

June 17, 2024

To whom it may concern,

On April 25, 2024, Governor Wes Moore signed into law the Housing Expansion and Affordability Act (HB 538) (<https://mgaleg.maryland.gov/2024RS/bills/hb/hb0538E.pdf>). This legislation includes important changes to the Land Use Article effective January 1, 2025, that are intended to help advance more affordable and sustainable housing options across Maryland. We are reaching out to you today, as the land use planning point of contact in your jurisdiction, to begin working together on implementation of HB 538 throughout Maryland.

Governor Moore, the Department of Housing and Community Development, and the Department of Planning want to ensure that every Marylander has an affordable place to call home and are committed to overcoming the state’s 96,000 housing unit shortage. We recognize there will be questions on how to implement HB 538 and are committed to providing resources to support jurisdictions to realize the full housing opportunities created by this legislation.

Summary: Key Provisions in the Housing Expansion and Affordability Act

HB 538 states that local governments must permit manufactured or modular homes in zones that allow single family residential uses. Additionally, HB 538 creates three categories of qualified new construction or substantial renovation projects that are entitled to certain benefits:

“Qualified project” types ¹	Benefits
<ol style="list-style-type: none"> 1. Project is located on a historic former state- or federal-owned campus 2. Project is controlled by a nonprofit or located on land owned by a nonprofit 3. Project is located within 0.75 miles of an existing or planned passenger rail station 	<ul style="list-style-type: none"> ● Density bonuses exceeding the density permitted by local zoning² ● Limitations on the application of local regulations that impact project costs, density and viability ● Limitations on the number of allowed required public hearings

¹ Projects must include a set-aside of deed-restricted affordable housing units to qualify. The set-aside varies from 15% - 25% depending on the qualified project type.

² Density bonuses vary by qualified project type. Generally, density bonuses allow for middle housing (duplexes, triplexes, etc.) in areas zoned for single family, a 30% bonus in areas zoned for multifamily or mixed-use, and density limits consistent with the jurisdiction’s highest allowable density in areas zoned as non-residential.





We Want to Hear From You

The Department of Housing and Community Development and the Department of Planning are in the process of preparing additional informational materials to assist local jurisdictions with the implementation of HB 538. All available materials will be published on the Turning the Key: Unlocking Maryland's Potential website (dhcd.maryland.gov/TurningtheKey).

We would greatly appreciate your input on what questions you have and what other information would be most useful to your jurisdiction. As some regions already know, we will be sharing information and discussing implementation of the Housing Expansion and Affordability Act with you during Planning Regional Roundtables in June and July. You are also welcome to submit questions or requests for information to <https://dhcd.wufoo.com/forms/HB538-Questions>. Subscribing to our newsletter (dhcd.maryland.gov/subscribe) is the best way to receive updates when new guides, frequently asked questions documents, and other materials become available.

We look forward to continued discussion and collaboration with jurisdictions to support implementation of the Housing Expansion and Affordability Act. We are committed to partnership with your jurisdiction to help realize the full housing opportunities allowed by HB 538 as we work together to identify ways to make housing more affordable and sustainable for all Marylanders.

Sincerely,

Secretary Jake Day

A handwritten signature in blue ink, appearing to be "JD" with a flourish.

Secretary Rebecca Flora, AICP

A handwritten signature in blue ink, appearing to be "Rebecca L. Flora".

