



February 28, 2025

The Honorable, Marc Korman, Chair
House Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

Favorable w Amendments: HB 503 – Regional Housing Allocation – Jobs to Housing Ratio

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 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 503 with amendments.

The current framework for growth management in Maryland was established in the early 1990s through the 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 future job and household growth. Those growth areas were certified to contain sufficient development capacity to accommodate 20 years of forecasted growth. More than 30 years later those growth areas are at or near their estimated development capacity and are not functioning as originally intended.

Despite the deteriorating performance of designated growth areas, the comprehensive land use plans of central Maryland counties project robust job growth *and* housing buildout. This is unrealistic, unsustainable, and contrary to sound planning principles.

A healthy jobs-to-housing distribution is an important indicator of planning success. As that distribution becomes more geographically imbalanced, traffic congestion will increase as workers commute from outside the region to fill available jobs and housing affordability will further deteriorate as demand far out paces supply. These issues will undercut the region's appeal to new companies and talent, strain the transportation system and negatively impact the environment and quality of life for residents and commuters.

HB 503 takes overdue steps to address shortcomings in local land use planning. It can be a vital tool in achieving multiple priorities related to quality of life, environmental stewardship, and economic vitality.

That said, from our point of view, the bill does not make local land use authorities responsible for achieving planning and zoning results that better align with job and household growth projections. Amendments to related to performance outcomes would improve the bill.

For these reasons, NAIOP respectfully recommends your favorable w amendments report on HB 503.

Sincerely,

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

cc: House Environment and Transportation Committee Members