

LEGISLATIVE ADVOCACY



Maine Real Estate &
Development Association

Supporting Responsible Development

Legislative Update – Winter 2025

February 12, 2025

MEREDA's Public Policy Committee continues to stay engaged on critical matters impacting our members.

The 132nd Legislature Will Tackle Over 100 Bills Related to Housing

Of the 2,400 bills submitted to the 132nd Legislature, roughly 100 touch on or directly affect housing in Maine. This is a response to the serious housing crisis plaguing the state, which must build another 84,000 units by 2030 to have any hope of meeting the need. The crisis has grown as the Maine business community has added its voice to the chorus of demands for reform at both the state and local level to facilitate housing creation. The bills submitted touch on diverse policy areas and include proposals such as:

- Increased density for workforce housing to address the missing middle (MEREDA bill).
- Revisions to statutory municipal subdivision review to allow up to 5 units or lots (MEREDA bill).
- Expansion of Maine Rehabilitation Tax Credit (MHRTC) to accelerate accrual of major project credit, improve small project program, add a homeowner credit, and eliminate the sunset date (MEREDA bill).
- Creation of a statewide housing appeals board similar to New Hampshire's (sponsored by Rep. Traci Gere, House Chair of the Housing and Economic Development Committee).
- Create a working group to study the overall purpose and potential reforms to statutory municipal subdivision review (GrowSmart bill).
- Increased threshold for Site Location of Development Act review for subdivisions (DEP bill).
- Examination of impact fees and relevant nexus to project (Maine State Chamber bill).
- Review of building code cost drivers and barriers to housing creation (Maine State Chamber bill).
- General fund bond proposals to dedicate to housing creation and infrastructure.
- Incentivization of municipal housing creation by increasing discretionary DOT grant points to towns meetings goals (Maine State Chamber bill).
- Improved market and regulatory conditions for manufactured housing.
- AND MORE!

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In addition to these legislative efforts, the Department of Environmental Protection (DEP) is working to start a third-party review program for projects that want to fast-track their permit application. DEP is also looking to increase the use of the permit by rule process, and to make other administrative and technical changes to streamline processes and increase the speed of project reviews.

Consulting Firm HR&A Tells Legislators that Housing Won't be Built Under Local Control

The consulting firm HR&A released their roadmap to creating Maine's housing future on January 28, 2025 and presented their findings to the Housing and Economic Development (HED) Committee. The complete report is over 80 pages long and includes 40 recommendations for improving Maine's regulatory, legal, workforce, and financial landscape to drive housing creation. The report focuses on three major areas:

1. Streamline processes and build capacity. The report recommends streamlining regulatory implementation, review, and project approvals at both the state and local levels. It also recommended looking at the barriers imposed by impact fees and the onerous review criteria of statutory municipal subdivision.
2. Incentivize production and increase transparency. The report calls for the establishment of a statewide housing appeals process, and to develop state production targets with funding priorities for towns that meet their goals.
3. Strengthen the private sector. Recognizing the major workforce challenges facing the housing sector, the report focused on expanding opportunities for worker training. It also called out the lack of large-scale developers in Maine, noting that some local developers may need to scale up to meet the need. Finally, it emphasized the incentivization of creative technologies like mass timber and 3-d printing to provide attainable housing.

Almost all of the 40 recommendations in the report are reflected in the bills discussed above. The rollout of this report has set the tone for a productive legislative session on housing. MEREDA continues to be actively engaged in capitalizing on the critical findings in the report to move the needle for housing creation in Maine.

MEREDA will continue to remain diligent in protecting its members' interests. Our members represent a critical pillar of the state economy, and we will continue to advocate for policies that are fair, practical, and predictable. We encourage all those who are interested in rolling up their sleeves and helping to further MEREDA's mission and vision in policymaking to contact Shelly R. Clark, MEREDA's Executive Director at info@mereda.org.

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