



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Testimony in SUPPORT of HB 691: State Government - Procedures - Permitting Efficiency
for Housing Development Projects**

Summary: This legislation will align State permitting processes with Maryland's housing production and affordability goals by reducing avoidable delays, increasing administrative flexibility, and ensuring that housing projects are reviewed in a timely and coordinated manner.

Overview: Maryland has declared an affordable housing crisis. Many municipalities across the state have invested energy into zoning reform as a way to modernize and streamline housing development projects. However, zoning reform alone doesn't produce housing. That reform removed land use barriers. But once projects began moving forward, a new bottleneck became clear. Permitting, especially state-level permitting, is slowing or stalling housing production.

When a developer submits a project, they must secure local permits (city or county) and multiple state permits from agencies such as the Maryland Department of the Environment (MDE), Maryland State Highway Administration (SHA), and Maryland Department of Transportation (MDOT). Each of these agencies has its own review process, timelines, and internal priorities.

Many permits must be reviewed one after the other, rather than at the same time. This creates long cumulative delays, idle time between approvals, increased carrying costs for developers, and higher housing prices passed to buyers/renters.

HB 691 requires processes to allow for concurrent filing and review wherever feasible to shorten total project timelines to get more housing available,

Currently, many state permits are reviewed strictly in order received. That creates a problem because housing projects addressing affordability, transit-oriented development, and projects aligned with state housing goals, are not distinguished from lower-priority projects. There is no formal mechanism to fast-track affordable housing, prioritize projects meeting state housing targets, or align permitting timelines with state policy goals. This disconnect undermines the state's broader housing strategy.

Currently, MDE has statutory authority to delegate some stormwater-related permitting tasks to third parties (like counties or municipalities). SHA and MDOT do not appear to have similar statutory delegation authority. Local governments are many times better suited to handle

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permitting because they often have staff capacity, are closer to projects, and already review related site plans. They cannot, however, legally take on certain state review functions, even if both sides agree. This creates redundant review, administrative duplication, and avoidable state-level bottlenecks.

HB 691 seeks to provide solutions to these issues by allowing mutual-agreement delegation authority for agencies like SHA and MDOT.

Conclusion: Maryland has reformed zoning in places like Gaithersburg, but state-level permitting inefficiencies now act as the primary barrier to housing production. The changes outlined in HB 691 will incr