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Testimony in Support of LD 427-An Act to Prohibit Mandatory Parking Space Minimums in State and Municipal Building Codes

Joint Standing Committee on Housing and Economic Development
March 6, 2025

Senator Curry, Representative Gere and members of the Committee on Housing and Economic Development,

I am Eamonn Dundon, the Director of Advocacy of the Portland Regional Chamber of Commerce. We represent 1,300 businesses in our region, collectively employing over 75,000 Mainers. I submit this testimony on behalf of our organization to express strong support for LD 427.

This bill proposes an elegant solution to two interrelated challenges facing Maine’s residents and municipalities. First, our state suffers from severe housing underproduction, which has distorted the housing market and made homeownership and rental opportunities unattainable for many working families. Second, increased property

tax burdens are straining municipal resources, driven up by the cost of providing essential services and maintaining public infrastructure. By eliminating parking minimums statewide and allowing developers and building owners to determine parking needs, this legislation will reduce development costs and open land otherwise devoted to surface parking to higher value development opportunities, increasing property tax bases in our communities.

Portland Region Municipal Residential Parking Minimums		
Municipality	Unit Type	Parking Minimum
Cape Elizabeth	Single Family	2 spaces
	Two Family	2 spaces
	Multifamily (3+ bedrooms)	2 spaces
	Multifamily (2 bedrooms)	1.75 spaces
	Multifamily (1 bedroom)	1.5 spaces
Cumberland	All Housing Units	2.5 spaces
Falmouth	Single Family	2 spaces
	Two Family	2 spaces
	Multifamily	1 space
Portland	All Housing Units	None
Scarborough	Single Family	2 spaces
	Two Family	2 spaces
	Multifamily (2+ bedrooms)	2 spaces
	Multifamily (<2 bedrooms)	1.5 spaces
South Portland	Single Family (detached)	2 spaces
	Single Family (attached)	1.5 spaces
	Multifamily (1+ bedrooms)	1.5 spaces
	Multifamily (400-800sf/unit)	1 space
Westbrook	Multifamily (<400sf/unit)	0.75 space
	Single Family	2 spaces
	Two Family	2 spaces
	Multifamily (3+ bedrooms)	2 spaces
	Multifamily (1-2 bedrooms)	1.5 spaces
	Multifamily (studio)	1 space

The Cost of Parking Mandates

Many factors that drive real estate development costs—such as labor costs, interest rates and commodity prices—are beyond the control of developers, municipal officials, or the Legislature. However, public policy can address other cost factors, particularly arbitrary regulatory requirements like parking mandates, which significantly inflate the price of housing.

Costs associated with parking construction vary widely. A single surface parking space—including the value of the land it occupies—can cost between \$5,000 and \$10,000, while structured parking spaces in constrained urban environments can exceed \$50,000 per space. In municipalities like Cape Elizabeth, Cumberland, Falmouth, Scarborough, South Portland, and Westbrook (see chart above), requiring up to two spaces per housing unit translates to additional costs of \$10,000 to \$100,000 per unit. These costs are invariably passed on to homebuyers and renters, regardless of whether they need or value off-street parking.



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A recent study¹ found that requiring just one parking space can increase rents by 6% of a household's annual budget for those in the lowest income quintile. A two-space requirement can raise rents by 12%, exacerbating housing affordability challenges for Maine's lowest income residents.

Benefits for Municipalities and Taxpayers

Beyond the impact on housing costs, eliminating parking minimums will also benefit municipalities by strengthening local tax bases. Surface parking lots are inherently low-value land uses that occupy valuable real estate that could otherwise generate higher tax revenue through residential or mixed-use development.

Parking consumes significant space— each space requires nearly 300 square feet when accounting for ramps, driveways, and access paths. For a proposed 30-unit development in our region, a two-space minimum would require 18,000 square feet solely for parking. This allocation of land limits opportunities for more productive uses that contribute to economic vitality and increase property tax revenue. By removing these mandates, this legislation will enable communities to prioritize higher-value developments, such as vibrant downtown districts, small businesses, mixed-use housing, and public green spaces.

Alternative Approaches for Consideration

We recognize that this legislation represents a significant change in the regulation of off-street parking mandates at the local level. If the committee believes a full repeal is too broad an initial step, we urge consideration of amendments that would still yield meaningful cost reductions for housing development, such as:

- **Prohibiting Parking Mandates in Proximity to Transit Stops:** Pioneered by municipalities nationwide and now effective statewide in several jurisdictions, this option would see parking minimums prohibited when a development site is either ½ or ¼ mile from a bus, train, or ferry stop. Before removing all parking minimums in 2024, the City of Portland had an ordinance to this effect, enabling many infill housing projects that would not have been feasible if off-street parking was required. For examples of other state laws employing this approach, see California [AB 2097](#) (abolishing parking minimums within ½ mile of transit), Colorado [HB 24-1304](#) (abolishing parking minimums within Metropolitan Planning Organization communities for multifamily, adaptive reuse, and mixed use projects within ¼ mile of bus stations), Illinois [HB 4638](#) (abolishing parking minimums within ½ mile of transit), and Washington [HB 1110](#) (abolishing parking minimums within ½ mile of transit).
- **Reducing Parking Mandates for Residential Housing Projects:** Another approach is to cap parking minimums for certain housing types, much like the Legislature did previously by prohibiting parking requirements on ADUs in LD 2003. In other states, this has typically taken the form of limiting parking minimums to no more than one space per unit for multifamily housing developments. Examples include, California [SB 423](#) (limiting parking minimums to one space per unit if near transit, in a historic district, or near a car share), Montana [SB 245](#) (limiting parking minimums to one space per unit in municipalities of greater than 5,000 residents for all multifamily and mixed-use projects), Rhode Island [S1037/H.6081](#) (limiting parking minimums for all multifamily units up to two bedrooms to one space per unit), and Vermont [S.100](#) (limiting parking minimums to one space per unit).

¹ [Parking Requirement Impacts on Housing Affordability, Victoria Transport Policy Institute](#)



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- **Statewide Legalization of Shared Parking Solutions:** Some municipal land use codes in Maine permit shared parking arrangements between complementary uses, but there is no uniform statewide standard ensuring that municipalities allow these cost-saving alternatives. California's [AB 894](#), for example, mandates that cities permit shared parking agreements when developers can demonstrate that demand will be met through a professional feasibility analysis.

While we understand that change can be difficult for municipalities, this legislation is fundamentally about property rights. It empowers property owners and developers to determine the appropriate level of parking for their projects rather than being bound by outdated, one-size-fits-all mandates. Where consumer demand exists, developers will continue to build parking. But in cases where renters and homebuyers prioritize lower housing costs or other amenities, developers should have the freedom to meet those preferences.

We urge the committee to advance this important legislation and appreciate your time and commitment to addressing Maine's housing challenges. Thank you for your consideration.