

2026_0213 SB0389 Pickard Testimony TOD Maryland Tr

Uploaded by: Allison Pickard

Position: FAV



COUNTY COUNCIL OF ANNE ARUNDEL COUNTY

ALLISON M. PICKARD
Second District

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 Beidle and Committee Members:

I am writing to express my strong support for the Maryland Transit & Housing Opportunity Act (Senate Bill 389) to help implement successful transit-oriented development (TOD) in the State.

I have been a proponent for breaking down land use barriers to TOD here in Anne Arundel County, and I welcome the tools this bill offers to unlock TOD opportunities, particularly on State-owned land. MDOT is actively planning Joint Development at the Odenton MARC Station and the Cromwell Light Rail Station, and the tools put forward in this bill will help facilitate those important mixed-use projects.

Underutilized land adjacent to transit presents the opportunity to build transit-oriented communities, creating spaces where Marylanders can affordably live, shop, travel, and work. As such, the bill has the potential to yield significant economic benefits for the Baltimore Region and beyond:

1. **Increased property values:** Research shows that transit-oriented development (TOD) typically leads to property value growth around transit hubs due to the convenience and accessibility they provide. This rise in property values can increase tax revenues for local governments, which can be reinvested into infrastructure, public services, and amenities.
2. **Fiscal savings:** By concentrating development around transit stations, TOD maximizes land use in areas where infrastructure and services are already in place, reducing the need for extensive new infrastructure investments. This helps lower development costs for both the public and private sectors and can also reduce the strain on road systems, which can be expensive to maintain.
3. **Reduced transportation costs:** TOD encourages people to rely less on private vehicles, which lowers household transportation expenses. This can lead to more disposable income for

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COUNTY COUNCIL OF ANNE ARUNDEL COUNTY

ALLISON M. PICKARD
Second District

residents, stimulating local businesses and promoting local economic activity, among other benefits.

4. **Job creation:** TOD projects stimulate job creation through the construction of infrastructure, housing, and commercial space, and from ongoing operations (e.g., public transportation, retail businesses, and other services near transit hubs). This has a multiplier effect, supporting additional employment opportunities in the surrounding area.
5. **Increased business activity:** TOD typically combines residential, commercial, and recreational spaces in close proximity to one another, creating dense economic ecosystems of businesses and consumers. Such concentration encourages spontaneous interactions that can benefit local businesses.
6. **Attraction of workers and investment:** Areas that are well-connected to transit systems are often seen as more desirable places in which to live and work, attracting both talent and private investment. This in turn can foster the development of new firms, housing, and retail establishments, all of which contribute to economic growth.

This legislation addresses two of the principal barriers in achieving this growth in Maryland: local zoning and project financing.

First, the bill addresses zoning challenges near high-frequency rail transit by adding flexibility to parking solutions for new development, encouraging mixed-use development, and allowing the Maryland Department of Transportation (MDOT) to lead on the development plan for Department-owned land contiguous to transit, working alongside local jurisdictions.

Second, the bill addresses project financing challenges and risks by creating new incentives for TOD development. The legislation incorporates locally designated TOD areas into the State's Enterprise Zone (EZ) program, positioning sites' job-generating developments for financial incentives. The legislation will also delay the imposition of impact fees until construction of a TOD project is complete. This shift in timing will reduce upfront costs to development. The bill would also affirm that TOD on State-owned transit-adjacent land is a priority for funding under the Strategic Infrastructure Revolving Loan Fund.



COUNTY COUNCIL OF ANNE ARUNDEL COUNTY

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Second District

In a time of tremendous need for economic growth and affordable housing, the benefits of leveraging the over 300 acres of State-owned land near transit are immense. 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.

For these reasons, I respectfully request the Committee grant Senate Bill 389 a favorable report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Allison M. Pickard".

Allison M. Pickard

MDP FAV Written Testimony - SB 389 - Maryland Tran

Uploaded by: Andrew Wilson

Position: FAV

HEARING DATE: February 17th, 2026

BILL NO: SB 389

COMMITTEE: Finance

POSITION: Support

FOR INFORMATION CONTACT: Andrew Wilson (443) 721-6789

TITLE: Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

BILL ANALYSIS:

SB 389 amends portions of the Economic Development, Land Use, and Local Government Articles to promote Transit-Oriented Development (TOD) around transit stations that receive at least hourly service, Monday through Friday, from 8am – 6pm. The amendments proposed would: 1) automatically designate TOD areas as Enterprise Zones, allowing local commercial entities to capitalize on related funding; 2) prohibit local jurisdictions with land use authority from imposing an off-street parking requirement on residential or mixed-use development located within a quarter mile of a rail transit station that receives the frequency of service noted above; 3) require local jurisdiction’s zoning laws to allow for mixed-use development within a half mile of a rail transit station that receives the same frequency of service noted above; 4) prohibit local jurisdictions from imposing height, setback, or any similar requirement of state owned land subject to a TOD plan and in use for a rail transit station that receives the same frequency of service noted above; and 5) delay the collection of excise taxes and impact fees, excluding those for public water and sewer services, until the construction of a qualifying residential real estate project located within a TOD area is complete and the certificate of occupancy or local equivalent has been issued.

POSITION AND RATIONALE:

The Maryland Department of Planning (MDP) supports SB 389 and is providing testimony specific to: (1) the elimination of minimum off-street parking requirements on a residential or mixed-use development that is located within ¼ mile of a rail transit station with the stipulated service frequency; (2) the mandated allowance of mixed-use development within ½ mile of a rail transit station with the stipulated service frequency; and (3) the prohibition of imposing certain local zoning restrictions if a state-owned land in use for a transportation purpose adjacent to a transit station has an approved transit-oriented development plan by the Maryland Department of Transportation (MDOT) and is developed in coordination with the local jurisdiction.

MDP is the primary state agency tasked with both supporting local governments in their implementation of the Land Use Article and with the State's oversight of sustainable growth land use policy such as the State Economic Growth, Resource Protection, and Planning Policy and Priority Funding Areas. MDP also partners with DHCD and MDOT to align community revitalization goals with transportation planning using data and geospatial mapping in developing interactive tools to assist in local decision-making regarding land use and development. One such tool is [the Transit Station Area Profile Tool \(TSAPT\)](#) that displays demographic and socioeconomic, residential and commercial market overview, land use, and ridership data, as well as transit services and state incentive zones around Maryland's rail transit stations. This tool is used by local governments, interest groups, and the private sector to explore TOD opportunities in their community. MDP is developing additional tools and resources to assist local governments advance affordable housing opportunities in their communities.

The elimination of minimum off-street parking requirements and prohibition of the legislative body from preventing mixed-use developments within half mile of rail transit stations, as proposed in SB 389, are targeted policy incentives to encourage TOD in areas with multi-modal choices and typically have an abundance of off-street parking. The elimination of minimum parking standards is a proven best practice for encouraging denser development in residential and employment growth areas by enhancing their financial feasibility and optimizing land use. MDP asserts that all areas within ½ mile of a transit station are ideally suited for residential and employment growth. This bill will also help prevent valuable land within ¼ mile of a transit stop from being used for surface parking. Surface parking hinders sustainability, encourages single occupancy vehicle trips, and impedes pedestrian networks, all of which work in opposition to effective TOD development.

SB 389's aim is to encourage higher density and mixed-use development within ½ mile of a rail transit station. Research and case studies indicate ½ mile walk distances from transit to be acceptable for the avoidance of cars or other vehicles to connect people from their home to transit centers. Increasing the number of residents living within walking or cycling distance to rail transit stations also reduces overall carbon footprint, improves health, increases access to employment centers connected by transit and supports social connectivity to enhance community well-being. All these factors are also well documented contributors to community resiliency, placemaking, and economic competitiveness. The bill also provides important development flexibility and certainty for TOD projects on state-owned land contiguous to rail transit stations. This flexibility and certainty will optimize transit investments to benefit the maximum number of people, which has the added potential to increase overall ridership, leading to improved financial viability of the transit systems. Additionally, encouraging higher densities and mixed-use development will also attract other public and private investment in the area, leading to greater economic and community development around the rail stations.

This bill advances six of the eight Sustainable Growth Planning Principles that make up the State's Economic Growth, Resource Protection, and Planning Policy: **Land** – *prioritizing development within population centers*; **Transportation** – *prioritizing energy-efficient, affordable, and reliable transportation networks*; **Housing** – *enable a mix of quality housing types*; **Economy** – *allow for adaptive reuse and mixed-use*; **Equity** – *ensure diverse voices are heard and needs of underserved are prioritized*; and **Place** – *provide for public spaces that encourage social interaction*.

MDP stands ready to support local jurisdictions with the interpretation and implementation of SB 389 and will continue to develop data-driven tools to inform decision-making. This bill will have a positive impact on communities and support Maryland's sustainable growth for generations to come.

MDP Position

The Maryland Department of Planning respectfully requests a **favorable** report on SB 389.

MDOD_SB0389_FIN_FAV_2026.2.13.doc.pdf

Uploaded by: Anne Blackfield

Position: FAV



BILL: SB 389
POSITION: FAV - Favorable
COMMITTEE: Finance
DATE: February 13, 2026

SUBMITTED BY: Maryland Department of Disabilities
217 East Redwood Street, Suite 1300, Baltimore, MD 21202

Dear Chair Beidle,

The Maryland Department of Disabilities (MDOD) is pleased to submit this letter of support for **SB 389, Maryland Transit and Housing Opportunity Act**. This legislation will strengthen transit-oriented development policies across Maryland, unlock new opportunities for affordable housing near high-quality public transportation, and advance equitable access to community resources for Marylanders with disabilities.

SB 389 would provide critical updates to land use and zoning practices by:

- Automatically designating qualifying transit-oriented developments as enterprise zones, encouraging mixed-use residential and commercial growth near transit stations;
- Prioritizing transit-oriented redevelopment projects for loans under the Strategic Infrastructure Revolving Loan Program;
- Altering local authority on land use near certain transit facilities to support coordinated development; and
- Delaying the collection of specified development impact fees and excise taxes for certain residential projects near transit areas to spur construction and lower initial cost barriers.

For people with disabilities, access to affordable and accessible housing near public transportation is essential to full participation in community life. Individuals with disabilities, particularly those living on limited or fixed incomes, face disproportionate challenges in securing housing that is both affordable, accessible and located near essential services, jobs, healthcare, and social supports. Transportation costs compound the financial burden when housing is distant from transit, and inaccessible housing options often force individuals to choose between mobility, independence, and financial security.

By promoting housing production in areas well-served by public transit and by reducing regulatory and financial barriers to development near these stations, this legislation will help expand the supply of affordable housing that is truly accessible to people with disabilities. This

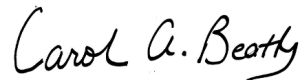
217 EAST REDWOOD STREET, SUITE 1300, BALTIMORE, MARYLAND 21202

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approach aligns with statewide goals to create more inclusive, connected, and economically sustainable communities where everyone, regardless of income or ability, can live independently and engage fully in work, education, and civic life.

This legislation is a meaningful step toward equitable housing for all Maryland residents, including people with disabilities who are disproportionately affected by housing affordability and accessibility challenges. For these reasons, MDOD respectfully requests a **favorable report on SB 389**.

Sincerely,



Carol A. Beatty
Secretary, Department of Disabilities

SB0325-EEEC-FAV.pdf

Uploaded by: ARLISA ANDERSON

Position: FAV

Robin Truiett-Theodorson
Chairperson | Board of Commissioners

Janet Abrahams
President | Chief Executive Officer



February 17, 2026

TO: Members of the Judicial Proceedings
FROM: Janet Abrahams, HABC President & CEO *JA*
RE: SB 325 – Land Use – Permitting – Development Rights
(Maryland Housing Certainty Act)

POSITION: Letter of Support

Chair Feldman, Vice Chair Kagan and Members of the Education, Energy, and the Environment Committee, please be advised that the Housing Authority of Baltimore City wishes to submit testimony on SB 325 – Land Use – Permitting – Development Rights (Maryland Housing Certainty Act).

The Housing Authority of Baltimore City (HABC) is one of the largest public housing authorities (PHAs) in the country and Baltimore City’s largest provider of affordable housing opportunities. HABC serves over 46,000 individuals in Baltimore City through its Public Housing and Housing Choice Voucher (HCVP) programs, which help to house low- to extremely low-income families and individuals that consist of some of the city’s most vulnerable populations, including those at risk of homelessness, the elderly, people with disabilities, veterans, and families with children. Our HCVP program provides subsidies to households to rent quality affordable housing in the private market. HABC currently assists nearly 22,000 households through HCVP with over 2,800 landlords participating in the program.

SB 325 – proposes requiring the approval of a housing development project application by a local regulatory authority or the Maryland-National Capital Park and Planning Commission to be governed only by certain laws and regulations in effect at the time of submission of a substantially complete application; granting the proponent of an approved housing development project certain vested rights related to use and development for a certain time period.

HABC supports the efforts to make housing development more efficient and expeditious for redevelopment efforts throughout our great state. The housing shortage in our state needs forward thinking legislation such as the Maryland Housing Certainty Act to help development partners create housing in a timely manner to meet the housing needs of our citizens. The need for affordable housing is great and this legislation will help us build more affordable housing.

We request a favorable report on SB 325.

Housing Authority of Baltimore City | 417 East Fayette Street, Baltimore, MD 21202

410.396.3232 www.HABC.org @BmoreHabc

2026 GBCC SB 389 TOD Support.pdf

Uploaded by: Ashlie Bagwell

Position: FAV



THE GREATER BETHESDA
CHAMBER of COMMERCE

Better business. Stronger community.

Testimony on behalf of the Greater Bethesda Chamber of Commerce

In Support of

Senate Bill 389— Land Use—Transit-Oriented Development—Alterations (Maryland Transit and Housing Opportunity Act)

February 17, 2026

Senate Finance Committee/Senate Education, Energy and Environment Committee

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 650 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 389—Land Use—Transit-Oriented Development—Alterations (Maryland Transit and Housing Opportunity Act).

We strongly support Senate Bill 389 as it modernizes Maryland’s transit-oriented development framework by aligning housing and economic growth more closely with existing rail infrastructure. These changes reduce regulatory and financial barriers near transit stations by automatically designating qualifying transit-oriented developments as Enterprise Zones, eliminating minimum parking requirements near rail, requiring mixed-use zoning, delaying the collection of impact fees until after occupancy and prioritizing redevelopment of underutilized state-owned land. Collectively, these updates make it easier and less risky to develop housing and commercial projects in areas where the state has already made significant public investment in transit. For small businesses and local employers, access to reliable transit and walkable mixed-use districts is not just a planning priority—it is a key economic driver.

We believe Senate Bill 389 will help create the kind of connected, vibrant, and economically competitive communities that benefit residents, businesses, and the state as a whole. For these reasons, we urge a favorable vote on Senate Bill 389.

SB 389 - Land Use - Transit-Oriented Development -

Uploaded by: Brian Wivell

Position: FAV

Amalgamated Transit Union Local 1300

126 W. 25th Street, Baltimore, Maryland 21218
Telephone: 410-889-3566 Facsimile: 410-243-5541
www.atu1300.org

Proudly representing the transit workers of the MTA!



SB 389 - Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

Favorable

Senate Finance Committee

February 17th, 2026

ATU Local 1300 represents over 3,000 transit workers at the Maryland Transit Administration (MTA). This includes bus operators, bus mechanics, rail operators, rail maintenance workers, and more. Our members keep Maryland moving every day.

Transit oriented development (TOD) is a key component of sustainable transportation. Building dense, mixed-use, and walkable neighborhoods near our existing transit infrastructure is essential to ensure we get the best return on our investments. As a transit union, one of our goals is to help move as many riders to where they need to go. TOD drives ridership and helps decrease car dependency. Maryland has a substantial number of underutilized rail stations that would benefit from a serious statewide push for transit oriented development.

SB 389 helps promote transit oriented development by removing many of the roadblocks to development through statewide standardization of rules that restrict growth around rail transit stations. This is a commonsense step forward that will lead to more housing and transit ridership.

We urge the committee to issue a favorable report on SB 389.

LWVMD - SB 389 - Maryland Transit and Housing Oppo

Uploaded by: Casey Hunter

Position: FAV



TESTIMONY TO THE SENATE FINANCE COMMITTEE

SB 389 - Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

POSITION: Support

By: Linda T. Kohn, President

Date: February 17, 2026

The League of Women Voters of Maryland supports policies that expand access to affordable housing and promote transportation systems that connect Marylanders to jobs, education, healthcare, and essential services. The League believes that connecting housing to clean and affordable transportation options is critical for expanding economic opportunity and strengthening communities across Maryland.

The League of Women Voters of Maryland **supports SB 389**, the Maryland Transit and Housing Opportunity Act, which would incentivize the development of housing near rail transit stations and help remove barriers to transit-oriented development. By expanding housing opportunities near public transit, this bill would help reduce household costs, better connect Marylanders to job opportunities, and support the state's goal of reducing climate pollution from transportation.

Housing and transportation are the two largest household expenses for most Maryland families. With car ownership costing more than \$12,000 per year on average, many Marylanders are being priced out of basic mobility. When transportation becomes unaffordable, it limits access to jobs, education, healthcare, and other essential services. Transportation should connect Marylanders to opportunities – not act as a barrier for economic mobility. Expanding housing near reliable transit helps ensure that access to opportunity is not determined by whether someone can afford to own a car.

SB 389 helps address these challenges by encouraging housing development in areas already served by transit and removing barriers that have limited transit-oriented growth. By better aligning housing and transportation planning, this bill supports more affordable, connected, and sustainable community development across Maryland.

The League of Women Voters of Maryland and its 2,000 members strongly **urge a favorable report on SB 389**.

CSG MD SB389 TOD bill testimony 2026.pdf

Uploaded by: Cheryl Cort

Position: FAV

Testimony on SB 389
Maryland Transit and Housing Opportunity Act
Senate Finance Committee
By Cheryl Cort

Date: February 13, 2026

Position: **Support**

The Coalition for Smarter Growth (CSG) strongly supports **SB 389**. CSG advocates for walkable, bikeable, inclusive, and transit-oriented communities as the most sustainable and equitable way for the Washington, DC region to grow and provide opportunities for all. We work extensively in Prince George's and Montgomery counties.

Transit-oriented development (TOD) plays a critical role in addressing two key Maryland challenges: housing and transportation. Workers and families benefit from expanded transportation and housing options and greater affordability through TOD.

SB 389 would facilitate TOD for underutilized, high-capacity, frequent service rail stations by reducing parking requirements within one-quarter of a mile. It would unlock the potential for mixed uses by allowing mixed use within one half mile, and it would lower the upfront costs of TOD by collecting impact fees at the completion of the project, rather than when the project is just getting started. The bill also enables the state to plan and implement a TOD for its land directly contiguous to the high frequency rail station in coordination with the local government. These land use provisions are largely the result of extensive conversation from last year's bill.

This year's bill addresses core regulatory issues to create quality TOD in concert with local governments. The goal is to grow transit ridership and economic potential from these major state transit investments. The bill is focused to unlock high-potential sites providing targeted regulatory changes to facilitate TOD where it can have the greatest positive impact.

We think this bill gets the balance right with effective and meaningful changes that are also focused. By facilitating TOD through this bill, we benefit Maryland households with more affordable transportation and housing options, while also boosting the state and local economy.

In a period of state fiscal constraint, transit-oriented development is a housing and transportation solution that takes advantage of existing infrastructure, leverages private investment and provides significant returns.

We ask for a **favorable report for SB 389** by the committee. Thank you.

SB 389 Maryland Transit and Housing Act - Support.

Uploaded by: Chris Parts

Position: FAV



13 February 2026

The Honorable Senator Pamela Beidle
Chair of the Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: Letter of Support for SB 389
Maryland Transit and Housing Act

Dear Chair Beidle and members of the Finance Committee:

I am writing to voice AIA Maryland's support for Senate Bill 389 – Maryland Transit and Housing Act. AIA Maryland represents nearly 2,000 architects in the state of Maryland and advocates for the profession and the quality of the built environment. Many of our architect members play an important role in helping to plan, design, and build affordable housing for Maryland. This bill takes several steps to building housing where it is needed, and helps to guide development to build communities that serve the needs of residents and the adjacent communities. We ask for your support of this bill that helps to address our significant housing needs and build vibrant communities around our transportation hubs.

The key points of this legislation are:

Zoning guidance in this legislation enables efficiencies through zoning

- It allows the State Transportation Oriented Development plan developed in coordination with the local jurisdiction to guide planning of the project.
- It eliminates parking requirements within ¼ mile of transit, as fewer residents will likely be reliant on automobile transportation for travel
- It requires mixed use development within ½ mile of transit stations. This makes communities that serve needs of community members and it builds more sustainable communities for those using transportation.

Aspects of the bill also help with project cost to make them easier to finance and build

- Stations on transportation nodes are incorporated into enterprise zones to enable the projects to be candidates for a loan program targeted at projects to support transformative place making.
- This delays impact fees to defer them to when the project is occupied so fees are paid not up front, but when occupants begin to have an impact on the communities in which they are built
- This also enables TOD financing to be available for these projects.

Many of our current transportation nodes are largely parking areas that may be considered stops, but not destinations. These current hubs do not contribute to enhancing community and this proposed plan creates a way to build communities through residents and a mix of uses to make the hubs a destination. We are pleased to support this bill and we ask for your to vote in favor of SB 389.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Parts".

Chris Parts, AIA
Director, Past President, AIA Maryland

SB 389 Testimony - ACEEE.pdf

Uploaded by: Christi Nakajima

Position: FAV

**Testimony for
Senate Finance Committee
Chair Pamela Beidle
Proponent testimony on SB 389
Testimony of Christi Nakajima
Senior Research Analyst, Transportation, American Council for an Energy-Efficient Economy**

February 17, 2026

Chair Beidle and Members of the Senate Finance Committee:

On behalf of the American Council for an Energy-Efficient Economy (ACEEE), I am writing in support of MD SB 389. ACEEE is a nonprofit research organization that develops transformative policies to reduce energy waste and combat climate change. Our research and analysis has helped to inform federal, state, and local policy in the buildings, transportation, industrial, and utility sectors over several decades.

SB 389, or the “Maryland Transit and Housing Opportunity Act”, would help developers build more housing and commercial development near certain rail transit stations. It would achieve this in part by removing the barriers to development, namely minimum parking requirements and restrictions on mixed-use development, and delaying certain project fees.

Barriers to efficient land use and development

Research has shown that minimum parking requirements often [raise the cost](#) to build, and therefore to rent or buy, housing. These requirements often mandate higher quantities of parking spaces than what developers would otherwise build and are particularly unnecessary in areas near major transit stations, where residents are less likely to rely on vehicles. Removing minimum parking requirements near certain transit stations would allow developers to build the appropriate amount of parking while keeping costs affordable for residents.

Additionally, allowing mixed-use development near transit can facilitate convenient access to grocery stores, clothing retailers, restaurants, gyms, daycares, and other non-residential locations by walking or biking. Providing an alternative travel mode for certain trips can help residents save on gas, which costs US households an average of [\\$2,900 per year](#). Allowing commercial development near transit in addition to residential development can not only support those residing near the station, but also make transit more impactful by helping other riders access more jobs and destinations.

Developing near transit can address housing shortages and expand job access

Maryland is facing a serious shortage of affordable housing. At the same time, [unemployment in Maryland is growing](#), and the lack of a personal vehicle can pose significant barriers to low-income residents in accessing jobs. SB 389 can help boost housing production while maximizing the state’s investment in public transit. Further, removing restrictions like minimum parking requirements and limitations on mixed-use development are important, but only the first step. This bill goes a step further by giving MDOT more control over the development regulations applied to state-owned land adjacent to

rail stations. This would allow MDOT to better utilize spaces that are ripe for development and play a stronger role in creating walkable, transit-accessible communities for the Marylanders who are seeking these types of neighborhoods.

Examples in other states

Maryland would not be the first to enact a bill like SB 389. Below is a table outlining recently-passed legislation [in other states](#) that include some of the same (or very similar) provisions as SB 389:

Table 1. Recent transit-oriented development legislation in other states

State	Bill	Year enacted	Effect
CA	SB-79	2025	Provides transit agencies with more control over development regulations on agency-owned land
WA	HB-1491	2025	Allowed mixed-use development near transit
CO	HB24-1313	2024	Allowed mixed-use development near transit
CA	AB-2097	2022	Prohibited minimum parking requirements near certain transit stops
CA	AB-2011	2022	Allowed housing development in commercial areas near transit

With SB 389, Maryland has the opportunity to implement efficient land use policy that would facilitate new housing development, cut costs, and strengthen health in communities. Thank you for your time and attention. If you have any questions, please reach out to transportation@aceee.org.

COMSB389vf.pdf

Uploaded by: Comptroller Brooke Lierman

Position: FAV



Letter of Support
Senate Bill 389 — Maryland Transit and Housing Opportunity Act
Senate Finance Committee
February 17, 2026

Chair Beidle, Vice Chair Hayes, and members of the Finance Committee:

Thank you for the opportunity to submit this letter in support of Senate Bill 389, the Maryland Transit and Housing Opportunity Act.

What this bill does

SB 389 expands lawful capacity for residential and mixed-use development around major transit stations by modernizing local zoning rules in defined transit areas. It limits unnecessary parking mandates and overly restrictive lot requirements that have suppressed housing supply near rail and high-frequency transit. It also reduces upfront financial barriers by allowing certain local impact fees and excise taxes to be collected upon project completion rather than at groundbreaking.

Why this is important

This legislation aligns with the findings of the Office of the Comptroller's report, [Housing & the Economy in Maryland](#). Our analysis concluded that Maryland's housing challenge is not primarily a lack of land, but a lack of legally permissible density in the places with the strongest demand. Our research shows that persistently low vacancy rates in job-rich, transit-served areas are a major driver of rising rents and home prices. Even moderate demand growth in these markets pushes costs upward when supply is legally constrained. Transit corridors exemplify this problem: they are well-served by infrastructure, yet often underbuilt because of local zoning barriers.

The report also found that zoning rules — including minimum lot sizes, mandatory parking requirements, and lengthy approval processes — artificially suppress effective vacancy even where land is available. Maryland does not lack developable land near transit; it lacks permission to use that land more efficiently. By enabling mixed-use housing and reducing unnecessary parking mandates, SB 389 increases functional capacity where it is most economically valuable.

In addition, our analysis emphasized that housing supply is constrained not only by zoning, but by financing barriers. Requiring developers to pay impact fees and excise taxes at groundbreaking often makes projects harder to finance, delaying or preventing construction. Allowing collection at project completion lowers risk without reducing local revenues, consistent with sound fiscal policy.

From a revenue perspective, expanding housing near transit strengthens Maryland's long-term tax base by supporting population growth in high-productivity areas and increasing economic activity around rail stations, while reducing pressure on roads and other costly infrastructure.

If you have any questions, please do not hesitate to contact Stephen Harrington at sharrington@marylandtaxes.gov.

My best,
Brooke E. Lierman
Comptroller of Maryland



Daniel Herriges SB0389 Testimony MD Senate Finance

Uploaded by: Daniel Herriges

Position: FAV

To the members of the Maryland Senate Finance Committee,

My name is Daniel Herriges, and I am the Policy Director at the Parking Reform Network. We are an international organization dedicated to educating the public about parking policy and accelerating parking reforms. I am writing today specifically to urge you to pass Senate Bill 389 and to support its provisions prohibiting local parking mandates near rail transit facilities.

Minimum parking regulations prescribe an arbitrary amount of parking for each new development, which is not based on an assessment of the actual need or market demand. The expense of building this parking is passed on to tenants and customers; each parking stall can raise the monthly rent of an apartment by \$200 or more. And that doesn't account for the homes that are simply not built because parking requirements make a project financially or physically impossible.

In a housing affordability crisis, Maryland cannot afford the considerable barrier that parking mandates pose to new housing supply. Especially in transit-supported locations where residents might wish to save money by owning fewer cars or even no car.

Prohibiting minimum parking requirements within walking distance of train stations is a focused and measured approach, in line with reforms that many cities and states have enacted. In the past five years, California, Colorado, and Illinois have passed very similar laws that preclude municipalities from setting arbitrary parking quotas in transit-adjacent locations.

Over 110 U.S. cities and towns have taken the further step of wholly eliminating these unscientific and costly parking mandates in all locations, including such places as Austin, Texas; Raleigh and Durham, North Carolina; Portland, Oregon; Denver, Colorado; and recently, the city of Baltimore.

This reform is tried and tested, and it is not new or risky ground for Maryland.

Eliminating parking mandates does not eliminate parking. It does not prohibit anyone from building parking. In California, following a 2022 state law very similar to SB 389, UCLA researchers found that many residential builders still intended to provide considerable parking even at sites where the law exempted them from doing so, because they viewed it as an important amenity and because their lenders expected it.

Parking reform does, however, restore to owners the flexibility to determine their own parking needs, and to weigh parking appropriately against other goals. Goals like housing, affordable local services like child care, the viability of mom-and-pop businesses, or additional green space that can absorb flood water and reduce dangerous summer heat.

Where these reforms are already in place, evidence shows that the change that occurs is gradual, incremental, and positive. In Buffalo and Seattle, in the wake of major parking reforms, about three-quarters of new buildings continued to have parking. But about 60 percent of the

new homes permitted in these cities were in buildings that would have been illegal under the prior code.

Renters who want an apartment without having to pay for a parking space they won't use now have that option. Local businesses can now open on small lots or in revitalized older buildings, where it would have previously been illegal due to lack of on-site parking.

Opponents will argue that this bill represents an infringement on local control of land use. Quite the contrary: local parking quotas themselves represent unwarranted micromanagement of private land-use decisions, based on no substantial evidence or compelling public interest. It is appropriate for the state to establish reasonable guardrails on local zoning excesses. The State of Maryland, furthermore, has an interest in protecting the economic potential of the substantial transit assets that Maryland has invested in. Parking reform is a modest step that can encourage transit-supportive investment and development near these assets.

Finally, Maryland is in a housing crisis. Housing markets do not respect municipal borders. The state's role in ensuring that enough housing can be built to meet present and future demand and stabilize the cost of living is, again, essential and appropriate.

Our cities and towns should not be in the business of micromanaging decisions about parking. SB 389 is an important step toward restoring flexibility and reducing wasteful parking mandates.

Support Letter for SB 389.pdf

Uploaded by: Dean Harrison

Position: FAV

February 12, 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 Beidle and Committee Members:

The Wabash Development Partners, LLC supports the Maryland Transit & Housing Opportunity Act (Senate Bill 389) to help implement successful transit-oriented development (TOD) in the State.

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 that Maryland needs. This legislation addresses two of the principal barriers in achieving this growth in Maryland: local zoning and project financing.

The bill addresses zoning challenges near high-frequency rail transit by adding flexibility to parking solutions for new development, encouraging mixed-use development, and allowing the Maryland Department of Transportation (MDOT) to lead on the development plan for Department-owned land contiguous to transit, working alongside local jurisdictions.

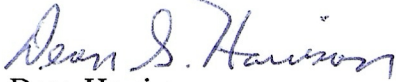
The bill addresses project financing challenges and risks by creating new incentives for TOD development. The legislation incorporates locally designated TOD areas into the State's Enterprise Zone (EZ) program, positioning sites' job-generating developments for financial incentives. The legislation will also delay the imposition of impact fees until construction of a TOD project is complete. This shift in timing will reduce upfront costs to development. The bill would also affirm that TOD on State-owned transit-adjacent land is a priority for funding under the Strategic Infrastructure Revolving Loan Fund.

Senate Bill 389 makes it easier to build and fund successful mixed-use development projects adjacent to transit facilities. In a time of tremendous need for economic growth and affordable housing, the benefits of leveraging the over 300 acres of State-owned land near transit are immense. 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.

For these reasons, Wabash Development Partners, LLC respectfully requests the Committee grant Senate Bill 389 a favorable report.

Respectfully submitted,



Dean Harrison

Wabash Development Partners, LLC

Testimony SB389 Maryland Transit and Housing Oppor

Uploaded by: Debbie Cohn

Position: FAV

Committee: Finance; Education, Energy, and the Environment
Testimony on: SB389– Land Use-Transit Oriented Development – Alterations (Maryland Transit and Housing Opportunity Act)
Submitting: Deborah A. Cohn
Position: Favorable
Hearing Date: February 17, 2026

Dear Chairs Beidle and Feldman and Committee Members:

I have resided in Bethesda (D16) for several years. I am concerned about the high cost of transportation and housing for many residents. Transit-oriented development addresses both of those concerns.

Land is a limited resource. Maryland should constantly be evaluating the land it owns to ensure that it is being devoted wisely to address public needs. Often the state can lead the way to encourage the public sector to follow.

Designating certain transit-oriented development areas on state owned land as enterprise zones will provide improved financing opportunities for increasing housing close to rail transit stations. Modifying the timing of certain development excise taxes and impact fees and requiring certain changes to local zoning and parking regulations on residential real estate covered by this bill will also be beneficial.

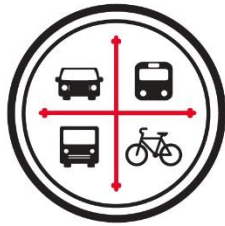
I recently toured a new mixed use residential building close to a Purple Line station soon to open near Connecticut Avenue in Montgomery County. Already units are being occupied and surrounding small businesses are developing and thriving. While I do not think this particular unit was located on state-owned land, it shows the tremendous opportunity for residential and commercial development on state owned land near other rail transit stops. SB389 will take advantage of state owned land close to rail stations to address the high cost of housing and transit for at least some Maryland residents.

For these reasons, I urge you to issue a FAVORABLE report on SB389, the Transit and Housing Opportunity Act.

SB0389_Favorable_CMTA.pdf

Uploaded by: Eric Norton

Position: FAV



Transportation Alliance

February 17, 2026

Testimony on SB 389 – *Maryland Transit and Housing Opportunities Act* – Finance Committee

Position: Favorable

The Central Maryland Transportation Alliance supports SB 389 because it unlocks one of Maryland's greatest untapped economic assets: underutilized land next to transit stations.

Transit-oriented development (TOD) is a proven strategy. Locating homes, jobs, and services around rail stations reduces the need for costly new infrastructure from local governments, and lowers household transportation costs by giving people alternatives to driving. TOD also creates construction jobs, supports ongoing retail and service employment, and attracts both talent and private investment. In short, TOD grows our economy in a way that is efficient, sustainable, and equitable.

But today, two major barriers stand in the way: restrictive zoning and high upfront financing costs. This legislation directly addresses both. It adds flexibility to parking and mixed-use requirements near transit, and it allows MDOT to lead development planning for State-owned, transit-adjacent land in partnership with local governments. It also improves project financing by aligning TOD areas with Enterprise Zone incentives, delaying impact fees until construction is complete, and prioritizing TOD under the Strategic Infrastructure Revolving Loan Fund.

The potential impact is enormous. MDOT estimates that State-owned land near transit could support 7,000 new homes and generate \$1.4 billion in combined State and local tax revenue. Yet current zoning restrictions in the Baltimore region alone are preventing 2,700 homes from being built on State-owned parcels next to transit.

Maryland needs more housing, stronger job centers, and better transportation options. This bill helps deliver all three.

We encourage a FAVORABLE report for Senate Bill 389.

SB0389 - MBA - FAV - GR26.pdf

Uploaded by: Evan Richards

Position: FAV



SB 389 – Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

Committee: Senate Finance Committee

Date: February 17, 2026

Position: Favorable

The Maryland Bankers Association (MBA) **SUPPORTS** SB 389. This legislation incentivizes the construction of housing and mixed-use communities around transit stations through tax incentives, reduced zoning rules, and state investment. SB 389 responsibly aligns state incentives, regulatory reforms, and infrastructure priorities to increase housing supply and support economic growth around Maryland’s transit assets.

Maryland banks see directly how the growing shortage of housing—especially near job centers and transit—affects Marylanders. Housing scarcity increases prices, strains household budgets, weakens workforce mobility, and stifles economic growth. The emphasis on transit-oriented development, mixed-use and multifamily housing, and reduced regulatory barriers in this legislation directly promotes greater housing availability, particularly in the locations where the market demands it most. By increasing the supply of well-located housing, the bill supports healthier credit markets, stronger communities, and more stable household finances.

Maryland banks succeed when communities succeed. Increasing housing supply is essential to sustaining Maryland’s economic vitality and supporting homeownership and rental opportunities across income levels. Accordingly, MBA urges the issuance of a **FAVORABLE** report on SB 389.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding \$194.8 billion in deposits in over 1,100 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.

BWIBP Senate_Ltr of support SB389.pdf

Uploaded by: Gina Stewart

Position: FAV



February 12, 2026

The Honorable Pamela Beidle, Chair
Senate Finance Committee
Miller Senate Office Building, 3 West Wing
11 Bladen St.
Annapolis, MD 21401

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

Dear Senator Beidle and Committee Members,

The BWI Business Partnership (the Partnership) supports the Maryland Transit & Housing Opportunity Act (Senate Bill 389) to help implement successful transit-oriented development (TOD) in the State.

The BWI Business Partnership is a nonprofit corporation comprised of private businesses, governmental organizations, academic and healthcare institutions, non-profits, hotels and tourism agencies. Our mission is to connect and inform leaders within the Baltimore-Washington region to support transportation, tourism, workforce, and economic growth. Supporting SB389 aligns directly with our mission. Removing key barriers to TOD will accelerate implementation, promote economic growth, strengthen transportation infrastructure, and support a more vibrant regional community.

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 that Maryland needs. This legislation addresses two of the principal barriers in achieving this growth in Maryland: local zoning and project financing.

The bill addresses zoning challenges near high-frequency rail transit by adding flexibility to parking solutions for new development, encouraging mixed-use development, and allowing the Maryland Department of Transportation (MDOT) to lead on the development plan for Department-owned land contiguous to transit, working alongside local jurisdictions.

The bill addresses project financing challenges and risks by creating new incentives for TOD development. The legislation incorporates locally designated TOD areas into the State's Enterprise Zone (EZ) program, positioning sites' job-generating developments for financial incentives. The legislation will also delay the imposition of impact fees until construction of a TOD project is complete. This shift in timing will reduce upfront costs to development. The bill would also affirm that TOD on State-owned transit-adjacent land is a priority for funding under the Strategic Infrastructure Revolving Loan Fund.

Senate Bill 389 makes it easier to build and fund successful mixed-use development projects adjacent to transit facilities. In a time of tremendous need for economic growth and affordable housing, the benefits of leveraging the over 300 acres of State-owned land near transit are immense. 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.

For these reasons, the Partnership respectfully requests the Committee grant Senate Bill 389 a favorable report.

Sincerely,



Gina Stewart
President

SB389 MD TOD Act.pdf

Uploaded by: Hugo Cantu

Position: FAV



Bill: SB 389 - Land Use - Transit-Oriented Development - Alterations
(Maryland Transit and Housing Opportunity Act)

Committee: Finance

Date: February 17, 2026

Position: Favorable

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a non-profit trade association representing the owners and managers of more than 23 million square feet of commercial office space and 167,000 apartment rental units in Montgomery and Prince George’s counties. AOBA submits the following testimony in support of Senate Bill 389.

AOBA members support the Governor’s proposal that will increase the production of housing in the state of Maryland. SB 389 will allow for the automatic designation of certain transit-oriented developments as enterprise zones and require the Maryland Development Corporation to prioritize certain redevelopment projects when making loans under the Strategic Infrastructure Revolving Loan Program. Additionally, the bill will alter the authority of local legislative bodies to regulate land use planning on land located near certain transit stations and allow for the delaying of the collection of certain development excise taxes and development impact fees for certain residential real estate projects.

Developer Regulations Drive Cost Upwards

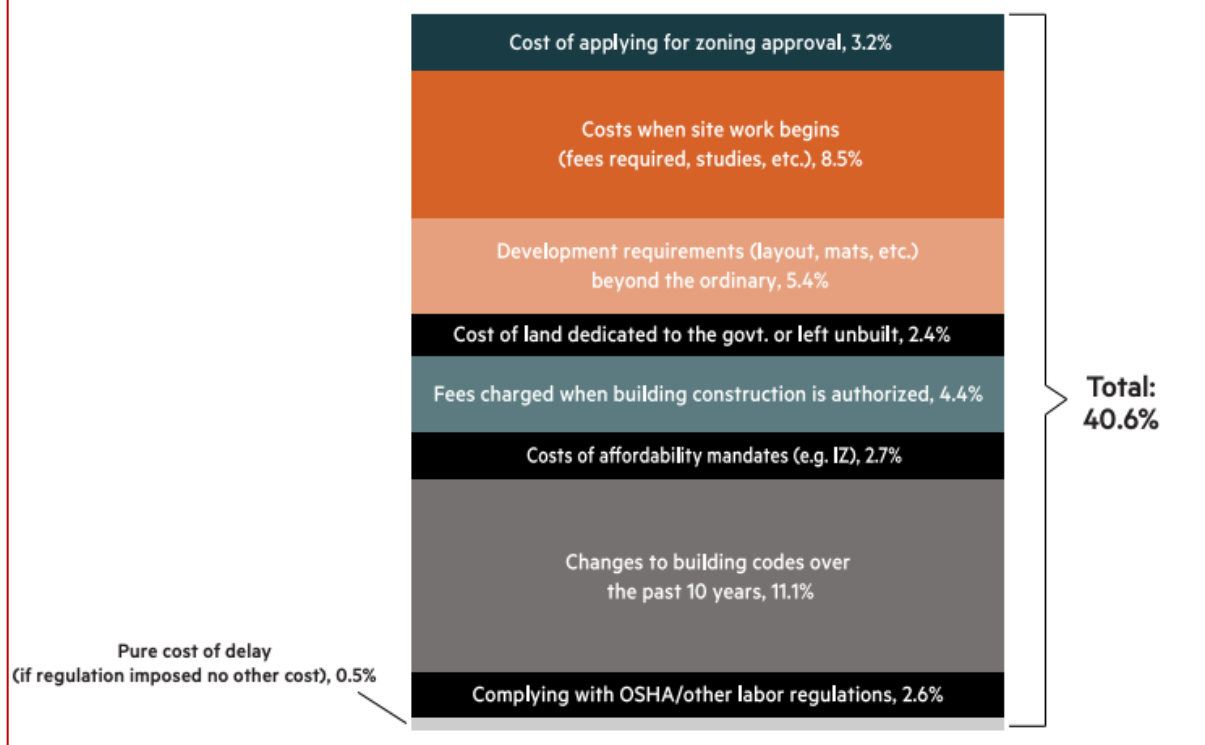
In the broader market, the multi-family residential industry is weak, and operating costs are rising. In 2022, the National Association of Home Builders (NAHB) and the National Multifamily Housing Council (NMHC) reported that, on average, complying with government regulations totaled 40 percent of the total development cost. Additionally, 87.5 percent of builders said they would avoid building in jurisdictions with rent control.¹ Unfortunately, this trend is beginning to materialize, as building permits in Montgomery and Prince George’s County are falling significantly.²

¹ <https://www.nmhc.org/globalassets/research--insight/research-reports/cost-of-regulations/2022-nahb-nmhc-cost-of-regulations-report.pdf>

² https://montgomeryplanning.org/wp-content/uploads/2025/10/MoCo-Economic-Indicators-Briefing-Q2-2025_Final.pdf



Figure 1. Average Cost of Regulation as a Percent of Total Multifamily Development Cost



The point is not theoretical; when returns are unpredictable, capital moves elsewhere. That can be seen in the enactment of rent control in Montgomery County and Prince George’s County, which has decimated the multifamily market.³ A clear example of a municipality enacting rent stabilization, then suffering from a drop off in investment, but moving quickly to solve the issue is St. Paul, MN. The city enacted a strict rent stabilization law in November 2021, capping annual rent increases at 3% without exemptions for new construction. As a result, new housing development permits fell an estimated 48% the following year, prompting the City Council to amend the law to include a 20-year exemption.

If we are to provide Marylanders with greater market leverage through lower rents, we need to increase the supply of units, as shown in the graphic below.⁴

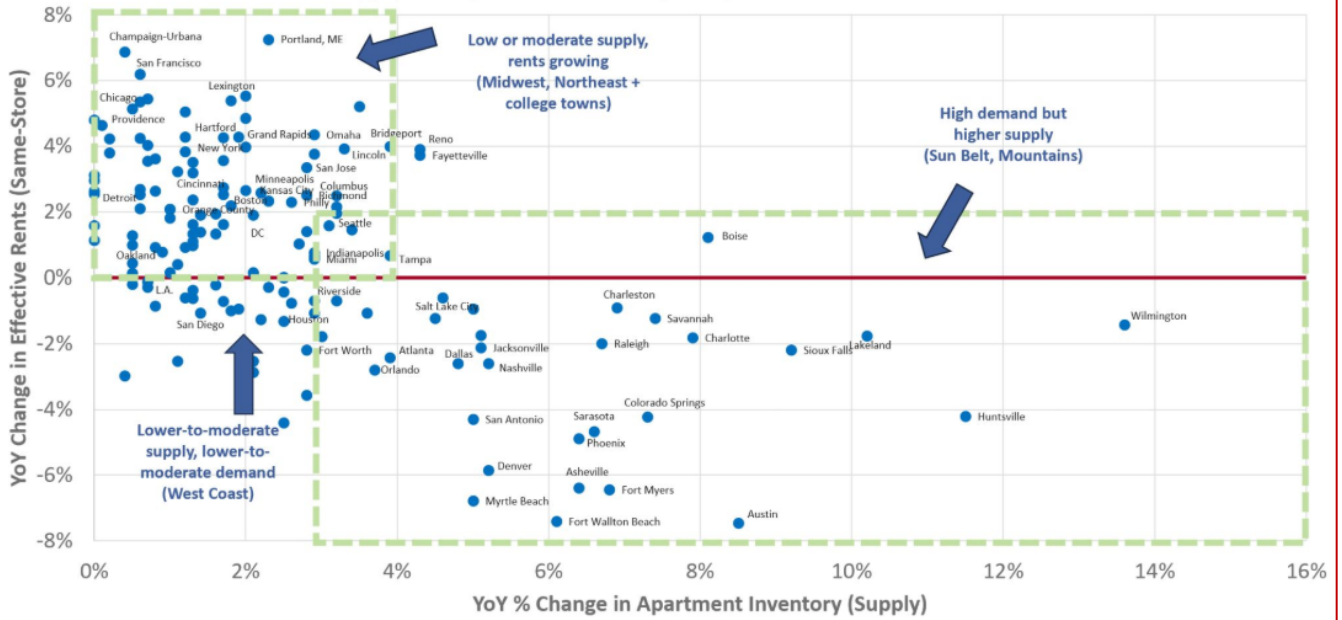
For these reasons, AOBA requests a favorable report on Senate Bill 389. Please contact Hugo Cantu at hcantu@aoba-metro.org with any questions or concerns.

³ <https://montgomeryperspective.com/2026/01/06/moco-multifamily-permits-drop-96-percent-with-rent-control/>

⁴ https://www.linkedin.com/posts/jay-parsons-a7a6656_housing-affordability-rent-activity-7355974271938015232-e7Dk?utm_source=social_share_send&utm_medium=member_desktop_web&rcm=ACoAABwJEZYBA&qMk6GRpFRl cKd0bBLDc8TKuOA

Apartment Rents Slow Where Supply Goes, Grow Where It Doesn't

T-12 Supply Change vs. Rent Change, Top 150 U.S. Markets, YE-June 2025



Source: Waymaker research, RealPage Market Analytics

MEDCO LOS SB 389 Maryland Transit Housing Opportun

Uploaded by: J. Thomas Sadowski Jr.

Position: FAV



February 13, 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 Beidle and Committee Members:

The Maryland Economic Development Corporation (MEDCO) supports the Maryland Transit & Housing Opportunity Act (Senate Bill 389) to help implement successful transit-oriented development (TOD) in the State.

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 that Maryland needs. This legislation addresses two of the principal barriers in achieving this growth in Maryland: local zoning and project financing.

The bill addresses zoning challenges near high-frequency rail transit by adding flexibility to parking solutions for new development, encouraging mixed-use development, and allowing the Maryland Department of Transportation (MDOT) to lead on the development plan for Department-owned land contiguous to transit, working alongside local jurisdictions.

The bill addresses project financing challenges and risks by creating new incentives for TOD development. The legislation incorporates locally designated TOD areas into the State's Enterprise Zone (EZ) program, positioning sites' job-generating developments for financial incentives. The legislation will also delay the imposition of impact fees until construction of a TOD project is complete. This shift in timing will reduce upfront costs to development. The bill would also affirm that TOD on State-owned transit-adjacent land is a priority for funding under the Strategic Infrastructure Revolving Loan Fund.

Senate Bill 389 makes it easier to build and fund successful mixed-use development projects adjacent to transit facilities. In a time of tremendous need for economic growth and affordable housing, the benefits of leveraging the over 300 acres of State-owned land near transit are immense. 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.

For these reasons, MEDCO respectfully requests that the Committee grant Senate Bill 389 a favorable report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tom Sadowski", with a long horizontal flourish extending to the right.

J. Thomas Sadowski
Chief Executive Officer

SB0389_DHCD_SUPPORT.pdf

Uploaded by: Jake Day

Position: FAV



WES MOORE
Governor
ARUNA MILLER
Lt. Governor
JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

DATE: February 17, 2026

BILL NO.: Senate Bill 389

TITLE: Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

COMMITTEE: Senate Education, Energy, and the Environment Committee

Letter of Support

Description of Bill:

Senate Bill 389 would automatically designate any area previously designated as a “Transit-Oriented Development” as an “Enterprise Zone”. It also restricts local jurisdictions from imposing minimum off-street parking requirements within .25 miles of a rail station or taking action to preclude mixed-use development in areas within 0.5 miles of a rail transit station, and from imposing local zoning restrictions on state-owned land adjacent to transit stations and subject to an MDOT-approved transit-oriented development plan.

Background and Analysis:

“Transit-oriented development” (TOD) refers to planning strategies focused on building dense, mixed-use development in close proximity to public transit stations. Benefits of TOD include improved access to jobs, housing and amenities, and thus shorter commute times and reduced car dependency, which, in turn, decreases traffic congestion and pollution. Local communities also benefit from economic development and increases to the property tax base as a result of increased property values.

In recent years, the General Assembly has taken significant steps in promoting TOD. In 2023, Governor Moore signed into law the Equitable and Inclusive Transit-Oriented Development Enhancement Act, which creates a TOD Capital Grant and Revolving Loan Fund and reduces several barriers to effective TOD redevelopment activities, including expanding eligible areas. In the 2024 session, the General Assembly passed the Housing Expansion and Affordability Act (HEAA), which was signed into law by Governor Moore in April. The HEAA encourages TOD by establishing “density bonuses” allowing developers to exceed the maximum residential density allowed under local zoning codes for housing developments within 0.75 miles of a transit station.

SB 389 builds on these existing measures to further promote TOD by mitigating local zoning barriers such as minimum parking requirements in areas intended to be primarily served by mass transit. Encouraging more transit-oriented development will be beneficial to residents and businesses who are constrained by long commute times and lack of access and will help increase local tax bases by boosting density and property values in areas near transit stations.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on SB 389.



GBC Support - Maryland Transit Housing Opportunit

Uploaded by: Jennifer Vey

Position: FAV



POSITION STATEMENT

February 13, 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 Beidle and Committee Members:

The Greater Baltimore Committee supports the Maryland Transit & Housing Opportunity Act (Senate Bill 389) to help implement successful transit-oriented development (TOD) in the State.

As the leading voice for the private sector in the Baltimore region, GBC is actively engaged in collective efforts to grow a dynamic and inclusive regional economy. As documented in All In | 2035, our 10-year economic opportunity plan, we believe that encouraging development of robust centers of regional economic activity centered around high-quality public transit is vital to that growth.

Underutilized land adjacent to transit presents the opportunity to build transit-oriented communities, creating spaces where Marylanders can affordably live, shop, travel, and work. As such, the bill has the potential to yield significant economic benefits for the Baltimore Region and beyond:

1. **Increased property values:** Research shows that transit-oriented development (TOD) typically leads to property value growth around transit hubs due to the convenience and accessibility they provide. This rise in property values can increase tax revenues for local governments, which can be reinvested into infrastructure, public services, and amenities.
2. **Fiscal savings:** By concentrating development around transit stations, TOD maximizes land use in areas where infrastructure and services are already in place, reducing the need for extensive new infrastructure investments. This helps lower development costs for both the public and private sectors and can also reduce the strain on road systems, which can be expensive to maintain.
3. **Affordability:** TOD encourages people to rely less on private vehicles, which lowers household transportation expenses. This can lead to more disposable income for residents, stimulating local businesses and promoting local economic activity, among other benefits.
4. **Job creation:** TOD projects stimulate job creation through the construction of infrastructure, housing, and commercial space, and from ongoing operations (e.g., public transportation, retail businesses, and other services near transit hubs). This has a multiplier effect, supporting additional employment opportunities in the surrounding area.

5. **Increased business activity:** TOD typically combines residential, commercial, and recreational spaces in close proximity to one another, creating dense economic ecosystems of businesses and consumers. Such concentration encourages spontaneous interactions that can benefit local businesses.
6. **Attraction of workers and investment:** Areas that are well-connected to transit systems are often seen as more desirable places in which to live and work, attracting both talent and private investment. This in turn can foster the development of new firms, housing, and retail establishments, all of which contribute to economic growth.

This legislation addresses two of the principal barriers in achieving this growth in Maryland: local zoning and project financing.

First, the bill addresses zoning challenges near high-frequency rail transit by adding flexibility to parking solutions for new development, encouraging mixed-use development, and allowing the Maryland Department of Transportation (MDOT) to lead on the development plan for Department-owned land contiguous to transit, working alongside local jurisdictions.

Second, the bill addresses project financing challenges and risks by creating new incentives for TOD development. The legislation incorporates locally designated TOD areas into the State's Enterprise Zone (EZ) program, positioning sites' job-generating developments for financial incentives. The legislation will also delay the imposition of impact fees until construction of a TOD project is complete. This shift in timing will reduce upfront costs to development. The bill would also affirm that TOD on State-owned transit-adjacent land is a priority for funding under the Strategic Infrastructure Revolving Loan Fund.

In a time of tremendous need for economic growth and affordable housing, the benefits of leveraging the over 300 acres of State-owned land near transit are immense. 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.

For these reasons, the Greater Baltimore respectfully requests the Committee grant Senate Bill 389 a favorable report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jennifer S. Vey". The signature is fluid and cursive, with the first name "Jennifer" and last name "Vey" clearly legible.

Jennifer S. Vey
Executive Vice President and Chief Strategy Officer
The Greater Baltimore Committee

MDE SB 389 SUP.pdf

Uploaded by: Jeremy D Baker

Position: FAV



**The Maryland Department of the Environment
Secretary Serena McIlwain**

Senate Bill 389

Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

Position: Support
Committee: Finance & Education, Energy, and the Environment
Date: February 17, 2026
From: Alex Butler, Deputy Director of Government Relations

The Maryland Department of the Environment (MDE) **SUPPORTS** SB 389.

Bill Summary

Senate Bill 389 will accelerate the revitalization of communities around transit hubs to increase housing supply, grow the economy, and boost transit ridership. SB 389 designates Transit-oriented developments (TODs) served by rail stations with at least hourly service are automatically designated as Enterprise Zones, unlocks more than 300 acres of State-owned land adjacent to existing transit stations for high-density, mixed-use development, eliminates minimum parking requirements for certain TOD projects, and restricts local legislative bodies from using zoning or land-use planning powers to block high-density housing near transit. Senate Bill 389 will take a transformative step toward aligning Maryland's housing and economic development with its ambitious climate and water quality mandates.

Position Rationale

Under the Climate Solutions Now Act of 2022, Maryland must reduce greenhouse gas emissions by 60% by 2031. Transportation is the largest source of climate pollution in our state, and achieving our targets requires a fundamental shift in land-use patterns to reduce vehicle miles traveled. By removing barriers like minimum parking requirements and enabling high-density, mixed-use development within a half-mile of rail transit stations, SB 389 fosters the walkable, transit-centric communities necessary to move Marylanders out of gas-powered vehicles and onto public transit. TOD typically results in lower per-capita energy use compared to sprawling suburban models, supporting MDE's building decarbonization and energy efficiency goals. Senate Bill 389 recognizes that housing policy is environmental policy. By breaking down barriers to transit-oriented development, Maryland can house more residents, grow its economy, and lead the nation in building a resilient, low-carbon future.

Accordingly, MDE asks for a **FAVORABLE** report for SB 389.

Contact: Alex Butler, Deputy Director of Government Relations
Phone: 443-695-7478, Email: alex.butler@maryland.gov

SB389.HC HAC.FAV.pdf

Uploaded by: Jessamine Duvall

Position: FAV



**SB 389 Land Use – Transit-Oriented Development – Alterations
(Maryland Transit and Housing Opportunity Act)
Senate Finance Committee
February 17, 2026**

The Howard County Housing Affordability Coalition represents housing advocates, community organizations, service providers and residents who are united by a shared goal: ensuring that every person in our County has access to safe, stable and affordable housing. The Coalition is appreciative that the Administration has put forward this bill and Senator Lam’s and many of his colleagues’ support for SB 389.

This bill connects housing and transportation policy – two issues that must work together if we are to make Maryland more equitable, affordable and sustainable. The Coalition most particularly supports the element of SB 389 that adds enterprise zone status to certain transit-oriented development areas, thereby providing a powerful incentive for multifamily housing. Apartments, townhomes, duplexes, etc. offer our communities the best opportunity to produce the most meaningful numbers of new housing units, including affordable units.

In Howard County and across the state, families struggle to find affordable housing near reliable transportation. SB 389 helps address that gap and creates more opportunities for Marylanders to live closer to jobs, schools and services. For these reasons, the Howard County Affordability Coalition urges a FAVORABLE committee report.

Thank you for your time and consideration of the Coalition’s perspective.

Respectfully submitted,

Jackie Eng

Jackie Eng

jackie.eng7491@gmail.com; 410-808-9677

BRTC Testimony -- Senate BandT - SB 389 - February

Uploaded by: Jon Laria

Position: FAV



Testimony Presented to the Senate Budget & Taxation Committee

Hearing Date – February 17, 2026, Finance – Education, Energy and the Environment Subcommittee

Senate Bill 389 – Land Use – Transit Oriented Development – Alterations (Maryland Transit and Housing Opportunity Act)

Position – Support

I am Jon Laria, testifying today as Chair of the Baltimore Regional Transit Commission (BRTC). The BRTC was created by the Maryland General Assembly to provide oversight and advocacy for the Baltimore regional transit system operated by the Maryland Transit Administration (MTA). Our commission ensures diverse stakeholder perspectives are represented in agency decisions, including representatives from local government, transportation, industry, business, transit riders, transit advocates, labor, and the Moore-Miller Administration. Our focus extends beyond transit infrastructure to the broader economic opportunities that transit provides, promotes, and creates.

The BRTC supports Senate Bill 389, the Maryland Transit and Housing Opportunity Act of 2026, which promotes and incentivizes transit-oriented development (TOD) in Maryland. In fact, the BRTC recently created a workgroup focused on TOD to assess, encourage, and support TOD efforts in the Baltimore region.

Senate Bill 389, introduced at the Governor’s request, leverages Maryland’s investments in public transit by promoting TOD at or near locations where the State has invested or will invest in transit facilities and infrastructure. TOD capitalizes on the economic and social benefits of growth concentrated around public transit hubs, and the Baltimore region stands to benefit from provisions that streamline zoning and prioritize redevelopment of State-owned land. TOD holds special promise to help address Maryland’s notable housing shortage and costs, particularly by transforming State-owned land adjacent to transit.

The Moore-Miller Administration and the General Assembly have previously taken important steps to encourage TOD and SB 389 demonstrates a continued commitment to TOD and its many benefits. We are grateful to the Maryland Department of Transportation for its ongoing collaboration with local governments in furtherance of TOD, and trust the final bill will balance State and local government interests in achieving the widely-shared goal of driving critical additional investments around our region’s transit facilities.

The BRTC strongly supports the economic opportunities SB 389 will create for Maryland, and urges your favorable consideration. We appreciate the opportunity to provide input and remain available for further discussion.

1500 Whetstone Way • Suite 300 • Baltimore, MD 21230-4767 • (410) 732-0500 • www.baltometro.org



SB 389 - Land Use - Transit-Oriented Development -

Uploaded by: Kimberly Routson

Position: FAV



MedStar Health

9 State Circle, Ste. 303
Annapolis, MD 21401
C 410-916-7817
kimberly.routson@medstar.net

Kimberly S. Routson
Assistant Vice President
Government Affairs - Maryland

**SB 389 – Land Use – Transit-Oriented Development – Alterations
(Maryland Transit and Housing Opportunity Act)**

Position: **Support**

Senate Finance Committee & Senate Education, Energy, and the Environment Committee
February 17, 2026

MedStar Health is the largest healthcare provider in the Maryland and Washington, D.C. region. MedStar Health offers a comprehensive spectrum of clinical services through over 500 care locations, including 10 hospitals, 33 urgent care clinics, ambulatory care centers and an extensive array of primary and specialty care providers. As a not-for-profit healthcare system, MedStar Health is committed to its patient-first philosophy, emphasizing care, compassion, and clinical excellence, supported by a dedicated team of more than 35,000 physicians, nurses, and many other clinical and non-clinical associates.

The Maryland Transit and Housing Opportunity Act (SB 389) removes local regulatory barriers to dense, mixed-income housing and commercial space within one-half mile of well-served rail-transit stations. Qualifying “transit-oriented developments” automatically become state enterprise zones, making projects eligible for tax credits and priority loans from the Strategic Infrastructure Revolving Loan Fund. Local governments may no longer impose minimum off-street parking mandates on residential or mixed-use sites inside quarter-mile station areas, must authorize mixed-use zoning within one-half mile, and cannot restrict height, setback, or use classifications on state-owned station-adjacent land that carries an approved transit-oriented plan.

According to the report released by the Comptroller of Maryland on housing and the economy, the state’s housing shortage is estimated at approximately 100,000 units, creating significant challenges for workforce stability. Limited access to affordable and attainable housing contributes to resident outmigration, with Maryland experiencing one of the largest net population losses in the United States between 2022 and 2024. These migration patterns reflect broader affordability challenges that affect both homeowners and renters, ultimately impacting employers’ ability to attract and retain a stable workforce.

Housing affordability is directly connected to employment sustainability. As housing costs increase, employees are forced to relocate further from their workplace or leave the state in search of more affordable living options. For MedStar Health’s associates, these limitations create challenges that can impact the operational continuity and the delivery of critical health care services.

Expanding transit-oriented development promotes reliable access to transportation while enhancing the overall livability of the communities in which our employees and patients live and work. Strategic development near high transit areas can reduce commuting burdens, improve workforce mobility, and expand access to employment opportunities, helping to attract and retain talented team members.

MedStar Health serves as a critical anchor of the communities it supports, and maintaining a stable workforce is essential to hospital operations and patient care delivery. Improved transportation connectivity and coordinated development near transit stations can reduce workforce barriers, support employee recruitment and retention, and strengthen access to essential health services. By supporting both housing affordability and transit accessibility, SB 389 aligns with MedStar Health’s mission to support sustainable health care delivery.

For the reasons above, MedStar Health urges a **favorable** report on **SB 389**.

It’s how we treat people.

SB0389 - Maryland Transit and Housing Opportunity

Uploaded by: Lauren Magnotto

Position: FAV

February 13, 2026

The Honorable Pamela Beidle
Chair, Finance Committee
Maryland Senate

Re: Support for Senate Bill 389 (Maryland Transit and Housing Opportunity Act)

Dear Chair Beidle and Committee Members,

On behalf of the Greater Washington Partnership (the Partnership), I am writing to express our support for the Maryland Transit and Housing Opportunity Act (SB0389). This bill would make it easier to build and fund transit-oriented development (TOD) projects by reducing regulatory barriers and expanding targeted financial incentives. We applaud the Moore Administration for working to leverage existing transit infrastructure and boost the state's housing supply and spur economic growth.

The Partnership is a nonprofit alliance of leading employers in Maryland, Virginia, and the District of Columbia committed to championing the region's economic growth. Recognizing the critical role mobility and housing affordability play in our region's success, the Partnership developed a [Housing Playbook](#) and [Transit-Oriented Development Policy Brief](#), employer-informed strategies to address the region's housing crisis and remove barriers to TOD. These resources highlight the importance of building more housing near high-quality transit as a cost-effective strategy to expand access to opportunity and strengthen Maryland's economy.

Maryland has made significant investments in transit in recent years, including investments to overhaul its light rail system and upgrade its Metro SubwayLink system. However, many areas adjacent to stations remain underutilized due to regulatory and financial barriers that limit the feasibility of mixed-use, higher-density development. Underutilized land adjacent to transit stations presents the opportunity to optimize investments by building transit-oriented communities where Marylanders can affordably live and efficiently access opportunity. Additionally, Maryland is facing a housing shortage that threatens the state's economic competitiveness and vitality, ranking 42nd among states for housing affordability and total cost of living.¹ As housing becomes increasingly unattainable, businesses face difficulty attracting and retaining talent, which has serious implications for community investment and economic growth.

TOD can serve as a particularly impactful solution to these challenges. By enabling more housing within walking distance of high-quality transit, TOD increases supply in high-demand, job accessible areas and gives residents the option to reduce household transportation costs. Households that can rely on transit can save up to \$10,500 annually in car ownership expenses, easing overall cost-of-living pressures.² At the same time, concentrating growth near transit stations strengthens transit ridership and ensures that past and ongoing transit investments deliver greater economic return. By connecting Marylanders to jobs, health care, and education without requiring additional road expansion, TOD supports housing affordability, efficient use of resources, and long-term economic competitiveness.

By facilitating increased TOD and housing density in transit corridors, SB 389 has the potential to accelerate housing production and ensure Marylanders of all incomes have better access to opportunity. For these reasons, we urge a **favorable** report on SB 389. Thank you for your consideration and shared commitment to reducing barriers to mobility and opportunity, as well as making this region the best place to live, work, and build a business.

Contact:
Emily West

¹ See [Housing Affordability](#) and [Cost of Living](#), U.S. News (May 2025)

² See [New research highlights the incredible benefits of transit to the Capital Region](#), WMATA (June 2024)





Sr. Vice President, Policy & Initiatives
Ewest@greaterwashingtonpartnership.com



SB389_MDSierraClub_fav_12Feb2026 .docx.pdf

Uploaded by: Lindsey Mendelson

Position: FAV



Committees: Finance and Education, Energy and the Environment
Testimony on: SB 389, Land Use – Transit-Oriented Development – Alterations (Maryland Transit and Housing Opportunity Act)

Position: Support

Hearing Date: February 17, 2026

The Maryland Chapter of the Sierra Club urges a favorable report on SB 389. This bill supports transit-oriented development by automatically designating areas near certain rail stations as enterprise zones; prioritizing the redevelopment of state-owned land contiguous to rail stations; removing certain restrictive development standards, such as minimum off-street parking requirements, for properties very close to rail stations with frequent service; and changing the timing of impact fee payments until after construction is complete and an occupancy permit has been issued.

This legislation will help to implement the vision outlined in the Maryland Department of Transportation’s (MDOT’s) 2024 *Penn Line Transit-Oriented Development Strategy Plan* to develop 170 acres of undeveloped state-owned land around Penn Line stations and unlock more than \$800 million in tax revenue for the state over three decades.¹ Other projected benefits include \$1.7 billion in annual retail sales, at least 2,600 new housing units, and over half a million new MARC trips – and this is only for the Penn Line stations. A full buildout of rail stations across the state will provide even greater economic, climate, and quality of life benefits.

Climate change, land use, affordability, equity, and transportation are all inextricably entwined. As Sierra Club’s Urban Infill Guidance states, how we build cities and towns has a profound effect on the causes and impacts of climate change. By focusing dense, multi-family, and mixed-use development near transit stations and other public infrastructure, Maryland can reduce carbon emissions from the transportation sector.²

We also support the provision to remove minimum off-street parking requirements near rail stations. This will help to make residential units more affordable, due to the high cost of building parking spaces which gets added to housing prices, and will allow projects to “right-size” the amount of parking to the transit-oriented location and financing conditions.

Maryland makes massive investments in its rail transportation infrastructure. It makes sense that the state would play an active role in enabling as many Marylanders as possible to enjoy living, working, or visiting places near those investments. This bill also works hand-in-hand with other state efforts to increase the supply of affordable housing and create more just communities.

In conclusion, we urge you to submit a favorable report for SB 389.

Jane Lyons-Raeder
Chair, Transportation Committee
janeplyons@gmail.com

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

¹ <https://www.mdot.maryland.gov/tso/pages/newsroomdetails.aspx?newsId=852&PageId=38>

² https://www.sierraclub.org/sites/www.sierraclub.org/files/Infill%20Policy_5.18.2019.pdf

SB 389 - TOD - FAV - REALTORS.pdf

Uploaded by: Lisa May

Position: FAV



Senate Bill 389 - Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

Position: Support

Maryland REALTORS® supports efforts to make it easier for Marylanders to find homes they can afford in places that make sense for how people live, work, and travel today. Housing near transit gives consumers more choices, reducing commuting costs, improving access to jobs, and creating walkable neighborhoods with nearby shops and services. SB 389 facilitates the creation of these types of housing options.

Areas adjacent to transit are already supported by public infrastructure, making them ideal locations for new housing and mixed-use development. Yet too often, underutilized land near transit remains locked up by outdated zoning rules and high upfront development costs. SB 389 addresses these barriers directly, helping deliver housing where demand already exists and where families can rely less on cars and more on transit.

The bill modernizes zoning near high-frequency rail transit by encouraging mixed-use development and allowing flexibility in parking requirements. Parking minimums are not without costs, and excessive mandates drive up housing prices for consumers. Allowing developers to determine appropriate parking based on market demand helps lower costs while still meeting the needs of future residents.

SB 389 also reduces financial barriers that ultimately raise prices for renters and buyers. By extending Enterprise Zone incentives to locally designated TOD areas, delaying impact fees until construction is complete, and prioritizing TOD projects for State infrastructure financing, the bill lowers upfront costs that can otherwise stall or cancel projects.

The opportunity is significant. MDOT estimates that State-owned land near transit could support roughly 7,000 new housing units and generate \$1.4 billion in State and local tax revenue. Yet restrictive zoning alone is currently preventing thousands of these homes from being built. Senate Bill 389 helps unlock this potential—connecting housing, transit, and economic opportunity in a way that benefits Maryland consumers.

For these reasons, REALTORS® urge a favorable report on SB 389.

For more information contact
lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org

SB 389 - 2026 TOD Bill Testimony.pdf

Uploaded by: Mark Clements

Position: FAV



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

February 4, 2026

Senate Bill 389 – Land Use – Transit-Oriented Development – Alterations (Maryland Transit & Housing Opportunity Act) – Favorable Testimony

Dear Chair Beidle and Members of the Finance Committee,

My name is Mark Clements and I serve as the Maryland Policy Manager for [Greater Greater Washington](#) (GGWash), a nonprofit that works to advance sustainability and equity in housing, land use, and transportation throughout Greater Washington and beyond. **GGWash strongly supports Senate Bill 389**, which will address two challenges Maryland currently faces: a budget crisis and a housing shortage.

As Maryland continues to build out its mass transit access, a woeful amount of land near public transportation has gone underutilized. The state owns significant portions of that land; this bill would empower the Maryland Department of Transportation (MDOT) to put them to more effective use. By MDOT's most recent estimates, the state's share of land along the MARC Penn Line alone could generate 7,000 homes and \$1.4 billion in state and local tax revenues. Considering the state currently faces a budget shortfall of almost \$1.5 billion, the economic development potential of this legislation should not be understated.

To maximize development on transit-adjacent land, the bill will encourage mixed-use development, reduce or eliminate certain parking minimums, and provide MDOT the ability to work alongside local jurisdictions on development plans for applicable MDOT-owned properties. It will also reduce the number and severity of barriers to financing development projects on transit-adjacent land by automatically incorporating them into Maryland's Enterprise Zone program, as well as reduce upfront costs by delaying the collection of impact fees until the projects are complete.

According to our recent poll, [73% of Marylanders say our state does not have enough homes to buy or rent](#). The only way Maryland can triumph over its housing shortage is by increasing supply; the state government and its agencies are well-positioned to ameliorate this crisis if they are given the tools to do so. SB 389 will provide more latitude for the state to take action, especially in transit-adjacent areas where denser, more community-oriented development

makes the most sense. **As such, we ask that the Senate Finance Committee give SB 389 a favorable report.**

With candor and respect,

A handwritten signature in black ink, appearing to read "Mark A. Clements, Jr.", with a long horizontal flourish extending to the right.

Mark A. Clements, Jr.
Maryland Policy Manager
Greater Greater Washington

SB0389 - LOS - TSO - Land Use - Transit-Oriented D

Uploaded by: Matt Mickler

Position: FAV

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

SB 389 Letter of Support BSU.pdf

Uploaded by: Michael Harrison

Position: FAV



OFFICE OF LEGAL & GOVERNMENT AFFAIRS

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Senate Finance Committee

**Senate Bill 389 - Land Use - Transit-Oriented Development - Alterations
(Maryland Transit and Housing Opportunity Act)**

Letter of Support

February 17, 2026

Chair Beidle, Vice Chair Hayes, and Members of the Committee:

Bowie State University is in strong support of SB 389, the Maryland Transit and Housing Opportunity Act. This legislation comes at a pivotal time for our University, the State, and Prince George's County as we actively advance transit-oriented development (TOD) at the Bowie State MARC Station.

In 2024, the Maryland Department of Transportation (MDOT), Bowie State University, and Prince George's County executed a Memorandum of Understanding establishing a cooperative partnership to develop the area surrounding the Bowie State MARC Station. This partnership reflects a shared commitment to transforming underutilized, transit-adjacent land into a vibrant mixed-use community that supports students, residents, and employers.

MDOT has issued a Request for Proposals to select a joint development partner to lead master planning and redevelopment of approximately 4.63 acres of State-owned land at the station. MDOT has committed \$1.5 million to advance master planning and associated infrastructure improvements, including a MARC platform extension, a new pedestrian bridge connecting directly to campus, and enhanced bicycle and pedestrian access. The project also received \$250,000 in federal Community Project Funding secured through the leadership of Congressman Glenn Ivey and Senator Angela Alsobrooks to support continued advancement.

At the same time, the Revenue Authority of Prince George's County has issued its own Request for Proposals for a 93-acre, county-owned site adjacent to the station to create a multi-phased, mixed-use "Campus Village." The County has earmarked \$1 million for infrastructure and due diligence work and envisions an amenity-rich community integrating housing, commercial, recreational, and institutional uses while preserving and highlighting the natural landscape, including proximity to the nearby Patuxent Research Refuge. Together, the State and County

projects represent a coordinated, transformative opportunity centered on Bowie State University and the MARC station.

Senate Bill 389 will directly support and accelerate this work.

The bill addresses two of the principal barriers to successful TOD: zoning constraints and project financing. It provides flexibility around parking requirements near high-frequency rail transit, encourages mixed-use development, and allows MDOT to lead development planning on Department-owned land contiguous to transit in coordination with local jurisdictions. These tools are critical where State and County land, regional transit assets, and a public university intersect.

The legislation also strengthens project feasibility by incorporating locally designated TOD areas into the State's Enterprise Zone program, delaying the imposition of impact fees until construction is complete, and prioritizing TOD on State-owned transit-adjacent land for funding under the Strategic Infrastructure Revolving Loan Fund.

For Bowie State, these provisions are not abstract policy changes—they directly affect whether this coordinated State and County effort succeeds. As master planning advances on both the 4.63-acre State site and the adjacent 93-acre County site, financial feasibility will determine how quickly housing, student-serving retail, research and innovation space, and community amenities can be delivered. Flexibility on parking, access to incentives, and reduced upfront cost burdens will significantly improve the viability of development that supports student housing, workforce housing, and expanded economic opportunities connected to the University.

SB 389 will help Bowie State University fully leverage its unique position as a transit-adjacent institution and anchor for this emerging corridor. By aligning State policy with the realities of delivering TOD at the Bowie State MARC Station, this legislation will strengthen campus connectivity, expand housing options, and enhance the University's economic impact in Prince George's County.

For these reasons, Bowie State University respectfully requests a favorable report on Senate Bill 389.

Thank you for your consideration. For questions, please contact Michael Harrison, Director of Government and Community Relations, Bowie State University, at mlharrison@bowiestate.edu.

SB389_CareFirst_FAV

Uploaded by: Patrice Kingsley

Position: FAV

February 17, 2026

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

Dear Chair Beidle and Committee Members:

CareFirst BlueCross BlueShield (CareFirst) supports the Maryland Transit & Housing Opportunity Act (Senate Bill 389) to help implement successful transit-oriented development (TOD) and improve transportation access in the State.

Transportation is a healthcare issue. It represents a critical Social Driver of Health, a key public health priority for CareFirst, and an unignorable issue facing the region.

As the state's largest insurer, CareFirst has direct visibility into how regional barriers to transportation lead to missed or delayed doctor's or clinic appointments, fewer prescription refills, and overall poorer health outcomes. All of this contributes to an increased economic burden on the healthcare system and overall community health, directly affecting people's access to much-needed healthcare services.

As an employer, we are committed to ensuring our jobs are accessible. In a region where only 7.5% of regional jobs are accessible via public transportation within an hour, we decided to invest in workforce development to bring economic opportunity to West Baltimore, we were intentional about locating our investment proximate to nearby transit. Enhancing public transit can alleviate existing disparities by increasing mobility for historically marginalized populations in underinvested communities. Incentivizing transit-oriented development can ensure more employers are creating jobs that Marylanders can access.

CareFirst is aligned with the Maryland Transit and Housing Opportunity Act and welcomes the tools advanced by this bill. Critically, this legislation supports project financing by allowing the Maryland Economic Development Corporation (MEDCO) to prioritize certain redevelopment projects when making loans under the Strategic Infrastructure Revolving Loan Program. It also adds designation of certain transit-oriented developments as State Enterprise Zones, increasing access to capital for businesses to locate near public transportation.

As such, the bill has the potential to yield significant economic benefits for the Baltimore Region and beyond:

1. **Reduced transportation costs:** TOD encourages people to rely less on private vehicles, which lowers household transportation expenses. This can lead to more disposable income for residents, stimulating local businesses and promoting local economic activity, among other benefits.
2. **Job creation:** TOD projects stimulate job creation through the construction of infrastructure, housing, and commercial space, and from ongoing operations (e.g., public transportation, retail businesses, and other services near transit hubs). This has a multiplier effect, supporting additional employment opportunities in the surrounding area.
3. **Increased business activity:** TOD typically combines residential, commercial, and recreational spaces in close proximity to one another, creating dense economic ecosystems of businesses and consumers. Such concentration encourages spontaneous interactions that can benefit local businesses.
4. **Attraction of workers and investment:** Areas that are well-connected to transit systems are often seen as more desirable places in which to live and work, attracting both talent and private investment. This in turn can foster the development of new firms, housing, and retail establishments, all of which contribute to economic growth.

For these reasons, CareFirst respectfully requests the Committee grant Senate Bill 389 a favorable report.

Sincerely,



Patrice Kingsley
Strategy and Operations Manager, Office of the CEO
1501 S. Clinton Street
Baltimore, MD 21224

Patrice.Kingsley@CareFirst.com

Testimony in support of SB0389 - Maryland Transit

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0389_RichardKaplowitz_FAV

02/17/2026

Richard Keith Kaplowitz

Frederick, MD 21703

TESTIMONY ON SB#/0389- POSITION: FAVORABLE

Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

TO: Chair Beidle, Vice Chair Hayes, and members of the Finance Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0389, **Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)**

Investopedia explains what an enterprise zone is and how it is a positive a government can provide to residents of a jurisdiction. ¹

An enterprise zone is a geographic area that has been granted special tax breaks, regulatory exemptions, or other public assistance in order to [encourage private economic development](#) and job creation. They are used most often to promote the [revitalization](#) of a city neighborhood and can encourage housing development as well.

The Federal Transit Administration promotes Transit-Oriented Development: ²

The success of transit systems in rural, urban and suburban neighborhoods is critical to the economic health and sustainable growth of America's communities. Transit systems should address the needs of everyone and help people get to jobs, school, healthcare and visit friends and family. Transit-oriented development (TOD) is where those two areas intersect to create real change. Dense, walkable, mixed-use development near transit attracts people and adds to vibrant, connected communities. Public transportation can help foster partnerships in communities that support the development of affordable housing around transit.

Recognizing the benefits Maryland might accrue this bill will provide for the automatic designation of certain transit-oriented developments as enterprise zones; requiring the Maryland Development Corporation to prioritize certain redevelopment projects when making loans under the Strategic Infrastructure Revolving Loan Program; altering the authority of local legislative bodies to regulate land use planning on land located near certain transit stations; delaying the collection of certain development excise taxes and development impact fees for certain residential real estate projects; etc.

This important bill offers a pathway to achievement of significant benefits in Maryland.

I respectfully urge this committee to return a favorable report on SB#/0389.

¹ <https://www.investopedia.com/terms/e/enterprise-zone.asp>

² <https://www.transit.dot.gov/TOD>

LOS SB389 2026.pdf

Uploaded by: Ryan Dorsey

Position: FAV



BALTIMORE CITY COUNCIL

RYAN DORSEY, 3rd District

100 Holliday Street
Room 523
Baltimore, MD 21202
Office: 410-396-4812
Ryan.Dorsey@BaltimoreCity.gov

February 11, 2026

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

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

Dear Chair Beidle and Committee Members:

I am writing to offer my support for the Maryland Transit & Housing Opportunity Act (Senate Bill 389) to help implement successful transit-oriented development (TOD) in the State.

I serve as the Chair of the Baltimore City Council's Land Use and Transportation committee and have dedicated nearly a decade to advancing policies similar to this bill and others aligned with its aims. In 2025 Baltimore City entirely repealed its off-street parking requirements, such that the parking provisions of this bill will have no further impact on the city. And our zoning code and map already create significant opportunity for mixed use development near TOD such that there will be little if any impact to the city from this bill. My support for this bill stems from my strong belief that Baltimore City has already led the way, and that we will all be better off if the rest of the state is able to make similar progress.

Underutilized land adjacent to transit presents the opportunity to build transit-oriented communities, creating spaces where Marylanders can affordably live, shop, travel, and work. As such, the bill has the potential to yield significant economic benefits for the Baltimore Region and beyond:

1. **Increased property values:** Research shows that transit-oriented development (TOD) typically leads to property value growth around transit hubs due to the convenience and accessibility they provide. This rise in property values can increase tax revenues for local governments, which can be reinvested into infrastructure, public services, and amenities.
2. **Fiscal savings:** By concentrating development around transit stations, TOD maximizes land use in areas where infrastructure and services are already in place, reducing the need for extensive new infrastructure investments. This helps lower development costs for both the public and private sectors and can also reduce the strain on road systems, which can be expensive to maintain.
3. **Reduced transportation costs:** TOD encourages people to rely less on private vehicles, which lowers household transportation expenses. This can lead to more disposable

income for residents, stimulating local businesses and promoting local economic activity, among other benefits.

4. **Job creation:** TOD projects stimulate job creation through the construction of infrastructure, housing, and commercial space, and from ongoing operations (e.g., public transportation, retail businesses, and other services near transit hubs). This has a multiplier effect, supporting additional employment opportunities in the surrounding area.
5. **Increased business activity:** TOD typically combines residential, commercial, and recreational spaces in close proximity to one another, creating dense economic ecosystems of businesses and consumers. Such concentration encourages spontaneous interactions that can benefit local businesses.
6. **Attraction of workers and investment:** Areas that are well-connected to transit systems are often seen as more desirable places in which to live and work, attracting both talent and private investment. This in turn can foster the development of new firms, housing, and retail establishments, all of which contribute to economic growth.

This legislation addresses two of the principal barriers in achieving this growth in Maryland: local zoning and project financing.

First, the bill addresses zoning challenges near high-frequency rail transit by adding flexibility to parking solutions for new development, encouraging mixed-use development, and allowing the Maryland Department of Transportation (MDOT) to lead on the development plan for Department-owned land contiguous to transit, working alongside local jurisdictions.

Second, the bill addresses project financing challenges and risks by creating new incentives for TOD development. The legislation incorporates locally designated TOD areas into the State's Enterprise Zone (EZ) program, positioning sites' job-generating developments for financial incentives. The legislation will also delay the imposition of impact fees until construction of a TOD project is complete. This shift in timing will reduce upfront costs to development. The bill would also affirm that TOD on State-owned transit-adjacent land is a priority for funding under the Strategic Infrastructure Revolving Loan Fund.

In a time of tremendous need for economic growth and affordable housing, the benefits of leveraging the over 300 acres of State-owned land near transit are immense. 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.

For these reasons, I respectfully request the Committee grant Senate Bill 389 a favorable report.

Respectfully submitted,



Ryan Dorsey
Chair, Land Use and Transportation Committee
Baltimore City Council

2.17.26.SB389TransitHousingOppAct.Fello.pdf

Uploaded by: Rylie Shewbridge

Position: FAV

February 12, 2026

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

RE: SB389/HB894 – Land Use – Transit-Oriented Development – Alterations (Maryland Transit & Housing Opportunity Act)

Dear Chair Beidle and Members of the Committee,

On behalf of Fello, we write in support of ***SB389/HB894 – Land Use – Transit-Oriented Development – Alterations (Maryland Transit & Housing Opportunity Act)***.

Across Maryland, Fello is building communities where people belong. With a team of more than 650 employees, Fello supports over 5,000 people with disabilities each year – creating opportunities that empower people to live the lives they choose. From advancing equity and respect to expanding access and connection, inclusion is at the heart of everything we do. One powerful way this comes to life is through Fello Communities: beautiful, safe, and accessible rental housing that offers choice and stability for residents across income levels, from affordable to market-rate homes.

We commend Governor Moore’s leadership in making transformative investments in Maryland’s mass transit system. Maryland’s goal of building the world’s best mass transit network presents a critical opportunity to leverage underutilized land adjacent to transit for transit-oriented development (TOD). These areas are well positioned to become vibrant, mixed-use communities where Marylanders can affordably live, work, shop, and travel—while maximizing the State’s existing infrastructure investments.

Fello believes that aligning transit assets with housing production and economic development is essential to meeting Maryland’s housing and workforce needs. SB389/HB894 directly addresses two of the most persistent barriers to achieving this vision: local zoning constraints and project financing challenges.

The bill tackles zoning barriers by adding flexibility to parking requirements, encouraging mixed-use development, and empowering the Maryland Department of Transportation (MDOT) to lead development planning on State-owned land contiguous to transit, in coordination with local jurisdictions. Together, these provisions create a more predictable and effective framework for transit-oriented development.

fello.

fello.org

410.269.1883



The legislation also takes meaningful steps to reduce financial barriers and risk for TOD projects. Incorporating locally designated TOD areas into the State’s Enterprise Zone program will strengthen the feasibility of job-generating developments by expanding access to critical financial incentives. Delaying the imposition of impact fees until construction is complete will further reduce upfront development costs—an especially important consideration for nonprofit and mission-driven developers like Fello. In addition, affirming TOD on State-owned, transit-adjacent land as a priority for funding under the Strategic Infrastructure Revolving Loan Fund reinforces the State’s commitment to equitable and sustainable development.

At a time when Maryland faces an acute need for affordable housing and inclusive economic growth, SB389/HB894 makes it easier to both build and finance successful mixed-use developments near transit facilities. The potential impact is substantial. MDOT estimates that more than 300 acres of State-owned land near transit—particularly in the Baltimore region and along the MARC Penn Line—could support approximately 7,000 housing units and generate \$1.4 billion in State and local tax revenue. Yet restrictive zoning alone is currently preventing an estimated 2,700 housing units from being built on transit-adjacent, State-owned land.

SB389/HB894 represents a thoughtful, strategic approach to unlocking housing supply, strengthening communities, and ensuring that Maryland’s transit investments deliver their full economic and social benefits.

For these reasons, we respectfully urge a favorable report on SB389/HB894.

Sincerely,



Jonathon Rondeau
President & CEO

2.12.26_MD Transit & Housing Opportunities Act_Wri

Uploaded by: Saif Ratul

Position: FAV



STATE OF MARYLAND

OFFICE OF THE GOVERNOR
Wes Moore

February 17, 2026

The Honorable Pamela Beidle
Chair, Finance Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: Favorable - SB0389 - Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

Chair Beidle, Vice-Chair Hayes, and Members of the Finance Committee:

On behalf of the Moore-Miller Administration, I respectfully ask the committee to issue a favorable report on SB0389 - Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act). This legislation reflects a simple truth: Maryland's economic future depends on how well we connect our people to work, wages, and wealth.

Since Day One, our administration has made significant investments in our state's mass transit system to connect Marylanders with opportunities. As we make record investments in these assets, we can and must pursue a comprehensive strategy that targets underutilized land adjacent to transit facilities.

This means creating vibrant, transit-connected, sustainable communities, where Marylanders can affordably live, shop, travel, and work. When transit investments are paired with housing and economic development, they become engines of growth rather than isolated infrastructure projects. This is the blueprint for leveraging our transit assets with our housing and economic development priorities to drive economic growth. The Maryland Transit and Housing Opportunity Act moves this blueprint from a concept to implementation.

To do so, the legislation addresses two principal and persistent barriers to implementing this comprehensive strategy: zoning constraints and financing challenges. In too many of our communities, outdated land-use rules limit the return on existing transit investments and slow economic growth. The bill introduces a set of targeted reforms in areas served by high-frequency rail transit by ensuring flexibility around parking requirements, encouraging mixed-use

development, and authorizing the Maryland Department of Transportation (MDOT) to lead development planning for state-owned land contiguous to transit facilities.

In parallel, the legislation also strengthens the financial viability of these projects. It designates transit-oriented development (TOD) areas into the State's Enterprise Zone program, making projects eligible for job-generating financial incentives. This also ensures TOD projects on state-owned, transit-adjacent land are a priority under the Strategic Infrastructure Revolving Loan Fund. In addition, it defers the imposition of impact fees until project completion, reducing upfront development costs and ensuring the availability of more capital for the construction of the project.

I appreciate the thoughtful feedback our administration has received from our local partners on both the zoning and financial provisions of this legislation. Last year, the Maryland Department of Transportation worked closely with members of the House of Delegates, the Senate, and local jurisdictions to refine the zoning provisions. This legislation reflects that effort. My team has continued that engagement with local partners on the financing provisions and look forward to ongoing dialogue to ensure the right balance between statewide goals and local considerations.

With these provisions, the Maryland Transit and Opportunity Act will make it easier to build and finance successful mixed-use developments near transit facilities. At a time when Maryland must drive both economic growth and affordable housing, this legislation responds with urgency and purpose. Leveraging more than 300 acres of state-owned land near high-frequency transit corridors poses a significant opportunity. This will help build over 7,000 new housing units and generate nearly \$1.4 billion in state and local tax revenue. Removing these barriers around zoning and enhancing finance options are essential to realizing the potential for economic growth and affordable housing.

For these reasons, I respectfully request that the committee issue a **favorable** report on Senate Bill 389 - Maryland Transit and Housing Opportunity Act.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Wes Moore', with a stylized flourish at the end.

Wes Moore
Governor of Maryland

SB389 - Favorable.pdf

Uploaded by: Shamoyia Gardiner

Position: FAV

ZEKE COHEN
Council President



100 Holiday Street, Suite 400
Baltimore, Maryland 21202
410-396-4804 • Fax 410-539-0647
council.president@baltimorecity.gov

BALTIMORE CITY COUNCIL

BALTIMORE, MARYLAND 21202

February 17, 2026

Honorable Chair Beidle and members of the Senate Finance committee,

I write to you in support of Senate Bill 389, Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act). This proposal is timely and responsive to the particular difficulties experienced in Baltimore City's efforts to expand both affordable housing and accessible transit locally.

I am proud of the myriad legislative successes of the 74th Baltimore City Council—particularly the recently adopted land use reforms that enable transit-oriented development, including eliminating all parking minimums and single stair reform.

This Council is working within its authority to ensure Baltimore continues to see decreased homicides, affordable housing stock, and increased population growth—but we cannot realize these things alone. We need bold policy changes and state partnership to get there-together.

Statewide transit-oriented development (TOD) strategies and policies like SB 389 are vital to the success of the Baltimore regional transit system. The provision that delays the imposition of impact fees until construction of a TOD project is complete will reduce upfront costs to development, potentially encouraging more innovative approaches to new developments and expanding economic opportunities to smaller businesses. The mandate set forth in this bill could serve both a catalyst for regional collaboration and a framework to *literally* grant our residents more freedom to move about.

Baltimore will benefit from more people being able to live along the transit lines that serve our city. Interweaving foundational elements to encourage population density, like accessible transit options and affordable, mixed used developments, can create the conditions for increased safety and quality of life in our communities. For the above reasons, **I urge the committee to vote favorably on this bill.** Please contact my office with any further questions.

CC: Shamoyia Gardiner, Deputy Chief of Staff and Legislative Director

CPSR Testimony SB 389 - TOD.pdf

Uploaded by: Terrence Fitzgerald

Position: FAV



**Testimony on SB 389
Land Use – Transit-Oriented Development
Senate Finance Committee**

Date: February 17, 2026

Position: FAVORABLE

Chesapeake Physicians for Social Responsibility (CPSR) is a statewide evidence-based organization of over 800 physicians and other health professionals and supporters that addresses existential public health threats: nuclear weapons, the climate crisis, and toxic chemicals, as seen through the intersectional lens of environmental, racial, and social justice.

CPSR strongly supports SB 389, which would promote dense, mixed-use development near transit stations.

As described by the Maryland Department of Transportation, “The Moore-Miller 2024 State Plan highlights TOD as an important tool in tackling the affordable housing shortage and leveraging infrastructure to bolster inclusive economic growth. MDOT actively promotes TOD as an approach to help increase transit ridership, support economic development, and maximize the efficient use of transportation infrastructure.”

Those are important reasons to support TOD, but I want to focus on the environmental impact of this approach to development. Promoting the use of transit and emphasizing mixed use development result in decreased dependence on automobiles. This results in decreased burning of fossil fuels and therefore decreased pollution and decreased production of GreenHouse Gases.

This is important not only because of the significant local health effects of fossil fuel pollution but very significantly because of the climate chaos resulting from GreenHouse Gases. We are not talking about inconveniences. The hurricanes and massive fires in our country are only a part of the picture. Droughts, heat emergencies, desertification, floods, sea level rise – all these lead to terrible human suffering, destabilize societies, and lead to mass migration, destabilizing other societies and triggering wars. As these impacts multiply, there is a real risk of catastrophic changes to our civilization. **These are very real dangers**, but as a society we are just not taking them seriously.

Every step that we take to reduce GreenHouse Gas production decreases our contribution to the climate crisis. In addition, changing our approach to development in this way can be a step towards a culture shift in our society – from car-centered development to human-centered development. This means that the change has effects over generations.

Our motto at CPSR, and a principle of public health, is **WE MUST PREVENT WHAT WE CANNOT CURE**. That is why we support this bill and urge you to give a **favorable report on SB 389**.

SB0389_2026.pdf

Uploaded by: Benjamin Ross

Position: FWA



Montgomery County's Advocates for Better Transportation

P.O. Box 7074, Silver Spring MD 20907 • admin@actfortransit.org

Testimony on SB 0389, Transit and Housing Opportunity Act

Favorable with Amendment

Finance Committee, February 17, 2026

presented by Benjamin Ross

The Maryland Transit and Housing Opportunity Act (SB 0389) will be good for Maryland's economy, our transit system, and our environment. It will also help relieve the heavy burden of high housing costs.

Our one concern is that in the current draft of the bill, Montgomery County is unable to take advantage of one of its key provisions. We therefore propose a simple amendment that will help Montgomery without in any way lessening the benefits other jurisdictions will get from this bill.

Specifically, we ask you to amend the bill to **extend the treatment of development on state-owned land next to stations (basically, parking lots and bus loops) to WMATA-owned land as well.**

Mixed-use transit-oriented development does many good things.

It is a win-win-win for affordability. Residents of new homes can ride the train and escape the high cost of buying, insuring, and fueling an automobile. The fares they pay – and the

roads they don't drive on – lower the burden on taxpayers of transit operations and highway maintenance. New housing supply lowers the cost of finding a home for everyone.

It's good for the environment. Maryland cannot possibly reach our climate goals without reducing the use of the automobile. And taking cars off the road reduces congestion for those who still must drive.

It builds communities. When you walk to the train station and the store every day, you get to know your neighbors. It promotes health. Research shows that the everyday exercise of walking to stores and train station makes transit riders healthier and longer-lived.

SB 0389 promotes this kind of development at rail stations with all-day service in five principal ways:

1. Eliminates minimum parking requirements within 1/4 mile of a station.
2. Requires counties to allow residential & mixed use development on property currently zoned commercial or multifamily residential within 1/2 mile of a station.
3. Delays payment of impact taxes until a project is built.
4. Empowers MDOT to exceed local zoning limits for new building on state-owned land at the station in coordination with the local government.
5. Makes these TOD projects eligible for certain state loan programs.

The first three of these changes will have limited effect in Montgomery County because we have already moved our zoning rules in these directions.

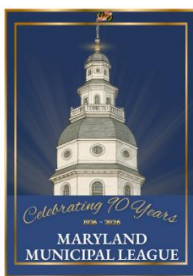
Where Montgomery misses out in the bill as currently drafted is the fourth point. There are no state-owned parking lots at eligible rail stations in Montgomery because the parking lots at Metro stations are owned by WMATA. Prince George's, where development at Metro stations is a high county priority, is in a similar situation. (Prince George's does have eligible state-owned parking lots at two MARC stations.)

We therefore request that you give SB 0389 a favorable report with an amendment to include WMATA-owned land adjacent to stations on the same basis as state-owned land adjacent to stations.

SB 389 - MML - FWA.pdf

Uploaded by: Bill Jorch

Position: FWA



TESTIMONY

COMMITTEE:

Senate Finance

DATE:

February 17, 2026

POSITION:

Favorable with Amendments

BILL:

SB 389

The Maryland Municipal League (MML) appreciates the continued focus on transit-oriented development (TOD) and the goal of concentrating housing and mixed-use growth in areas served by rail infrastructure. Transit-oriented development can support efficient use of existing infrastructure, reduce transportation costs for residents, strengthen local tax bases, and align housing growth with long-term transportation investment. Municipalities across Maryland have long partnered with the State to advance thoughtful rail-adjacent redevelopment and mixed-use planning.

The League is not opposing the TOD land use framework reflected in the bill. However, two components raise significant structural and fiscal concerns for municipalities: (1) the automatic designation of TODs as Enterprise Zones; and (2) the required delay in collection of development impact fees and excise taxes.

Enterprise Zone Designation

MML respectfully but fundamentally disagrees with the automatic designation of qualifying TODs as Enterprise Zones. Enterprise Zones were created to target economic development incentives to areas demonstrating economic distress or prolonged commercial decline. The program is structured to make investment viable in locations where market conditions alone are insufficient to attract redevelopment. In exchange, local governments provide a property tax credit, usually for 10 years, on the increased value attributable to qualifying improvements. That credit represents a significant local tax expenditure. For most municipalities, property tax is the primary general fund revenue source used to support public safety, infrastructure maintenance, debt service, and other core services. The decision to grant a 10-year property tax credit is therefore a deliberate fiscal determination based on demonstrated economic need.

Transit-Oriented Developments, by contrast, are designated based on proximity to transit infrastructure and coordinated land use planning considerations. Rail access itself often creates strong or emerging market conditions. In many TOD areas, development demand already exists because of location, infrastructure access, and transit connectivity. Automatically designating TODs as Enterprise Zones applies a substantial local tax incentive in areas that may not require additional economic stimulus to attract investment. This shifts the Enterprise Zone program from a targeted, need-based revitalization tool into a location-based incentive tied solely to transit proximity.

The practical implications for municipalities are significant. Although Enterprise Zone participation technically requires local action, automatic designation places municipalities in a constrained position. If an area is designated as an Enterprise Zone but the municipality declines to offer the required property tax

Property Tax comprises 50% of the General Fund Budget of the Average Municipality in Maryland

credit, the zone is largely ineffective and creates confusion for developers. In practice, automatic designation effectively obligates municipalities to provide the 10-year property tax credit if the Enterprise Zone is to function as intended.

This change also applies retroactively to TODs designated prior to the bill's effective date. Retroactive designation alters the fiscal consequences of past local planning decisions and can immediately result in foregone municipal property tax revenue in areas that already have infrastructure, already have market demand, and often would experience development without additional tax incentives.

When Enterprise Zone tax credits are automatically applied to TOD areas statewide, the State is functionally steering development intensity and location through the tax code. While zoning authority may technically remain local, mandatory tax incentives influence project feasibility, development timing, and project type. This approach embeds housing and growth policy within a tax incentive statute without recalibrating the Enterprise Zone framework to account for housing-related infrastructure demands or municipal revenue impacts.

For these reasons, MML believes Enterprise Zone designation within TODs should not occur automatically. At a minimum, designation should require affirmative approval by resolution of the governing body of the affected county or municipal corporation, or certification that it is consistent with local comprehensive plans, infrastructure capacity, and fiscal policies. TODs designated prior to the effective date of this Act should not receive Enterprise Zone status without local consent.

Development Impact Fees and Excise Taxes

The bill also requires that development impact fees and excise taxes for qualifying TOD residential projects be collected only after construction is complete and a certificate of occupancy is issued. Development impact fees and excise taxes are financing mechanisms used to fund capital infrastructure necessitated by new development, including road improvements, water and sewer capacity, stormwater systems, and other public facilities. These obligations arise early in the development process. Municipalities frequently allocate capital funds, enter into construction contracts, or issue debt in anticipation of fee revenue to support required improvements. Tying full collection to issuance of a certificate of occupancy shifts 100% of the financing risk to local governments and disconnects revenue timing from infrastructure obligations. Under this structure, municipalities must fund or finance infrastructure in advance of receiving the revenue intended to pay for it.

For many municipalities, property tax is the primary source of general fund revenue, and borrowing capacity is limited. Fronting infrastructure costs until project completion may require the use of reserves, increased debt issuance, or reallocation of funds from other priorities. If fee revenue is delayed or a project does not proceed as anticipated, the municipality remains responsible for debt service and infrastructure costs. This risk allocation does not eliminate infrastructure costs; it simply shifts them. In jurisdictions with limited revenue tools, sustained cost shifting can ultimately place upward pressure on property tax rates or constrain funding for essential services. In that respect, mandatory deferral of impact fee collection may undermine housing affordability rather than advance it.

A more balanced structure would allow local governments to collect up to 50% of applicable development impact fees or excise taxes prior to issuance of a building permit, with the remaining balance due prior to issuance of a certificate of occupancy. This approach preserves development predictability while maintaining alignment between infrastructure financing and growth.

The bill also authorizes revocation of occupancy approvals if required fees remain unpaid. Revocation after occupancy places residents at risk and increases litigation exposure, while providing limited practical leverage against developers. Local governments should instead be authorized to withhold issuance of occupancy approvals until all required development impact fees and excise taxes are paid. This preserves an effective enforcement mechanism without creating unintended consequences.

Municipalities support transit-oriented development and remain committed partners in advancing housing and mixed-use growth near rail infrastructure. However, automatic Enterprise Zone designation and mandatory deferral of impact fee collection represent structural fiscal changes that warrant modification to protect local fiscal stability, infrastructure planning, and long-term housing affordability. MML has submitted proposed amendments to the Administration addressing the Enterprise Zone and impact fee provisions and remains committed to working in good faith toward a solution that advances the State's development goals while ensuring fiscal responsibility at the local level. For these reasons, the Maryland Municipal League respectfully requests a favorable report contingent upon adoption of amendments resolving these concerns.

For more information relating to this piece of testimony, please contact:
Angelica Bailey Thupari: Director, Advocacy and Public Policy, angelicab@mdmunicipal.org

SB 389 - MML - Proposed Amendments.pdf

Uploaded by: Bill Jorch

Position: FWA

SB 389: “Maryland Transit & Housing Opportunity Act of 2026” Maryland Municipal League Proposed Amendments

Financing - Impact Fees & Excise Taxes

- Any development excise tax or development impact fee imposed on a residential real estate project (defined as a mixed-use development with housing that is located in a TOD served by a rail transit station that receives at least hourly service from 8a-6pm Mon-Fri) cannot be collected until after construction is complete and a certificate of occupancy, occupancy permit, or other local equivalent for the residential real estate project has been issued.
 - Problem: Tying collection to certificate of occupancy shifts 100% of financing risk to local governments and disconnects fees from the infrastructure timeline.
 - Proposal:
 - Collect up to 50% of development excise taxes or impact fees prior to issuing building permits, and the remaining balance before certificates of occupancy are issued.
 - Impose development impact fees for financing public works and facilities required by new construction.
 - Language:
 - “NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION, A LOCAL GOVERNMENT MAY:
 - (1) COLLECT UP TO 50% OF ANY APPLICABLE DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE PRIOR TO THE ISSUANCE OF A BUILDING PERMIT FOR A RESIDENTIAL REAL ESTATE PROJECT; AND
 - (2) COLLECT THE REMAINING BALANCE PRIOR TO THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY, OCCUPANCY PERMIT, OR OTHER LOCAL EQUIVALENT FOR THE RESIDENTIAL REAL ESTATE PROJECT.
 - NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO PROHIBIT A LOCAL GOVERNMENT FROM IMPOSING OR COLLECTING DEVELOPMENT IMPACT FEES TO FINANCE PUBLIC WORKS, IMPROVEMENTS, OR FACILITIES REQUIRED TO ACCOMMODATE NEW CONSTRUCTION.”
- A local govt may revoke a certificate of occupancy, occupancy permit, or other local equivalent if the development excise tax or development impact fee is not paid within a reasonable time period set by the local govt.
 - Problem: Revoking a CO affects residents more than the developer, invited litigation, and puts locals in a challenging position politically.
 - Proposal: Local governments may withhold, not revoke, occupancy approvals, which preserves a meaningful enforcement mechanism without creating unintended legal and public safety consequences.
 - Language: “A LOCAL GOVERNMENT MAY WITHHOLD ISSUANCE OF A CERTIFICATE OF OCCUPANCY, OCCUPANCY PERMIT, OR OTHER LOCAL EQUIVALENT UNTIL ALL REQUIRED DEVELOPMENT EXCISE TAXES OR DEVELOPMENT IMPACT FEES ARE PAID.”

Definition of “Enterprise Zone”

- Adds TODs served by rail transit stations receiving at least hourly service from 8a-6pm Mon-Fri. These are exempted from the limit on the number of EZs the state can designate under 5-704(b).
 - Problem: Automatically designating TODs as enterprise zones fundamentally reorients the program from economic distress to growth management, while forcing municipalities to give up local property tax dollars without accounting for infrastructure capacity, zoning authority, or local fiscal impacts.
 - Solution A
 - Proposal: A designation under this subsection shall not be effective unless the local government agrees to provide the tax incentives authorized under this subtitle.

SB0389 -- Land Use - Transit-Oriented Development

Uploaded by: Brian Levine

Position: FWA



**Senate Bill 389 -- *Land Use - Transit-Oriented Development - Alterations*
(*Maryland Transit and Housing Opportunity Act*)
Senate Finance Committee and Senate Education, Energy, and the Environment Committee
February 17, 2026
Support with Amendment**

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports with amendment Senate Bill 389 -- *Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)*.

Senate Bill 389 provides that an area designated as a transit-oriented development that is served by a rail transit station that receives at least hourly service on average from 8:00 a.m. until 6:00 p.m. Monday through Friday shall automatically be designated as an Enterprise Zone. The bill stipulates that the Maryland Economic Development Corporation (MEDCO), when making loans, prioritize projects that redevelop State-owned land contiguous to rail stations. The bill also requires labor peace agreements in scoring preferences for project applications.

The Chamber supports this legislation because designating transit-oriented development (TOD) areas as Enterprise Zones will attract new investment and stimulate commercial growth around key transportation hubs. Transit areas across the State are primed for responsible development that will generate jobs, revitalize underutilized properties, and create vibrant mixed-use economic centers that strengthen both local and regional economies. Additionally, TOD provides residents with greater access to reliable transportation options, effectively connecting more people to more job opportunities.

The Chamber does, however, oppose the inclusion of labor peace agreement (PLA) language in Senate Bill 389 and respectfully requests its removal. Although MCCC is not opposed to unionization efforts, mandating such provisions is unnecessary and could make certain Transit-Oriented Development projects less attractive for investment and development.

For these reasons, the Montgomery County Chamber of Commerce supports with amendment Senate Bill 389 and respectfully requests a favorable report if PLA language is removed.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

*Brian Levine | Vice President of Government Affairs
Montgomery County Chamber of Commerce
51 Monroe Street | Suite 1800
Rockville, Maryland 20850
301-738-0015 | www.mcccmd.com*

2026.02.17 LOS Maryland Transit and Housing Opport

Uploaded by: Christiana Rigby

Position: FWA



Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

Christiana Rigby
Councilmember

District 3

TESTIMONY IN SUPPORT OF SB389

Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

February 17, 2026

Dear Chair Beidle, Vice Chair Hayes, and Members of the Finance Committee:

Thank you for the opportunity to provide testimony. I write in support, with amendments, of SB389, the Maryland Transit & Housing Opportunity Act, to help implement successful transit-oriented development (TOD) across the State.

Senate Bill 389 makes it easier to build and fund successful mixed-use development projects adjacent to transit facilities. In a time of tremendous need for economic growth and affordable housing, the benefits of leveraging the over 300 acres of State-owned land near transit are immense. 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.

Maryland faces a housing shortage of approximately 100,000 units, and the rising cost of living continues to put pressure on families across the State. Leveraging underutilized land near high-capacity transit stations is a practical step toward increasing supply while making better use of existing infrastructure. By addressing both zoning and financing barriers, SB389 has the potential to unlock new housing opportunities, stimulate economic activity, and advance sustainable, transit-supportive growth.

Importantly, many of these provisions align with what local jurisdictions have already identified in their comprehensive plans: that transit-oriented development areas are appropriate locations for denser housing and growth. These reforms will reduce development costs, support denser and more walkable communities, and improve project feasibility while supporting county and state budget demands. Additionally, prioritizing development on MDOT-owned land presents an opportunity to transform underutilized state assets into vibrant housing and economic centers. Programs like revolving loan funds ensure that projects can move ahead and give governments a seat at the table for these housing initiatives.

At the same time, I have reservations about the broad expansion of Enterprise Zone designations to all state-designated TOD areas. While Enterprise Zones can be valuable economic development tools, expansion should be carefully targeted to communities with demonstrated need and implemented with strong local input. Broadly extending these benefits may dilute their effectiveness and reduce flexibility for smaller jurisdictions like Howard County. I would prefer a range of local options, such as the land value tax reforms proposed by Delegate Stewart and Senator Rosapepe in HB78 / SB457, that allow jurisdictions to tailor incentives to specific market conditions and community goals.

Despite these concerns, I believe this legislation provides meaningful tools to incentivize housing production near transit, improve affordability, and align land use with transportation investments. With thoughtful implementation and continued collaboration between the State and local governments, this Act can help Maryland meet its housing needs while advancing smart growth principles.

Thank you for your consideration. I respectfully request a favorable report.

Sincerely,

A handwritten signature in cursive script that reads "Christiana Rigby". The signature is written in black ink and is positioned below the word "Sincerely,".

Christiana Rigby
Howard County Councilmember, District 3

SB 389 Land Use - Transit-Oriented Development - F

Uploaded by: Dawn Luedtke

Position: FWA



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

DAWN LUEDTKE
COUNCILMEMBER
DISTRICT 7

February 10, 2026

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

RE: Senate Bill 389, *Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)*

Dear Chair Beidle,

I urge the Committee to support Senate Bill 389, Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act) with amendments to create much-needed additional housing near major transportation infrastructure.

Maryland and Montgomery County are experiencing an affordable housing crisis. I applaud Governor Moore and his team for recognizing we must create more housing supply to stabilize the rapidly increasing housing costs hurting our residents and economic competitiveness. This commonsense solution will allow us to take full advantage of the areas with the transit infrastructure to support housing creation. It will also, importantly, apply a uniform ability to do this across the State because we need all jurisdictions pulling in the same direction to achieve our housing goals.

I am proud that our local Montgomery County Council has pursued significant zoning, regulatory, and other legislative and budget initiatives to enable the creation of more housing of all types and across all income levels. I urge the Committee to also consider some of the important and well-thought out amendments requested by the Maryland Association of Counties (MACo) and Maryland-National Capital Park and Planning Commission.

I respectfully ask the committee for a favorable report with amendments to provide appropriate tools for more housing creation at the places it is most appropriate.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dawn Luedtke". The signature is fluid and cursive, with the first letter of each word being significantly larger and more stylized than the others.

Dawn Luedtke
Montgomery County Councilmember
District 7

cc: Members of the Finance Committee

SB 389_MDCC_Maryland Transit and Housing Opportuni

Uploaded by: Hannah Allen

Position: FWA



Senate Bill 389

Date: February 17, 2026

Committee: Finance

Position: Favorable with Amendments

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

SB 389 will streamline transit-oriented development (TOD) by offering a comprehensive approach to overcoming zoning, funding, and implementation barriers, which currently impede the full utilization of Maryland's transit assets. These changes will encourage mixed-use development near rail transit stations, reduce costs for developers, and attract private-sector investment.

This legislation appropriately limits local jurisdictions from imposing a minimum off-street parking requirement on residential or mixed-use developments within .25 miles of a rail transit station that receives at least hourly service on average from 8am-6pm Monday through Friday. Often, securing adequate parking spaces can be challenging for businesses and developers, particularly in high-demand areas or TODs where space is limited and land costs are high. By eliminating these burdensome parking requirements in certain circumstances, SB 389 encourages development, lowers costs, and creates more opportunities for businesses to locate in transit-accessible areas.

SB 389 represents an opportunity to drive talent attraction and retention, boost workforce mobility, and create vibrant communities where people want to live and work. The changes to TOD help address economic challenges posed by growing housing costs and sluggish economic growth. Importantly, it offers a balanced approach that recognizes the need for integrated infrastructure planning to support a thriving economy.

However, the Chamber respectfully requests an amendment to remove the reference to Project Labor Agreement (PLA) preferences on page 13, line 11. While we support the bill's underlying goal of advancing transit-oriented development, we are concerned that a preference to PLAs may unnecessarily increase project costs, limit contractor participation, and reduce flexibility for developers—undermining the bill's intent to spur timely and cost-effective development near transit. Removing this provision would better ensure broad participation, promote competition, and maximize private sector investment.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable with Amendments Report** on SB 389.

FINAL SB 389_ HB 894 – Land Use - Transit-Oriented

Uploaded by: Jordan Baucum Colbert

Position: FWA



POSITION STATEMENT

Bill: SB 389/ HB 894 – Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

Position: Support with Amendments

Date: February 17, 2026

Contact: Debra Borden, General Counsel

Jordan Baucum Colbert, Senior Government Affairs Analyst

Dear Chair Brian Feldman,

The Maryland-National Capital Park and Planning Commission (M-NCPPC or “the Commission”) has not voted on this bill. However, staff have prepared some suggested recommendations for this bill. M-NCPPC offers conditional support for SB 389.

What the Bill Does. This bill provides automatic designation of certain transit-oriented developments as enterprise zones. It requires the Maryland Development Corporation to prioritize certain redevelopment projects when making loans under the Strategic Infrastructure Revolving Loan Program; alters the authority of local legislative bodies to regulate land use planning on land located near certain transit stations; and delays the collection of certain development excise taxes and development impact fees for certain residential real estate projects.

This bill would significantly expand the State’s role in transit-oriented development (TOD), automatically grant certain TOD areas enterprise zone status, shift some local land use authority, and delay certain development fees.

1. Definitions of terms are needed to make interpretation and application of the bill easier. Most importantly, “rail transit station” needs to be clearly defined.

- **Comment:** The bill refers to “a rail transit station” throughout and uses a measure of “hourly service on average from 8:00 a.m. until 6:00 pm Monday through Friday.” The Maryland Department of Transportation Maryland Transit Administration (MTA) is currently studying at least two corridors, the Southern Maryland Rapid Transit Corridor in Charles and Prince George’s Counties and the Red Line in the City of Baltimore, where bus rapid transit is, which often provides service similar to light rail but with buses.
 - **Comment:** The standard based on an “average” hourly service would require calculation of the current timetables for each applicable rail transit station with each new application. This is not practical.
 - **Comment:** Consider the phrase “high-capacity transit” or “transit that partially or completely operates in a fixed-guideway” to encompass these potential BRT systems as well as the state’s existing BRT system: the Flash in Montgomery County.
 - **Comment:** The method of measurement should be defined. Planners and designers need to know exactly where to start the measurement. Do we start at the corner of a rail transit station? At the entrance(s)? Centerpoint?
 - **Comment:** For Prince George’s County, neither Muirkirk MARC nor Lanham-Seabrook MARC have an average of hourly service 8-6 M-F, so neither location qualifies. These stations should be included in the eligibility, otherwise the bill creates inconsistencies and inequities within the County.
2. This bill carries forward a list of projects that the Maryland Economic Development Corporation should prioritize when issuing loans from the Strategic Infrastructure Revolving Loan Program. Section 10-134(d)(5)(i) through existing (iv) defines types of projects that should be prioritized and proposes a new (ii) that adds “redevelop state-owned land contiguous to rail transit stations.” This addition may be limiting and unnecessary:
- (5)(i) prioritizes “activate underutilized property owned by the government and institutions.” State property abutting rail stations is almost always underutilized.
 - Proposed (5)(b) limits prioritization to state-owned land when counties, municipalities, and institutions may also own land contiguous to rail transit stations where such loans would be advantageous to the goals of this legislation.
 - Limiting prioritization to property contiguous to rail transit stations could limit availability of loans to otherwise qualified projects on state-owned property very near, but not contiguous to, a rail transit station. For example, a broader definition could encompass areas of the University of Maryland, College Park campus that are very close, but may not abut, MARC, Metrorail, or Purple Line stations.

3. The definition of “mixed-use” in Section 7-501(a) would appear to preclude an office use combined with recreational, dining, or retail use. Many mixed-use buildings in the state are exactly this mix of non-residential uses.
4. The text “an area that was zoned for single-family residential use” is vague and subject to different interpretations. Single-family zones? Any zone that allows a single-family detached dwelling or other single-family form like a townhouse? The bill is not clear.

Prince George’s County Comment

- **Page 8, line 3:** Define or clarify “partially located outside.” How would this be applied and quantified? Most of the properties “designated for residential use” are arguably “partially located outside” the ½ mile radius.

Therefore, we urge this committee to vote favorably will amendments on this bill

SB0389-FIN_MACo_SWA.pdf

Uploaded by: Karrington Anderson

Position: FWA



Senate Bill 389

Land Use - Transit-Oriented Development – Alterations
(Maryland Transit and Housing Opportunity Act)

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Finance and Education, Energy, and the
Environment Committees

Date: February 17, 2026

From: Dominic J. Butchko and Karrington Anderson

The Maryland Association of Counties (MACo) **SUPPORTS** SB 389 **WITH AMENDMENTS**. This bill proposes various changes to land use and taxation in areas surrounding designated Transit Oriented Developments (TODs). The bill would: (1) designate all TODs as enterprise zones; (2) preempt county minimum off-street parking requirements within 0.25 miles of a designated TOD; (3) require mixed-use zoning for most residential and commercial land within 0.5 miles of a TOD; (4) exempt certain state-owned properties from most land use and zoning requirements; and (5) limit when counties may impose impact fees or excise taxes that help fund necessary infrastructure expansions. MACo supports the goal of encouraging TOD growth, but recommends clarifying amendments to better align the bill's intent with practical implementation.

Maryland continues to face significant growth and affordability challenges, alongside major shifts in commuting patterns that have reduced transit ridership and changed how residents and workers move around the state. In that context, SB 389 seeks to catalyze new investment near transit by promoting mixed-use development, eliminating parking minimums, and providing enterprise zone incentives around TOD areas.

Attached are MACo's seven proposed amendments, with a brief explanation for each. MACo is actively coordinating with the Administration on these refinements, which counties view as necessary to ensure the bill can be implemented consistently and responsibly at the local level.

As drafted, counties have concerns about how SB 389 would operate in practice—particularly as it relates to infrastructure capacity, local planning consistency, and predictable administration. The clarifying amendments would better align the bill language with the Administration's objectives and on-the-ground realities. Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on SB 389.

MACo Amendments for SB 389

Amendment #1 – Retains automatic enterprise zone designation for TOD areas, but associated property tax benefits are contingent upon local government approval/designation (parallel to current Enterprise Zone two-party process, where locals designate/apply, and State approves).

On page 2, after line 27, insert:

“BY repealing and reenacting, with amendments,
Article – Tax – Property Section 9-103(b)
Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)”.

On page 13, after line 11, insert:

“Article – Tax - Property
§9-103.

(b) (1) EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, The governing body of a county or of a municipal corporation shall grant a tax credit under this section against the property tax imposed on the eligible assessment of qualified property.

(2) In Montgomery County the lessor of real property eligible for a credit under this section shall reduce the amount of taxes for which a tenant is contractually liable under the lease agreement by the amount of any credit allowed under this section that is attributable to improvements made by the tenant.

(3) IN A REGION DESIGNATED AS AN ENTERPRISE ZONE THROUGH THE PROCEDURE IN TITLE 7, SUBTITLE 1 OF THE TRANSPORTATION ARTICLE, OR ANY OTHER DESIGNATION NOT ORIGINATING WITH THE LOCAL GOVERNING BODY, THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION MAY, THROUGH ORDINANCE OR RESOLUTION, GRANT A TAX CREDIT UNDER THIS SECTION AGAINST THE PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED PROPERTY.”.

(amendments continue on next page)

Amendment #2 – Clarifies that local jurisdictions may establish parking requirements or limits based on an adequate parking study. In some settings, higher-density development can create real spillover impacts, and right-sized parking standards may be appropriate to protect surrounding communities. Requiring a study-based justification preserves flexibility and avoids one-size-fits-all mandates that could produce unintended consequences.

On page 7, after line 17, insert:

“(4) “ADEQUATE PARKING STUDY” MEANS A DATA-SUPPORTED ANALYSIS, PREPARED FOR A SPECIFIC GEOGRAPHIC AREA, THAT A LOCAL JURISDICTION HAS USED TO DETERMINE WHETHER ONE OR MORE PARKING REQUIREMENTS, PARKING RATIOS, OR PARKING MANAGEMENT STANDARDS ARE NECESSARY FOR THE PROPER SAFETY AND BENEFIT OF THE IMMEDIATE AREA.”.

On page 8, strike lines 15-19 and insert:

“UPON A FINDING THAT THE AREA WILL BE MATERIALLY PARKING-CHALLENGED BY ADDITIONAL DEVELOPMENT, A LEGISLATIVE BODY OR OTHER LOCAL AGENCY WITH LAND USE AUTHORITY MAY IMPOSE A MINIMUM OFF-STREET PARKING REQUIREMENT ON A RESIDENTIAL OR MIXED-USE DEVELOPMENT THAT IS LOCATED WITHIN 0.25 MILES OF A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY.”.

Amendment #3 – Clarifies the grandfathering clause applies to properties zoned by this date, not just properties zoned on this date.

On page 8, in line 9, strike “ON” and insert “**BY**”.

Amendment #4 – Clarifies that local land use and zoning standards are only preempted for state projects with an affordability requirement of 60% area median income or below. This is in line with the bill’s intent of furthering housing affordability and avoids one-size-fits-all mandates that could produce unintended consequences.

On page 9, strike lines 7-15 and substitute,

“(F) FOR STATE-OWNED LAND IN USE FOR A TRANSPORTATION PURPOSE CONTIGUOUS TO A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY, A LEGISLATIVE BODY OR OTHER LOCAL AGENCY WITH LAND USE AUTHORITY MAY NOT IMPOSE LIMITATIONS OR RESTRICTIONS ON LAND USE CLASSIFICATION, HEIGHT, OR SETBACK, OR ANY SIMILAR REQUIREMENTS IF:

(amendments continue on next page)

(1) THE LAND IS SUBJECT TO A TRANSIT-ORIENTED DEVELOPMENT PLAN APPROVED BY THE DEPARTMENT OF TRANSPORTATION AND DEVELOPED IN COORDINATION WITH THE LOCAL JURISDICTION, AND

(2) THE PROJECT INCLUDES AN AFFORDABLE HOUSING REQUIREMENT WHERE A SUBSTANTIAL PORTION OF UNITS ARE AFFORDABLE TO RESIDENTS EARNING SIXTY PERCENT AREA MEDIAN INCOME OR BELOW, AS DETERMINED BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

Amendment #5 – Clarifies that the preemption of parking limits does not override county adequate public facility protection.

On page 9, in line 16 after “SUBSECTIONS”, insert “**(C)(2)**”.

Amendment #6 – Counties are currently negotiating with the Administration and the Maryland Building Industry Association on a framework to better align the timing of impact fees and excise taxes with project financing. This amendment better aligns the bill with the framework being negotiated.

On page 12, lines 13-27, strike and substitute,

“(D) (1) A COUNTY OR MUNICIPALITY MAY REQUIRE UP TO 50% OF THE FULL PAYMENT OF A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED ON A RESIDENTIAL UNIT, INCLUDING A MIXED-USE PROJECT THAT INCLUDES RESIDENTIAL UNITS, AS A PRECONDITION FOR THE ISSUANCE OF A BUILDING PERMIT.

(2) A COUNTY OR MUNICIPALITY MAY REQUIRE THE REMAINING OR FULL PAYMENT OF A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED ON A RESIDENTIAL UNIT, INCLUDING A MIXED-USE PROJECT THAT INCLUDES RESIDENTIAL UNITS, AS A PRECONDITION BEFORE THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY, OCCUPANCY PERMIT, OR OTHER LOCAL EQUIVALENT APPLICABLE TO THE RESIDENTIAL UNIT.”.

Amendment #7 – Establishes a sunset for the bill’s provisions. Counties recognize the need for aggressive action to meet today’s challenges, but local governments have long been responsible for managing growth and implementing state policy on the ground. A sunset ensures the State can reassess these measures as conditions evolve, while preserving counties’ ability to carry out that core function over time.

On page 13, in line 21 after “ENACTED,” through “2026” in line 22, strike and substitute:

“That this act shall take effect July 1, 2027, and shall remain effective for a period of 10 years. With no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.

MBIA Letter of FWA SB 389.pdf

Uploaded by: Lori Graf

Position: FWA

February 17, 2026

The Honorable Brian J. Feldman
Chair, Senate Education, Energy and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Support w/ Amendments SB389 - Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding SB389. We support the bill with an amendment. This bill takes meaningful steps to accelerate housing production and economic growth near transit by:

- Directing the Maryland Economic Development Corporation to prioritize TOD projects under the Strategic Infrastructure Revolving Loan Program
- Streamlining land use authority near transit stations
- Delaying collection of development excise taxes and impact fees to improve project feasibility

These are strong, targeted tools that will help Maryland increase housing supply, leverage public transit infrastructure, and promote smart growth.

Proposed Amendment: Include Additional MARC Brunswick Line Stations

As currently drafted, however, the bill excludes arguably ten of the most attractive commuter rail stations in the State of Maryland. From a developer's perspective, a majority of the rail stations located along the MARC Train Brunswick Line have real, tangible development potential right now in 2026. The following stations in particular present immediate redevelopment opportunities:

- Frederick station
- Monocacy station
- Brunswick station
- Point of Rocks station
- Germantown station
- Metropolitan Grove station
- Gaithersburg station
- Rockville station
- Kensington station
- Silver Spring station

Many of these locations are surrounded by underutilized surface parking lots, aging commercial properties, or obsolete industrial uses. These sites are prime candidates for mixed-use redevelopment, higher-density residential housing, and walkable neighborhood centers. If Maryland is serious about meeting its housing production goals, we must focus on places where: Transit infrastructure already exists, Market demand is strong, Infrastructure capacity is available, and Redevelopment can occur immediately.

The Brunswick Line corridor meets all of those criteria. Housing Production: These stations sit within some of the most supply-constrained housing markets in the state. Enabling TOD here would meaningfully contribute to regional housing goals. Transit Utilization: Increased residential density near commuter rail stations supports higher ridership and maximizes the State's investment in transit infrastructure.

This is a strong and forward-thinking bill that appropriately aligns economic development tools with transit-oriented growth. With a simple amendment to explicitly include the MARC Brunswick Line stations identified above, the legislation would unlock some of the most immediate and impactful redevelopment opportunities in Maryland.

For these reasons, we respectfully urge a favorable report with amendment. For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Education, Energy, and the Environment Committee

SB 389 - MoCo_Elrich_FWA (GA 26).pdf

Uploaded by: Marc Elrich

Position: FWA



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

February 17, 2026

TO: The Honorable Pamela Beidle
Chair, Finance Committee

FROM: Marc Elrich
County Executive

RE: Senate Bill 389, *Land Use – Transit-Oriented Development – Alterations
(Maryland Transit and Housing Opportunity Act)*
Support with Amendments

I am writing to express my support for Senate Bill 389, *Land Use – Transit Oriented Development – Alterations (Maryland Transit and Housing Opportunity Act)*, with amendments that preserve local authority in two areas. The bill confers certain land use benefits and development incentives for land close to rail stations with at least hourly train service on weekdays. More specifically, the bill encourages mixed-use and residential development near transit and furthers the Administration’s goal of increasing Transit Oriented Development (TOD), a category of economic development and housing production that minimizes demand on roadways and may reduce overall housing and transportation costs for residents.

I support the Administration’s desire to create more tools to promote housing production and TOD by removing some barriers to development near transit. In Montgomery County, the bill would apply to Metrorail stations and Purple Line stations but not to MARC Commuter Rail stations, as no MARC stations in the County have hourly service. Through local legislation enacted in 2024, the County has already eliminated parking minimums near rail transit to support our own TOD goals. Local developers supported the passage of this zoning text amendment to reduce their costs of development near transit. Our local zoning code already supports residential density and mixed-used development near transit. The bill has the potential to attract TOD to State-owned land near Metrorail, which is aligned with our priorities for locating future development near transit.

While we have adopted local land use policies in the County to support TOD, we are also supportive of the benefits this bill would confer on the County by encouraging more TOD near

The Honorable Pamela Beidle

Re: Senate Bill 389

February 17, 2026

Page 2

MARC stations in Central Maryland and in the Capital Region. Some of those developments would benefit the County by bringing new residents and businesses that could then access the County via MARC connections to Metrorail, Purple Line, and bus connections. Further, we support more examples of TOD in the State because it is a great way to encourage growth that uses existing transit capacity. This reduces congestion on our roadways, reduces the need for roadway expansion projects, and reduces greenhouse gas emissions from transportation. Diverse TOD areas elsewhere in Maryland can attract similar development to the County and provide a visible model for our residents and businesses to invest in TOD here in Montgomery County. Finally, residential TOD increases housing availability broadly in the region, which can increase affordability by providing more supply and, in the case of TOD, reducing transportation costs by allowing families to live car-free or car-lite lifestyles.

However, it is important to amend the part of the bill that relates to collection of impact taxes/fees on mixed-used development projects located in a State-approved TOD. Under County law, impact taxes/fees must be paid before a final inspection can be carried out by the Department of Permitting Services, effectively placing the payment deadline at the end of the construction project rather than near the beginning. Senate Bill 389 prohibits a local government from collecting impact taxes/fees until all requirements of a certificate of occupancy have been met. It is important for the County to retain authority to set the date of final inspection as the deadline for payment of impact taxes/fees. Collecting the taxes/fees at this stage ensures a standardized, one-time point in the process when the building is truly complete and ready for occupancy. Some projects involve multiple use and occupancy stages that can occur piecemeal and vary by zone or use. In contrast, the final inspection date for a project is an unequivocally discrete stage in the process and universally required before a certificate of occupancy is issued. This approach removes confusion and administrative burden because there is no ambiguity about which use and occupancy triggered the payment deadline; and avoids the need for oversight of payments or addressing missed payments after the final inspection stage. Final inspection is the most logical and effective trigger for collecting impact taxes/fees because it confirms full compliance with all building regulations. Tying collection to final inspection ensures fairness, transparency, and timely revenue for local infrastructure and community needs.

It is also important to amend the part of the bill that creates an automatic Enterprise Zone designation for property located in a State-approved TOD area to make it clear that any local property tax benefits associated with that designation are contingent on local government approval of the benefits. This would make the bill consistent with the State's current Enterprise Zone law, under which a local government must affirmatively choose to apply for designation of a certain area as an Enterprise Zone.

I respectfully request that the Senate Finance Committee vote favorably on Senate Bill 389 with the two amendments requested above.

ME/KB

cc: Members of the Finance Committee,

SB 389_MTBMA_FWA.pdf

Uploaded by: Michael Sakata

Position: FWA



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

Senator Brian Feldman, Chair
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401

February 17, 2026

RE: SB 389 – FAVORABLE WITH AMENDMENTS – Land Use – Transit-Oriented Development – Alterations (Maryland Transit and Housing Opportunity Act)

Dear Chair Beidle, Chair Feldman and Members of the Committees:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 250 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Our concerns with this bill pertain to the last page of the bill which includes a provision that adds Project Labor Agreements (PLAs) as a scoring preference for transit-oriented development projects. While PLAs are not mandated, tying them to funding decisions raises concerns about fairness, competition, and cost, and risks narrowing participation in State-supported projects.

MTMBA has always prided itself on being “Pro-Competition.” Since we have both union and non-union members, we have always stressed that having policies that create labor disharmony among contractors, prohibits fair and equitable competition. PLAs impose significant administrative and capital burdens on participating contractors, which disproportionately impact minority business enterprises, women business enterprises, veteran business enterprises and small business firms, or even exclude them from participation entirely. Additionally, PLAs eliminate the benefits that a smaller, but more versatile contractor could bring to a project.

We would respectfully request this provision is removed from SB 389. With that, this is something we would happily support.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

MAHC Testimony_SB 389_TOD Bill_FWA.pdf

Uploaded by: Miranda Willems

Position: FWA



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.

MAHC Board of Directors

Tom Ayd, Green Street Housing, President

Dana Johnson, Homes for America, Vice President

Mary Claire Davis, Affordable Homes and Communities, Secretary

Mike Font, New Harbor Development, Treasurer

Mansur Abdul-Malik, NHP Foundation

Mike Cumming, CohnReznick, Chief Financial Officer

Rick Kottke, Harkins Builders

Christine Madigan, Enterprise Community Development (retired), Ex-Officio

Dan McCarthy, Episcopal Housing

Willy Moore, Southway Builders, Advisor Emeritus

Brandon Moss, CSI Support & Development

Jeff Paxson, Pax Edwards Development

Allison Roddy, Corporation for Supportive Housing

Grant Searfoss, Severn Development

Mo Smith, Vorys, Of Counsel

Patrick Stewart, Pennrose Properties

Milana Vayner, Baltimore County DHCD

Jessica D. Zuniga, Benton Communities/Foundation Development Group



MARYLAND AFFORDABLE
HOUSING COALITION

www.mdahc.org
443-758-6270

SB 389 - MoCo_CP Natali Fani-Gonzalez_FWA (GA 26).

Uploaded by: Natali Fani-González

Position: FWA

NATALI FANI-GONZÁLEZ
MONTGOMERY COUNTY COUNCIL PRESIDENT
COUNCILMEMBER, DISTRICT 6
100 Maryland Ave
Rockville, MD 20850

CHAIR
Economic Development Committee (ECON)


MEMBER
Planning, Housing and Parks Committee (PHP)



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

February 17, 2026

TO: The Honorable Pamela Beidle
Chair, Finance Committee

FROM: Natali Fani-González 
Montgomery County Council President

RE: Senate Bill 389: *Land Use – Transit–Oriented Development – Alterations*
(Maryland Transit and Housing Opportunity Act)

Support with Amendments

I am writing on behalf of the Montgomery County Council to express support for Senate Bill 389, *Land Use – Transit Oriented Development –Alterations (Maryland Transit and Housing Opportunity Act)*, with amendments that address issues identified by the Maryland-National Capital Park and Planning Commission (M-NCPPC) in its position statement (attached hereto).

The bill confers certain land use benefits and development incentives for land close to rail stations with at least hourly train service on weekdays. The bill encourages mixed-use and residential development near transit and furthers the Administration’s goal of increasing Transit Oriented Development (TOD), a category of economic development and housing production that minimizes demand on roadways and may reduce overall housing and transportation costs for residents.

The Council supports the Administration’s desire to create more tools to promote housing production and TOD by removing some barriers to development near transit. In Montgomery County, the bill would apply to Metrorail stations and Purple Line stations but not to MARC Commuter Rail stations, as no MARC stations in the county have hourly service. Through local legislation enacted in 2024, the County has already eliminated parking minimums near rail transit to support our own TOD goals. Local developers supported the passage of this zoning text amendment to reduce their costs of development near transit. Our local zoning code already supports residential density and mixed-used development near transit. The bill has the potential

The Honorable Pamela Beidle
Re: Senate Bill 389
February 17, 2026
Page 2

to attract TOD to State-owned land near Metrorail, which is where we would like to prioritize future development.

While we have adopted local land use policies in the County to support TOD, we are also supportive of the benefits this bill would confer on the County by encouraging more TOD near MARC stations in Central Maryland and in the Capital Region. Some of those developments would benefit the County by bringing new residents and businesses that could then access the County via MARC connections to Metrorail, Purple Line, and bus connections. Further, we support more examples of TOD in the State because it is a great way to encourage growth that uses existing transit capacity. This reduces congestion on our roadways, reduces the need for roadway expansion projects, and reduces greenhouse gas emissions from transportation. Diverse TOD areas elsewhere in Maryland can attract similar development to the County and provide a visible model for our residents and businesses to invest in TOD here in Montgomery County. Finally, residential TOD increases housing availability broadly in the region, which can increase affordability by providing more supply and, in the case of TOD, reducing transportation costs by allowing families to live car-free or car-lite lifestyles.

We respectfully request that the Senate Finance Committee vote favorably on Senate Bill 389 with amendments that address the issues discussed in M-NCPPC's position statement, which strengthen the TOD incentives created in the bill.

NFG/KB
Attachment
cc: Members of the Senate Finance Committee



THE MARYLAND-NATIONAL CAPITAL
Park and Planning Commission

POSITION STATEMENT

Bill: SB 389/ HB 894 – Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

Position: Support with Amendments

Date: February 17, 2026

Contact: Debra Borden, General Counsel

Jordan Baucum Colbert, Senior Government Affairs Analyst

Dear Chair Brian Feldman,

The Maryland-National Capital Park and Planning Commission (M-NCPPC or “the Commission”) has not voted on this bill. However, staff have prepared some suggested recommendations for this bill. M-NCPPC offers conditional support for SB 389.

What the Bill Does. This bill provides automatic designation of certain transit-oriented developments as enterprise zones. It requires the Maryland Development Corporation to prioritize certain redevelopment projects when making loans under the Strategic Infrastructure Revolving Loan Program; alters the authority of local legislative bodies to regulate land use planning on land located near certain transit stations; and delays the collection of certain development excise taxes and development impact fees for certain residential real estate projects.

This bill would significantly expand the State’s role in transit-oriented development (TOD), automatically grant certain TOD areas enterprise zone status, shift some local land use authority, and delay certain development fees.

1. Definitions of terms are needed to make interpretation and application of the bill easier. Most importantly, “rail transit station” needs to be clearly defined.

- **Comment:** The bill refers to “a rail transit station” throughout and uses a measure of “hourly service on average from 8:00 a.m. until 6:00 pm Monday through Friday.” The Maryland Department of Transportation Maryland Transit Administration (MTA) is currently studying at least two corridors, the Southern Maryland Rapid Transit Corridor in Charles and Prince George’s Counties and the Red Line in the City of Baltimore, where bus rapid transit is, which often provides service similar to light rail but with buses.
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 - **Comment:** Consider the phrase “high-capacity transit” or “transit that partially or completely operates in a fixed-guideway” to encompass these potential BRT systems as well as the state’s existing BRT system: the Flash in Montgomery County.
 - **Comment:** The method of measurement should be defined. Planners and designers need to know exactly where to start the measurement. Do we start at the corner of a rail transit station? At the entrance(s)? Centerpoint?
 - **Comment:** For Prince George’s County, neither Muirkirk MARC nor Lanham-Seabrook MARC have an average of hourly service 8-6 M-F, so neither location qualifies. These stations should be included in the eligibility, otherwise the bill creates inconsistencies and inequities within the County.
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- (5)(i) prioritizes “activate underutilized property owned by the government and institutions.” State property abutting rail stations is almost always underutilized.
 - Proposed (5)(b) limits prioritization to state-owned land when counties, municipalities, and institutions may also own land contiguous to rail transit stations where such loans would be advantageous to the goals of this legislation.
 - Limiting prioritization to property contiguous to rail transit stations could limit availability of loans to otherwise qualified projects on state-owned property very near, but not contiguous to, a rail transit station. For example, a broader definition could encompass areas of the University of Maryland, College Park campus that are very close, but may not abut, MARC, Metrorail, or Purple Line stations.

3. The definition of “mixed-use” in Section 7-501(a) would appear to preclude an office use combined with recreational, dining, or retail use. Many mixed-use buildings in the state are exactly this mix of non-residential uses.
4. The text “an area that was zoned for single-family residential use” is vague and subject to different interpretations. Single-family zones? Any zone that allows a single-family detached dwelling or other single-family form like a townhouse? The bill is not clear.

Prince George’s County Comment

- **Page 8, line 3:** Define or clarify “partially located outside.” How would this be applied and quantified? Most of the properties “designated for residential use” are arguably “partially located outside” the ½ mile radius.

Therefore, we urge this committee to vote favorably will amendments on this bill

SB 389 - TOD Bill - NAIOP Testimony Letter FWA - F

Uploaded by: Tom Ballentine

Position: FWA



MARYLAND CHAPTERS
THE ASSOCIATION FOR
COMMERCIAL REAL ESTATE

February 13, 2026

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

The Honorable, Brian J. Feldman, Chair
Senate Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Favorable w/ Amendments: SB 389 – Land Use – Transit Oriented Development - Alterations

Dear Chair, Beidle, Chair Feldman and Committee Members:

The NAIOP Maryland Chapters represent approximately 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to recommend your favorable with amendments report on SB 389.

NAIOP strongly supports the bill’s intent, particularly the expansion of development capacity around transit infrastructure and the removal of barriers to mixed-use and multifamily development. The bill contains several well-developed provisions that are implementable today and several forward-looking components that we believe need amendment to ensure effective implementation and coordination.

Ready-to-implement Provisions.

- **Prohibiting Minimum Parking Requirements Near Transit** - SB 389 prohibits local jurisdictions from imposing minimum parking requirements on residential or mixed-use development located within 0.25 miles of high-service rail stations.

This is a highly effective policy tool. Minimum parking mandates significantly increase development costs, suppress density, and undermine transit usage by over-prioritizing car access. Removing these mandates gives developers flexibility to meet market demand and encourages walkable, transit-oriented urban form.

This provision will help accelerate TOD project feasibility and remove or reduce one of the single most costly regulatory barriers to mixed-use infill redevelopment.

- **Collecting Impact Fees and Excise Taxes at Occupancy** - The bill’s new impact-fee timing requirements help reduce up-front capital burden on mixed-use TOD projects by allowing impact fees to be collected after construction and at issuance of a certificate of occupancy.

Many large-scale infill projects struggle during early phases with stacked pre-revenue financing obligations. Aligning fee collection with actual occupancy improves feasibility without reducing revenues for local infrastructure overall. This is a reasonable technical adjustment that improves project cash flow while maintaining local funding sources for infrastructure.

Provisions Recommended for Amendment

- Local Concurrence on Enterprise Zone Designation in TOD Areas – Enterprise Zones traditionally require local initiation and approval because they directly affect local tax revenues and administrative responsibilities. The bill should be amended to require local concurrence via local resolution or certification by the local Enterprise Zone administrator before these automatic designations take effect. This would respect the structure of Enterprise Zone program while still facilitating targeted tax incentives around transit infrastructure.
- Require TOD Density Integration into Local Comprehensive Plans – Upzoning and requiring mixed use zoning near high-frequency transit stations will contribute to the advancement of multiple priorities related to transportation, housing, and economic development. These changes should be integrated into local comprehensive plans and zoning ordinances within a defined timeframe and perhaps with specific minimum density requirements. This more integrated approach will, in our opinion, allow for better long-term capital planning and less disruption at the project application stage than the more preemptive method in the bill as introduced.
- Preferences for Project Labor Agreements (PLAs) Should be Considered Separately – At best there is conflicting evidence about the financial and operational implications of project labor agreements on affordable housing, infrastructure, and other construction projects. We believe the reference to PLAs should be removed from this bill and taken up separately.

SB 389 seeks to meaningfully advance Maryland’s commitment to housing, transit, and economic development. With amendments ensuring local coordination on Enterprise Zones and integrating TOD requirements into local planning and zoning, the bill will, from our point of view, be both effective and more workable statewide.

For these reasons, NAIOP respectfully requests your favorable w/ amendments report on SB 389.

Sincerely,



Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Finance Committee Members
Education, Energy, and the Environment Committee Members
Nick Manis – Manis, Canning Assoc.