

**Chapter 5: HOUSING OPPORTUNITY PROGRAM: MUNICIPAL LAND USE AND ZONING ORDINANCE RULE**

---

**Summary:** This Chapter sets forth the provisions which require municipalities to create or amend local ordinances to allow for (1) additional density for affordable housing developments in certain areas; (2) multiple dwelling units on lots designated for housing; and (3) one accessory dwelling unit located on the same lot as a single-family dwelling unit in any area where housing is permitted.

**Note:** This Chapter incorporates by reference certain material. The Appendix lists the material that is incorporated by reference, the date for each reference, and the organization where copies of the material are available.

---

**SECTION 1. PURPOSE AND DEFINITIONS**

**A. PURPOSE**

1. This Chapter sets forth the provisions which require municipalities to create or amend local ordinances to allow for (1) additional density for affordable housing developments in certain areas; (2) multiple dwelling units on lots designated for housing; and (3) one accessory dwelling unit located on the same lot as a single-family dwelling unit in any area where housing is permitted. Municipalities must adopt ordinances that are consistent with and no more restrictive than the requirements of P.L. 2021, ch. 672, codified at 30-A M.R.S. §§ 4364, 4364-A, 4364-B, and this Chapter.
2. These rules do not:
  - a) Abrogate or annul the validity or enforceability of any valid and enforceable easement, covenant, deed restriction or other agreement or instrument between private parties that imposes greater restrictions than those provided in this rule, as long as the agreement does not abrogate rights pursuant to the United States Constitution or the Constitution of Maine;
  - b) Exempt a subdivider from the requirements in Title 30-A, Chapter 187, subchapter 4;
  - c) Exempt an affordable housing development, a dwelling unit, or accessory dwelling unit from the shoreland zoning requirements established by the Department of Environmental Protection pursuant to Title 38, Chapter 3 and municipal shoreland zoning ordinances; or
  - d) Abrogate or annul minimum lot size requirements under Title 12, Chapter 423-A.

**B. DEFINITIONS**

All terms used but not defined in this Chapter shall have the meanings ascribed to those terms in Chapter 187 of Title 30-A of the Maine Revised Statutes, as amended. Municipalities must adopt

definitions that are consistent with and no more restrictive, than the definitions outlined below. The following terms shall have the definitions hereinafter set forth:

**Accessory dwelling unit.** "Accessory dwelling unit" means a self-contained dwelling unit located within, attached to or detached from a single-family dwelling unit located on the same parcel of land. An accessory dwelling unit must be a minimum of 190 square feet and municipalities may impose a maximum size.

**Affordable housing development.** "Affordable housing development" means

1. For rental housing, a development in which a household whose income does not exceed 80% of the median income for the area as defined by the United States Department of Housing and Urban Development under the United States Housing Act of 1937, Public Law 75-412, 50 Stat. 888, Section 8, as amended, can afford a majority of the units that the developer designates as affordable without spending more than 30% of the household's monthly income on housing costs; and
2. For owned housing, a development in which a household whose income does not exceed 120% of the median income for the area as defined by the United States Department of Housing and Urban Development under the United States Housing Act of 1937, Public Law 75-412, 50 Stat. 888, Section 8, as amended, can afford a majority of the units that the developer designates as affordable without spending more than 30% of the household's monthly income on housing costs.
3. For purposes of this definition, "majority" means more than half.
4. For purposes of this definition, "housing costs" means:
  - a) For a rental unit, the cost of rent and any utilities (electric, heat, water, sewer, and/or trash) that the household pays separately from the rent; and
  - b) For an ownership unit, the cost of mortgage principal and interest, real estate taxes (including assessments), private mortgage insurance, homeowner's insurance, condominium fees, and homeowners' association fees.

**Area median income.** "Area median income" means the midpoint of a region's income distribution calculated on an annual basis by the U.S. Department of Housing & Urban Development.

**Attached.** "Attached" means connected by a shared wall to the principal structure.

**Base density.** "Base density" means the maximum number of units allowed on a lot not used for affordable housing based on dimensional requirements in a local land use or zoning ordinance.

**Certificate of occupancy.** "Certificate of occupancy" means the municipal approval for occupancy granted pursuant to 25 M.R.S. § 2357-A or the Maine Uniform Building and Energy Code adopted pursuant to Title 10, chapter 1103. Certificate of occupancy may also be referred to as issuance of certificate of occupancy or other terms with a similar intent.

**Comprehensive plan.** "Comprehensive plan" means a document or interrelated documents consistent with 30-A M.R.S. § 4326(1)-(4), including the strategies for an implementation program which are consistent with the goals and guidelines established pursuant to Title 30-A, Chapter 187, Subchapter II.

**Density requirements.** "Density requirements" mean the maximum number of dwelling units allowed on a lot, subject to dimensional requirements.

**Designated growth area.** "Designated growth area" means an area that is designated in a municipality's or multimunicipal region's comprehensive plan as suitable for orderly residential, commercial, or industrial development, or any combination of those types of development, and into which most development projected over ten (10) years is directed. Designated growth areas may also be referred to as priority development zones or other terms with a similar intent.

**Dimensional requirements.** "Dimensional requirements" mean requirements which govern the size and placement of structures including, but limited not to, the following requirements: building height, lot area, minimum frontage and lot depth.

**Dwelling unit.** "Dwelling unit" means any part of a structure which, through sale or lease, is intended for human habitation, including single-family and multifamily housing, condominiums, time-share units, and apartments.

**Land use ordinance.** "Land use ordinance" means an ordinance or regulation of general application adopted by the municipal legislative body which controls, directs, or delineates allowable uses of land and the standards for those uses.

**Lot.** "Lot" means a single parcel of developed or undeveloped land described in a deed or other legal instrument.

**Multifamily dwelling.** "Multifamily dwelling" means a building containing three (3) or more dwelling units.

**Potable.** "Potable" means safe for drinking as defined by the U.S. Environmental Protection Agency's (EPA) Drinking Water Standards and Health Advisories Table.

**Principal structure.** "Principal structure" means a building or structure in which the main or primary use of the structure is conducted.

**Restrictive covenant.** "Restrictive covenant" means a provision in a deed restricting the use of the land.

**Setback requirements.** "Setback requirements" mean the minimum horizontal distance from a lot line, shoreline, or road to the nearest part of a structure.

**Single-family dwelling unit.** "Single-family dwelling unit" means a building containing one (1) dwelling unit.

**Structure.** "Structure" means anything temporarily or permanently located, built, constructed or erected for the support, shelter or enclosure of persons as defined in 38 M.R.S. § 436-A(12).

**Zoning ordinance.** "Zoning ordinance" means a type of land use ordinance that divides a municipality into districts and that prescribes and reasonably applies different regulations in each district.

## **SECTION 2. AFFORDABLE HOUSING DENSITY**

### **A. GENERAL**

This Section requires municipalities to allow an automatic density bonus for certain affordable housing developments approved on or after July 1, 2023, as outlined below. If a municipality has not adopted density requirements, this section applies only if the development meets the requirements listed in Section 2(B)(1)(a)-(e).

### **B. ELIGIBILITY FOR DENSITY BONUS**

1. For purposes of this section, a municipality shall verify that the development:
  - a) Is an affordable housing development as defined in this Chapter, which includes the requirement that a majority of the units are affordable;
  - b) Is in a designated growth area pursuant to 30-A M.R.S. § 4349-A(1)(A) or (B) or served by a public, special district or other centrally managed water system and a public, special district or other comparable sewer system;
  - c) Is located in an area in which multifamily dwellings are allowed as of July 1, 2023;
  - d) Complies with minimum lot size requirements in accordance with Title 12, chapter 423-A [*KRC: 20,000 sf and 100-foot setback from shoreland septic rules*]; and
  - e) Owner provides written verification that each unit of the housing development is connected to adequate water and wastewater services prior to certification of the development for occupancy or similar type of approval process. Written verification must include the following:
    - i. If a housing unit is connected to a public, special district or other comparable sewer system, proof of adequate service to support any additional flow created by the unit and proof of payment for the connection to the sewer system;
    - ii. If a housing unit is connected to a septic system, proof of adequate sewage disposal for subsurface wastewater. The septic system must be verified as adequate by a local plumbing inspector pursuant to 30-A M.R.S. § 4221. Plans for a subsurface wastewater disposal must be prepared by a licensed site evaluator in accordance with 10-144 C.M.R. ch. 241, Subsurface Wastewater Disposal Rules.
    - iii. If a housing unit is connected to a public, special district or other centrally managed water system, proof of adequate service to support any additional flow

created by the unit, proof of payment for the connection and the volume and supply of water required for the unit; and

- iv. If a housing unit is connected to a well, proof of access to potable water, including the standards outlined in 01-672 C.M.R. ch. 10, section 10.25(J), Land Use Districts and Standards. Any test of an existing well or proposed well must indicate that the water supply is potable and acceptable for domestic use.

## 2. Long-Term Affordability

Prior to granting a certificate of occupancy or other final approval of an affordable housing development, a municipality must require that the owner of the affordable housing development (1) execute a restrictive covenant that is enforceable by a party acceptable to the municipality; and (2) record the restrictive covenant in the appropriate registry of deeds to ensure that for at least thirty (30) years after completion of construction:

- a) For rental housing, occupancy of all the units designated affordable in the development will remain limited to households at or below 80% of the local area median income at the time of initial occupancy; and
- b) For owned housing, occupancy of all the units designated affordable in the development will remain limited to households at or below 120% of the local area median income at the time of initial occupancy.

## C. DENSITY BONUS

If the requirements in Section 2(B)(1) and (2) are met, a municipality must:

1. Allow an affordable housing development to have a dwelling unit density of at least 2.5 times the base density that is otherwise allowed in that location; and
2. Require no more than two (2) off-street parking motor vehicle spaces for every three (3) dwelling units of an affordable housing development.

If fractional results occur when calculating the density bonus in this subsection, the number of units is rounded down to the nearest whole number. The number of motor vehicle parking spaces may be rounded up or down to the nearest whole number.

## SECTION 3. DWELLING UNIT ALLOWANCE

### A. GENERAL

This section requires municipalities to allow multiple dwelling units on lots where housing is allowed beginning on July 1, 2023, subject to the requirements below.

### B. REQUIREMENTS

## 1. Dwelling Unit Allowance

- a) If a lot does not contain an existing dwelling unit, municipalities must allow up to four (4) dwelling units per lot if the lot is located in an area in which housing is allowed, meets the requirements in 12 M.R.S. ch. 423-A, and is:
  - i. Located within a designated growth area consistent with 30-A M.R.S. § 4349 A(1)(A)-(B); or
  - ii. Served by a public, special district or other centrally managed water system and a public, special district or other comparable sewer system in a municipality without a comprehensive plan.
- b) If a lot does not contain an existing dwelling unit and does not meet i. or ii. above, a municipality must allow up to two (2) dwelling units per lot located in an area in which housing is allowed, provided that the requirements in 12 M.R.S. ch. 4230-A are met. The two (2) dwelling units may be (1) within one structure; or (2) separate structures.
- c) If a lot contains one existing dwelling unit, a municipality must allow the addition of up to two (2) additional dwelling units. The additional dwelling unit(s) may be:
  - i. Within the existing structure or attached to the existing structure;
  - ii. Detached from the existing structure; or
  - iii. One of each.
- d) If a lot contains two existing dwelling units, no additional dwelling units may be built on the lot unless allowed under local municipal ordinance.
- e) A municipality may allow more units than the minimum number of units required to be allowed on all lots that allow housing.

## 2. Zoning

With respect to dwelling units allowed under this Section, municipal zoning ordinances must comply with the following:

- a) If more than one dwelling unit has been constructed on a lot as a result of the allowance pursuant to this Section or Section 4, the lot is not eligible for any additional increases in density requirements except as allowed by the municipality.
- b) Municipalities may establish a prohibition or an allowance for lots where a dwelling unit in existence after July 1, 2023, is torn down and an empty lot results.

## 3. Dimensional and Setback Requirements

- a) A municipal ordinance may not establish dimensional requirements or setback requirements for dwelling units allowed pursuant to this Section that are more restrictive than the dimensional requirements or setback requirements for single-family housing units.
- b) A municipality may establish requirements for a lot area per dwelling unit as long as the additional dwelling units do not require more land area per unit than the first unit.

#### 4. Water and Wastewater

- a) The municipality must require an owner of a housing structure to provide written verification that each structure is connected to adequate water and wastewater services prior to certification of the development for occupancy or similar type of approval process. Written verification must include the following:
  - i. If a housing structure is connected to a public, special district or other comparable sewer system, proof of adequate service to support any additional flow created by the unit and proof of payment for the connection to the sewer system;
  - ii. If a housing structure is connected to a septic system, proof of adequate sewage disposal for subsurface wastewater. The septic system must be verified as adequate by a local plumbing inspector pursuant to 30-A M.R.S. § 4221. Plans for a subsurface wastewater disposal must be prepared by a licensed site evaluator in accordance with 10-144 C.M.R. ch. 241, Subsurface Wastewater Disposal Rules.
  - iii. If a housing structure is connected to a public, special district or other centrally managed water system, proof of adequate service to support any additional flow created by the unit, proof of payment for the connection and the volume and supply of water required for the unit; and
  - iv. If a housing structure is connected to a well, proof of access to potable water, including the standards outlined in 01-672 C.M.R. ch. 10, section 10.25(J), Land Use Districts and Standards. Any test of an existing well or proposed well must indicate that the water supply is potable and acceptable for domestic use.

### C. MUNICIPAL IMPLEMENTATION

In adopting an ordinance, a municipality may:

1. Establish an application and permitting process for dwelling units;
2. Impose fines for violations of building, site plan, zoning, and utility requirements for dwelling units; and

3. Establish alternative criteria that are less restrictive than the requirements of Section 3(B)(4) for the approval of a dwelling units only in circumstances in which the municipality would be able to provide a variance pursuant to 30-A M.R.S. § 4353(4)(A), (B), or (C).

## **SECTION 4. ACCESSORY DWELLING UNITS**

### **A. GENERAL**

A municipality must allow, effective July 1, 2023, one accessory dwelling unit to be located on the same lot as a single-family dwelling unit in any area in which housing is allowed, subject to the requirements outlined below.

### **B. REQUIREMENTS**

#### 1. Accessory Dwelling Unit Allowance

An accessory dwelling unit may be constructed only:

- a) Within an existing dwelling unit on the lot;
- b) Attached to or sharing a wall with a single-family dwelling unit; or
- c) As a new structure on the lot for the primary purpose of creating an accessory dwelling unit.

#### 2. Zoning

With respect to accessory dwelling units, municipalities with zoning ordinances and municipalities without zoning must comply with the following conditions:

- (a) At least one accessory dwelling unit must be allowed on any lot where a single-family dwelling unit is the principal structure; and
- (b) If more than one accessory dwelling unit has been constructed on a lot as a result of the allowance pursuant to this Section or Section 3, the lot is not eligible for any additional increases in density, except as allowed by the municipality.

#### 3. Other

With respect to accessory dwelling units, municipalities must comply with the following conditions:

- a) A municipality must exempt an accessory dwelling unit from any density requirements or lot area requirements related to the area in which the accessory dwelling unit is constructed;
- b) For an accessory dwelling unit located within the same structure as a single-family dwelling unit or attached to or sharing a wall with a single-family dwelling unit, the



dimensional requirements and setback requirements must be the same as the dimensional requirements and setback requirements of the single-family dwelling unit;

- i. For an accessory dwelling unit permitted in an existing accessory building or secondary building or garage as of July 1, 2023, the required setback requirements apply.
- c) A municipality may establish more permissive dimensional requirements for an accessory dwelling unit.
- d) An accessory dwelling unit must be allowed on a lot regardless of whether the lot conforms to existing dimensional requirements of the municipality. Any new structure constructed on the lot to be an accessory dwelling unit must meet the existing dimensional requirements as required by the municipality for an accessory structure.
- e) An accessory dwelling unit may not be subject to any additional motor vehicle parking requirements beyond the parking requirements of the single-family dwelling unit on the lot where the accessory dwelling unit is located.

#### 4. Size

- a) An accessory dwelling unit must be at least 190 square feet in size, unless the Technical Building Code and Standards Board, pursuant to 10 M.R.S. § 9722, adopts a different minimum standard; if so, that standard applies.
- b) Municipalities may set a maximum size for accessory dwelling units in local ordinances, as long as accessory dwelling units are not less than 190 square feet.

#### 5. Water and Wastewater

A municipality must require an owner of an accessory dwelling unit to provide written verification that each unit of the accessory dwelling unit is connected to adequate water and wastewater services prior to certification of the accessory dwelling unit for occupancy or similar type of approval process. Written verification must include the following:

- a) If an accessory dwelling unit is connected to a public, special district or other comparable sewer system, proof of adequate service to support any additional flow created by the unit and proof of payment for the connection to the sewer system;
- b) If an accessory dwelling unit is connected to a septic system, proof of adequate sewage disposal for subsurface wastewater. The septic system must be verified as adequate by a local plumbing inspector pursuant to 30-A M.R.S. § 4221. Plans for a subsurface wastewater disposal must be prepared by a licensed site evaluator in accordance with 10-144 C.M.R. ch. 241, Subsurface Wastewater Disposal Rules;

- c) If an accessory dwelling unit is connected to a public, special district or other centrally managed water system, proof of adequate service to support any additional flow created by the unit, proof of payment for the connection and the volume and supply of water required for the unit; and
- d) If an accessory dwelling unit is connected to a well, proof of access to potable water, including the standards outlined in 01-672 C.M.R. ch. 10, section 10.25(J), Land Use Districts and Standards. Any test of an existing well or proposed well must indicate that the water supply is potable and acceptable for domestic use.

### **C. MUNICIPAL IMPLEMENTATION**

In adopting an ordinance under this Section, a municipality may:

1. Establish an application and permitting process for accessory dwelling units;
2. Impose fines for violations of building, zoning and utility requirements for accessory dwelling units; and
3. Establish alternative criteria that are less restrictive than the above criteria in Section 4 for the approval of an accessory dwelling unit only in circumstances in which the municipality would be able to provide a variance pursuant to 30-A M.R.S. § 4353(4)(A), (B), or (C).

### **D. RATE OF GROWTH ORDINANCE**

A permit issued by a municipality for an accessory dwelling unit does not count as a permit issued toward a municipality's rate of growth ordinance pursuant to 30-A M.R.S. § 4360.

**STATUTORY AUTHORITY:** P.L. 2021, ch. 672 codified at 30-A M.R.S. §§ 4364, 4364-A, 4364-B.

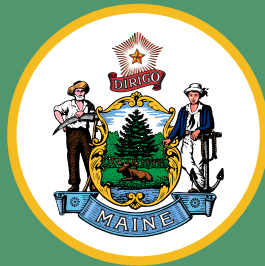
**EFFECTIVE DATE:**

**APPENDIX**

## List of Reference Material

Reference Material	Location to Obtain Document
U.S. Environmental Protection Agency's (EPA) Drinking Water Standards and Health Advisories Table, March 2018.	U.S. Environmental Protection Agency Office of Water Drinking Water Hotline 1-800-426-4791
01-672 C.M.R. ch. 10, Land Use Districts and Standards, December 30, 2022	Maine Department of Agriculture, Conservation & Forestry Bureau of Resource Information and Land Use Planning Land Use Planning Commission 22 State House Station Augusta, Maine 04333 207-287-2631
10-144 C.M.R. ch. 241, Subsurface Wastewater Disposal Rules, August 3, 2015	Maine Department of Health & Human Services Maine Center for Disease Control & Prevention 11 State House Station Augusta, Maine 04333 207-287-8016

# LD 2003 Guidance



MAINE DEPARTMENT OF  
ECONOMIC AND COMMUNITY  
DEVELOPMENT

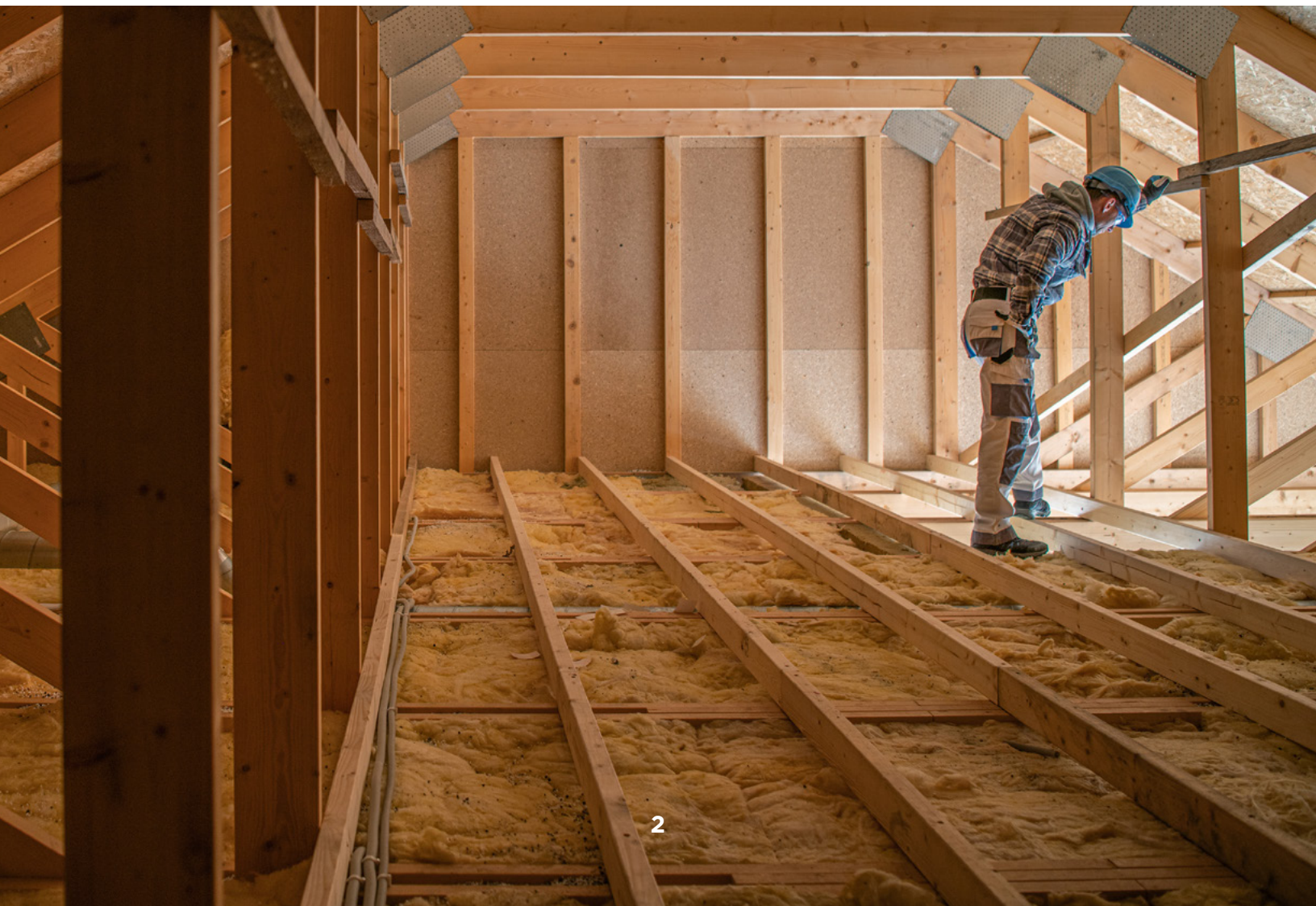
# LD 2003 Guidance

---

“An Act To Implement the Recommendations of the Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions,” generally referred to by its legislative tracking name of LD 2003, was signed into law by Governor Mills on April 27, 2022. This law is designed to remove unnecessary

regulatory barriers to housing production in Maine, while preserving local ability to create land use plans and protect sensitive environmental resources. LD 2003 is based on the recommendations of the legislative commission named in the title, though not all those recommendations are included in the enacted legislation.

This guidance is the result of a collaborative effort by the Department of Economic and Community Development, the Governor’s Office of Policy Innovation and the Future, the Department of Agriculture, Conservation and Forestry; legislative staff, and several municipal lawyers and community planners. It is intended to provide information for local authorities to use in determining how LD 2003 affects their local zoning and land use codes, as well as what steps they can take if they wish to tailor their ordinances to avoid conflicts with state laws. While it is not legally binding or intended to serve as a substitute for the language of LD 2003 or the rules that will be adopted under the law, this guidance represents the interpretation of LD 2003 and its requirements by the state agencies that are responsible for its implementation.





LD 2003 has the following sections that are relevant to municipal government. The amended sections of state law are shown in the chart below. Among other things:

1. Section 4 allows for additional density for “affordable housing developments” in certain areas.
2. Section 5 generally requires that municipalities allow between two and four housing units per lot where housing is permitted.
3. Section 6 requires that municipalities allow accessory dwelling units to be located on the same lot as a single-family home, under certain conditions.
4. Sections 3 and 7 require that the state establish statewide and regional housing production goals and set forth ways in which local governments can coordinate with that goal.

**WHILE LD 2003 WENT INTO EFFECT ON AUGUST 8, 2022, SOME ELEMENTS OF THE LAW ARE NOT REQUIRED TO BE APPLIED UNTIL JULY 1, 2023**

LD 2003 in Brief			
<p>Effective Aug. 8, 2022</p> <p><b>Statewide Housing Production Goals</b></p> <p>(5 MRSA §13056, sub-§9)</p>	<p>Effective Aug. 8, 2022</p> <p><b>Municipal Role in Fair Housing/ Short Term Rentals</b></p> <p>(7 30-A MRSA §4364-C)</p>	<p>Effective July 1, 2023</p> <p><b>Accessory Dwelling Units</b></p> <p>(6 30 A MRSA §4364-B)</p>	
	<p>Effective July 1, 2023</p> <p><b>Affordable Housing Density in Growth Areas Bonus</b></p> <p>(4 30-A MRSA §4364)</p>	<p>Effective July 1, 2023</p> <p><b>Two to Four Units</b></p> <p>(5 30-A MRSA §4364-A)</p>	

## **IN GENERAL, AS LONG AS THESE ACTIONS ARE CONSISTENT WITH LD 2003, MUNICIPALITIES MAY:**

---

**CONTINUE** to develop Growth Management programs, including comprehensive plans and zoning consistent with those plans

**ENFORCE** local shoreland zoning ordinances consistent with state shoreland zoning law

**REGULATE** how many square feet of land are needed for each dwelling unit (other than accessory dwelling units)

**CONDUCT** site plan review, if authorized by local ordinances, of any residential development

**REGULATE** the maximum size of accessory dwelling units

**REGULATE** short-term rentals in their community

**CREATE** rate of growth ordinances so long as they do not limit the number of accessory dwelling units outlined in Section 6

**CREATE** local ordinances that are more permissive for residential housing development than the requirements of LD 2003

**REGULATE** housing development based on documented water and wastewater capacity constraints

## **IN GENERAL, UNDER THIS LAW, LOCAL GOVERNMENTS MAY NOT:**

---

**ENACT** local ordinances that allow housing but limit it to one unit per lot

**PROHIBIT** one accessory dwelling unit per lot or count those units towards a rate of growth ordinance

**LIMIT** the affordable housing density bonuses allowed in LD 2003 in growth areas as defined in state law

# Affordable Housing Density Bonus

## 30-A MRSA §4364

This section creates an automatic density bonus for certain affordable housing developments. To qualify for this bonus, the development must:

1. Be approved after June 30, 2023
2. Include a certain number of rent or sales price restricted affordable housing units
3. Be in a growth area under section 4349-A, subsection 1, paragraph A or B, or served by water and sewer
4. Be in an area in which multifamily dwellings are allowed
5. Meet shoreland zoning requirements, meet minimum lot sizes if using subsurface waste disposal, and verify that water and sewer capacity is adequate for the development

### BONUSES FOR AN AFFORDABLE HOUSING DEVELOPMENT

To take advantage of this density bonus, a development must qualify as “affordable” (as defined below). If eligible, the affordable housing development qualifies for the following exceptions to the zoning requirements in the community:

1. The number of units allowed will be 2.5 times the number allowed for a development not designated affordable
2. The off-street parking requirements may not exceed two spaces for every three units

So, for example, if a developer can build up to six units on a site under local rules, and designates the development as affordable, the developer would be eligible to build 15 units ( $6 \times 2.5$ ). The local off-street parking requirement for this development could not exceed ten spaces ( $15 \times \frac{2}{3}$ ). In cases of fractional results, the number of units would generally be rounded down, but the number of spaces would generally be rounded up.





## WHAT REQUIREMENTS DO AFFORDABLE HOUSING DEVELOPMENTS HAVE TO MEET TO RECEIVE THE DENSITY BONUS??

For rentals, a household with an income at no more than 80% of the area median income for the community, as defined by the U.S. Department of Housing & Urban Development, must be able to afford more than half of the units in the development. That means that rent and certain other housing expenses will not require more than 30% of the household's income.

For homeownership projects, a household with an income at no more than 120% of the area median income for the community, as defined by the U.S. Department of Housing & Urban Development, must be able to afford more than half of the units in the development. That means that mortgage payments (including mortgage insurance) and certain other housing expenses will not require more than 30% of the household's income.

The units that will be affordable at these levels must be restricted through a restrictive covenant that is enforceable by a party acceptable to the municipality (which could be the municipality) for at least 30 years, and that states that the units must be restricted in rent or sales prices accordingly. Often these developments will be getting funding through MaineHousing, which typically requires a comparable covenant.

---

Information on Area Median Incomes is updated annually by the U.S. Department of Housing & Urban Development. For reference, MaineHousing maintains updated 80% of area median income and 120% of area median income data on their website.

[View AMI data on MaineHousing.org](#)

# QUESTIONS AND ANSWERS ON AFFORDABLE HOUSING DENSITY BONUS

---

## What is meant by “multifamily dwellings?”

“Multifamily dwellings” will be defined in rulemaking, but in planning practice generally applies to three units or more.

## What is a “base density that is otherwise allowed?”

Under a local zoning code, the “base density that is otherwise allowed” is the number of dwelling units that might be allowed in a list of uses, and/or the maximum number of units allowed based on dimensional requirements, such as lot area per dwelling unit.

## If lot area per dwelling unit can be used as a measure of number of units permitted, do the limits on lot area per dwelling unit requirements in Section 5 apply?

This will be addressed in rulemaking.

## How does this density bonus interact with any local density bonus that might exist?

This will be addressed in rulemaking.

## What if a household exceeds the maximum income after living in the unit?

LD 2003 specifies that the income eligibility is based on household income “at the time of initial occupancy,” meaning that a household could be allowed to remain in an “affordable” unit if their income goes up after they occupy the unit. MaineHousing has experience with this issue, as do communities that manage their own affordable housing programs, so there may be best practices that can be adopted locally. The restrictive covenants should outline how this would work.

## What happens when a restricted affordable home ownership unit is sold?

The restrictive covenants should outline how this would work. MaineHousing has experience with this issue, as do communities that manage their own affordable housing programs, so there may be best practices that can be adopted locally.



# Residential Areas, Generally; Up to 4 Dwelling Units

## 30-A MRSA §4364-A

This section requires municipalities to allow multiple dwelling units on parcels where housing is allowed, provided evidence of sufficient water and wastewater capacity exists, beginning on July 1, 2023. Municipalities may not apply different dimensional requirements to lots with more than one housing unit on them than they would to a lot with one housing unit, with the exception that they may require a minimum lot area per dwelling unit. However, if the municipality chooses to require a minimum lot area per dwelling unit, the lot area required may not be less for the first unit than for subsequent units.

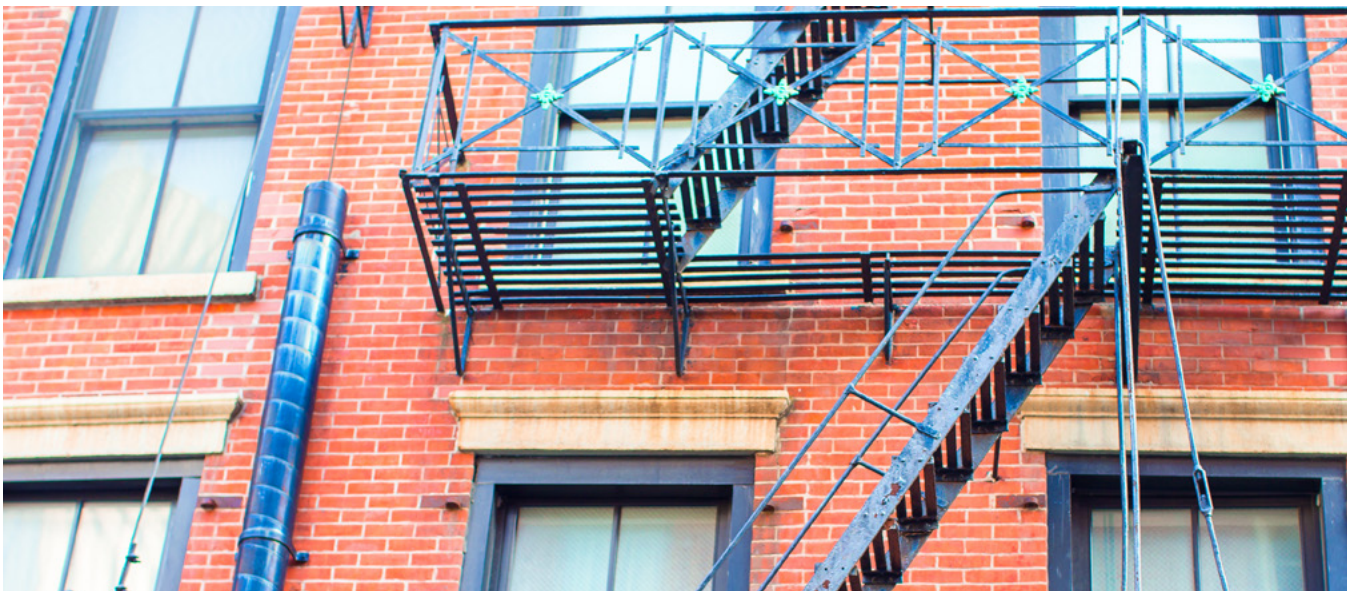
The number of units allowed under this section depends on a few factors:

- A lot without a dwelling unit already on it can have two units if it is not within a designated growth area under section 4349-A, subsection 1, paragraph A or B, served by water system and sewer in a municipality without a comprehensive plan.
- A lot with an existing dwelling unit may have up to two additional dwelling units, either one additional attached dwelling unit, one additional detached dwelling unit, or one of each.

- A lot without a dwelling unit already on it can have four units if it is either:
  - Within a designated growth area under section 4349-A, subsection 1, paragraph A or B, or
  - Served by water system and sewer in a municipality without a comprehensive plan.

Municipalities may allow more than the minimum number required to be allowed on all lots that allow housing, if they wish. In addition, private parties are permitted to restrict the number of housing units on a lot in a private easement, covenant, deed restriction or other agreement provided the agreement does not violate State or Federal rights such as equal protection.

Finally, a municipality may determine in local ordinance that if a property owner tears down an existing dwelling unit, the lot may be treated under this section as if the dwelling unit were still in existence.



# Lot Area per Dwelling Unit

Additional units may not require more land area per unit than the first unit

## NOT PERMITTED



One Unit Requires  
10,000 sq ft



Two Units Require  
30,000 sq ft



Three Units Require  
50,000 sq ft

## PERMITTED



One Unit  
Requires  
10,000 sq ft



Two Units  
May Require Up  
To 20,000 sq ft



Three Units  
May Require Up  
To 30,000 sq ft

# QUESTIONS AND ANSWERS ON RESIDENTIAL AREAS, GENERALLY UP TO 4 DWELLING UNITS

---

**Subsection 2 (“Zoning Requirements”) says that municipal zoning ordinances “must” comply with certain conditions, but subsection B. says that they “may” regulate how this section applies to a lot where a dwelling unit is torn down. Is this a “must” or a “may”?**

Municipalities have the option of taking the actions in subsection B but do not have to do so, in which case a lot where a dwelling unit was torn down would be viewed as a vacant lot.

**Subsection 4 says that verification must be provided to “the municipality” of water and wastewater services. Who should that verification be provided to?**

These capacity issues should be reviewed by the municipal staff or board that would normally review these issues as part of any housing development.

**What if a municipality does not use Certificates of Occupancy?**

Subsection 4 says that the municipality will “certify [a] structure for occupancy.” This requirement should be met for new housing developments under this section the same way they would be for any other housing.

**What is meant by “potable” water?**

This will be addressed in rulemaking.

**What if housing is allowed in an area but only as a conditional use?**

Housing would be considered allowed in that area for the purposes of subsection 1. This will be further addressed in rulemaking.

**What does “attached to an existing structure” mean?**

Local ordinance can define “attached” but it would generally mean having physically connected finished spaces, not just connected via a common porch, breezeway or foundation.

**Does the language in subsection 1 mean that if a lot is served by water and sewer in a municipality without a comprehensive plan that it does not need to be vacant to allow up to 4 units?**

No, that language still requires the lot not “contain an existing dwelling unit.”



# Residential Areas

## Empty Lot Where Housing Is Already Allowed

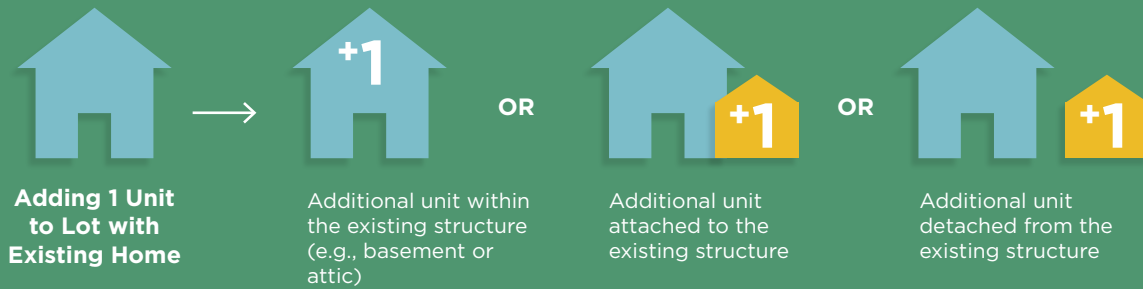


**NOTE:** The three and four units can be within one structure or multiple structures.

**THREE AND FOUR UNITS ALLOWED IF:**

- Located in "growth area" consistent with section 4349-A, subsection 1, paragraph A or B.
- Located in area with existing water/sewer capabilities in towns without comprehensive plans.

## Existing Home



## What Can Be Built On This Lot?

### ON LAND WITH ZERO EXISTING UNITS

▶ In a growth area consistent with section 4349-A, subsection 1, paragraph A or B, with public water and sewer in municipality without a comprehensive plan



▶ Up to 4 dwelling units, detached or attached

▶ Outside growth area



▶ Up to 2 dwelling units, if attached

### ON LAND WITH ONE EXISTING UNIT

▶ Up to 2 additional dwelling units



▶ Choose:  
**a.** One unit within or attached  
**b.** One unit detached  
**c.** One of each

▶ 1 accessory dwelling unit



▶ Exempt from:  
**a.** Rate of growth ordinances  
**b.** Additional density area/standards  
**c.** Additional parking requirements

### ON LAND WITH TWO EXISTING UNITS

▶ No new structure may be built unless allowed under local ordinance

#### PRIVATE, STATE OR LOCAL STANDARDS SUCH AS THESE MAY APPLY:

- Home Owners Association regulations
- Deed restrictions
- Lot size, set back, density (not greater than single family)
- Septic requirements
- Minimum Lot Size
- Additional Parking requirement
- Growth ordinance permits
- Shoreland Zoning
- Subdivision Law

#### PRIVATE, STATE OR LOCAL STANDARDS SUCH AS THESE MAY APPLY:

- Home Owners Association regulations
- Deed restrictions
- Lot size or set back requirements (not greater than single family/existing accessory structure)
- Septic requirements
- Shoreland Zoning
- Other locally determined ADU standards (e.g. maximum size, rules regarding short term rental, etc.)

# Accessory Dwelling Units

## 30-A MRSA §4364-B

This section essentially allows any lot with a single-family dwelling in an area where housing is permitted to have one accessory dwelling unit (ADU) as well, effective July 1, 2023. That ADU can be within the existing home, attached to it, or in a new structure. Municipalities may also allow existing accessory structures to be converted into an ADU.

An ADU allowed under this law is exempt from zoning density requirements. In reviewing an ADU, the setback and dimensional requirements for a single-family home continue to apply unless the municipality makes them more permissive for an ADU. For ADUs in an accessory structure, the setback and dimensional requirements for such a structure apply.

### **ACCESSORY DWELLING UNIT PARKING**

Additional parking requirements for the ADU beyond those required for the single-family dwelling are not permitted.

### **ACCESSORY DWELLING UNIT SIZE**

ADUs must be at least 190 square feet in size. Municipalities may set a maximum size for ADUs in local ordinance.

### **OTHER MUNICIPAL POWERS**

Municipalities may establish an application and permitting process for ADUs provided it is consistent with in this section. Municipalities may also define ADUs, as long as the definition is consistent with state law in Title 30-A, §4301. 1-C. In addition, municipalities may establish requirements for ADUs that are less restrictive than those in this section, such as allowing more than one ADU on a lot or allowing an ADU for two-family or multifamily dwellings.

## **SIMILARITIES AND DIFFERENCES FROM OTHER SECTIONS**

**LIKE SECTIONS 4 AND 5**, shoreland zoning still applies, as do requirements to verify adequate water and wastewater capacity.

**LIKE SECTION 5**, private parties are permitted to restrict the number of housing units on a lot, including ADUs, in a private easement, covenant, deed restriction or other agreement provided the agreement does not violate State or Federal rights such as equal protection.

**UNLIKE SECTION 5**, one ADU for each single-family dwelling does not count towards any rate of growth ordinance as described in §4360.

**UNLIKE SECTIONS 4 & 5**, additional parking cannot be required for an ADU.



# QUESTIONS AND ANSWERS ON ACCESSORY DWELLING UNITS

---

## How is an ADU defined?

The law does not define ADUs. There is a definition in 30-A MRSA §4301 and many communities define them in local ordinances. Rulemaking will clarify which definition to use.

## Can an ADU be larger than a primary structure?

Yes, unless the municipality limits the maximum size of an ADU.

## Can a previously illegal ADU be legalized under this section?

This will be addressed in rulemaking.

## If a pre-existing single-family dwelling is on a non-conforming lot (with respect to size, frontage, or similar characteristics) can an ADU be built on that lot?

This will be addressed in rulemaking.

## Subsection 7 says that verification must be provided to “the municipality” of water and wastewater services. Who should that verification be provided to?

These capacity issues should be reviewed by the municipal staff or board that would normally review these issues as part of any housing development.

## What if a community does not use Certificates of Occupancy?

Subsection 4 says that the municipality will “certify [a] structure for occupancy.” This requirement should be met for new housing developments under this section the same way they would be for any other housing, whether through a formal Certificate of Occupancy or otherwise.

## What is meant by “potable” water?

This will be addressed in rulemaking.

## What if housing is allowed in an area but only as a conditional use?

Housing would be considered allowed in that area for the purposes of subsection 1. This will be further addressed in rulemaking.

## What does “attached to an existing structure” mean?

Local ordinance can define “attached” but it would generally mean having physically connected finished spaces, not just connected via a common porch, breezeway or foundation.

## If a parcel has an existing two-unit structure, does subsection 1 allow an ADU to be built?

No, though a municipality would have the ability to allow that.



# Parking for ADUs

## Example Parking Requirement

### NOT PERMITTED



Single Family Home  
2 spaces minimum



Single Family Home + ADU  
3 spaces minimum



---

### PERMITTED



Single Family Home  
2 spaces minimum



Single Family Home + ADU  
2 spaces minimum



This example applies to towns with minimum parking requirements.  
For towns without parking restrictions, no additional restrictions would be imposed.

# Housing Goals & Fair Housing

## MRSA §13056, sub-§9 AND 30-A MRSA §4364-C

Section 3 directs the Department of Economic & Community Development, in coordination with Maine-Housing, to develop a statewide housing production goal and regional production goals based on that statewide goal. In doing so, the section instructs the Department to set benchmarks for meeting those goals, as well as to consider information provided by municipalities on current and potential housing development and permits.

Section 7 outlines ways municipalities can play a role in achieving those state and regional goals. It states that municipalities must ensure that local ordinances and regulations are designed to affirmatively further the purposes of the Federal Fair Housing Act, as well as the Maine Human Rights Act, as part of meeting the housing goals. It also explicitly authorizes municipalities to establish and enforce regulations related to short-term rentals to help meet those goals.

### QUESTIONS AND ANSWERS ON SECTIONS 3 & 7

---

#### **What obligations do the affirmatively furthering fair housing provisions put on municipalities that didn't already exist before LD 2003 passed?**

Until recently, the link between land use regulation and fair housing was often not recognized. Section 7 clarifies that municipalities must ensure that zoning and land use ordinances and regulations are designed to affirmatively further the purposes of these state and federal laws.

#### **What happens if local, regional or statewide housing goals are not met?**

These sections do not set forth any specific penalties for not meeting these goals.

#### **How does this relate to local Growth Management programs and comprehensive plans?**

Local comprehensive plans, while not regulatory documents, should not conflict with these sections. The regulations for comprehensive plans under Chapter 208 state that communities should “[s]eek to achieve a level of at least 10% of new residential development built or placed during the next decade be affordable.”

#### **Do municipalities have to regulate short term rentals?**

No.



## GENERAL QUESTIONS

---

### **What happens if a municipality does not act to update local ordinances, or tries to act and the updates are not approved by the local legislative body?**

LD 2003 is an express preemption on municipal home rule authority. Therefore, any ordinance or regulation that is not consistent with the law may be challenged as invalid. Municipalities are encouraged to contact legal counsel to discuss how the law will affect the enforcement of existing ordinances and regulations.

### **If a town does not have growth areas as defined by section 4349-A, subsection 1, paragraph A or B, and does not have any areas served by water or sewer, does it need to comply with LD 2003?**

These communities would not be subject to the affordable housing density provisions in Section 4, and would not have areas that are required to allow up to four units on a residential lot as per Section 5. Other sections of LD 2003 would apply.

### **How will LD 2003's requirements be related to municipal comprehensive plans?**

Comprehensive plans seeking a finding of consistency under the regulations in Chapter 208 should meet those requirements. Since a comprehensive plan is not a regulatory document, LD 2003 would not create any additional requirements. However, zoning ordinances adopted in a municipality would have to be consistent with both a local comprehensive plan and LD 2003.

### **Is LD 2003 a model ordinance for use in local zoning?**

LD 2003 is not a model ordinance. Communities will be able to seek funding from the Housing Opportunity Program to develop new ordinances. In addition, the Department of Economic & Community Development will be hiring staff to provide technical assistance to communities.

### **Can developers “double count” bonuses from various sections?**

This issue is outlined in §4364-A Section 2.A. and §4364-B Section 3.B. It will be further addressed for applicability to §4364 in rulemaking.

### **Sections 4, 5, and 6 require written verification of “adequate water and wastewater services.” What about a municipal concern that while a specific housing development may not immediately threaten water quality, the cumulative impact of new development may do so in a way that it did not prior to LD 2003?**

As was true prior to the passage of LD 2003, communities are free to take regulatory actions as appropriate for protection of natural resources or existing water systems. These can include changes to zoning districts to limit where housing is permitted; changes to lot size requirements; or the creation of an impact fee system consistent with state law to fund environmental or water quality protection.

### **What does section 4349-A, subsection 1, paragraph A or B say?**

It directs the State to make growth-related capital investments only in:

*A. A locally designated growth area, as identified in a comprehensive plan adopted pursuant to and consistent with the procedures, goals and guidelines of this subchapter or as identified in a growth management program certified under section 4347A;*

or

*B. In the absence of a consistent comprehensive plan, an area served by a public sewer system that has the capacity for the growth-related project, an area identified in the latest Federal Decennial Census as a census-designated place or a compact area of an urban compact municipality as defined by Title 23, section 754; or [PL 1999, c. 776, §10 (NEW).]*

Growth areas are defined in section 4301, subsection 6-C as:

*An area that is designated in a municipality’s or multi-municipal region’s comprehensive plan as suitable for orderly residential, commercial or industrial development, or any combinations of those types of development, and into which most development projected over 10 years is directed.*



### **RULEMAKING PROCESSES**

Sections 4, 5 and 6 authorize rulemaking to be led by the Department of Economic & Community Development, in consultation with the Department of Agriculture, Conservation & Forestry. These rules are considered “technical” – meaning they “establish standards of practice or procedure for the conduct of business with or before an agency” and can be approved administratively. Rulemaking is expected to begin in the fall of 2022.

### **FUNDING FOR TECHNICAL ASSISTANCE**

While not part of LD 2003, the supplemental budget for Fiscal Years 2022 and 2023 included Section U-1. 5 MRSA §13056-J, providing funding for a new “Housing Opportunity Program.” That program will “encourage and support the development of additional housing units in Maine, including housing units that are affordable for low and moderate income people and housing units targeted to community workforce housing needs” by supporting “regional approaches, municipal model ordinance development, and ... policy that supports increased housing density where feasible to protect working and natural lands.”

The Housing Opportunity Program will consist of three general areas. “Service Provider grants” will be awarded to experienced service providers to support municipal ordinance development, technical assistance, and public process and community engagement support, and may encourage regional coordination. Community Housing Incentive Program grants will be funded to municipalities directly in two categories:

- Community housing planning grants to be awarded through a competitive process to municipalities to support the creation of housing development plans, and ordinance and policy amendments to support those plans. The grants will be awarded for a period of up to three years, with progress reports each year.
- Community housing implementation grants to be awarded through a competitive process to support the implementation of community housing priorities.

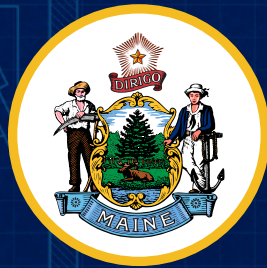
Finally, the Department of Economic and Community Development will be adding staff to provide direct technical assistance to communities.

The Housing Opportunity Program is currently undergoing internal development and is expected to be launched in the coming months.

**Still have questions?  
Need more information?**



**VISIT: [MAINE.GOV/DECD/HOUSING-LEGISLATION](https://www.maine.gov/decd/housing-legislation)**



**MAINE DEPARTMENT OF  
ECONOMIC AND COMMUNITY  
DEVELOPMENT**

