



FEBRUARY 17, 2026

Zoning Reform Must Be Considered to Address Maryland's Affordable Housing Crisis

Position Statement in Support of for Senate Bill 36

Given before the Senate Education, Energy and the Environment Committee

Senate Bill 36 is a practical, pro-housing bill that reduces exclusionary zoning barriers, particularly those that inflate costs, limit housing options, and lock families out of high-opportunity neighborhoods. Senate Bill 36 addresses Maryland's housing shortage by limiting the most exclusionary zoning laws. **For these reasons, the Maryland Center on Economic Policy respectfully requests that the Senate Education, Energy and the Environment Committee issue a favorable report for Senate Bill 36.**

The bill restricts local jurisdictions from adopting or enforcing certain zoning provisions related to lot size, lot dimensions, setbacks, lot coverage, and design/architectural elements for certain single-family homes (with exceptions), and it prevents local bans on certain housing types in certain zones and certain subdivisions of certain lot types. This makes it harder to use zoning as a tool to block developments such as starter homes for working families and smaller, accessible homes for older adults looking to age in place.

Maryland's housing crisis requires a multilayered, affordability-focused approach and strategy. Maryland's housing shortage is no longer abstract—it is showing up in rent burdens, homelessness risk, and households leaving the state. Maryland's Department of Housing and Community Development (DHCD) reports that in more than half of Maryland counties, at least 50% of renters are cost-burdened, and that Maryland has a shortage of 275,000 rental units affordable to households earning 80% or less of Area Median Income, with disparate impact on minority communitiesⁱ.

National data reinforces the scale of the affordability gap. The National Low Income Housing Coalition (NLIHC) finds that in Maryland, a renter must earn \$39.15/hour to afford a modest two-bedroom at Fair Market Rent without being cost-burdened (that two-bedroom FMR is \$2,036/month, or about \$81,434/year needed) ⁱⁱ. That is far beyond what many essential workers earn, especially in regions where housing production has not kept pace with job growth and household formation.

Senate Bill 36 matters not only because it increases housing supply, but because it pushes back against a land-use framework with a long history of exclusion. After explicit race-based zoning was struck down in *Buchanan v. Warley* (1917), jurisdictions across the country increasingly relied on "race-neutral" tools—like minimum lot sizes, bans on multifamily housing, and other restrictive zoning—to keep housing prices high and prevent lower-income households (disproportionately Black and Brown) from accessing certain neighborhoods. The result has been predictable: restricted housing supply, higher prices, and persistent racial and economic segregation.

Federal economic analysis has noted that exclusionary zoning has been used for decades to discriminate against people of color and to maintain high property prices, limiting access to opportunity. Peer-reviewed research

similarly documents zoning’s role as a discriminatory policy tool and examines how zoning can deter minority residents through density restrictions.

Senate Bill 36 is a key step toward a housing market that works for more Marylanders. It curbs exclusionary zoning practices, expands housing choice, and supports affordability and opportunity, especially for Black and Brown households and low- to moderate-income earners who have been priced out by design. For these reasons, the Maryland Center on Economic Policy respectfully urges a **favorable report on Senate Bill 36**.

Equity Impact Analysis: Senate Bill 36

Bill summary

Senate Bill 36 promotes housing affordability and choice by limiting the ability of local jurisdictions to use restrictive zoning rules that block the creation of modest, attainable homes. The bill prohibits local governments from adopting or enforcing certain zoning provisions such as excessive minimum lot sizes, dimensional requirements, setback rules, lot coverage limits, and costly design or architectural mandates for qualifying single-family homes, while allowing reasonable health and safety exceptions. Senate Bill 36 also prevents jurisdictions from banning specific housing types in appropriate zones and from prohibiting the subdivision of certain lots. Together, these reforms are intended to remove barriers to “starter homes” for first-time buyers and smaller “silver homes” for older adults, helping to increase housing supply, lower costs, and expand options for working families across Maryland.

Background

Maryland is facing a deep and growing housing affordability crisis driven in large part by decades of restrictive local zoning practices that have limited the production of modest, attainable homes. Across much of the state, local rules such as large minimum lot sizes, excessive setback requirements, and bans on multifamily or smaller-scale housing have constrained supply and driven up costs, making it increasingly difficult for low- and moderate-income households to find stable housing. These policies are rooted in a long history of exclusionary land use practices that were designed to keep certain neighborhoods economically and racially homogenous, and their effects continue to fall hardest on Black and Brown communities and working-class families. At the same time, Maryland is experiencing a significant housing shortage and rapidly rising rents and home prices, while wages for many essential workers have not kept pace. Senate bill 36 responds to these challenges by removing outdated zoning barriers that prevent the construction of smaller, more affordable homes and by expanding opportunities for starter homes and aging-in-place options in communities across the state.

Equity Implications

Maryland needs starter homes that first-time buyers can afford and “silver” homes that allow older adults to downsize without leaving their community. After explicit race-based zoning was struck down in *Buchanan v. Warley* (1917), jurisdictions across the country increasingly relied on “race-neutral” tools—like minimum lot sizes, bans on multifamily housing, and other restrictive zoning—to keep housing prices high and prevent lower-income households (disproportionately Black and Brown) from accessing certain neighborhoods.

The result has been predictable: restricted housing supply, higher prices, and persistent racial and economic segregation. Federal economic analysis has noted that exclusionary zoning has been used for decades to discriminate against people of color and to maintain high property prices, limiting access to opportunity. Peer-reviewed research similarly documents zoning’s role as a discriminatory policy tool and examines how zoning can deter minority residents through density restrictions.

For Black and Brown Marylanders who have faced generations of structural barriers to homeownership, neighborhood choice, and wealth-building, zoning that blocks smaller, more attainable homes functions like a “silent gate.” It limits entry into communities. DHCD’s statewide assessment points to the growing older adult population and the need for more local housing options that support aging in place. Senate Bill 36 aligns with that reality by reducing zoning barriers that block smaller footprints and more flexible home designs.

Impact

Senate Bill 36 will likely **improve racial, health and economic equity** in Maryland.

ⁱ Maryland Department of Housing and Community Development. (2025, July 24). *State of Maryland Releases 2025 Housing Needs Assessment* (press release).

ⁱⁱ National Low Income Housing Coalition. (2025). *Out of Reach 2025: Maryland—State Facts (PDF)*.