



Chair Marc Korman
and Members, Environment and Transportation Committee
House Office Building
6 Bladen Street
Annapolis, Maryland 21401

February 20, 2024


Dear Chair Korman and Members of the Environment and Transportation Committee:

My name is Dan Reed and I serve as the Regional Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. **GGWash strongly supports House Bill 538, the Housing Expansion and Affordability Act.** We applaud the leadership displayed here by the Governor and by Secretary of Housing and Community Development Jake Day, and are grateful that they have started this important dialogue.

As written, House Bill 538 would require local jurisdictions to allow a 30% “density bonus” for new developments near transit or on land owned by nonprofits or the state. It would also streamline the local permitting process, including multiple public hearings and Adequate Public Facility Ordinances that at worst can kill a project and at best add significant delays and costs. Exclusionary zoning and lengthy permitting processes are two ways that local governments have choked off Maryland’s housing supply, resulting in a shortage of 96,000 homes. The consequences are clear: double-digit home price increases in the past five years; working families getting priced out of the neighborhoods where they have built their lives; and a slowing economy as Marylanders pack up for cheaper locales. I have lost count of how many of my friends and loved ones have left for North Carolina or Florida in the past few years. Every single one of them is a loss not just for my family, but for our whole state.

Governor Moore has been clear that the issue is a lack of supply. That’s why we have two recommendations to ensure that the Housing Expansion and Affordability Act can rise to the occasion.

1. **Reduce the affordability requirements for larger residential projects.** Subsidized, income-restricted housing is a crucial part of our housing solution. However, the high requirements in this bill—setting aside 25 to 50% of the units in a development for lower-income households—will make new projects financially infeasible in many areas, including the high-cost, jobs- and resource-rich communities where the demand for housing is greatest. We recommend that the percentage be lower than the 30% density bonus, preferably 15 or 20 percent. A lower

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percentage will still yield more deeply affordable homes if it can catalyze the development of more homes overall.

- 2. Eliminate the affordability requirement for smaller, middle housing developments.** Many middle-income Marylanders struggle to find homes they can afford but do not qualify for income-restricted, subsidized housing. We need solutions that increase housing for them as well. Allowing middle housing—duplexes, townhomes, and small apartment buildings—in single-family zoned neighborhoods can unlock housing options at a significantly lower price than comparable new construction single-family homes. We should encourage the production of this housing without income restrictions or subsidies, as it's providing a more affordable option that is largely missing today.

Again, we appreciate Governor Moore and Secretary Day's commitment to solving Maryland's housing shortage. This is certainly the beginning of a longer conversation, and we are eager to work with the administration and the General Assembly to identify solutions and make them a reality. We ask the Environment and Transportation Committee to be bold, and ensure that all Marylanders have access to more housing options within their budgets.

Sincerely,

Dan Reed
Regional Policy Director