



House Bill 538 – Land Use - Affordable Housing - Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

Position: Support with Amendments

Maryland REALTORS® supports efforts to address our housing crisis. For this reason, we urge your strong support for HB 538.

Maryland currently faces a shortage of nearly 150,000 housing units and growing, according to the National Low Income Housing Coalition. This shortage now impacts not just low-income residents, but also those of moderate incomes, young professionals, seniors, and working families. It encompasses both what has been traditionally considered as “affordable housing” but now also Missing Middle Housing types. What is more, these housing shortages are impacting our broader economy, as evidenced by the Comptroller’s 2023 State of the Economy report, which noted that Maryland’s economy is growing at just a fraction of our national rate.

HB 538 begins the work of closing our housing shortage by granting density bonuses and easing zoning restrictions on qualified projects in areas adjacent to transit, owned by non-profits and lands formerly controlled by the state. It removes restrictions on the construction of modular housing and streamlines the development process that is currently subject to excessive delays created by the public hearing process.

For HB 538 to have the most impact, we recommend the following:

- To revise the percentages for affordable housing downward to levels that will result in financially viable projects for housing developers,
- To increase the percentages of density bonuses granted to offset costs incurred in providing dedicated affordable housing units; and,
- Expanding the definition of “cottage cluster” under 7-501 to incorporate all local cottage development types, including those currently enacted in Queen Anne’s County.

Many will state that HB 538 is an intrusion into local control of zoning. In reality, local zoning practices have led us to the housing shortage that we are in today and maintaining that local control will continue to grow the crisis.

It is time for state action. The status quo is no longer an option, both for policy makers and for the residents of Maryland. Included in our testimony are the full results of the Maryland REALTORS® State of Housing Poll, which surveys the views of registered Maryland voters on housing. In it, you will find support for the very policies outlined in HB 538, including Middle Housing, and reducing regulatory roadblocks that stand in the way of producing it.

Maryland REALTORS® applauds efforts to ease our housing crisis and reduce our current 150,000-unit housing shortage. With the above considerations, we ask for your support of House Bill 538.

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