



House Bill 778

Land Use - Middle Housing Options - Requirements

MACo Position: **OPPOSE**

To: Economic Matters Committee

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From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **OPPOSES** HB 778. The bill would effectively eliminate single-family zoning in every corner of Maryland, drastically upending Maryland's commitment to smart growth principles and challenging counties' ability to balance new development with other state and local priorities.

For the past three years, Maryland's counties and the General Assembly have shared a clear priority: expanding the supply of affordable housing. That commitment is reflected in major recent actions, including the Housing Expansion and Affordability Act of 2024 (HB 538/SB 484) and legislation authorizing Accessory Dwelling Units (ADUs) statewide in 2025 (HB 1466/SB 891). MACo played a pivotal role in advancing these—and many other—housing measures during this period. That work culminated in MACo's 2026 legislative initiative bill, the Building Affordably in My Back Yard (BAMBY) Act, a county-backed comprehensive and pragmatic path forward to meet the current moment. Counties welcome tools to help advance housing at all levels, where it fits within their infrastructure capacity.

A central focus for the Administration, local governments, and the public has been assessing how current systems function and where processes can be improved. While HB 778 appears intended to align with that objective, it falls short of a well-tailored response to Maryland's current needs and would create significant implementation challenges.

Key county concerns include:

Higher Density Without Due Consideration - Under state law, counties make density decisions by weighing multiple considerations, including infrastructure capacity, geography, environmental conditions, and community input. By requiring certain development types to be authorized broadly in areas zoned for single-family use—without sufficient regard for system capacity or other local planning factors—HB 778 could invite significant unintended consequences, including impacts to public health and safety, and would reduce a county's ability to manage growth responsibly.

Blanket Inclusion of Commercial and Industrial Parcels – Counties already use mixed-use zoning to integrate housing and commercial activity where it advances local plans and community needs. HB 778’s mandated assessment of all commercial and industrial parcels is problematic because it treats very different land types as interchangeable redevelopment sites. Commercial areas may be critical employment and small business hubs that rely on predictable zoning and site standards, while industrial parcels often reflect long-term uses fundamentally incompatible with residential development. This assessment is duplicative, and in some instances could prompt State-driven development outcomes that raise serious public health and safety concerns. The bill lays the groundwork for one-size-fits-all treatment of parcels with very different functions, risks, and capacities—matters best addressed through local planning.

Unworkable “Reasonable” Standard – A main focus of this legislative session has been providing greater certainty for residential development. HB 778’s “reasonable” standard—both in scope and definition—cuts against that objective. The bill appears to permit counties to apply certain development standards to middle housing, but then deems those same standards “unreasonable” if they have the effect of prohibiting middle housing. As drafted, this creates an untenable framework for both counties and developers to navigate, inviting confusion, inconsistent interpretation, and avoidable litigation.

Counties remain committed to partnering with the State to address Maryland’s housing needs in a pragmatic and balanced manner. As drafted, HB 778 would upend long-standing smart growth principles and well-considered local planning processes while creating significant operational and fiscal challenges for local governments. For these reasons, MACo respectfully urges the Committee to issue an **UNFAVORABLE** report on HB 778.