



February 27, 2026

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

RE: Letter of Support – House Bill 894 – Land Use – Transit-Oriented Development – Alterations (Maryland Transit & Housing Opportunity Act)

Dear Chair Valderrama and Committee Members:

The Maryland Economic Development Corporation (MEDCO) supports the Maryland Transit & Housing Opportunity Act (House Bill 894) to help implement successful transit-oriented development (TOD) in the State.

Under the leadership of Governor Moore, Maryland has made significant investments in mass transit and set an ambitious goal of building the world's best mass transit system. Underutilized land adjacent to transit presents the opportunity to build transit-oriented communities, creating spaces where Marylanders can affordably live, shop, travel, and work. This approach, where we are maximizing State investment by connecting our transit assets, housing needs, and economic growth, is the type of strategy that Maryland needs. This legislation addresses two of the principal barriers in achieving this growth in Maryland: local zoning and project financing.

The bill addresses zoning challenges near high-frequency rail transit by adding flexibility to parking solutions for new development, encouraging mixed-use development, and allowing the Maryland Department of Transportation (MDOT) to lead on the development plan for Department-owned land contiguous to transit, working alongside local jurisdictions.

The bill addresses project financing challenges and risks by creating new incentives for TOD development. The legislation incorporates locally designated TOD areas into the State's Enterprise Zone (EZ) program, positioning sites' job-generating developments for financial incentives. The legislation will also delay the imposition of impact fees until construction of a TOD project is complete. This shift in timing will reduce upfront costs to development. The bill would also affirm that TOD on State-owned transit-adjacent land is a priority for funding under the Strategic Infrastructure Revolving Loan Fund.

House Bill 894 makes it easier to build and fund successful mixed-use development projects adjacent to transit facilities. In a time of tremendous need for economic growth and affordable housing, the benefits of leveraging the over 300 acres of State-owned land near transit are immense. MDOT estimates that its land in the Baltimore region and along the MARC Penn Line

could generate 7,000 housing units and \$1.4 billion in state and local tax revenue. However, the barriers around zoning and finance are real. MDOT estimates that current restrictive zoning on transit-adjacent, state-owned land in the Baltimore region alone is preventing 2,700 housing units from being built.

For these reasons, MEDCO respectfully requests the Committee grant House Bill 894 a favorable report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tom Sadowski", with a long horizontal flourish extending to the left.

J. Thomas Sadowski
Chief Executive Officer