



February 17, 2026

Bill: HB 778 – Land Use - Middle Housing Options - Requirements

Position: Oppose

Dear Chair, Vice Chair, and Members of the Committee:

On behalf of the Mayor and City Council of Gaithersburg, we respectfully submit this testimony in opposition to House Bill 778. The City of Gaithersburg shares the State's goal of expanding housing opportunities and has consistently taken proactive steps to support responsible residential growth, including promoting a diverse housing mix and redevelopment opportunities within our community. However, House Bill 778 raises significant concerns regarding local economic sustainability, land use authority, and practical implementation that could have unintended consequences at both the local and statewide levels.

The bill establishes an affirmative duty for local jurisdictions to evaluate commercial and industrial properties for potential housing use and to modify local laws accordingly. While redevelopment of underutilized land can be appropriate in certain circumstances, the bill prioritizes residential development over employment-generating uses without sufficient consideration of local economic conditions, workforce needs, or long-term tax base sustainability. Commercial and industrial properties play a critical role in supporting municipal revenues, job creation, and balanced community development. Mandating their evaluation for housing conversion risks undermining the commercial-to-residential balance that local jurisdictions carefully manage through comprehensive planning.

Equally concerning is the bill's limitation on local zoning authority. Land use decisions are inherently local and depend on detailed knowledge of infrastructure capacity, transportation patterns, environmental constraints, and community priorities. The legislation would override locally adopted master plans and zoning frameworks by requiring jurisdictions to authorize residential uses in areas deemed suitable for housing, regardless of locally established planning goals. The fact that a parcel could physically accommodate housing does not necessarily mean it represents the most appropriate use for the long-term health of a community. Municipalities must retain authority to determine appropriate land uses to maintain balanced communities that include residential, commercial, and employment opportunities.

The bill also imposes constraints on local development standards by limiting parking requirements to a single off-street space where "adequate on-street parking" exists, without defining how adequacy should be measured. On-street parking serves multiple competing needs — including visitors, deliveries, and service vehicles — and is not intended to meet the full parking demand generated by residential uses. Additionally, the prohibition on "unreasonable limitations" related to height, setbacks, bulk, or dimensional standards effectively removes local governments' ability to tailor zoning requirements to neighborhood context and infrastructure capacity.

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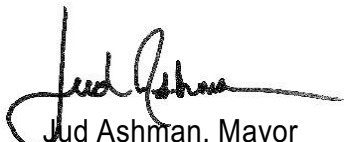
CITY MANAGER
Tanisha R. Briley

The definition of “middle housing” included in the bill does not reflect local housing market realities. For example, townhouses are classified as middle housing, yet in Gaithersburg’s housing market, townhomes are often priced at levels comparable to or exceeding traditional single-family housing, and therefore do not serve the affordability gap the bill seeks to address. Housing policy should focus on creating options that truly bridge the price gap between multifamily and single-family homes rather than applying uniform definitions that may not align with local market conditions.

Finally, the bill does not adequately account for existing development pipelines. In Gaithersburg, there are already approved but unbuilt residential units that exceed current market demand. Policies that encourage conversion of commercial land to residential use without addressing absorption challenges may inadvertently slow redevelopment of employment-supporting properties while failing to produce new housing in practice. The exemption for historic properties also should be expanded to include locally designated historic resources, as not all locally protected properties qualify for State historic designation.

For these reasons, the City of Gaithersburg respectfully urges the Committee to issue an unfavorable report on House Bill 778.

Respectfully submitted,



Jud Ashman, Mayor
City of Gaithersburg