

February 26, 2026

Chair Kriselda Valderrama
House Economic Matters Committee
230 Taylor House Office Building
Annapolis, MD 21401

RE: SB389/HB894 – Land Use – Transit-Oriented Development – Alterations (Maryland Transit & Housing Opportunity Act)

Dear Chair Valderrama and Members of the Committee,

On behalf of Fello, we write in support of ***SB389/HB894 – Land Use – Transit-Oriented Development – Alterations (Maryland Transit & Housing Opportunity Act)***.

Across Maryland, Fello is building communities where people belong. With a team of more than 650 employees, Fello supports over 5,000 people with disabilities each year – creating opportunities that empower people to live the lives they choose. From advancing equity and respect to expanding access and connection, inclusion is at the heart of everything we do. One powerful way this comes to life is through Fello Communities: beautiful, safe, and accessible rental housing that offers choice and stability for residents across income levels, from affordable to market-rate homes.

We commend Governor Moore’s leadership in making transformative investments in Maryland’s mass transit system. Maryland’s goal of building the world’s best mass transit network presents a critical opportunity to leverage underutilized land adjacent to transit for transit-oriented development (TOD). These areas are well positioned to become vibrant, mixed-use communities where Marylanders can affordably live, work, shop, and travel—while maximizing the State’s existing infrastructure investments.

Fello believes that aligning transit assets with housing production and economic development is essential to meeting Maryland’s housing and workforce needs. SB389/HB894 directly addresses two of the most persistent barriers to achieving this vision: local zoning constraints and project financing challenges.

The bill tackles zoning barriers by adding flexibility to parking requirements, encouraging mixed-use development, and empowering the Maryland Department of Transportation (MDOT) to lead development planning on State-owned land contiguous to transit, in coordination with local jurisdictions. Together, these provisions create a more predictable and effective framework for transit-oriented development.

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The legislation also takes meaningful steps to reduce financial barriers and risk for TOD projects. Incorporating locally designated TOD areas into the State’s Enterprise Zone program will strengthen the feasibility of job-generating developments by expanding access to critical financial incentives. Delaying the imposition of impact fees until construction is complete will further reduce upfront development costs—an especially important consideration for nonprofit and mission-driven developers like Fello. In addition, affirming TOD on State-owned, transit-adjacent land as a priority for funding under the Strategic Infrastructure Revolving Loan Fund reinforces the State’s commitment to equitable and sustainable development.

At a time when Maryland faces an acute need for affordable housing and inclusive economic growth, SB389/HB894 makes it easier to both build and finance successful mixed-use developments near transit facilities. The potential impact is substantial. MDOT estimates that more than 300 acres of State-owned land near transit—particularly in the Baltimore region and along the MARC Penn Line—could support approximately 7,000 housing units and generate \$1.4 billion in State and local tax revenue. Yet restrictive zoning alone is currently preventing an estimated 2,700 housing units from being built on transit-adjacent, State-owned land.

SB389/HB894 represents a thoughtful, strategic approach to unlocking housing supply, strengthening communities, and ensuring that Maryland’s transit investments deliver their full economic and social benefits.

For these reasons, we respectfully urge a favorable report on SB389/HB894.

Sincerely,



Jonathon Rondeau
President & CEO