



GOVERNOR'S OFFICE OF Policy Innovation and the Future

KEY HOUSING INITIATIVES

Approved by Governor Mills and the 132nd Maine Legislature

1. New Funding for Production, including Maine's First Dedicated Source of Revenue for Affordable Housing Development:

- \$37.5 million in new funding allocated for the construction of affordable homes to be purchased and rented statewide (**LD 2212**)
- Housing Production Fund established at MaineHousing to support rental and homeownership development, financed through reforms to the real estate transfer tax. Estimated to receive \$17 million in first year and increase over time with the real estate market. Participants in MaineHousing's First Time Homebuyer Program are exempted from paying real estate transfer tax. (**LD 210**)
- State affordable housing tax credit program extended through 2036 at \$10 million per year (**LD 2116**)

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

- Barriers reduced to the creation of accessory dwelling units statewide, including fire sprinkler and residency requirements (**LDs 1829/2173**)
- Affordable housing density bonus strengthened by requiring towns to provide qualifying projects with an additional height allowance of no less than one story
- Wherever residential uses are allowed, at least three dwelling units must be allowed per lot (four if the lot is in a designated growth area or served by public water/sewer)
- New minimum lot size and density allowances established. For lots in a designated growth area and served by public water and sewer, minimum lot size requirements may not exceed 5,000 square feet.
- Towns prohibited from requiring planning board review solely due to the creation of structures with 4 or fewer housing units (i.e., such structures to be reviewed by staff)
- Exemption from local subdivision review for the construction or division of a structure raised from 2 or fewer units to 4 or fewer units
- Towns obligated to permit housing in areas zoned for commercial, non-industrial use, while retaining ability to set reasonable limits (**LD 997**)

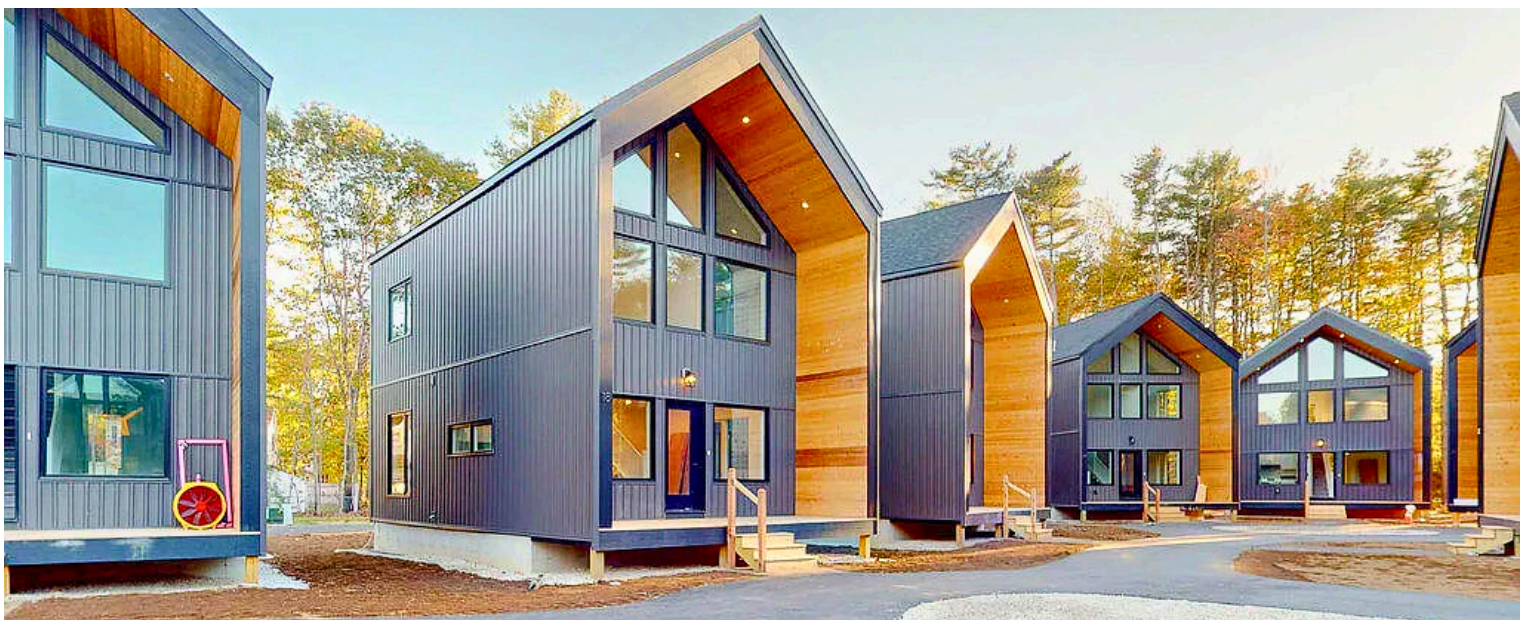
- Towns prohibited from requiring more than one off-street parking space per dwelling unit for residential developments located within a designated growth area (**LD 427**)

3. Regulatory and Permitting Reforms:

- Maine's Site Law review process amended to allow DEP to treat duplexes, triplexes, and quadplexes the same as single-unit dwellings, and allow accessory dwelling units to be included in residential subdivision lots without triggering review (**LD 128**)
- DEP authorized to create a Site Law permit by rule to allow low-impact housing developments to qualify for streamlined permitting (**LD 128**)
- Up to 80,000 sq. ft. of additional housing allowed at existing Site Law-permitted developments, without additional DEP review (**LD 970**)
- Municipalities obligated to indicate how impact fees and required infrastructure improvements, as well as how a developer's share of such costs, are determined. Impact fees collected must be encumbered within 360 days of receipt. (**LD 1498**)
- Elevator installation requirements revised to reduce construction cost and complexity (**LD 2224**)
- MaineHousing permitted to provide construction loans on projects in its pipeline, saving developments up to hundreds of thousands of dollars in interest costs (**LD 2057**)



Governor Janet Mills speaks at MaineHousing's Affordable Housing Conference in Bangor in September 2025.



Wilbur's Woods, a 21-home community in Brunswick, was developed by GreenMars Real Estate with funding through the Affordable Homeownership Program. (Photo credit: GreenMars Real Estate)

4. 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. (**LDs 1016/2149**)
- 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 owners of mobile home parks to sell to resident co-ops, by allowing them to deduct up to \$750,000 in capital gains realized from such a sale (**LDs 554/2149**), and exempting such sales from payment of real estate transfer tax (**LD 1768**)
- Creation of pathway for owners of manufactured homes on leased land to access mortgage loans rather than only high-interest chattel loans (**LD 2231**)
- Non-binding mediation opportunity provided to park residents when an owner proposes a rent or fee increase that is more than 1% above consumer price index (**LDs 1723/2231**)

5. Funding for Emergency Housing Needs:

- \$8.65 million in one-time operational support, plus a \$1.5 million increase in annual funding for Maine's emergency shelter network (**LDs 698/2124/2212**)
- \$12 million allocation to the Emergency Housing Relief Fund (**LD 2212**)

- \$11 million allocation to the Eviction Prevention Program (**LD 2212**)
- \$2 million allocation to the Community Aging in Place Program, to help older Mainers safely remain in their homes (**LD 2212**)

6. 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 2 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 less than 12,500 people, if the project includes an affordable housing component (**LD 1755**)

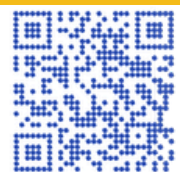
7. Creation of System to Collect and Share Local Housing Data:

Municipalities with 4,000 or more people required to annually report key data on their issuance of building permits, demolition permits and certificates of occupancy (**LDs 1184/2079**)

8. Improved Process for Transferring State Surplus Land for Housing Development:

State agencies are required to 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**)



For more information, visit:
maine.gov/future/housing