

February 17, 2026

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis MD 21401

RE: Letter of Support – Senate Bill 389 – Land Use – Transit-Oriented Development – Alterations (Maryland Transit & Housing Opportunity Act)

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) supports Senate Bill 389 - the Maryland Transit & Housing Opportunity Act - in order to improve conditions for the implementation of successful transit-oriented development (TOD) in the State.

The Moore-Miller Administration is committed to advancing economic development and new housing opportunity. The State believes leveraging TOD along existing transit assets plays a key role in addressing the State's housing crisis while spurring economic development and job growth in our communities. MDOT estimates that its land in the Baltimore region and along the MARC Penn Line could generate 7,000 housing units and \$1.4 billion in State and local tax revenue. However, the barriers around zoning and finance are real. MDOT estimates that current restrictive zoning on transit-adjacent, State-owned land in the Baltimore region alone is preventing 2,700 housing units from being built.

Under the leadership of Governor Moore, Maryland has made significant investments in mass transit and set an ambitious goal of building the world's best mass transit system. Underutilized land adjacent to transit presents the opportunity to build transit-oriented communities, creating spaces where Marylanders can affordably live, shop, travel, and work. This approach, where we are maximizing State investment by connecting our transit assets, housing needs, and economic growth, is the type of strategy vision that Maryland needs. This legislation addresses two of the principal barriers in achieving this growth in Maryland: local zoning and project financing.

SB 389 seeks to address these challenges head-on with a set of policy reforms:

- **Zoning.** SB 389 reintroduces the land use and zoning provisions included in House Bill 80 of the 2025 Session, as it passed the House and was proposed to be amended in the Senate. The specific provisions make changes to local zoning policy near high-quality transit to move projects toward implementation.
 - The bill eliminates minimum parking requirements within ¼ mile of certain rail transit stations that receive at least hourly service during peak periods.
 - The bill permits mixed-use development within ½ mile of certain rail transit station that receive at least hourly service during peak periods in an area already zoned for residential or commercial use.

- For State land, the bill permits the Maryland Department of Transportation (MDOT) to set the density, height, site configuration, land use classification, and parking requirements on State transportation land contiguous to certain rail transit stations that receive at least hourly service during peak periods. In doing so, the Department must develop a master development plan for the land in concert with local jurisdictions. MDOT has, and will continue to, work closely with local jurisdictions to retain local involvement in the development of plans for transit sites, and the legislation retains important roles for the local jurisdiction for both private and public land.
- **Implementation.** The legislation permits that proposed projects under the TOD Capital Grant and Loan Fund be given scoring preferences, subject to certain conditions.
- **Funding and Financing.** This legislation would address economic and financial barriers to TOD through appropriate incentive policies. The following policies would apply to designated TOD areas served by high-quality rail transit:
 - **Enterprise Zones.** This legislation incorporates these TOD designated areas into the State's Enterprise Zone program. Doing so will position the sites for commercial and job generating development and provide them access to the financial incentives afforded to qualifying investments in Enterprise Zones.
 - **Impact Fees.** For sites subject to impact fees under a local adequate public facilities ordinance, the legislation will delay the imposition of those fees until construction of a project is complete and a Certificate of Occupancy is obtained. This shift in timing will relieve projects of paying these fees until the necessary services to mitigate any impacts are needed and to reduce upfront costs to development.
 - **Strategic Infrastructure Revolving Loan Fund Priority.** The legislation would affirm that redevelopment opportunities on State-owned transit-adjacent land are priorities for funding under the Maryland Economic Development Corporation (MEDCO) Strategic Infrastructure Revolving Loan Fund.

Senate Bill 389 makes it easier to build and fund successful mixed use development projects adjacent to transit facilities. Taken together, these measures leverage the State's multi-billion-dollar investment in transit to support housing goals, generate inclusive economic growth, and grow system ridership, turning transit-oriented sites into opportunities for job and wealth creation throughout Maryland.

The Honorable Pamela Beidle
Page Three

The Maryland Department of Transportation respectfully requests that the Committee consider this information during its deliberations and issue Senate Bill 389 a favorable report.

Respectfully submitted,

Kathryn Thomson
Acting Secretary
Maryland Department of Transportation

Matthew Mickler
Director of Government Affairs
Maryland Department of Transportation
410-865-1090