

**DATE:** February 17, 2026

**BILL NO:** Senate Bill 36

**TITLE:** Land Use - Zoning - Limitations (Starter and Silver Homes Act of 2026)

**COMMITTEE:** Senate Education, Energy, & the Environment Committee

### **Letter of Support with Amendments**

#### **Description of Bill:**

Senate Bill 36 requires local jurisdictions to cap minimum required lot sizes for single-family homes in areas served by public water and sewer systems to 5,000 square feet; prohibits the imposition of minimum square footage or exterior dimension requirements for a single-family home; prohibits the imposition of lot coverage maximums for a single-family home and any accessory structures; limits required setbacks for a single-family home to 10 feet in the front and rear and 5 feet on the sides; prohibits the imposition of design, architectural, or aesthetic elements for a single-family home, allows the placement of town houses in areas zoned for single-family residential use, and allows owners of existing improved lots to split their lots into up to three smaller lots, provided the new lots conform to local law.

#### **Background and Analysis:**

Maryland is facing a severe housing crisis, driven by chronic underproduction of housing, that has made homeownership unaffordable to many working Maryland families. In 2000, three-quarters of Maryland households could afford to purchase the median priced single-family home in the state. By 2022, fewer than half of the state's families could afford the median priced home. Between 2015 and 2022, the number of homes available for sale in the state dropped by 64%. The high cost of housing has a serious impact on Maryland's economy, causing many young adults to leave for neighboring, more affordable states and making it difficult for employers to attract workers, costing the state billions of dollars in economic activity and tax revenue. The lack of available affordable homes in the state also exacerbates the racial homeownership gap: 78% of white households in the state are homeowners, while only 54% of Black and Hispanic households are.

This affordability crisis is, in part, driven by local zoning codes that encourage – and, in some cases, require – that new single-family housing be built on unnecessarily large lots and with large dimensions that add to their cost and contribute to sprawl and *de facto* segregation. In many areas in jurisdictions such as Annapolis, District Heights, Towson, and Parkville, existing neighborhoods and homes would be illegal to build today because of these requirements. Land costs can comprise as much as 30% of the cost of a new single-family home and requiring the purchase of ¼ or ½ acre of land (or more), especially in high-land-value areas, significantly increases the cost of buying a home. Further, many local jurisdictions severely restrict the locations in which town houses – an inherently less expensive form of single-family housing – may be built. In Maryland, the median sale price of a town house is 32% less than that of a detached single-family home. A family needs a household income of at least \$125,000 to afford the median detached single-family home,

but only \$85,000 to afford the median town house. This difference means that there are over 120,000 current renter households in the state that could theoretically afford a town house than could afford a detached single-family home.

Senate Bill 36, the Starter and Silver Homes Act of 2026, addresses the affordability crisis and will allow more Maryland families to achieve homeownership by limiting required minimum lot sizes in areas served by public water and sewer systems to 5,000 square feet (about  $\frac{1}{8}$  of an acre), allowing the placement of town houses in locations where detached single-family houses are currently allowed, and eliminating or moderating restrictive requirements on new home construction such as setback requirements, dimension and lot coverage requirements, and design, architectural, and aesthetic requirements that can add to the cost of a new home. The bill also allows owners of existing improved lots to split their lots into up to three smaller lots, provided that the new lots conform to local law, to encourage more efficient use of land.

DHCD has been engaged with local jurisdictions and other stakeholders on this bill's provisions since fall 2025. After receiving feedback on the bill, DHCD has agreed to support friendly amendment language on the following points:

- Limiting the town house provisions of the bill to areas served or planned to be served by public water and sewer systems
- Clarifying that density limitations (typically in the form of units per acre maximums) may not be used to override the bill's minimum lot size provisions
- Allowing an "environmental design option" to protect sensitive areas subject to the bill's provisions
- Exempting critical areas and forested land suitable for forest interior dwelling species from the bill's provisions
- Exempting future designated historic districts from the bill's provisions, so long as existing primary structures in those districts are at least 50 years old at the time of designation
- Clarifying that the bill's provisions do not override adequate public facilities ordinances or other local equivalent
- Moving the effective date of the bill back to Jan. 1, 2027
- Clarifying that the bill's provisions do not override applicable consent decrees
- Clarifying the definition of zones that allow single-family detached homes in the context of where town houses may be placed
- Allowing local jurisdictions to require that building height and front setbacks be consistent with those in adjacent improved lots
- Allowing local jurisdictions to set lot coverage maximums of at least 75% of the usable area of a lot, after setbacks, for a single-family home and accessory structures
- Exempting areas outside Priority Funding Areas and Growth Tiers I, II and III from the bill's provisions; and
- Clarifying the definition of "town house" to exclude stacked units and duplexes

### **DHCD Position**

The Maryland Department of Housing and Community Development respectfully requests a **favorable with amendments** report on SB 36.



**MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

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***Amendment #1: Limit town house provisions to areas served by water/sewer (DHCD)***

On page 9, in line 18, after “use” insert “, IF THE AREA IS CONNECTED OR PLANNED TO BE CONNECTED WITHIN THE NEXT FIVE YEARS TO PUBLIC WATER AND SEWER SYSTEMS”

***Amendment #2: Clarify that jurisdictions cannot circumvent lot size minimum cap through units/acre or other density limitations (DHCD)***

On page 8, in line 29, after “indirectly” insert “, INCLUDING THROUGH RESIDENTIAL DENSITY LIMITS, TYPICALLY MEASURED IN DWELLING UNITS PER ACRE, THAT ARE MORE RESTRICTIVE THAN THE REQUIREMENTS OF THIS PARAGRAPH”

***Amendment #3: "Environmental Design Option" (Sierra Club)***

On page 10, after line 2, insert:

“(F) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, THE OWNER OF A PARCEL THAT CONTAINS ONE OR MORE SENSITIVE AREAS AS DEFINED IN § 1-101(O) OF THIS ARTICLE MAY ELECT AN ENVIRONMENTAL DESIGN OPTION TO CONCENTRATE THE TOTAL ALLOWABLE RESIDENTIAL DENSITY FOR THE PARCEL INTO A SINGLE PRINCIPAL RESIDENTIAL BUILDING, INCLUDING ATTACHED UNITS, LOCATED ON THE PORTION OF THE PARCEL WITH THE LEAST ENVIRONMENTAL CONSTRAINTS, PROVIDED THAT:

(I) THE DEVELOPMENT SITE FOR THE PRINCIPAL BUILDING AVOIDS OR MINIMIZES IMPACTS TO SENSITIVE AREAS;

(II) ALL IMPACTED SENSITIVE AREAS ON THE PARCEL ARE PRESERVED IN PERPETUITY THROUGH AN EASEMENT OR OTHER PROTECTIVE MECHANISM ALLOWABLE UNDER LOCAL LAW;

(III) THE TOTAL NUMBER OF DWELLING UNITS IN THE SINGLE PRINCIPAL BUILDING DOES NOT EXCEED THE MAXIMUM NUMBER OF UNITS OTHERWISE PERMITTED FOR THE PARCEL UNDER APPLICABLE DENSITY STANDARDS; AND

(IV) THE PRINCIPAL BUILDING IS DESIGNED IN COMPLIANCE WITH APPLICABLE BUILDING, HEALTH, SAFETY, AND FIRE CODES.

(2) A LOCAL JURISDICTION MAY ADOPT PROCEDURES TO IMPLEMENT THIS ENVIRONMENTAL DESIGN OPTION CONSISTENT WITH THIS SECTION, BUT MAY NOT IMPOSE MINIMUM LOT SIZE REQUIREMENTS, SETBACKS, OR DESIGN STANDARDS THAT WOULD EFFECTIVELY PROHIBIT ITS USE FOR PARCELS QUALIFYING UNDER THIS SUBSECTION.”

*Amendment #4: Exempt all critical areas, forested land suitable for forest interior dwelling species, and all areas not currently connected to water/sewer (Arundel Rivers, Maryland League of Conservation Voters, Chesapeake Legal Alliance, Shore Rivers) (compromise)*

On page 8, in line 24, strike “or”.

On page 8, after line 26, insert: “;

(IV) LAND WITHIN THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA, AS DEFINED IN § 8-1802 OF THE NATURAL RESOURCES ARTICLE; OR

(V) FORESTED LAND SUITABLE FOR FOREST INTERIOR DWELLING SPECIES, AS DEFINED IN § 5-1607(C)(1)(III) OF THE NATURAL RESOURCES ARTICLE.”

On page 9, in line 1, after “connected” insert “WITHIN THE NEXT FIVE YEARS”

*Amendment #5: Remove the time restriction on when a historic district may be determined by a local jurisdiction (MACo, MML, M-NCPPC) (compromise)*

On page 8, in line 21, after “article” strike “on or before July 1, 2025” and substitute “;

1. ON OR BEFORE JULY 1, 2025; OR

2. IN WHICH ALL EXISTING PRIMARY STRUCTURES AT THE TIME OF SUCH DESIGNATION WERE AT LEAST 50 YEARS OLD.”

***Amendment #6: Specific clarification that legislation does not override local APFO (MACo/MML/M-NCPPC)***

On page 9, in line 29, after “codes” insert “, ADEQUATE PUBLIC FACILITIES ORDINANCES OR LOCAL EQUIVALENT”

***Amendment #7: Shifting the effective date back (MACo, MML, M-NCPPC) (compromise)***

On page 11, in line 23, strike “October 1, 2026” and substitute “JANUARY 1, 2027”

***Amendment #8: Prohibits legislation from conflicting with local Consent Decrees (City of Westminster)***

On page 10, in line 2, after “regulations” insert “, OR APPLICABLE CONSENT DECREES OR ORDERS”

***Amendment #9: Aligning definition of single-family residential use with local zoning law (City of Westminster)***

On page 8, in line 4, strike “the construction and placement of”.

On page 8, in line 5, strike “is allowed by right under local law” and substitute “ARE EXPRESSLY CLASSIFIED IN THE LOCAL ZONING LAW AS A PERMITTED BY-RIGHT USE”.

***Amendment #10: Providing that single-family homes must have consistent height to adjacent improved lots (City of Westminster)***

On page 9, in line 5, after “home” insert “, EXCEPT THAT A LEGISLATIVE BODY MAY REQUIRE THAT BUILDING HEIGHT BE CONSISTENT WITH BUILDINGS ON ADJACENT IMPROVED LOTS”.

***Amendment #11: Adding average building setback line of adjacent lots to front and rear setbacks provision (City of Westminster)***

On page 9, in line 10, strike “and rear setbacks, 10 feet; and” and substitute “SETBACKS, 10 FEET OR THE AVERAGE BUILDING SETBACK LINE OF ADJACENT IMPROVED LOTS, WHICHEVER IS GREATER;”

**2. FOR REAR SETBACKS; 10 FEET; AND**.

On page 9, in line 11, strike “2.” and substitute “3.”

***Amendment #12: Striking lot coverage maximums, building setbacks, and building element requirement preemptions from the bill (Somerset/Chevy Chase Village/MML) (compromise)***

On page 9, in line 6, after “maximums” insert: “OF LESS THAN 75% OF THE AVAILABLE LOT AREA, AFTER SUBTRACTING SETBACKS,”

***Amendment #13: Exempt areas outside of PFAs and that are not in public water and sewer tiers 1,2, and 3 (M-NCPPC)***

On page 8, in line 24, strike “or”.

On page 8, in line 26, after “Article” insert: “;

**(IV) AREAS THAT ARE:**

**1. OUTSIDE OF ANY PRIORITY FUNDING AREA, AS DEFINED IN TITLE 5, SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND**

**2. OUTSIDE OF GROWTH TIERS I, II, AND III AS ADOPTED IN ACCORDANCE WITH TITLE 1, SUBTITLE 5 OF THE LAND USE ARTICLE.**

***Amendment #14: Exclude stacked units, duplexes, etc. from the definition of townhome (MML)***

On page 4, in line 15, after “wall” insert “THAT SERVES AS A VERTICAL BOUNDARY”

On page 4, in line 16, strike “and”.

On page 4, after line 16, insert:

**“(2) EXTENDS FROM THE GROUND TO THE ROOF;**

**(3) CONTAINS MULTIPLE FLOORS OR LEVELS;**

**(4) HAS ITS OWN GROUND-LEVEL EXTERNAL ENTRANCE, OR  
SHARES AN ENTRANCE ONLY WITH AN ADJACENT UNIT;**

**(5) IS NOT LOCATED DIRECTLY ABOVE OR BELOW ANY OTHER  
DWELLING UNIT; AND”**

On page 4, in line 17, strike “(2)” and substitute “**(6)**”