

**Testimony before the Maryland Senate
Education, Energy, and the Environment Committee**

Regarding
SB 325: The Maryland Housing Certainty Act

By
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Good afternoon, Chairman Feldman and Members of the Committee.

Thank you for providing the opportunity to participate in today's hearing.

My name is Zachary Marks, Executive Vice President of Real Estate Development for Enterprise Community Development. I am speaking today on behalf of ECD. We strongly support the Maryland Housing Certainty Act bill and urge its favorable report.

If adopted, SB 325 will provide a substantial increase in certainty for developers and make Maryland a more attractive place to take on the investment and risk associated with creating the new housing it so critically needs.

As the affordable housing developer and management arm of Enterprise Community Partners, ECD owns and operates 81 properties in Maryland, providing housing for almost 14,000 residents. Enterprise is a national nonprofit organization that supports community development and advances housing policy at every level. Since 1982 Enterprise has provided \$3.9 Billion in debt, equity, and grants in Maryland, supporting the creation of over 46,000 homes.

The bill does two critical things: it freezes rules and regulations that were in place when a developer begins entitlement, and it defers the timing of impact fees to the day a building can begin to accept residents. These changes will lower the cost of housing production and accelerate the delivery of housing to Maryland's residents.

Today, changing design regulations at any point in the entitlement process may require new project design. That design takes time and pauses a project from moving forward until the new law or regulation is addressed, new plans are resubmitted, and those plans approved. This can cost a significant amount of time and money and potentially impacting the number of housing units that are built.

Deferring impact fee payment until the time the building is ready for occupancy allows for fees to be funded directly by the project's construction financing, rather than by the developer out of pocket.

We recognize the importance of embedding advancements in design best practices into law and policy. For example, Enterprise is a national leader in green building with 2026 Enterprise Green Communities Criteria recognized as a widely adopted standard for excellence in energy efficiency and resilience. Local governments are wisely seeing the need to increasingly integrate green building practices and standards into their building codes as part of comprehensive climate action plans.

However, technology in solar and energy efficiency measures are moving swiftly, and available tools and products may change dramatically between a development project's first approval and its final one. Cost effectively achieving the highest green building standards such as Passive House and Zero Net Energy Ready require committing to architectural and engineering decisions very early in the design process. Once in the drawings, these decisions become part of the DNA of the community. Sudden, substantive changes to building dimensions force expensive changes that often decrease the efficiency of the building's design and function.

As one of Maryland's leading affordable housing developers, we know pedestrian safety, bus access, protected biking, and proximity of transit is important to all Marylanders but means even more to many of our residents of more limited means. They lead multimodal lives. A high quality of transit access can mean hours greater per day to continue to build their lives and make memories with their loved ones. They are more likely to walk to destinations and, as such, are more susceptible to pedestrian injury and death.

However, the late addition of new transportation design guidelines and policies can completely undo years of design work and render partially entitled developments infeasible. In just one county in Maryland, I have seen hundreds of potential units have to be removed from prospective developments, tens of millions of dollars in costs added to development budgets, and years of delay incurred. Our communities – and those of our fellow non-profit, affordable housing developers – deliver on immense public good. They cannot serve, however, until they are built.

SB 325 recognizes that perfect can be the enemy of the public good. While there is value in improving design guidelines over time, it is important to ensure those guidelines only apply prospectively, so that existing projects are able to move forward to implementation without unforeseen added costs and delays. SB325 also supports the Governor's priority to ensure more housing is produced to meet the needs of Maryland residents without moving the goalposts on approved development projects. SB 325 further supports housing production by moving the payment of impact fees to the point of receipt of building certificates of occupancy. Payment of impact fees prior to construction financing closing is a cash burden that falls hard on all developers but especially small and medium sized developers.

We can balance progress in design and construction requirements with certainty in bringing approved housing development projects to fruition to benefit Maryland residents. Certainty in the development process is among the most impactful ways to reduce project costs and often one of the cheapest to implement!

On behalf of everyone at Enterprise Community Development, thank you for the opportunity to present our views. I am happy to answer any questions.