



Maine Real Estate &  
Development Association

**Supporting Responsible Development**

## In Opposition to LD 997, An Act to Allow Residential Use Development in Commercial Districts

March 25, 2025

Chair Curry, Chair Gere, and members of the Housing and Economic Development Committee;

On behalf of the Maine Real Estate and Development Association, please accept the following testimony in opposition to LD 997, An Act to Allow Residential Use Development in Commercial Districts. MEREDA supports the intent of this legislation to allow mixed-use neighborhoods and to lower barriers to housing creation. However, we have some concerns and believe the proposal needs further consideration.

As drafted, LD 997 would apply a broad brush to Maine municipalities by disallowing a town permitting authority from rejecting a residential proposal solely because the land is zoned for commercial purposes. While there are many commercial zones where light commercial activities exist and where it may be sensible to incorporate residential uses into that zone, there are also commercial zones that are simply not suitable for residential use.

MEREDA understands that there are examples of instances where the addition of residential to a traditionally industrial zone has created long-term complications for the businesses that were already there. For example, if a business in that zone wants to make change, expand, or modernize their facilities, they often face opposition from the new residential neighbors who have concerns about increased commercial activity. This can restrict business growth and potentially shrink the amount of land available for solely industrial and commercial activities.

MEREDA is also concerned that the proposal will trigger municipalities to enact moratorium ordinances to allow time for the town to amend its land use standards in that zone. Such changes would undoubtedly be aimed at making it difficult, if not impossible, to build residential in the commercial zone. Such standards would include environmental impacts, parking requirements, minimum square footage requirements, and other restrictions on the use of private property. Applied in a specific way, these standards could be used to restrict residential development in commercial zones.

In other words, we think the end result could be very little growth of residential in commercial zones, with the potential for significant unintended consequences for economic development and business growth. Again, MEREDA thanks the sponsor for their intent, and hopes it can work with this committee to find other effective ways to lower barriers to housing creation and create statewide predictability in land use laws.

Thank you for your consideration of this testimony, and of this important issue.

Elizabeth Frazier

On behalf of Maine Real Estate & Development Association

efrazier@pierceatwood.com