



# GOVERNOR'S OFFICE OF Policy Innovation and the Future

## KEY HOUSING INITIATIVES

Approved by Governor Mills and the 132<sup>nd</sup> Maine Legislature

### 1. Creation of Maine's First Dedicated Source of Revenue for Affordable Housing Production:

Housing Production Fund established at MaineHousing to support rental and homeownership development, financed through the incremental revenue raised by increasing the tax rate on the portion of real estate sales over \$1 million. Estimated to generate \$17 million in the first year and increase over time with the real estate market. MaineHousing's First Time Homebuyer participants are exempted from paying real estate transfer tax ([LD 210](#)).

### 2. New Zoning and Land Use Reforms to Promote Additional Housing Development:

- Addresses barriers to the creation of accessory dwelling units (ADUs) statewide, including fire sprinkler and residency requirements ([LD 1829](#))
- Prohibits residential units created in designated growth areas (DGAs) from being counted towards rate of growth ordinances
- Strengthens the affordable housing density bonus by requiring towns to provide qualifying projects with a one story height bonus
- Provides that wherever residential uses are allowed, at least three dwelling units must be allowed per lot (four if the lot is in a DGA or served by public water/sewer)
- Establishes new minimum lot size and density allowances. For lots in a DGA and served by public water and sewer, minimum lot size requirements may not exceed 5,000 sf and density requirements may not exceed 1,250 sf per unit for the first four units (5,000 sf for subsequent units).
- Prohibits towns from requiring planning board review of structures with four or fewer housing units (i.e., such structures to be reviewed by staff)
- Raises the exemption from local subdivision review for the construction or division of a structure, from two or fewer units to four or fewer units
- Requires that housing be permitted in areas zoned for commercial, non-industrial use, while allowing towns to set reasonable limits ([LD 997](#))
- Prohibits towns from requiring more than one off-street parking space per dwelling unit for residential developments located within a DGA ([LD 427](#))

### 3. Mobile Home Park Preservation and Resident Protections:

- Mobile home parks protected from predatory acquisitions by high-end purchasers, through the imposition of a transfer fee on the sale of mobile home parks. Resident co-ops and small businesses are exempt from paying the fee. ([LD 1016](#))
- Establishment of a right of first refusal for resident co-ops seeking to purchase their park ([LD 1145](#))
- \$3 million allocated to the mobile home park preservation fund, to support resident ownership of parks ([LD 210](#))
- Creation of incentives for mobile home park owners to sell to resident co-ops, by allowing them to deduct up to \$750,000 in capital gains ([LD 554](#)), and exempting such sales from payment of real estate transfer tax ([LD 1768](#))
- Improved data collection requirements when mobile home parks file their initial and annual renewal applications to operate in Maine ([LD 1765](#))
- Non-binding mediation opportunity provided to park residents when a rent or fee increase of more than CPI +1% is proposed ([LD 1723](#))



Governor Janet Mills and Rep. Traci Gere join residents to celebrate their purchase of Cedar Falls Mobile Home Park in Bangor in February 2025.



Construction of Meadowview II Apartments in Gray began in 2024. Now complete, it provides 26 one- and two-bedroom affordable homes for Mainers aged 55+. (Photo credit: Avesta Housing)

#### 4. Funding for Emergency Housing Needs:

- \$4.5 million in one-time operational funding provided to the 40 shelters in Maine's shelter network (**LD 698**)
- \$2 million allocated to provide rent supports and case management for extremely low income persons (**LD 1287**)

#### 5. Improvements to the Maine Historic Rehabilitation Tax Credit Program:

- Changes the maximum credit available for the rehabilitation of historic properties, from \$5 million in each of the first two years to \$10 million total in each of the first two years combined (**LD 146**)
- Increases by 10% the credit for the rehabilitation of historic properties in towns with fewer than 12,500 people, if the project includes an affordable housing component (**LD 1755**)

#### 6. Creation of System to Collect Housing Construction Data:

Municipalities with 4,000 or more people must annually report key data on the building permits, demolition permits, and certificates of occupancy they issued during the previous calendar year (**LD 1184**)

#### 7. Improved Process for Transferring State Surplus Land for Housing Development:

State agencies must annually identify any surplus land and buildings they own, provide such information to the Maine Redevelopment Land Bank Authority, and offer the Authority the first opportunity to purchase. The Authority may transfer such property at below market value for affordable housing development. (**LD 1170**)

#### 8. Increased Transparency for Local Impact Fees:

Municipalities obligated to create and make easily accessible a policy document describing how impact fees and required infrastructure improvements, as well as how the developer's share of associated costs, are determined. Impact fees collected must be encumbered within 360 days of receipt. (**LD 1498**)

#### 9. Eased DEP Approvals for Multiphase Housing Development:

DEP review under the Site Location of Development Act (SLODA) revised to allow, on sites previously permitted under SLODA, up to 40,000 square feet of additional disturbed area in a single year, and up to 80,000 square feet in total additional disturbed area beyond what was originally permitted at such sites. Allows multiphase housing development to occur on a faster timeline and with greater certainty. (**LD 970**)

#### 10. Three Working Groups Established:

- **LD 1375** creates a working group to examine and recommend solutions for addressing regulatory barriers to housing construction
- **LD 1453** creates a working group to study the potential for innovative construction technologies to reduce housing production costs and accelerate housing production; and **LD 1246** creates a working group to study how municipalities establish, impose and provide guidance to developers regarding impact fees. Findings and recommendations for each to be reported out by December 2025.



For more information, visit:  
[maine.gov/future/housing](https://maine.gov/future/housing)