



Testimony to the Environment & Transportation Committee
SB 225 – Interjurisdictional Watersheds
Position: Unfavorable (UNF)

While we share the important goal of improving flood resilience and environmental protection, SB 225 would have significant unintended consequences for housing production - particularly affordable housing in the Baltimore region - by increasing uncertainty, restricting land supply, and adding costs that affordable housing projects cannot absorb. In a state facing a severe housing shortage, we feel that this bill moves Maryland in the wrong direction. A few of our major concerns include:

- 1. Creates a New Layer of Regulatory Uncertainty** - Affordable housing development depends on predictability across multiple jurisdictions, including local zoning, state permitting, financing timelines, and environmental review. SB 225 introduces a new interjurisdictional planning and designation framework that could lead to longer permit approvals and unclear compliance standards.
- 2. De Facto Downzoning** - By designating broad watershed areas as flood hazard planning zones, SB 225 will likely impose additional restrictions on density, impervious surface limits, and site design. These designated areas frequently overlap with infill, redevelopment, and transit-adjacent sites—areas essential for housing production. The result will be fewer buildable sites, particularly for affordable housing in already constrained markets.
- 3. Disproportionate Impacts on Affordable Housing** - Affordable housing is commonly developed on underutilized land, redevelopment sites, and locations near existing infrastructure - including waterways and older industrial corridors. These are also the areas most likely to fall within designated watershed zones. Unlike market-rate development, affordable housing has limited flexibility. Developers cannot simply shift to easier sites or absorb new constraints. As a result, SB 225 will disproportionately reduce the number of feasible affordable housing sites statewide.
- 4. Increased Costs That Affordable Housing Cannot Absorb** - The additional environmental review, mitigation requirements, and design changes triggered by SB 225 will directly increase development costs and create larger financing gaps. Affordable housing projects cannot raise rents to offset higher costs. Instead, projects will either become infeasible or require additional public subsidy.
- 5. Undermines Statewide Housing Goals** - Maryland has acknowledged the need to dramatically increase housing production and has adopted ambitious housing targets. SB 225 works against those goals by constraining the supply of developable land, slowing project approvals, and increasing development costs. These impacts will compound across jurisdictions and significantly hinder housing production statewide.



If the State's goal is flood resilience, more effective and housing-supportive approaches would include directly funding mitigation and infrastructure improvements, incentivizing resilient design through grants or Qualified Allocation Plan (QAP) scoring, and avoiding broad land-use restrictions that suppress housing production.

Maryland cannot solve its housing shortage by making housing harder to build. SB 225, though well-intentioned, would add cost, delay, and uncertainty to the very projects the State is trying to encourage—particularly affordable housing developments that operate on the thinnest margins.

MAHC is the leading organization for the affordable rental housing industry in Maryland and represents over 185 member organizations, including nonprofit and for-profit developers, community action groups, State and local housing authorities, property management companies, financial institutions, community development organizations, contractors, investors, consultants and individuals. This new tax exemption will provide an additional resource for our nonprofit members to use for the development and preservation of affordable housing across Maryland. **We urge you to vote an unfavorable report on SB 225.**

Respectfully submitted on April 2, 2026 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.

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