

**HB0012 TOD Enhancement Act FAV.pdf**

Uploaded by: Cecilia Plante

Position: FAV



## **TESTIMONY FOR HB0012**

### **Equitable and Inclusive Transit-Oriented Development Enhancement Act**

**Bill Sponsor:** Delegate J. Lewis

**Committee:** Budget and Tax

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** FAVORABLE

I am submitting this testimony in favor of HB0012 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

It is really hard to get around Maryland. It limits all of our residents in that it is not easy to get to jobs, and it limits our businesses because they don't have ready access to applicants. Expanding our public transportation system is one way to alleviate that problem. Transit-oriented development is another.

In 2008, the Maryland General Assembly enabled an official transit-oriented development (TOD) state-designation process that allows development projects within a half-mile of designated TOD stations to be eligible to receive state support in advancing transit-oriented development around the station. Because this was a great idea with little funding or incentives, as of today, there are only 17 state-designated TOD sites throughout Maryland.

Developing around a transit station is often more expensive because of higher land costs, legacy developments, environmental hazards and the greater need for supportive infrastructure, including sidewalk networks, station parking and bus facilities. Though more expensive, building residences and businesses near transit stations allows more residents to access opportunities, especially low-income residents without cars who must rely on transit.

This bill would create a \$10 million competitive grant and revolving loan fund to provide financial assistance to local jurisdictions for design, planning, construction or gap funding and financing for public or private development within a state-designated TOD station area. The bill would also expand the tax credits that businesses receive for creating eligible jobs in Opportunity Zones to state-designated TOD sites and require the secretary of transportation to report annually on MDOT's efforts to increase TOD throughout the state.

Transit-oriented development is a really great idea that is languishing through lack of funding and incentives. We should make the investment in our residents and in the businesses in the state who

desperately need a better, more equitable, and more integrated transportation system. We support this bill and recommend a **FAVORABLE** report in committee.

#### Priority Amendments

##### *Building electrification and efficiency:*

- Climate Catalytic Capital Fund
  - Explicitly state that 40% of funds from the Climate Catalytic Capital Fund be spent in low and moderate-income neighborhoods and that funds can be spent on whole-structure retrofits (including multi-family buildings) including health, safety, weatherization, and electrification measures.

- The purpose of the funds should explicitly include “Facilitate the electrification of the building sector”.
- Explicitly state that funds cannot be used for installation of new equipment that uses fossil fuels
- Funds from alternative compliance payments should go to the Climate Catalytic fund to be spent on low-income whole-structure retrofits, including low-income multi-family buildings.
- On page 35, lines 2-3, strike “water and space heating” and substitute “on-site energy” and add on line 3, “except for kitchen appliances”.
- On page 35, following line 9, add energy efficiency provisions for buildings. Add:
  - D. For new covered buildings funded at least 25% by State funds
    - A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2023 and Dec 31 2025
    - A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2025 and Dec 31 2027
  - E. For all other new covered buildings
    - A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2025 and Dec 31 2027
    - A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received
- F. “Major Renovation” means a renovation project:
  - For which the total projected cost exceeds 50% of the assessed value of the existing building; or
  - Involving a change of use, if the change involves the application of different requirements of the standards.
- G. Except as provided in subsection ( ) of this section, if a covered building is undergoing a major renovation, the building shall be renovated to achieve:
  - A 40% reduction in the building’s average annual energy use; or
  - A 20% reduction in modeled energy use consumption over the current Energy Code.
- H. A local jurisdiction may waive the requirements under subsection ( ) of this section if the building owner demonstrates that the cost of the improvements necessary to achieve the required energy reductions would exceed projected operational and energy savings from the improvements over a certain payback period:
  - A 25–year period for all buildings funded at least 25% by the State.
  - A 15–year period for all other buildings.
- Provisions regarding “alternative compliance pathway” on page 47, lines 20 -23, and lines 27-29, should be sunsetted. We suggest a sunset of 12/1/2030
- Pages 47, delete lines 18-19 ( “PROVIDE MAXIMUM FLEXIBILITY TO THE OWNERS OF COVERED BUILDINGS TO COMPLY WITH BUILDING EMISSIONS STANDARDS”)
- The Building Emission Performance Standards regulations directive under 2-1602 (C) should
  - require that the adopted regulations prioritize direct emission reductions from qualified buildings via electrification plans and pathways,
  - provide protection against financial cost pass-through and evictions for tenants in covered multi-family buildings, 3) require covered public buildings’ retrofits to be

completed with a high-quality workforce (i.e. prevailing wage, insurance coverage, paid leave, etc.) (pg. 48)

#### *Equity and Environmental Justice Provisions*

- Strengthen the provisions on pages 9-12 by including language that requires 40% of investments go to overburdened communities and Rosenberg Justice 40 bill and/or the Boyce/Watson all agency climate, equity, and labor test language.
  - The language in the Boyce/Watson all agency climate, equity and labor test should be incorporated on page 22, lines 12-15 as well
  - The Interagency Commission on School Construction should be included as an agency required to consider climate in long-term planning

#### *Net Zero Schools*

- Explicitly state that the IAC state school construction funding process may cover planning, design, and engineering for net-zero schools.
- School buildings that are not net-zero should be net-zero ready Insert on Page 35, following line 6  
(12-501(3)(I)(2)(A (under the provision requiring solar ready):
  - A. The Installation of Solar Energy Systems
    - To include a 40% roof set aside and necessary electrical panel and conduit requirements. if the building:
    - Will have 20,000 square feet or more of continuous roof space, excluding the parking area; and
    - Will be 20 stories or less in height, above grade plane.
  - B. Regulations adopted under this subsection may authorize a local jurisdiction to waive the solar-ready requirement for a building on a specific finding that:
    - incident solar radiation at the building site is less than 75% of incident solar radiation at an open site; or
    - shadow studies indicate that 25% of a building's roof area will be in shadow.
    - Clarify the definition of "Solar Ready" to include the 40% roof set aside and the necessary electrical panel and conduit requirements.
- Delete "subject to the availability of funding" on Page 8 Line 14 and replace that language with one of the options below -
- P. 8, line 9-13, (5-312(c)(2)(I), Delete para. "Except as Provided in . . . Delete 5-312 (c) (2) (I) of the Education Article that was inserted: except as provided in subparagraph (iii) of this paragraph, the net-zero energy requirements that apply for a building to meet the definition of a 'high performance building' under § 3-602.1 12 of the state finance and procurement article

OR

- Amend to read: Except as provided in Subparagraph III of this Paragraph, Public Schools shall be required to achieve a 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2023 and a 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2025.
- Pg 40 line 15-17. Remove having the Council develop guidelines and instead require them to provide an annual report on the status of meeting the high performance building requirements.
- Pg 8, line 25 – pg 9, line 2. If a school qualifies for a waiver because the Interagency Commission determines that either (I) or (II) is true, the school must be net-zero READY.

#### *Buy Clean Maryland Act*

- Consider adding To SB528 the **Buy Clean Maryland Act** provisions from HB806 - Del. Stein Public Buildings bill with one change related to the waiver provisions.

- Section 4-904 (E) **Strike** - ~~(4) RESULT IN ONLY ONE SOURCE OR MANUFACTURER BEING ABLE TO PROVIDE THE NECESSARY MATERIALS.~~
- **Add** - (F) IF ONLY ONE SOURCE OR MANUFACTURER IS ABLE TO PROVIDE THE NECESSARY MATERIALS, A SOLE SOURCE PROCUREMENT MAY BE ALLOWED, PROVIDED NONE OF THE OTHER WAIVER DETERMINATIONS ARE MADE.

**CDN HB 0012 FAVORABLE.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony HB 0012**  
**Budget & Taxation Committee**  
**March 28, 2023**  
**Position: FAVORABLE**

Dear Chairman Guzzone and Members of the Budget and Taxation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland’s community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland’s urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

**HB 0012** Would establish a \$10,000,000 Transit-Oriented Development Capital Grant and Revolving Loan Fund to promote the equitable and inclusive development of transit-oriented developments; requiring interest earnings of the Fund to be credited to the Fund; authorizing the Department of Transportation to use the Fund to provide financial assistance to local jurisdictions.

Maryland needs more affordable housing. According to the Maryland Housing Needs Assessment completed in 2021, the state needs 85,000 affordable housing units statewide to keep up with the demand. This investment is critical for human health, economic growth and education. Equitable policy solutions like transit-oriented development, have been proven to help residents access high-quality, affordable homes and enhance neighborhood stability.

Local jurisdictions throughout the state lack tools to adequately address the urgent need for capital for affordable housing development.

In order to build a state with increased opportunity, Maryland needs to invest in transit-oriented development that creates mixed-use, higher density communities that encourage people to live, work and shop near transit services and decrease their dependence on driving. More communities in Maryland need to have reliable transit service providing access to housing, employment and community amenities and services. Areas near public transit offer unique opportunities to cluster a mix of pedestrian oriented uses in close proximity to transit.

We ask your favorable report for **HB 0012**.

Submitted by Claudia Wilson Randall, Executive Director



# **HB12-- Senate Oral Testimony.pdf**

Uploaded by: Delegate Jazz Lewis

Position: FAV

**JAZZ LEWIS**  
*Legislative District 24*  
Prince George's County

MAJORITY WHIP

Appropriations Committee



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**THE MARYLAND HOUSE OF DELEGATES**  
ANNAPOLIS, MARYLAND 21401

**Oral Testimony of Delegate Jazz Lewis**  
**HB12—Equitable and Inclusive Transit-Oriented Development Enhancement Act**  
**Before the Budget and Taxation Committee**

Chair Guzzone and members of the Budget and Taxation Committee,

Thank you for the opportunity to present testimony in support of House Bill 12. This is the House crossfile for SB151 sponsored by Senator Malcolm Augustine to create a fund to provide grants and loans to sponsor transit-oriented development projects throughout the state.

There are some amendments from the House side that were worked out between advocates and the impacted Departments which were included in the House version of this bill.

The House amendments firstly, put the designation of transit-development sites in the hands of the Subcabinet of Smart Growth, rather than the Secretary of Transportation. These amendments also sunset the designation at ten years with the option to renew, right now there is no option for sites to end their designation, this amendment simply offers an option for sites to do so. These amendments also remove mentions of the Community Development Block Grant to simply instead refer to “eligible federal fund” this was at the request of the Departments. We also secured funding on the House side for a \$5 million appropriation for the fund.

The amendments introduced on the House side also allows the Subcabinet on Smart Growth to create scoring criteria for the awarding of financial assistance from the bill’s created fund. And lastly, the amendments add in that MDOT and the Department of Housing and Community Development will provide assistance to awardees with technical assistance so that we can ensure the success of the projects that we help fund.

With these amendments added we stand to greatly improve our state’s transit system by fully supporting and implementing transit-oriented development to improve the lives of Maryland’s commuters.

**For these reasons, I urge a favorable report.**

# **HB12-- Senate Oral Testimony.pdf**

Uploaded by: Delegate Jazz Lewis

Position: FAV

**JAZZ LEWIS**  
*Legislative District 24*  
Prince George's County

MAJORITY WHIP

Appropriations Committee



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**THE MARYLAND HOUSE OF DELEGATES**  
**ANNAPOLIS, MARYLAND 21401**

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With these amendments added we stand to greatly improve our state's transit system by fully supporting and implementing transit-oriented development to improve the lives of Maryland's commuters.

**For these reasons, I urge a favorable report.**

**HB0012-BT\_MACo\_SUP.pdf**

Uploaded by: Dominic Butchko

Position: FAV



## House Bill 12

### *Equitable and Inclusive Transit-Oriented Development Enhancement Act*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 28, 2023

From: Dominic Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 12. This bill would provide additional resources for local jurisdictions looking to expand transit-oriented development.

Transit-oriented development creates dense, walkable, and mixed-use spaces near transit that support vibrant, sustainable, and equitable communities. Transit-oriented development provides an opportunity to leverage smart growth strategies to encourage economic development, reduce sprawl, and maximize the return on existing transit investment.

The Transit-Oriented Development Capital Grant and Revolving Loan Fund helps incentivize county governments to foster and maintain communities that can accommodate more density and have lesser reliance on car ownership. The provisions enabling county partnerships with the nonprofit sector serve as a force multiplier – allowing for additional effectiveness of public investment. Overall, this program incentivizes counties to encourage growth while preserving local autonomy to shape communities.

HB 12 would incentivize public and private investment in transit-oriented communities to encourage economic growth, create jobs, and promote environmental sustainability. As such, MACo urges the Committee to issue a **FAVORABLE** report on HB 12.

# **HB012-Transit Oriented Dev-Budget Taxation-CJW-fav**

Uploaded by: Laurie McGilvray

Position: FAV



**Committee: Budget and Taxation**

**Testimony on: HB012 – Equitable and Inclusive Transit–Oriented Development Enhancement Act**

**Organization: Climate Justice Wing of the Maryland Legislative Coalition**

**Submitting: Laurie McGilvray, Co-Chair**

**Position: Favorable**

**Hearing Date: March 28, 2023**

Dear Mr. Chairman and Committee Members:

Thank you for allowing our testimony today in support of HB012. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on HB012.

HB012 establishes a Transit–Oriented Development Capital Grant and Revolving Loan Fund (Fund) to provide financial assistance to local jurisdictions to be used for: 1) design plans for a transit–oriented development, provided the development meets equity goals; 2) public infrastructure improvements within a transit–oriented development; or 3) gap funding for public or private development within a transit–oriented development.

Transit-oriented development is a key policy in reducing the State’s greenhouse gases because it reduces the need for people to drive to get to work and other activities. As a coalition that cares about both climate and equity, we strongly support the intent of this bill which addresses the equity aspects of transit-oriented development. The bill accomplishes this goal in three ways. First, it directs the Secretary of the Department of Transportation (DOT) to collect and report data on the State’s efforts to increase transit-oriented development, and in particular: 1) the demographic and socioeconomic indicators present in the transit–oriented development and the surrounding areas; 2) development activity occurring in the transit–oriented development during the report period; and 3) transit station utilization rates for the transit–oriented development. Second, it directs the DOT to consider these results in updating scoring standards for applications for financial assistance from the Fund. Third, it allows DOT to establish different funding and eligibility scoring standards, including preferences for projects that will: 1) enhance access to transit for low–income and minority residents of the jurisdiction; 2) enhance access to transit in areas with affordable housing and a diversity of job and educational opportunities; or 3) encourage development around underdeveloped and underutilized transit stations in transit–oriented developments.

For these reasons, we support HB012 and recommend a **FAVORABLE** report in Committee.



# **HB12 CBF FAV B&T.pdf**

Uploaded by: Matt Stegman

Position: FAV



# CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration  
Environmental Education*

## House Bill 12

### Equitable and Inclusive Transit-Oriented Development Enhancement Act

Date: March 28, 2023

Position: Support

To: Budget & Taxation Committee

From: Matt Stegman, MD Staff Attorney

Chesapeake Bay Foundation (CBF) urges a **FAVORABLE** report on HB 12. If adopted, this bill would prioritize Transit-Oriented Development as the preferred land use in and around transit stations with a dedicated fund to advance supportive capital improvements.

**Transit-Oriented Development supports healthy communities and can help clean up local waterways.** Emissions from passenger vehicles are a significant source of air and water pollution. Nitrous oxides from tailpipes can aggravate respiratory conditions such as asthma. These oxides also precipitate into streams, creeks, and the Chesapeake Bay, adding excess nitrogen that drives algae blooms, cloudy water, and low oxygen conditions that harm aquatic life. Transit options can be far less impactful on a passenger-mile basis, providing communities with more transportation options, cleaner air, and clearer water.

The carefully designed density, mix of land uses, and connections between transportation modes inherent to TOD are essential to building an inclusive, equitable, and environmentally supportive transportation system. The supportive land use and development patterns of TOD maximize ridership and the environmental benefits of transit. Redevelopment can also improve stormwater management in the area and reduce development pressure on outlying farms and forest land.

**HB 12 would integrate needed capital funding with existing state and local priorities to advance Transit-Oriented Development.** TOD often requires up-front capital investment to unlock its powerful economic and environmental returns. Development sites adjacent to transit can require updated infrastructure, clearing or remediation of past uses, and public-private partnership to ensure that affordable housing and other inclusive practices can be part of the project. The fund established by HB 12 would help fill this gap, leveraging existing programs like Community Development Block Grants and the Complete Streets program. It would also encourage compatible land use regulation at the local level. Scoring and reporting requirements in the bill would provide assurance that funds are distributed in an equitable manner within communities and across the state. Nested within existing state programs and policies that are already calibrated with environmental goals, the investments directed by HB 12 are positioned to return an economic, social, and environmental triple bottom line.

**CBF urges the Committee's FAVORABLE report on HB 12.**

For more information, please contact Matt Stegman, Maryland Staff Attorney at [mstegman@cbf.org](mailto:mstegman@cbf.org).

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403

The Chesapeake Bay Foundation (CBF) is a non-profit environmental education and advocacy organization dedicated to the restoration and protection of the Chesapeake Bay. With over 300,000 members and e-subscribers, including over 109,000 in Maryland alone, CBF works to educate the public and to protect the interest of the Chesapeake and its resources.

# **HB12SenateBNT\_IndivisibleHoCoMD\_FAV\_RichardDeutsch**

Uploaded by: Richard Deutschmann

Position: FAV



## **HB12 – Equitable and Inclusive Transit–Oriented Development Enhancement Act**

**Testimony before**

**Senate Budget & Taxation Committee**

**March 28, 2023**

**Position: Favorable**

Mr. Chair, Mr. Vice Chair and members of the committee, my name is Richard Deutschmann, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today in support of HB12, to encourage and incentivize more equitable Transit Oriented Development within the state. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We appreciate the leadership of Del. Lewis, as well as Sen. Augustine, for sponsoring this important legislation.

This bill creates a Capital Grant and Revolving Loan Fund, the purpose of which is to promote equitable and inclusive Transit-Oriented Development in Maryland. The fund will provide financial assistance to local jurisdictions for design planning, infrastructure improvements within a Transit-Oriented Development, or gap funding to make up the difference in available funding for a suitable development. All of this is predicated on meeting certain critical goals around access to affordable housing within the development, for Low/Moderate Income (LMI) and minority residents. The bill attempts to bridge the gap to address the serious lack of housing options for LMI residents, especially in areas that are close to available transit options that are crucial for residents to access employment, medical care, and nearby amenities.

HB12 has successfully passed the House, and we urge the committee to vote this out favorably to the full Senate so that it can be debated and passed.

Thank you for your consideration of this important legislation.

**We respectfully urge a favorable committee report.**

Richard Deutschmann  
Columbia, MD 21045

# **SB 151 HB 12 - Equitable and Inclusive TOD Enhance**

Uploaded by: Sarah Peters

Position: FAV



**Bill:** SB 151/HB 12- Equitable and Inclusive Transit-Oriented Development Enhancement Act

**Position:** Support

Dear Chair, Vice-Chair, and Members of the Committee:

The City of Gaithersburg, a municipality of Montgomery County, with a population of almost 70,000 at the time of the 2020 Census is the third-largest city in the State. With an increasing population and our proximity to Washington, D.C., we continue to prioritize transit and the many benefits that transit-oriented development (TOD) can bring to our City and the region.

The Fund outlined in this bill may be used by the Maryland Department of Transportation to provide financial assistance to local jurisdictions for TOD design plans, as specified, public infrastructure improvements within a TOD, or gap funding for public or private development within a TOD. It also allows a private entity, including a nonprofit entity, participating in the development of a TOD may partner with a local jurisdiction to apply for specified financial assistance.

While there are no TODs currently designated within City limits, the 100-acre site of the soon-to-be former Lakeforest Mall is being looked upon as a potential TOD site given what may likely become a dense mix of commercial, residential, and open space alongside a new transit station. While this project is still in the preliminary stages of consideration and planning, we are hopeful that TOD-specific funds may be available to encourage projects like this one.

For these reasons, the City of Gaithersburg supports SB 151/HB 12.

Should you have any questions, please feel free to contact me at 301-466-5350 or our government relations consultant, Sarah Peters, at [speters@hbstrategies.us](mailto:speters@hbstrategies.us). We appreciate your support.

Respectfully submitted,

Jud Ashman  
Mayor  
City of Gaithersburg

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MAYOR  
Jud Ashman

COUNCIL MEMBERS  
Neil Harris  
Lisa Henderson  
Jim McNulty  
Ryan Spiegel  
Robert Wu

CITY MANAGER  
Tanisha R. Briley

**Anne Arundel County \_FAV\_HB 12 (1).pdf**

Uploaded by: Steuart Pittman

Position: FAV



March 28, 2023

**House Bill 12**

**Equitable and Inclusive Transit-Oriented Development  
Enhancement Act**

**Senate Budget and Taxation Committee**

**Position: FAVORABLE**

Anne Arundel County **SUPPORTS** House Bill 12 – Equitable and Inclusive Transit-Oriented Development Enhancement Act. This bill will establish the TOD Capital Grant and Revolving Loan Fund to promote the equitable and inclusive development of TODs throughout the state. The bill further requires that the Governor must include in the annual budget bill an appropriation sufficient to ensure a fund balance of at least \$10.0 million at the start of the fiscal year.

Anne Arundel County’s award winning General Development Plan, Plan2040, sets the policy framework to protect the natural environment, shape development of the built environment, provide public services to promote healthy communities, and support a diverse, resilient economy. Plan2040 recognizes the need for mixed use and economic development around existing or planned transit stations in order to implement sustainable growth, and identifies potential for TOD at several MARC and light rail stations throughout the County. The County currently has one state-designated TOD at the Odenton MARC station near Fort Meade, and has identified potential future TOD locations, including BWI, Laurel, and Cromwell.

In partnership with the state, and with the support of our federal delegation, Anne Arundel County has made great progress over the past year towards building capacity for TOD at the Odenton MARC station by constructing a parking garage. As we near the beginning of construction, we look forward to the next step of continued partnership with the state in order to establish a public private partnership for development. Our vision is to transform the site into a desirable, walkable community centered around community-serving amenities and retail.

However, development near transit stations tends to be more expensive due to higher land costs, legacy developments, environmental hazards, and a greater need for supportive infrastructure. A December 2020 report from the Greater Washington Partnership made several recommendations to resolve barriers to TOD in Anne Arundel County. The competitive grant and revolving loan fund in this bill will provide financial incentive for TOD in order to assist local governments with TOD design plans, public infrastructure improvements within a TOD, and gap funding for public or private development within a TOD.

Promoting TOD will encourage sustainable and equitable communities. For all of these reasons, I respectfully request a **FAVORABLE** report on House Bill 12.

A handwritten signature in blue ink, appearing to read "Stuart Pittman".

Stuart Pittman  
County Executive



# **HB12\_Crossover\_PGCMA\_FAV.pdf**

Uploaded by: Therese Hessler

Position: FAV



# Prince George's County Municipal Association

*An Association of 27 Municipalities*



## HOUSE BILL 12 – SUPPORT Senate Budget & Taxation Committee March 28, 2023

**The Prince George's County Municipal Association writes to SUPPORT House Bill 12 - Equitable and Inclusive Transit-Oriented Development Enhancement Act** which creates a Transit Oriented Development (TOD) Fund for the purpose of promoting equitable and inclusive TOD throughout the State. For each fiscal year, the Governor must include in the annual budget bill an appropriation sufficient to ensure a fund balance of at least \$10.0 million at the start of the fiscal year. These additional funds to local jurisdictions and municipalities can lead to more jobs, more businesses and in-turn, robust thriving communities.

Expanding TOD funding as well as strategic development plans help to boost the economy while helping the environment. Prince George's County and its municipalities have made smart development a priority over the past few years, calling for dense, walkable, bikeable, mixed-use development around public transit. This must needed economic boost would help maintain and expand affordable housing for our current and future municipal residents.

Municipalities are often densely populated centers of their region and in need of creative planning in terms of housing and transportation. TODs are in existence in and around some municipalities already and leverage access to mass transit with housing opportunities nearby. HB 710, and the fund it creates, will allow municipalities to defray some costs associated with TOD design plans, infrastructure improvements, and gap funding

House Bill 12 will benefit municipalities in Prince George's County and across the state, and we respectfully request a favorable report. Thank you.

Melinda Mendoza, President  
The Prince George's County Municipal Association (PGCMA)

For more information call or email:  
Therese M. Hessler | 301-503-2576 | [therese@ashlargr.com](mailto:therese@ashlargr.com)

**HB0012 - TSO - TOD Enhancement Act - LOI\_FINAL\_CO.**

Uploaded by: Patricia Westervelt

Position: INFO

March 28, 2023

The Honorable Guy Guzzone  
Chair, Senate Budget and Taxation Committee  
3 West, Miller Senate Office Building  
Annapolis, MD 21401

***RE: Letter of Information – House Bill 12 – Equitable and Inclusive Transit-Oriented Development Enhancement Act***

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 12 but offers the following information for the Committee’s consideration.

House Bill 12 proposes changes to programs and agency functions in the interest of supporting State involvement in equitable and inclusive Transit-Oriented Development (TOD). The MDOT actively supports these goals and works closely with State and local partners to promote TOD as an approach to increase transit ridership and support economic development, while maximizing the efficient use of transportation infrastructure. House Bill 12 includes a stated intent to ensure that “the Department make all reasonable attempts to include TOD as part of the preferred plan for development in areas served by transit services.” The MDOT is engaged in several ongoing efforts that currently align with this intent. The MDOT manages several State and federal programs for planning and infrastructure development and consistently seeks opportunities to leverage such programs in support of TOD. By closely coordinating with the Department of Housing and Community Development and other key agencies of the Smart Growth Subcabinet (including Departments of Planning, Commerce, and Natural Resources), the MDOT has been able to leverage broader expertise and programs to support affordable housing and other non-transportation elements.

House Bill 12 would involve broader State agency involvement in the process of TOD designation, by requiring that the Smart Growth Subcabinet have direct approval powers, rather than be asked to comment for a TOD Designation by the Transportation Secretary. By mandating broader State agency involvement in the designation process, House Bill 12 can be expected to facilitate the process to coordinate cross agency-investments in TOD Projects and may strengthen the State’s capacity to support equitable TOD outcomes, and to implement the proposed new program. This process, however, can also be expected to entail a more complex and prolonged vetting process to inform designation as a step towards program eligibility.

House Bill 12 also introduces new TOD reporting requirements for MDOT; steps have already been taken to make this information readily available. Over the past several years, the MDOT has partnered with many other State agencies to develop an interactive website, the State TOD Hub, that serves as a springboard for local jurisdictions, planners, elected officials, non-profit organizations, educational institutions, real estate professionals, and the general public. The website provides access to the “Transit Station Area Profile Tool” which provides interactive access to the most recent demographic, socio-economic, and ridership data for all of Maryland’s fixed rail stations. Additional use and more active involvement of other agencies for updates, however, would likely be required to achieve the requirements included in House Bill 12.

The Honorable Guy Guzzone  
Page Two

House Bill 12 would require MDOT to create and manage a new TOD Capital Grant and Revolving Loan Fund to promote TODs throughout the State. The bill requires an appropriation in the State budget in an amount sufficient to ensure a fund balance of \$5M at the start of each year, and the upfront capitalization of the Fund is \$5M. It is unclear in the current bill if that funding is expected to come from the Transportation Trust Fund or another source of funding.

The amount and pace at which these funds would have to be replenished is difficult to estimate and would vary depending on the interest and utilization of the Fund, whether these are provided as grants or loans, the payback period and rate for loans, the size of grants/loans provided, and the availability of funding from other sources. These uncertainties may pose challenges for MDOT, not only in terms of projecting potential fiscal impacts, but also in managing cash flows and strategic investment to support the objectives of the program. By limiting eligibility to areas already served by transit, the fund could also inadvertently hinder efforts to also expand transit into currently underserved areas. Additionally, it is important to note that currently the TOD designation process begins with local jurisdictions, and that the proposed changes to how State agencies support TOD projects will not alter the significant role of local land use and investment decision-making related to TOD.

The TOD Capital Grant and Revolving Loan Fund described in House Bill 12 will likely benefit from broader state involvement in the TOD Designation process, particularly from the Department of Housing and Community Development, but it will still require MDOT to exercise responsibility for areas of expertise that are not currently in our purview. To achieve the stated intents of this bill, and to maximize the potential impact of state investments, MDOT anticipates that involvement by key agencies of the Smart Growth Subcabinet may be required to inform the Program's vetting process. Establishing a collaborative approach for investing in designated TODs will ensure that the Program benefits from expertise in affordable housing and small business lending of our partner state agencies, to help inform the scoring and assessment protocols. It is anticipated that MDOT may be required to devote considerable consultant resources to address these upfront needs.

House Bill 12, as amended, proposes several changes that may ultimately strengthen the State's TOD Program but may also complicate how it functions. In addition to the upfront costs, it is estimated that additional positions would be needed for MDOT to continuously manage the TOD Capital Grant and Revolving Loan Fund (and associated financial reporting requirements), and the TOD designation process. It is also anticipated that bill provisions mandating that MDOT provide technical services for planning and studies will result in additional and ongoing demands on MDOT's limited staff and consultant resources.

The MDOT looks forward to continued collaboration to ensure that our efforts to provide safe transportation infrastructure are also leveraged to support broader goals of economic development and equity in the State, and respectfully requests that the Committee consider this information when deliberating House Bill 12.

Respectfully submitted,

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