



Testimony to the Finance Committee
SB 389 – Maryland Transit and Housing Opportunity Act
Position: Favorable with Amendments (FWA)

SB 389's goal is to increase housing production and strengthen transit-oriented development in Maryland, which we wholeheartedly support. We know that expanding access to housing near transit is critical to lowering housing and transportation costs for low-income families, to promoting economic mobility, and to building vibrant communities. However, we are concerned about one component of the current bill language — the inclusion of Project Labor Agreements as a scoring preference for state-supported development projects.

Affordable housing developers are already working within extremely tight financing and cost constraints. The enormous gap between development costs and affordable rents means that every dollar counts in bringing a project to financial feasibility. Research from multiple jurisdictions has raised concerns that requiring or prioritizing PLAs can *increase construction costs* for housing projects — in some cases materially — by reducing competitive bidding and altering labor cost structures. Some analyses have found that PLA requirements on large housing initiatives have been associated with *higher per-unit costs* and fewer total units produced than would otherwise have been possible with open competitive bidding.

The Maryland Affordable Housing Coalition (MAHC) believes *good public policy should encourage creative workforce partnerships without inadvertently increasing barriers to housing production*. We urge the Committee to consider amendments that either remove the PLA scoring preference or clarify that such preferences are entirely voluntary tools, not conditions that could disadvantage smaller, non-union or community-based affordable housing developers. This approach would help ensure that this legislation truly expands affordable housing without constraining competition or driving up costs.

We applaud the sponsors' intent to support transit-oriented housing, and we look forward to working with members of this Committee to strengthen SB 389 in a way that maximizes housing production and preserves competitive, cost-efficient development.

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 your support of SB 389 with a friendly amendment related to PLA incentives.**



Respectfully submitted on February 13, 2026 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.

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