



STATE OF MARYLAND

OFFICE OF THE GOVERNOR

Wes Moore

March 3, 2026

The Honorable Kriselda Valderrama
Chair, Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

RE: Favorable - HB894 - Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

Chair Valderrama, Vice-Chair Charkoudian, and Members of the Economic Matters Committee:

On behalf of the Moore-Miller Administration, I respectfully ask the committee to issue a favorable report on HB0894 - Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act). This legislation reflects a simple truth: Maryland's economic future depends on how well we connect our people to work, wages, and wealth.

Since Day One, our administration has made significant investments in our state's mass transit system to connect Marylanders with opportunities. As we make record investments in these assets, we can and must pursue a comprehensive strategy that targets underutilized land adjacent to transit facilities.

This means creating vibrant, transit-connected, sustainable communities, where Marylanders can affordably live, shop, travel, and work. When transit investments are paired with housing and economic development, they become engines of growth rather than isolated infrastructure projects. This is the blueprint for leveraging our transit assets with our housing and economic development priorities to drive economic growth. The Maryland Transit and Housing Opportunity Act moves this blueprint from a concept to implementation.

To do so, the legislation addresses two principal and persistent barriers to implementing this comprehensive strategy: zoning constraints and financing challenges. In too many of our communities, outdated land-use rules limit the return on existing transit investments and slow economic growth. The bill introduces a set of targeted reforms in areas served by high-frequency rail transit by ensuring flexibility around parking requirements, encouraging mixed-use

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development, and authorizing the Maryland Department of Transportation (MDOT) to lead development planning for state-owned land contiguous to transit facilities.

In parallel, the legislation also strengthens the financial viability of these projects. It designates transit-oriented development (TOD) areas into the State's Enterprise Zone program, making projects eligible for job-generating financial incentives. This also ensures TOD projects on state-owned, transit-adjacent land are a priority under the Strategic Infrastructure Revolving Loan Fund. In addition, it defers the imposition of impact fees until project completion, reducing upfront development costs and ensuring the availability of more capital for the construction of the project.

I appreciate the thoughtful feedback our administration has received from our local partners on both the zoning and financial provisions of this legislation. Last year, the Maryland Department of Transportation worked closely with members of the House of Delegates, the Senate, and local jurisdictions to refine the zoning provisions. This legislation reflects that effort. My team has continued that engagement with local partners on the financing provisions and look forward to ongoing dialogue to ensure the right balance between statewide goals and local considerations.

With these provisions, the Maryland Transit and Opportunity Act will make it easier to build and finance successful mixed-use developments near transit facilities. At a time when Maryland must drive both economic growth and affordable housing, this legislation responds with urgency and purpose. Leveraging more than 300 acres of state-owned land near high-frequency transit corridors poses a significant opportunity. This will help build over 7,000 new housing units and generate nearly \$1.4 billion in state and local tax revenue. Removing these barriers around zoning and enhancing finance options are essential to realizing the potential for economic growth and affordable housing.

For these reasons, I respectfully request that the committee issue a **favorable** report on House Bill 894 - Maryland Transit and Housing Opportunity Act.

Sincerely,



Wes Moore
Governor of Maryland