Note: For context, \$2,800 per month aligns with the top 10% of market-rate rents for newly constructed multi-family rental properties in the Portland area. *This is a simplified project example. Operating and property tax assumptions based on real New England deals. In practice, project assumptions and the level of support needed will change based on local market conditions.

2.7: Establish a housing fund to finance mixed-income development.

Case Study: Colorado Affordable Housing Financing Fund (AHFF)

Description

The **Colorado Affordable Housing Financing Fund (AHFF)** was created out of a 2022 ballot measure authorizing the state to set aside 0.1% of state income tax annually to fund local affordable housing efforts from development to land acquisition. The AHFF is managed by the Colorado Housing and Finance Authority and the Office of Economic Development and International Trade.

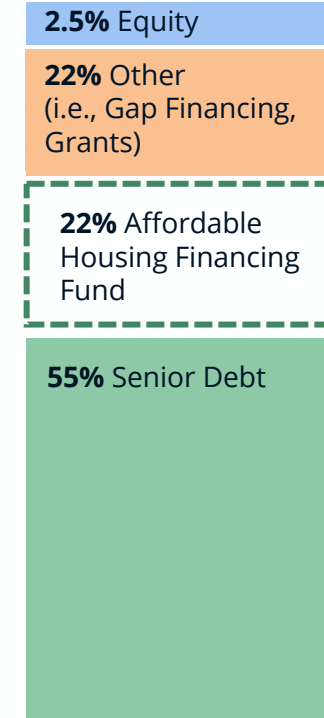
The Fund has four components: 1) **below-market-rate equity investments for mixed-income housing**, 2) land acquisition grants for affordable housing, 3) concessionary debt to finance 100% affordable housing, and 4) loans for modular and factory-build manufacturers.

The **below-market rate equity investments** reduce the share of traditional equity a project requires, reducing the amount of revenue a project needs to repay lenders. This allows the project to charge lower rents for a portion of units, an effective way to create or preserve low- and middle-income housing.

Outcomes

- As of October 2024, the Affordable Housing Financing Fund has awarded three mixed-income projects with financing, which are now in the final underwriting phase.

Example Capital Stack



This capital stack from an example deal shows how the AHFF is able to support a significant reduction in the share of financing coming from equity (only 2.5% of the capital stack).

In this example, the resulting building will be 100% workforce housing, with approximately 80% of units affordable at 80% AMI or below and 20% of units affordable at 100% AMI.

2.8: Identify publicly-owned vacant land that could be sold to developers at a reduced price in exchange for the development of affordable homes.

Initiative At-A-Glance



The State, in partnership with municipalities, the Maine Redevelopment Land Bank Authority and the University System should establish a process to sell publicly-owned parcels at a discount, in exchange for affordable housing production. Lowering land costs reduces required rents and can lower the sales prices for owner-occupied homes. Parcels not suitable for housing can be sold at market price, with proceeds used for other housing initiatives. To implement this strategy, the State should:

- **Develop a Land Inventory:** Inventory publicly-owned property (including vacant land and underutilized facilities). Identify parcels in areas suitable for housing based on zoning, infrastructure, location, and value.
- **Create a Land Policy:** Establish a public land policy to ensure suitable parcels are prioritized for affordable housing.
- **Define Program Requirements:** Set requirements to maximize public benefits on sold public land, including affordability standards and unit mix.
- **Create a Competitive Process:** Establish a Request-For-Proposals (RFP) process to identify developers for target sites with clear criteria to evaluate proposals.

A well-designed program will maximize public land value, expand affordable housing, and ensure a transparent developer selection process.

Precedents & Foundations to Build On

- *Portland, ME's City-Owned and Tax Acquired Property Disposition Process*
- *Washington, DC's Disposition of District Land for Affordable Housing Act*
- *CA Governor Gavin Newsom's Public Land for Affordable Housing Executive Order*
- *City of Boston's Public Land for Public Good Citywide Land Audit*

Cost	Capacity	Legislative	Home Yield
\$			

Potential Benefits

- Increased production of affordable housing, including mixed-income or units with deeper affordability.
- This approach can help maximize the public value of underutilized or vacant public land.
- Increased tax revenue by returning public land to tax rolls and promoting development that increases property value.
- Incentivized infill development and added density.

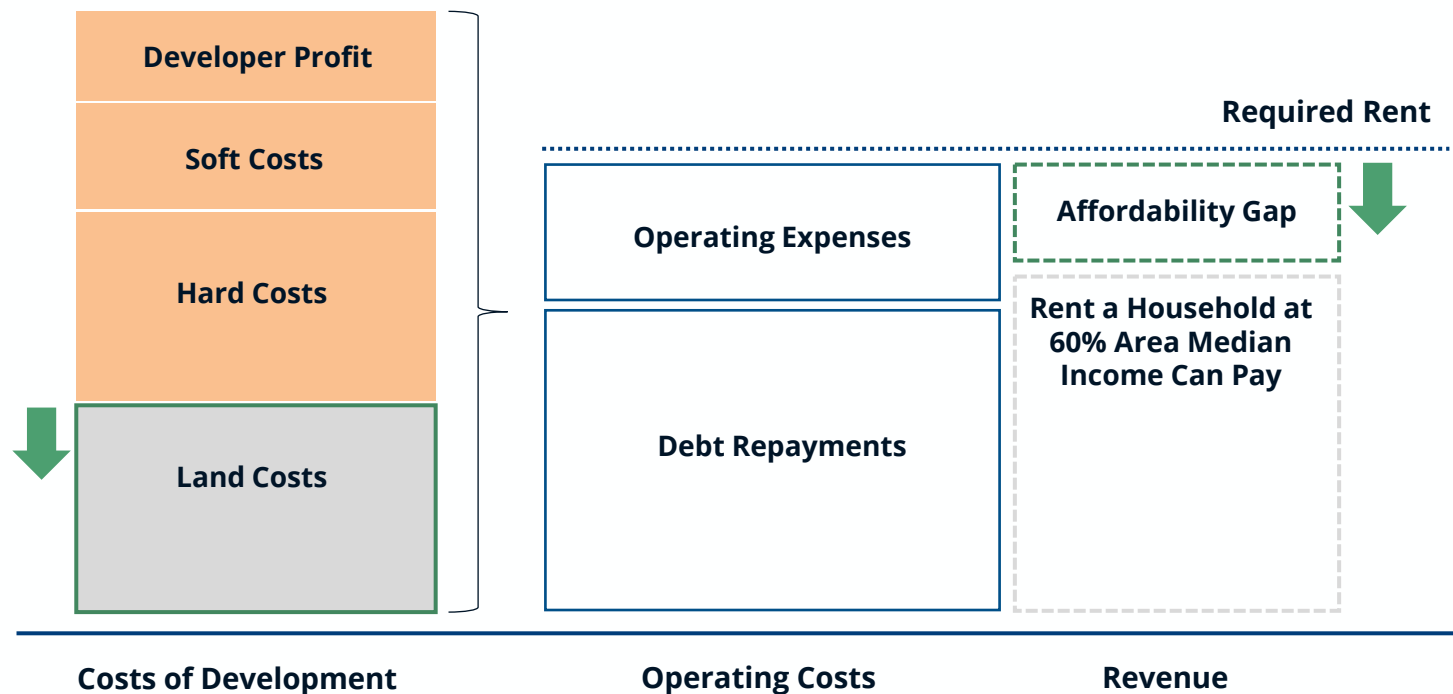
Potential Considerations

- Developing and maintaining land inventory requires significant staff time, resources, and cross-agency coordination. This could be part of the centralized tracking system outlined in [Action 2.4](#).
- Requires proper oversight, to ensure parcels are not undervalued, misallocated, or developed in ways that fail to meet public objectives.
- Research may be required to fully establish and clarify the authority that each state agency currently has to transfer land.

2.8: Identify publicly-owned vacant land that could be sold to developers at a reduced price in exchange for the development of affordable homes.

Case Study: Public Land Disposition Illustrative Example

Reducing land costs reduces required rents. A public land disposition program allows governments to sell or lease publicly-owned land at reduced costs to incentivize the production of affordable housing. Lowering land acquisition costs for developers lowers the overall cost of development, therefore reducing the amount of rental revenue that is required to make the project financially feasible.



Lessons for Maine

- To maximize affordability, the sale price of public land can be tied to the share and depth of affordability the developer commits to providing.
- In some cases, offering land at no cost may be justified to achieve deeper affordability, such as rents accessible to very low-income households or a higher proportion of affordable units.

2.9: Build on the success of existing state tax credit programs.

Initiative At-A-Glance

Maine should build on the success of the **Affordable Housing Tax Credit Program** and the **Historic Rehabilitation Tax Credit Program** by ensuring permanent funding and implementing modifications to improve their long-term impact and utilization.

- **Maine Historic Rehabilitation Tax Credit Program:** The state should raise the cap on the amount of tax credits that can be claimed in the first year of redeveloping a site from \$5 million to \$10 million. The program's current first year cap of \$5m limits developers' ability to utilize the credit effectively, often making projects financially unfeasible or forcing extended timelines. For instance, in Lewiston, the Picker House Lofts mixed-income housing mill conversion qualified for \$9m in tax credits, but developers could only claim up to \$5m annually. This limitation necessitated an elongated development schedule, increasing overall project costs.
- **Maine Affordable Housing Tax Credit Program:** Since its inception in 2020, the program has committed \$10 million annually, with funding set to expire in 2028. This initiative has demonstrated success in creating and preserving hundreds of affordable homes across the state. The State should renew the Affordable Housing Tax Credit Program and make its funding permanent to ensure continued investment in affordable housing production and preservation.

Precedents & Foundations to Build On

- *Maine Historic Rehabilitation Tax Credit Program*
- *Maine Affordable Housing Tax Credit Program*

Cost	Capacity	Legislative	Home Yield
\$\$			

Potential Benefits

- An increased cap on Historic Rehabilitation Tax Credits could make more projects, like mill conversions, financially feasible, helping return blighted properties to productive use while increasing housing supply.
- Making the Maine Affordable Housing Tax Credit permanent will help fill a critical and ongoing funding gap for affordable housing, and reduce reliance on other competitive and limited resources, like the Federal Low-Income Housing Tax Credit and Project-Based Vouchers.

Potential Considerations

- The State will need to study the fiscal impact of expanding the Maine Historic Rehabilitation Tax Credit cap from \$5m to \$10m.
- These changes will require legislative action, meaning they will need sufficient political support.

A construction site in the foreground shows the wooden framing of a building under construction. Several workers are visible on the site, some standing on the wooden structure. In the background, a city skyline with various buildings and a parking lot is visible under a clear sky. A semi-transparent blue box with a white border is overlaid on the right side of the image, containing the text.

3) Strengthen the Private Sector





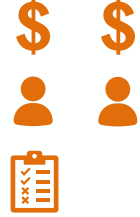



Maine's development ecosystem struggles to meet housing production needs due to construction workforce shortages, the limited pool of experienced developers, high construction costs and slow adoption of new technologies.

Findings

- **Shortage of qualified construction workers:** There is a labor shortage across all construction workforce segments due to retirements and competing demand for construction workers in other infrastructure sectors like renewable energy, broadband and manufacturing. The need is greatest in the specialty trades (i.e., electrician, plumber, HVAC technician, welder) and health and safety. Some populations that have the most room to grow in terms of construction labor force participation – women, New Mainers, reentry, disability communities – also require different programming to reduce their barriers to entry. Shortages in construction labor are a critical factor driving up home prices and construction costs.
- **Limited developer pool and dominance of small developers:** There are a limited number of developers and builders active in Maine and few with the capacity and capital to pursue multi-family projects. Many developers are small or emerging and therefore lack the experience to meet the demand and execute complex deals quickly, it is also more difficult for them to navigate lengthy and uncertain approvals processes.
- **Rising costs:** The high costs of construction, pre-development, infrastructure, and materials contribute to project funding gaps. This is exacerbated by high interest rates.
- **Demand for off-site construction methods lags:** A lack of experience and awareness among owners and builders, along with difficulty securing financing for projects, has limited adoption of modular, off-site, and panelized construction methods.
- **Homeowners struggle to finance ADUs:** Outside of strong coastal markets, homeowners face challenges in pursuing and financing ADU projects. Broadly speaking, homeowners worry that current restrictions on ADUs enacted by municipalities limit their value.



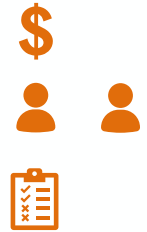

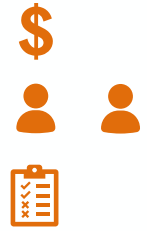

STRENGTHEN THE PRIVATE SECTOR | ACTIONS

These actions can accelerate housing production by expanding the pool of qualified workers, recruiting non-traditional workers to the construction industry and improving worker retention.

Action	Description	Lift	Impact
3.1: Provide long-term, dedicated funding for apprenticeship and pre-apprenticeship programs in the trades.	<ul style="list-style-type: none"> Dedicate ongoing state funding to the administration and growth of the Maine Apprenticeship Program via the creation of new and expansion of existing successful pre-apprenticeship and apprenticeship programs Create a funding stream to support smaller organizations to build registered apprenticeship and pre-apprenticeship programs. The State should explore expansion of pre-apprenticeship by supporting small and large employers to do so. Pre-apprenticeship programs are an important tool to expand uptake and access to registered apprenticeship programs. 		
3.2: Give students access to experiential learning opportunities by sustaining investment in career and technical education (CTE) and career exploration.	<ul style="list-style-type: none"> Recruit young Mainers to high-demand workforce opportunities in the construction sector through early career exploration programs (CTE, pre-apprenticeship, career exploration, and beyond). Career exploration opportunities should align with the needs of high demand occupations within the construction sector. Leverage remaining DECD funds for the Maine Career Exploration Program to focus recruitment on the trades over the next two years. 		
3.3: Continue and expand strategies that welcome nontraditional workers into quality jobs in construction.	<ul style="list-style-type: none"> Expand programs and services focused on increasing opportunities for women and New Mainers to attain quality construction jobs. Consider additional investment in wraparound supports, such as English language learning and childcare services, to support individual workers and employers. Make Maine the leading state in the country for welcoming women in the construction workforce; set targets for the number of women in construction over the next several years and track progress. 		
3.4: Explore opportunities to improve worker retention and career growth .	<ul style="list-style-type: none"> Explore tools to improve retention of the existing construction workforce, such as wage increases, small business supports and health insurance coverage, and marketing existing student loan repayment programs. Many of these interventions should target employers to support their ability to maintain and grow their employee base. 		

STRENGTHEN THE PRIVATE SECTOR | ACTIONS

These actions strengthen the development ecosystem by supporting employee-built workforce housing, identifying barriers to development and evaluating the potential of construction innovations.

Action	Description	Lift	Impact
<p>3.5: Explore strategies to streamline and improve licensing for trades occupations.</p>	<ul style="list-style-type: none"> • Increase licensing interoperability and acceptance of different ways for workers to obtain hours that count toward qualification for a license exam. • Promote interstate portability of licenses to allow licensed trade professionals to work in Maine without having to retake their exams and reduce delays for them to enter the state’s workforce. • Explore the use of skill-based assessments to enhance performance and consistency of trades workers. 		
<p>3.6: Accelerate employer-financed workforce housing projects. <i>* Case Study: Atrium Health investment in Ascent Housing Impact Fund</i></p>	<ul style="list-style-type: none"> • Convene a working group of employers who are interested in, or have experience with, developing or investing in workforce housing. The group would receive support to help them navigate the development process, access to lower-cost public financing, and potential match funding. • Designate a lead staff person to coordinate the working group on behalf of the State, with additional representation from MaineHousing, a municipal finance expert, and senior staff with expertise in regulatory requirements and development approvals. 		
<p>3.7: Establish a working group to examine the potential of innovative construction technologies to reduce costs and speed up housing production in Maine.</p>	<ul style="list-style-type: none"> • Convene a working group of developers, manufacturers, architects, lenders, and planners to help the State identify regulatory, financing and workforce barriers to construction and evaluate the potential of modular construction, cross-laminated timber (CLT), and 3D printing to have real cost-savings at scale in Maine. 		

3.1: Provide long-term, dedicated funding for **apprenticeship** and **pre-apprenticeship** programs in the trades.

Initiative At-A-Glance

Maine has increased investment in its pre-apprenticeship and apprenticeship programs in recent years, which have been instrumental to growing the pipeline of workers in the construction sector. The State should continue funding administrative resources and intermediary groups supporting the growth of these programs.

- Dedicate **ongoing state funding** to the administration and growth of the Maine Apprenticeship Program via the creation of new and expansion of existing successful pre-apprenticeship and apprenticeship programs.
- Create a funding stream to **support more organizations and employees to build registered apprenticeship and pre-apprenticeship programs**. The State has taken first steps to establish pre-apprenticeships in 2022 and should explore expansion of pre-apprenticeship by supporting small and large employers to do so, through supporting intermediary organizations such as unions, industry associations, and training providers. Pre-apprenticeship programs are an important tool to expand uptake and access to registered apprenticeships.

Precedents & Foundations to Build On

- *Maine Apprenticeship Program: This program has doubled the number of apprentices participating due to Maine Recovery & Jobs Plan (MRJP)*
- *AGC Maine's Maine Construction Academy and MCCS Construction Academy*
- *Colorado Workforce Innovation Funding (2023): Scale-Up Grant supported organizations to develop or expand Registered Apprenticeship Programs, awarding \$700k in funds to 14 organizations in June 2023*

Cost	Capacity	Legislative	Home Yield
\$\$			

Potential Benefits

- Has a very high return on investment. Apprenticeship programs have great success securing job placements for program participants.
- Does not require extensive program design because that has already been done; rather, it builds on the success of existing apprenticeship programs that now need funding to sustain and expand on their efforts.
- Provides opportunities for nontraditional worker populations to enter the construction workforce.

Potential Considerations

- Sustaining apprenticeship programs requires significant ongoing funding to educate employees and set up new trainings.
- Sustaining the growth of pre-apprenticeship and registered apprenticeship programs requires working with both small and large employers through unions, industry associations, and training providers.
- Requires strong coordination between workforce providers and employers to support high job placement rates.

3.2: Give students access to **experiential learning opportunities** by sustaining investment in career and technical education (CTE) and career exploration programs.

Initiative At-A-Glance

Maine’s young residents are a critical foundation of Maine’s future construction workforce. As young Mainers seek opportunities to remain within the state and explore potential career pathways, the State should continue to take active efforts to recruit them to high-demand workforce opportunities in the construction sector through early career exploration programs (CTE, pre-apprenticeship, career exploration, and beyond). **The State should continue to focus its investment in early experiential learning programs to ensure that students and young learners have exposure to opportunities and strengthen recruitment of young people into the construction workforce.** Career exploration opportunities should align with the needs of high demand occupations within the construction sector, such as the trades. The State of Maine should set a new goal for a number of young people to have career exploration experiences in the trades over the next several years and fund relevant programming. It should leverage remaining MJRP funds* for the Maine Career Exploration Program to focus recruitment in the trades over the next two years. On top of these programs, the State should continue to support short-term job training throughout the community college systems and explore equipment and facilities grants and new programs like modular training at MCCS.

Precedents & Foundations to Build On

- Maine Career Exploration Program and Extended Learning Opportunities (ELOs): Opportunities for students ages 16-24 to explore career paths outside the traditional classroom offering paid work, educational opportunities, work skills development, etc.
- Educate Maine: Non-profit offering high-quality, meaningful internships with Maine Career Catalyst.

Cost	Capacity	Administrative	Home Yield
\$ \$	👤 👤	📋	🏠

Potential Benefits

- Construction employers benefit from increased investment in young learners and students because it directly grows the pool of available workers for different segments of the construction industry.
- Targeting high-demand occupations like the trades will expand the pipeline of workers to help meet Maine’s existing labor shortage.
- Pre-apprenticeship programs can serve as a springboard for careers in construction, supporting increased access and smoother transitions into registered apprenticeships.

Potential Considerations

- The State has relatively limited influence over implementation of the CTE ELO program, which is overseen at the school district level.
- MJRP funds are ending for Career Exploration.
- Addressing the capacity challenges of CTE can be difficult and costly because it requires building new schools and facilities, special equipment, and experienced instructors.

*MJRP funds will be spent down by the end of 2026.

3.3: Continue and expand strategies that welcome **nontraditional workers** into quality jobs in construction.

Initiative At-A-Glance

To address the construction labor shortage, the State should continue to expand strategies that create career pathways in construction for nontraditional workers. Foreign born workers historically form the backbone of the construction workforce. The State should **make its targets for women and new Mainers in construction more aggressive, public and supported with dedicated funds** over the next several years, building on the Governor’s [Women in Construction E.O.](#) The State should create cohort-specific pre-apprenticeships, fund a statewide initiative focused on women in the trades, and build the capacity of employers to create a safe, inclusive workspace so nontraditional workers are recruited and retained. It should also create targets for other nontraditional worker populations, including the re-entry, recovery, and disability communities. Maine has nearly 10,000 people in recovery, and roughly 1,000 people are released from incarceration each year. The re-entry community faces significant barriers to employment; less than 40% of individuals are working at any given time. Only 6% of 49,000 people with a disability working in Maine are employed in construction, representing an untapped talent pool. The State should also **increase investment in wraparound supports, English language learning and childcare** to enable caretakers to access workforce opportunities and consider sustaining [Free Community College programs](#), which have been valuable in recruiting workers to the construction industry.

Precedents & Foundations to Build On

- *Maine Apprenticeship Programs: Proven success in providing training to women-specific cohorts and nontraditional workers (esp. AFL-CIO, AGC)*
- *Maine Adult Education and ReVision Energy Partnership for New Mainers (2023)*
- *Maine Community College System Construction Bootcamp: Successful in bringing workers into the field immediately after 2-3 weeks of training in basic skills (e.g., OSHA)*
- *Vermont Trailblazers, Chicago Women in Trades: Women in trades initiative examples.*
- *DECD Grants to Attract and Retain Diverse Talent (2024)*

Cost	Capacity	Administrative	Home Yield
\$ \$	👤 👤	📋	🏠

Potential Benefits

- Increases the pool of available workers for segments of the construction industry facing shortages, supporting Maine’s economic growth and housing production goals.
- Reduces barriers to participation in Maine’s workforce for nontraditional workers so they can access quality construction jobs and career paths.
- Builds on existing models of successful workforce programs in Maine.

Potential Considerations

- The additional wraparound services and language learning required to support nontraditional workers make nontraditional workforce programming different from traditional workforce programming.
- English language learning programs can be difficult to run because (1) people come into the program with varying levels of proficiency and (2) it takes years of participation to help people develop proficiency.

3.4: Explore opportunities to improve worker retention and career growth.

Initiative At-A-Glance

The State needs to invest not only in recruitment of new workers but in retention of existing workers by supporting improvements in wages and benefits and opportunities for career development. Many of these interventions should target employers to support their ability to maintain and grow their employee base.

- **Wage Increases:** Support retention of workers and instructors.
- **Student Loan Repayment:** Promote existing State programs and encourage employer-based programs to provide student loan repayment incentives.
- **Health Insurance Coverage:** Explore opportunities to help small businesses provide health insurance benefits to construction workers.
- **Apprenticeship:** Promote participation in apprenticeship programs, which have high retention rates (~90% according to the U.S. Department of Labor)
- **Promote developers receiving state funds to build housing** to ensure high quality jobs that are aligned with [US Good Jobs Principles](#)
- **Dirigo Business Incentives:** Expand program that reduces state taxes for eligible businesses when they provide employee training to include construction industry.
- **Use Competitive Skills Scholarship Program and Alford Compact Funds** to help workers secure industry recognized credentials.
- **Career Growth Culture:** Support worker advancement and skill development.

Precedents & Foundations to Build On

- *[PassiveHaus Maine:](#) Offers statewide training for new and experienced builders to implement modern practices for building low-carbon structures.*
- *[Maine's Energy Office Weatherization Business Lab:](#) Partnership model leveraging funding to support individual proprietors to grow their business.*

Cost	Capacity	Administrative	Home Yield
\$ \$			

Potential Benefits

- Retention of construction workers will ensure Maine has the workforce to meet its housing production goals.
- Job quality improvements support worker retention and satisfaction.
- Small business support can help address worker shortages in regions of Maine that have acute construction labor needs and build pipelines for high-demand sub-sectors like the trades.

Potential Considerations

- The State of Maine has a limited ability to influence the level of wages and benefits provided by employers without significant legislative reform.
- The State of Maine should explore a combination of strategies supporting individual construction workers and construction employers to create worker advancement opportunities.

3.5: Explore strategies to streamline and improve licensing for trades occupations.

Initiative At-A-Glance

Many high-demand trades occupations currently facing labor shortages in Maine require a state license, including electricians, plumbers, HVAC technicians, modular home manufacturers, builders and inspectors, among many others. Trades workers face many challenges obtaining and maintaining licensing, especially those that move to Maine from other states or countries or those that would like to practice simultaneously in two states, impeding their ability to enter the workforce in a timely, efficient manner and obtain employment in the trades. The State should explore the following strategies to streamline and improve licensing for trades occupations:

- **Increase licensing interoperability and acceptance** of different ways for workers to obtain hours that count toward qualification for a license exam.
- **Promote interstate portability of licenses** to allow licensed trade professionals to work in Maine without having to retake their exams, thus reducing delays for them to enter the state's workforce.
- **Explore increasing use of skill-based assessments by licensing boards** to more directly assess the practical skills of those seeking trades work and produce reliable trades workers with demonstrated hands-on capabilities.

Precedents & Foundations to Build On

- *Arizona Universal Licensing Recognition (2019): First-in-the-nation law requiring the state licensing board to recognize out-of-state occupational licenses for eligible people who have been licensed in their profession for at least one year*
- *Federal Trade Commission Report on Options to Enhance Occupational License Portability (2018)*
- *California State Contractor Reciprocity Agreement*

Cost	Capacity	Legislative & Administrative	Home Yield
\$			

Potential Benefits

- Increase the pipeline of trades workers in Maine to meet the statewide labor shortage, which could potentially alleviate the high costs of trades services faced by housing developers in the long-term.
- Support faster onboarding of new residents actively seeking work and mobility pathways, supporting statewide economic growth.
- Reduce barriers for workers to qualify to take licensing exams without compromising public safety, maintaining high quality standards.

Potential Considerations

- Licensing requirements in Maine are implemented by the Department of Professional and Financial Regulation and independent boards. Industry boards create and update licensing standards, which Maine's Office of Professional and Occupational Regulation is responsible for implementing and enforcing.
- There are barriers to licensure for manufactured housing workers; the current licensing exam was designed for compliance with federally regulated builds that are not relevant to Maine modular construction.

3.6: Accelerate employer-financed workforce housing projects.

Initiative At-A-Glance

As housing availability and affordability become increasingly challenging for Maine workers, employers are seeing the impact on their ability to retain and attract talent. Employers can play a key role in housing production by developing housing for their employees or acting as investors. To support this, the State should convene and participate in a working group of employers who are interested in, or have experience with, developing or investing in housing. The group would receive support to help them navigate the development process, access to lower-cost public financing, and potential match funding. Employers interested in acting as investors could contribute to a housing fund focused on mixed-income and workforce housing ([see Strategy 2.7 on page 51 for more details](#)).

A lead staff person should be designated to coordinate the working group on behalf of the State, with additional representation from MaineHousing, a municipal finance expert, and senior staff with expertise in regulatory requirements and development approvals. This support team would provide targeted guidance to employers, ensuring that projects align with state and local housing goals while streamlining the approval and financing processes.

Precedents & Foundations to Build On

- [*Amazon Housing Equity Fund \(HEF\)*](#) ★
- [*Atrium Health investment in Ascent Housing Impact Fund*](#) ★
- [*Housing Leadership Council of Palm Beach County, Florida*](#)

Cost	Capacity	Administrative	Home Yield
\$			

Potential Benefits

- Employers see benefits in the form of increased worker retention, a larger workforce pool, strengthened local economy, improved ease of doing business, and if they are investors, financial returns.
- Employers and business owners can help build public support for housing initiatives, advocating for policy changes that align with both business and housing goals.
- Employers often have access to additional tools for financing housing, tax-exempt institutional financing, tax incentives, private capital and land holdings.

Potential Considerations

- Employers who want to secure housing for their employees may encounter Fair Housing challenges, depending on funding and oversight.
- Employers will need to find property management partners, which can be challenging in more rural parts of the State.

3.6: Accelerate employer-financed workforce housing projects.

Case Study: Employer and Institutional Investments in Housing

Description

To support their workforce and strengthen local economies, Maine employers are increasingly considering their role in expanding workforce housing. Companies like Bath Iron Works, Jackson Labs, Saddleback ski resort, and Acadia National Park have already taken steps to develop employee housing. To scale such efforts, Maine can draw inspiration from successful national models:

- Following the financing model [outlined on page 51](#), the **Amazon Housing Equity Fund (HEF)** provides **below market-rate loans** to preserve or create affordable homes across the country. A version of this model could be replicated locally in Maine by a large employer or group of employers. The Amazon HEF has also successfully collaborated with **universities**, who can bring additional low-cost capital like tax-exempt financing and land holdings.
- Similar models can also result in housing directly for employees. **Atrium Health**, a major employer in Charlotte, NC, **is an investor in the Ascent Housing Impact Fund**, a for-profit social impact equity fund targeting the preservation of naturally occurring affordable housing (NOAH). In return for its \$10 million investment, **15% of units are set aside for Atrium Health employees** ([see case study on page 68](#)).
- **Hospitals and healthcare institutions** have a long track record of investing in housing to support both their employees and the broader community. In Stamford, CT, Stamford Hospital partnered with Charter Oak Communities, the city's public housing authority, on a land swap enabling hospital expansion and new mixed-income housing. This collaboration grew into the Vita Health & Wellness District, a health-focused neighborhood revitalization initiative that financed 12 mixed-income developments using tools like Low-Income Housing Tax Credits (LIHTC), Community Reinvestment Act (CRA) funds, private equity, and public grants.

Outcomes

Maine employers have financed workforce housing through a variety of methods:

- Jackson Labs, a nonprofit, issued a \$100m tax-exempt bond, \$10m of which it used to develop 24 units of employee housing on land it owned.
- The U.S. Navy allocated \$34 million to Bath Iron Works, part of which will fund 85 nearby housing units for Bath Iron Works employees.
- Saddleback Ski Resort built housing for 80 employees using visitor donations and funds from Arctaris Impact Fund, an opportunity zone investor that purchased the resort in 2020.
- Acadia National Park constructed 28 bedrooms for employees using \$10 million in donations, \$10 million in National Park Foundation grants, and support from the National Park Service Housing Improvement Challenge.

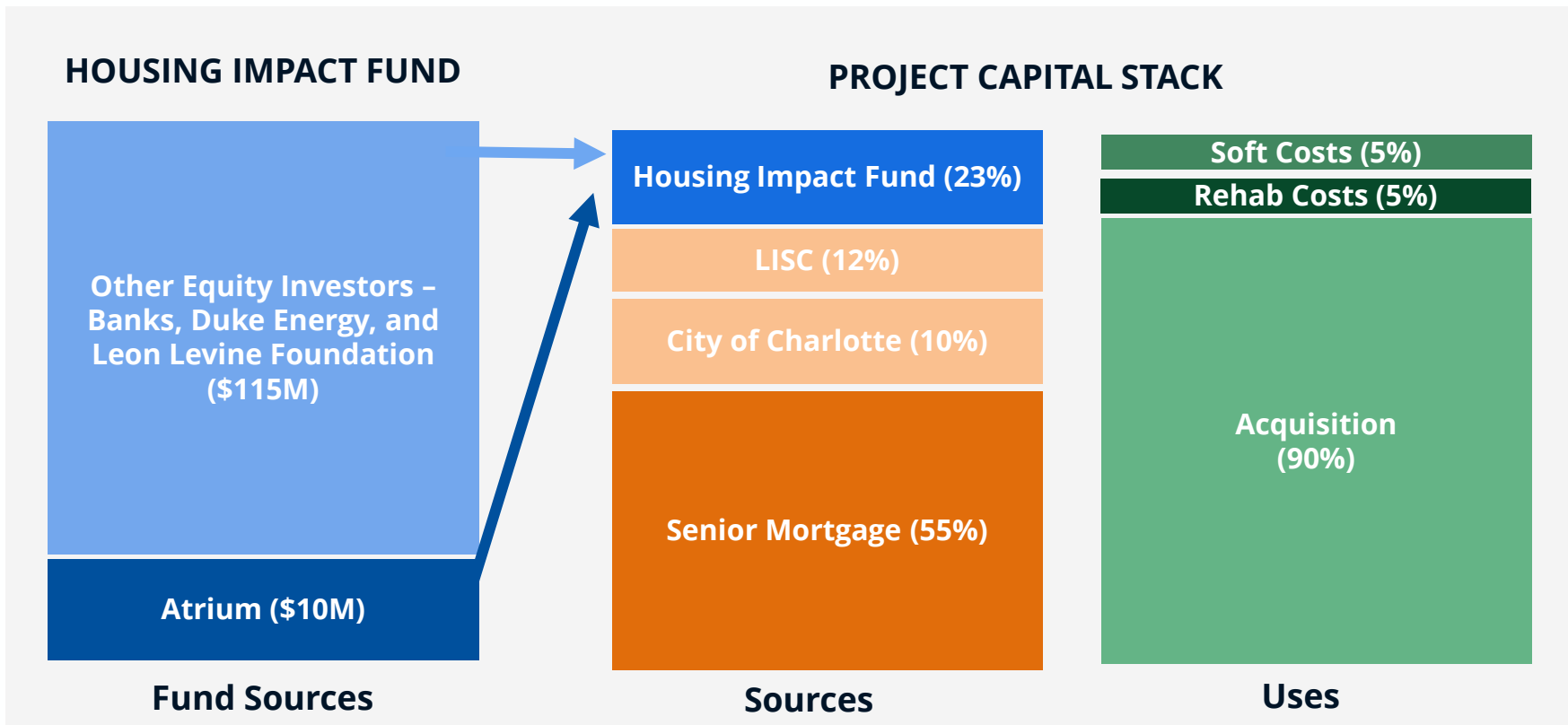
Lessons for Maine

- Employers have the potential, and interest, to play a significant role in addressing Maine's workforce housing needs.
- Partnerships, such as those between Stamford Hospital and Charter Oak Communities, highlight the importance of collaboration. Convening a working group can help employers make these connections.
- Whether it's underused land (Stamford Hospital's land swap) or institutional resources (universities contributing tax-exempt financing), Maine employers have access to a range of critical financing tools.

3.6: Accelerate employer-financed workforce housing projects.

Case Study: Atrium Health H.O.P.E Program, Capital Stack and Results

Atrium invested \$10M in the Ascent Housing’s Housing Impact Fund. This \$10M was matched by \$115M from foundation and bank investors and supports 20-25% of a project’s acquisition costs. For every \$1M in housing preserved, Atrium only provides \$18,400 in equity investment. Rather than receive the full 6% equity return, Atrium has chosen to utilize most of the return to fund community health workers embedded in the apartment communities, which improve social determinants of health for everyone in the community.



- ### Outcomes
- **Preservation of 2,000 affordable homes** across the Charlotte region
 - **300 affordable home target for Atrium employees** experiencing cost burdens or housing instability.
 - **Some financial return** during the investment period

3.7: Establish a working group to examine the potential of **innovative construction technologies** to reduce costs and speed up housing production in Maine.

Initiative At-A-Glance

There is rising interest in Maine and across the country in the potential for innovative construction methods—such as modular and pre-fabrication, Maine forest products and 3D printing—to reduce the time and costs of housing construction and continue to contribute to Maine’s economic growth. However, these innovations have seen limited adoption at scale, primarily due to insufficient demand from consumers, owners and builders, as well as difficulty securing financing for projects, or a need for further research and development.

To better understand the future potential of these innovations in Maine, and to explore strategies to reduce barriers and increase demand, the state should convene a working group composed of developers, manufacturers, architects, lenders, and planners. Recognizing that these technologies are still emerging, the group would explore their feasibility, potential cost savings, and pathways for implementation at scale and opportunities to demonstrate these projects. This could include examining case studies of past projects in Maine and lessons from other States that have invested in these innovations.

Precedents & Foundations to Build On

- [*Oregon Housing Innovation Partnership*](#)
- [*University of Maine Advanced Structures and Composites Center*](#)
- [*FOR/Maine \(Forest Opportunity Roadmap / Maine\)*](#)
- [*Maine’s Forest Bioproducts Advanced Manufacturing Technology Hub*](#)

Cost	Capacity	Administrative	Home Yield
\$			

Potential Benefits

- Provides the State with valuable insights into how industry professionals view the potential and challenges of new construction technologies.
- The group can help increase exposure of the development community to new technologies, helping to reduce resistance and barriers to their adoption in the future.
- If found to be a promising path for Maine, investments in this sector could have broader economic development and workforce benefits.

Potential Considerations

- Innovations like modular construction have had very mixed results in markets across the country. Engaging stakeholders in this way is necessary in order for the State to assess the viability of investing in innovative technologies before committing resources.
- Adoption of these technologies depends largely on sufficient demand and infrastructure to be able to support expansion of this sector.

3.7: Establish a working group to examine the potential of innovative construction technologies to reduce costs and speed up housing production in Maine.

Case Study: Benefits & Barriers to Modular Construction

Description

Modular construction is a building method where structures are prefabricated off-site in modules and then assembled on-site. This approach can significantly shorten construction timelines and reduce costs. However, both in Maine and nationally, several barriers limit its broader adoption.

Financial Barriers: In modular construction, up to 90% of the building is manufactured off-site, requiring higher upfront costs than traditional site-built methods. Construction financing is typically disbursed using a "percentage of completion" model, where lenders release funds as specific stages of construction are completed. For modular projects, this structure poses challenges, as financing often requires larger upfront capital outlays at a faster pace—something many lenders perceive as risky. Some lenders will only provide funds after modular units are installed on-site, while others charge higher interest rates or provide smaller loan amounts to mitigate perceived risks. These factors result in higher developer equity requirements.

Regulatory Challenges: Varying building codes, inspection standards, and approval processes across jurisdictions complicate the modular construction process. In Maine, as in many states, these regulatory inconsistencies can make designing and building modular homes more time-consuming and complex. The Modular Building Institute (MBI) is advocating for universal modular-specific building code standards to streamline the process. States like Virginia, Colorado, Utah, Montana, and Rhode Island have adopted MBI's proposed guidelines, but it is still too early to evaluate their full impact.

Demand-Side Barriers: Overcoming financial and regulatory hurdles will not drive increased production unless there is greater demand. In Maine, a lack of familiarity and exposure to modular methods among builders and contractors presents a significant barrier. Additionally, the state's modular-specific licensing requirement creates further complexity, limiting adoption.

Outcomes

Some modular developers have had success forming partnerships with local lenders familiar with modular processes, highlighting the importance of lender education and tailored financial solutions. Modular construction's energy efficiency also creates potential opportunities to leverage federal tax incentives under the Inflation Reduction Act.

While it is too early to assess the full impact of modular-specific standards, successes with standardized ADU codes and pre-approved designs in some states offer promising lessons.

On the demand side, Colorado is beginning to use the Low-Income Housing Tax Credit program to drive modular multi-family housing projects, showcasing the potential for modular construction to address affordable housing needs. However, it is too soon to know the outcomes of this program.

Lessons for Maine

- Maine should continue to investigate the outcomes of state-funded modular investment in peer states as these programs mature.
- Utilize a working group ([Action 3.7](#)) to identify common barriers that exist within the building code in Maine, and opportunities to streamline permit approval. This group could review the MBI standards or consider adopting an alternative.
- The State can work to increase awareness and education for modular methods among contractors and builders through project road shows ([see Action 1.1](#)).

A construction site showing the wooden framing of a building. Several workers are visible on the structure. In the background, there is a cityscape with various buildings and a parking lot. The image has a blue tint.

4) Appendix

APPENDIX I. SOURCES

This report relied on valuable insights from Maine stakeholders and industry leaders as well as national experts to inform its findings and recommendations.

Stakeholders Engaged:

Representatives from the following State entities were consulted:

Governor's Office of Policy Innovation & Future (GOPIF),
Department of Labor (DOL)
Department of Economic and Community Development (DECD)
Department of Environmental Protection (DEP)
Department of Agriculture, Conservation and Forestry (DACF)
MaineHousing

Interviews & In-Person Stakeholder Sessions

Associated General Contractors (AGC), Avesta Housing, Backyard ADUs, BrightBuilt Home, Central Maine Community College (CMCC), Chamberlain Homes, Chinburg Properties, Chretien Construction Inc., City of Auburn, City of Lewiston, City of Portland, City of Rockland, Consigli Construction, Cornerstone Government Affairs, CROFT, Drummond & Drummond, GO Logic, Great Falls Construction, GreenMars, Home Builder and Remodeler Association of Maine, Jackson Labs, Kaplan Thompson Architects, KBS Builders, Inc., Knickerbocker Group, Levine Plans, Lewiston Continental Mill Redevelopment, Maine Community College System (MCCS), Maine Development Foundation, Maine Preservation, Manufacturers Association of Maine, M&R Holdings, OPAL, passivhausMAINE, Penobscot General Contractors, Pleasant River Lumber/Ware Butler, Portland Regional Chamber of Commerce, Sebago Technics, Szanton Company, The Town of Norway, Thornton Tomasetti, UMaine, UMaine Advanced Structures & Composites Center, Waterstone Properties

In-Person Site Visits

KBS Builders, Inc.
Szanton Company, Lewiston Continental Mill Redevelopment
Central Maine Community College (CMCC)

Works Cited:

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APPENDIX II. DRIVERS OF LOW PRODUCTION

The construction labor force shortage poses a major obstacle to meeting Maine’s housing production needs, limiting housing production capacity and adding to the high cost of housing production.

Like states across the country, Maine is facing a construction labor force shortage as the construction industry continues to grow. The construction industry has grown an average of 3% every year, on par with peer states like Massachusetts and New Hampshire. However, as aging workers enter retirement, the construction industry is losing a large number of experienced workers. Further, critical investments in broadband, clean energy, offshore wind, transportation, and manufacturing draw workers away from the residential construction industry.

While there is a labor shortage across all segments of the construction industry, the most in-demand occupations are carpenters, construction laborers, and electricians. Other high-demand labor segments include painters, first-line supervisors of construction trades, plumbers/pipers/steamfitters, operating engineers and other construction equipment operators, highway maintenance workers, electrician helpers, and construction and building inspectors. Maine Department of Labor estimates a labor gap of 1,000-2,000 transportation and material moving workers, 500-1000 construction laborers, 350-400 electricians and helpers, 300-400 equipment operators, and 75-100 building inspectors as of November 2023.

The construction labor shortage presents multiple roadblocks to increasing housing production in Maine. First, a labor shortage constrains housing production in Maine and delays progress toward meeting Maine’s housing needs. Second, a labor shortage increases the costs of housing production in Maine as general laborers, specialty trade workers, carpenters, health and safety inspectors, and other construction workforce segments remain in high demand and can charge higher costs for their services.

+3%

Average Annual Growth in Construction Jobs (2015-2024)

+5,000

Growth in Specialty Trades Contractors Jobs (2013-2023)

500-1,000

Shortage of Construction Laborers (2023)

APPENDIX II. DRIVERS OF LOW PRODUCTION

While there are many factors impacting development in Maine, State and local regulatory processes and local land use particularly impact the amount, type and price point of what can be built.

In much of Maine, land use regulations and approval processes favor large, low intensity lots, restricting housing options and driving up costs. **Allowing smaller lots and higher-density development can reduce per-unit land costs, making it possible to build more homes at lower prices.** The passage of LD2003 was a step forward, permitting up to four units on single-family lots, but significant challenges remain. Delays in development approvals, high impact fees, uncertain infrastructure costs, and resistance to increased density continue to make it difficult to deliver homes that are affordable for most Mainers.

Most newly built homes in Maine are unaffordable for households earning \$75,000 or less. For-sale development is dominated by high-cost single-family homes in suburban areas and lower-cost manufactured homes in rural markets, with limited examples of more affordable options like townhomes or cottages. Stronger markets, including the Greater Portland Area (e.g., Portland, Lewiston-Auburn, Scarborough) and the South Coast (e.g., Kittery, Biddeford), have seen some multifamily condo development, but at high price points. New market-rate rental housing remains scarce, with new construction primarily focused on low- and mid-rise multifamily buildings in stronger markets. To meet demand, it is crucial to increase the supply of smaller, more affordable homes and moderate-density multifamily options like garden apartments and townhomes.

Examples of Recently Delivered Home Types by Price

Low-Cost ← → High-Cost

For-Sale Single Family



Manufactured



Small SF Detached



Large SF Detached

For-Sale Multifamily



Attached



Townhome



Condo

For-Rent Multifamily



Low-Rise/Garden



Mid-Rise



High-Rise

APPENDIX II. DRIVERS OF LOW PRODUCTION

Development feasibility is also contingent on local market and regulatory dynamics, which vary across the state. The map below provides examples of how the price and type of recent housing construction varies across markets.

Addressing Maine's housing production needs will require a diverse **mix of for-sale and rental homes** across various sizes and price points.

Market strength varies significantly across Maine, with **stronger and more stable markets typically found in urban and suburban areas**. These variations directly affect the feasibility of different types of development. For example, suburban and rural development often involves building on undeveloped **"greenfield"** sites, while urban development can include smaller-scale **"infill"** projects on previously developed lots.

The economic viability of each project type depends on **both market strength and local regulations and processes**.

Sources: CoStar, Zillow

Example Typologies by Market

Augusta Market

SF Detached
Suburban (3 Bed, \$332K)



Bangor Market

Manufactured
Rural (3 Bed - \$240K)



Greater Portland Market

Multifamily Condo
Urban Infill (2 Bed, \$1.2M)



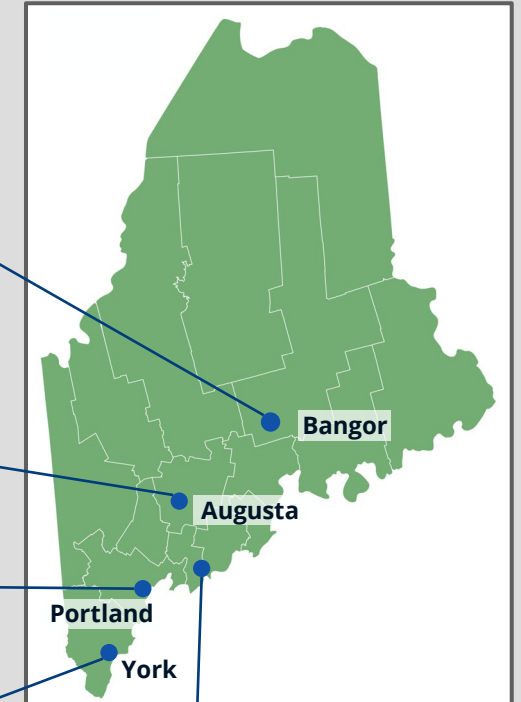
South Coast Market

Attached Rental
Greenfield (3 Bed, \$3,850/mo)



Mid Coast Market

Attached Rental
Greenfield (Studio, \$2,000/mo)



APPENDIX II. DRIVERS OF LOW PRODUCTION

To evaluate the financial feasibility of building **for-sale homes** in Maine under current conditions, we analyze the types of housing built across the state and the price points of this new construction across urban, suburban and rural markets.

Homes built in recent years reflect the types of housing that are most financially feasible to build in Maine's current market without government subsidies or regulatory changes.

While the types of homes being built vary by market, **most recent for-sale development is suburban or greenfield single-family detached, manufactured, and attached typologies.**

Stronger markets like Portland, the Greater Portland Area (i.e., Lewiston-Auburn, Scarborough, Yarmouth), and South Coast (i.e., Kittery, Biddeford) have seen some multifamily condo and attached development.

Recently Delivered Housing Typologies: For-Sale Homes



Sources: CoStar, Zillow

APPENDIX II. DRIVERS OF LOW PRODUCTION

To evaluate the financial feasibility of building **multifamily rental housing** in Maine, we analyzed the types of housing built across the state and the price points of this new construction across urban, suburban, and rural markets.

Maine has delivered **limited market-rate rental housing development in recent years**, with most new construction being low- and mid-rise multifamily developments in Portland, the Greater Portland Area (e.g., Lewiston-Auburn, Scarborough), and the South Coast (e.g., Kittery, Biddeford).

The passage of LD2003 in 2022 could change this landscape. The law requires municipalities to allow up to four homes on lots currently zoned for single-family use, with the goal of encouraging the development of **mid-density housing types such as townhomes, duplexes, and fourplexes.**

Recently Delivered Housing Typologies: Rental Homes



Sources: CoStar, Zillow

APPENDIX II. DRIVERS OF LOW PRODUCTION

New homes that are affordable to low- and moderate-income households are financially infeasible to develop in many markets or are not being developed at the scale required to meet demand.

As noted in the 2023 Maine Housing Production Needs Study, Maine faces housing demand across the income spectrum. Yet recent home production is unaffordable for many households. By 2034, nearly 40% of new housing demand will come from households earning \$50,000 or less, but affordable options—especially for families—are limited and concentrated in only a few markets.

There are several typologies the market could deliver more of with further state and local intervention. Expanding production of smaller homes and moderate-density typologies, such as garden apartments, townhomes, and duplexes, is critical for increasing rental and ownership opportunities at more affordable price points. While LD2003 broadened where denser housing can be built, these projects continue to face feasibility barriers related to development approval and infrastructure needs.

Even with regulatory changes, market-driven solutions alone will not meet all housing needs. Subsidies, such as down payment assistance and funding for deeply affordable rentals, are essential. Programs like the Low-Income Housing Tax Credit and the First Home Loan program already play a key role in addressing these gaps.

← *Projected Demand by Household Income (2034)*



← *Example Affordable Home Types by Income*

Delivering homes at these price points generally requires public subsidy.

- Manufactured
- SF Detached
- SF Detached
- Mid-Rise
- Garden
- Multifamily Condo

Sources: CoStar, Zillow

*Note: Projected demand by income comes from the 2023 Maine Housing Production Needs Study.

APPENDIX III. RECOMMENDATIONS

Overview of Strategies Requiring Statutory Change: Highlighted strategies would require legislative approval to either adopt or modify a program or policy or dedicate State funding.

1) Streamline Processes & Build Public Capacity		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
1.1	Provide support to municipalities to build and redevelop homes through Housing Opportunity Program 2.0.	Moderate	Low	Moderate	20
1.2	Increase the pace and volume at which housing developments can be reviewed and approved.	Moderate	Low	Moderate	24
1.5	Set clear standards about what infrastructure costs can be assigned to a development.	High	Low	Moderate	30
1.6	Raise the threshold for State subdivision review to support additional density and infill development.	Moderate	Low	Moderate	32
2) Incentivize Production & Increase Transparency		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
2.1	Designate an entity to monitor and ensure progress towards meeting statewide and regional housing goals.	Moderate	Low	Moderate	39
2.2	Determine criteria for high-priority projects to prioritize for funding, incentives and development approvals.	High	Low	Low	40
2.3	Prioritize state funding for municipalities that contribute to statewide and regional housing production goals and adopt supportive zoning and land use policies.	High	Moderate	Low	41
2.4	Require municipalities to regularly report data on housing production and demolition to a centralized data tracking system.	Moderate	Moderate	High	44
2.5	Establish a housing appeals process to limit delays and unlawful denials of housing proposals.	High	Low	Moderate	47
2.6	Accelerate statewide housing production through high-impact investments.	High	High	Moderate	50
2.7	Establish a housing fund to finance mixed-income development.	High	Low	High	51
2.8	Identify state-owned vacant properties that could be sold for development at below market rates.	Moderate	Low	Moderate	54
2.9	Build on the success of existing tax credit programs.	Moderate	Moderate	Low	56
3) Strengthen the Private Sector		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
3.1	Provide long-term, dedicated funding for apprenticeship and pre-apprenticeship programs in the trades.	Moderate	Moderate	Moderate	61
3.5	Explore strategies to streamline and improve licensing for trades occupations.	Low	Low	Moderate	65

APPENDIX III. RECOMMENDATIONS

Overview of Strategies Not Requiring Statutory Change: Highlighted strategies are administrative changes and would not require legislative approval.

1) Streamline Processes & Build Public Capacity		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
1.3	Streamline and improve the State environmental review process.	High	Low	Moderate	26
1.7	Reform State and local building codes to reduce the cost of development.	Low	Low	Low	33

3) Strengthen the Private Sector		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
3.2	Give students access to experiential learning opportunities by sustaining investment in career and technical education (CTE) and career exploration.	Low	Moderate	Moderate	62
3.3	Continue and expand strategies that welcome nontraditional workers into quality jobs in construction.	Low	Moderate	Moderate	63
3.4	Explore opportunities to improve worker retention and career growth.	Low	Moderate	Moderate	64
3.6	Accelerate employer-financed workforce housing projects.	Moderate	Low	Moderate	66
3.7	Establish a working group to examine the potential of innovative construction technologies to reduce costs and speed up housing production in Maine.	Low	Low	Moderate	69

APPENDIX III. RECOMMENDATIONS

Overview of Strategies Requiring Additional Funding: Highlighted strategies require either new, renewed or increased funding to establish a new initiative or expand an existing program.

1) Streamline Processes & Build Public Capacity		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
1.1	Provide support to municipalities to build and redevelop homes through Housing Opportunity Program 2.0.	Moderate	Low	Moderate	20
2) Incentivize Production & Increase Transparency		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
2.1	Designate an entity to monitor and ensure progress towards meeting statewide and regional housing goals.	Moderate	Low	Moderate	39
2.4	Require municipalities to regularly report data on housing production and demolition to a centralized data tracking system.	Moderate	Moderate	High	44
2.5	Establish a housing appeals process to limit delays and unlawful denials of housing proposals.	High	Low	Moderate	47
2.6	Accelerate statewide housing production through high-impact investments.	High	High	Moderate	50
2.7	Establish a housing fund to finance mixed-income development.	High	Low	High	51
2.9	Build on the success of existing tax credit programs.	Moderate	Moderate	Low	56
3) Strengthen the Private Sector		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
3.1	Provide long-term, dedicated funding for apprenticeship and pre-apprenticeship programs in the trades.	Moderate	Moderate	Moderate	61
3.2	Give students access to experiential learning opportunities by sustaining investment in career and technical education (CTE) and career exploration.	Low	Moderate	Moderate	62
3.3	Continue and expand strategies that welcome nontraditional workers into quality jobs in construction.	Low	Moderate	Moderate	63
3.6	Accelerate employer-financed workforce housing projects.	Moderate	Low	Moderate	66

APPENDIX III. RECOMMENDATIONS

Overview of the 10 Highest Priority Strategies: Highlighted strategies are HR&A's highest priority recommendations, either because they are foundational or have the potential to be highest-impact.

1) Streamline Processes & Build Public Capacity		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
1.1	Provide support to municipalities to build and redevelop homes through Housing Opportunity Program 2.0.	Moderate	Low	Moderate	20
1.3	Streamline and improve the State environmental review process.	High	Low	Moderate	26
1.6	Raise the threshold for State subdivision review to support additional density and infill development.	Moderate	Low	Moderate	32

2) Incentivize Production & Increase Transparency		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
2.1	Designate an entity to monitor and ensure progress towards meeting statewide and regional housing goals.	Moderate	Low	Moderate	39
2.2	Determine criteria for high-priority projects to prioritize for funding, incentives and development approvals.	High	Low	Low	40
2.3	Prioritize state funding for municipalities that contribute to statewide and regional housing production goals and adopt supportive zoning and land use policies.	High	Moderate	Low	41
2.4	Require municipalities to regularly report data on housing production and demolition to a centralized data tracking system.	Moderate	Moderate	High	44
2.6	Accelerate statewide housing production through high-impact investments.	High	High	Moderate	50

3) Strengthen the Private Sector		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
3.1	Provide long-term, dedicated funding for apprenticeship and pre-apprenticeship programs in the trades.	Moderate	Moderate	Moderate	61
3.6	Accelerate employer-financed workforce housing projects.	Moderate	Low	Moderate	66

APPENDIX III. RECOMMENDATIONS

Overview of Near-Term Strategies: Highlighted strategies could be started or completed in the next 2 years because they build on existing programs, policies, and funding sources or have low complexity.

1) Streamline Processes & Build Public Capacity		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
1.1	Provide support to municipalities to build and redevelop homes through Housing Opportunity Program 2.0.	Moderate	Low	Moderate	20
1.2	Increase the pace and volume at which housing developments can be reviewed and approved.	Moderate	Low	Moderate	24
1.4	Establish a predevelopment meeting for priority projects where all key regulatory agencies give feedback on the proposed development.	Moderate	Low	Moderate	28
1.5	Streamline and improve environmental review process.	High	Low	Moderate	30
1.6	Raise the threshold for State subdivision review to support additional density and infill development.	Moderate	Low	Moderate	32
2) Incentivize Production & Increase Transparency		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
2.1	Designate an entity to monitor and ensure progress towards meeting statewide and regional housing goals.	Moderate	Low	Moderate	39
2.9	Build on the success of existing tax credit programs.	Moderate	Moderate	Low	56
3) Strengthen the Private Sector		<i>Home Yield</i>	<i>Funding</i>	<i>Capacity</i>	<i>Page</i>
3.2	Give students access to experiential learning opportunities by sustaining investment in career and technical education (CTE) and career exploration.	Low	Moderate	Moderate	62
3.3	Continue and expand strategies that welcome nontraditional workers into quality jobs in construction.	Low	Moderate	Moderate	63
3.6	Accelerate employer-financed workforce housing projects.	Moderate	Low	Moderate	66
3.7	Establish a working group to examine the potential of innovative construction technologies to reduce costs and speed up housing production in Maine.	Low	Low	Moderate	69