

Housing Expansion and Affordability Act (HB 538) Rail Station Qualified Projects Webinar

August 23, 2024 12:00 PM



Webinar Overview

- Panelists:
 - Haley Lemieux (DHCD)
 - Joe Griffiths (MDP)
 - Andrew Sovinski (DHCD)
- Presentation (20 minutes)
- Open Q&A Session (40 minutes)

What does HB 538 do?

Three primary components:

1. Establishes Historic Property Revitalization Director
2. New mandate for manufactured and modular homes
3. Creates three categories of qualified projects:

“Qualified project” types	“Qualified project” benefits
<ol style="list-style-type: none">1. Historic campus2. Nonprofit3. Rail station	<ul style="list-style-type: none">● Density bonuses● Limitations on local regulations● Limitations on required public hearings



Where can I find more information on HB 538?

Visit dhcd.maryland.gov/TurningTheKey to:

- Find Frequently Asked Questions (and ask additional questions)
- Find webinar recordings and slides
- Subscribe to receive email updates





Why pass statewide housing legislation?

Maryland families are facing a housing crisis.

- **96,000** housing unit shortage that worsens every year
- **52%** of Maryland renters are housing cost -burdened
- **32,000** Marylanders, including **6,400** children, experience homelessness over the course of a year

What is the purpose of HB 538?

- Additional tool to address Maryland's 96,000 housing unit shortage
- Sensitive to local zoning and preserves the flexibility of jurisdictions
- Incentivizes the creation of affordable units
- Targets housing development where it is needed most



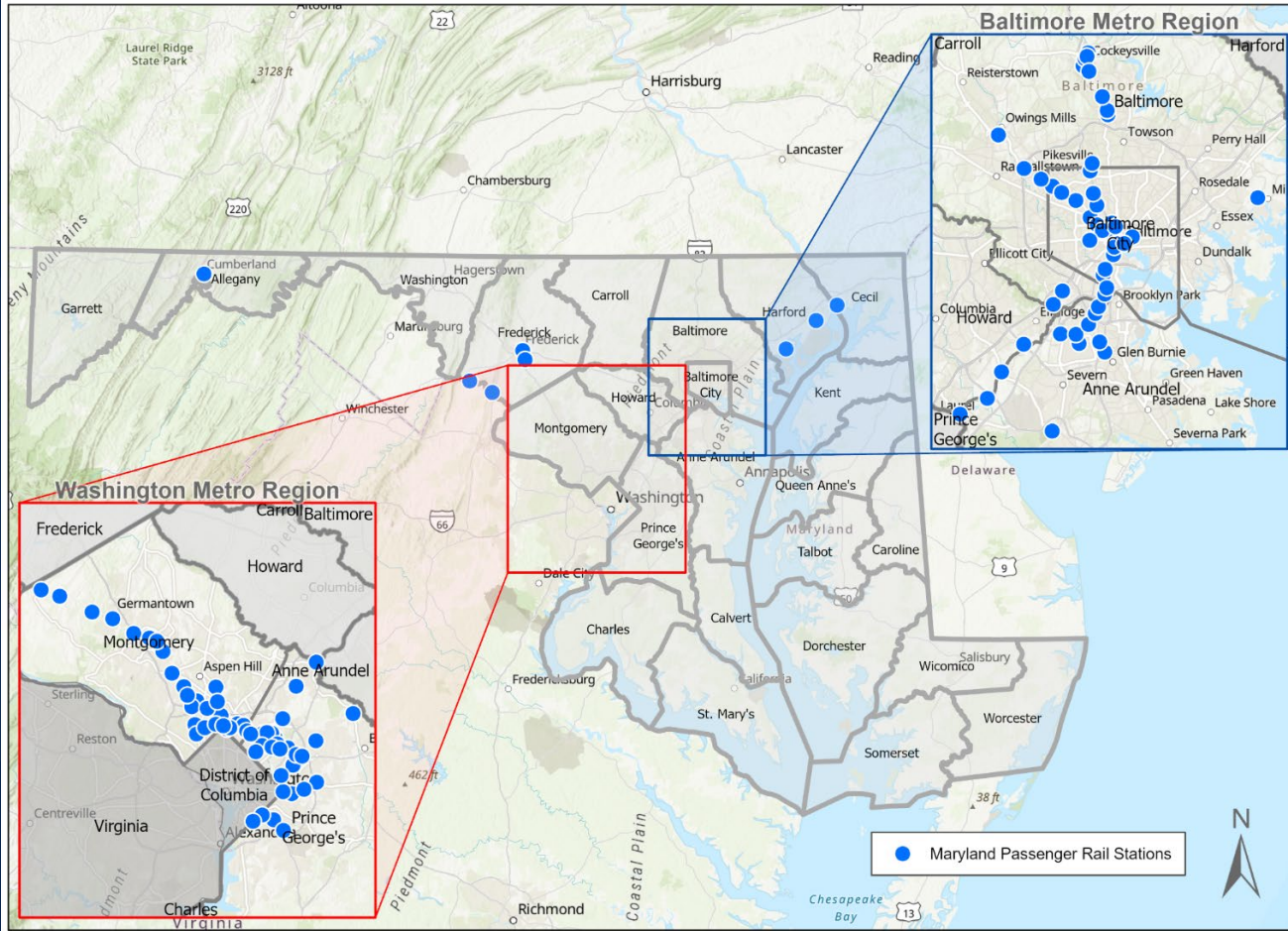
What is a “qualified project”?

What is a “qualified project”?

A qualified project must meet all three of the following criteria:

1. New construction or substantial rehabilitation
2. Be on property that is located within 0.75 miles of a present or planned passenger rail station
3. Deed-restricted to include 15%+ affordable housing units for 40+ years
 - a. In a jurisdiction with requirements exceeding those of HB 538, a project must be deed-restricted to include 20%+ affordable housing units

Maryland Passenger Rail Stations



What benefits are “qualified projects” entitled to?

Density Bonuses

A local jurisdiction shall allow the density of a qualified project to exceed the density otherwise allowed in a district or zone:

- Single family → middle housing
- Mixed-use → +30%
- Multifamily → +30% and may be mixed-use
- Nonresidential → Highest allowable density and may be mixed-use
 - *Subject to a public health assessment approved by MD DHCD*

Areas Zoned for Single Family Use Exemption

- HB 538 exempts areas that were zoned for single-family residential use as of January 1, 2024 AND are still zoned for single-family residential use from the the rail station qualified project density bonus.
- Qualified projects in these areas are still entitled to the benefits of the “unreasonable limitation” provision and the public meeting provision

Limitation on “unreasonable” requirements

An unreasonable limitation or requirement amounts to a de facto denial of the project by having a substantial adverse impact on:

1. The viability of the qualified project;
2. The degree of affordability of units in a qualified project; OR
3. The allowable density or number of units of the qualified project.

The intent of this section is to **preserve the flexibility** of jurisdictions to apply requirements to qualified projects, so long as those requirements do not result in a reduction of housing or unit affordability.

What are examples of “unreasonable” limitations?

Any restriction that would prevent a project from happening at all, reduce the affordability of a project, or that would prevent a project from maximizing the housing density allowed under HB 538 could be considered an “unreasonable limitation.”

Examples:

- Height requirement that makes allowable density unachievable
- Parking requirement that amounts to a denial of the project due to the costs imposed

Public Meeting Limitation

A local government may not require a qualified project be reviewed at:

- More than **two** public hearings before the:
 - Local governing body
 - Planning commission
- More than **one** public hearings before the:
 - Historic district or preservation commission
 - The board of appeals



Common questions

- What is the state's role in identifying qualified projects?
- Does a local jurisdiction need to update their zoning code to be in compliance with the requirements established in HB 538?



Where can I find more information on HB 538?

Visit dhcd.maryland.gov/TurningTheKey to:

- Find Frequently Asked Questions (and ask additional questions)
- Find webinar recordings and slides
- Subscribe to receive email updates

