



February 16, 2024

The Honorable Marc Korman, Chair  
House Environment and Transportation Committee  
House Office Building, Room 251  
6 Bladen St., Annapolis, MD 21401

**Support w/ Amendment: HB 538 – Land Use Zoning Density and Permitting**

Dear, Chair Korman and Committee Members:

NAIOP represents 22,000+ commercial real estate professionals in the United States and Canada. Our Maryland membership is comprised of a mix of local firms and publicly traded real estate investment trusts that have long-standing investments in Maryland but also have experience in national and international markets. NAIOP members deliver office, mixed use, multi-family, and warehouse developments that meet the changing ways that people work, live, shop and play. On behalf of our member companies, I am writing to support HB 538 with amendments.

The current framework for growth management was established in the early 1990s through enactment of the Smart Growth Areas Act. Among its provisions was the creation of locally designated Priority Funding Areas to serve as the location for the majority of future job and household growth.

Those growth areas were designated and certified to contain sufficient development capacity to accommodate 20-years of forecasted growth. More than 30 years later many of the state's growth areas are at or near their estimated development capacity and are not functioning as originally intended. Many have not been reconfigured and are struggling to accommodate current growth and maintain a healthy housing market. One of the principal reasons is that there are too few locations where local zoning allows mid-rise, five-to-seven story mixed use development.

HB 538 takes a relatively measured approach to increasing the density of affordable housing and transit-oriented development. It further takes steps to remove barriers resulting from adequate public facilities ordinances.

While somewhat prescriptive, the approach taken is narrow in its geographic application and focused on housing at price points that are extremely difficult to get to market. We agree with MBIA and other commentators that the percentage of affordable units required in the bill should be reduced and the targeted household income should be increased in order to make these projects financially viable.

Addressing shortcomings in land use planning is overdue and will be vital to achieving multiple priorities related to quality of life, environmental stewardship, and economic vitality. From our point of view, these initial steps will need to be supplemented by future performance-oriented changes that make local land use authorities responsible for planning and zoning results that better align with job and household growth projections.

**For these reasons, NAIOP respectfully requests your favorable with amendments report on HB 538.**

Sincerely,

A handwritten signature in blue ink, appearing to read "T.M. Ballentine".

Tom Ballentine, Vice President for Policy  
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Environment and Transportation Committee Members  
Nick Manis – Manis, Canning Assoc.