



## **TESTIMONY FOR HB0012**

### **Equitable and Inclusive Transit-Oriented Development Enhancement Act**

**Bill Sponsor:** Delegate J. Lewis

**Committee:** Budget and Tax

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** FAVORABLE

I am submitting this testimony in favor of HB0012 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

It is really hard to get around Maryland. It limits all of our residents in that it is not easy to get to jobs, and it limits our businesses because they don't have ready access to applicants. Expanding our public transportation system is one way to alleviate that problem. Transit-oriented development is another.

In 2008, the Maryland General Assembly enabled an official transit-oriented development (TOD) state-designation process that allows development projects within a half-mile of designated TOD stations to be eligible to receive state support in advancing transit-oriented development around the station. Because this was a great idea with little funding or incentives, as of today, there are only 17 state-designated TOD sites throughout Maryland.

Developing around a transit station is often more expensive because of higher land costs, legacy developments, environmental hazards and the greater need for supportive infrastructure, including sidewalk networks, station parking and bus facilities. Though more expensive, building residences and businesses near transit stations allows more residents to access opportunities, especially low-income residents without cars who must rely on transit.

This bill would create a \$10 million competitive grant and revolving loan fund to provide financial assistance to local jurisdictions for design, planning, construction or gap funding and financing for public or private development within a state-designated TOD station area. The bill would also expand the tax credits that businesses receive for creating eligible jobs in Opportunity Zones to state-designated TOD sites and require the secretary of transportation to report annually on MDOT's efforts to increase TOD throughout the state.

Transit-oriented development is a really great idea that is languishing through lack of funding and incentives. We should make the investment in our residents and in the businesses in the state who

desperately need a better, more equitable, and more integrated transportation system. We support this bill and recommend a **FAVORABLE** report in committee.

#### Priority Amendments

##### *Building electrification and efficiency:*

- Climate Catalytic Capital Fund
  - Explicitly state that 40% of funds from the Climate Catalytic Capital Fund be spent in low and moderate-income neighborhoods and that funds can be spent on whole-structure retrofits (including multi-family buildings) including health, safety, weatherization, and electrification measures.

- The purpose of the funds should explicitly include “Facilitate the electrification of the building sector”.
- Explicitly state that funds cannot be used for installation of new equipment that uses fossil fuels
- Funds from alternative compliance payments should go to the Climate Catalytic fund to be spent on low-income whole-structure retrofits, including low-income multi-family buildings.
- On page 35, lines 2-3, strike “water and space heating” and substitute “on-site energy” and add on line 3, “except for kitchen appliances”.
- On page 35, following line 9, add energy efficiency provisions for buildings. Add:
  - D. For new covered buildings funded at least 25% by State funds
    - A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2023 and Dec 31 2025
    - A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2025 and Dec 31 2027
  - E. For all other new covered buildings
    - A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2025 and Dec 31 2027
    - A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received
  - F. “Major Renovation” means a renovation project:
    - For which the total projected cost exceeds 50% of the assessed value of the existing building; or
    - Involving a change of use, if the change involves the application of different requirements of the standards.
  - G. Except as provided in subsection ( ) of this section, if a covered building is undergoing a major renovation, the building shall be renovated to achieve:
    - A 40% reduction in the building’s average annual energy use; or
    - A 20% reduction in modeled energy use consumption over the current Energy Code.
  - H. A local jurisdiction may waive the requirements under subsection ( ) of this section if the building owner demonstrates that the cost of the improvements necessary to achieve the required energy reductions would exceed projected operational and energy savings from the improvements over a certain payback period:
    - A 25–year period for all buildings funded at least 25% by the State.
    - A 15–year period for all other buildings.
- Provisions regarding “alternative compliance pathway” on page 47, lines 20 -23, and lines 27-29, should be sunsetted. We suggest a sunset of 12/1/2030
- Pages 47, delete lines 18-19 ( “PROVIDE MAXIMUM FLEXIBILITY TO THE OWNERS OF COVERED BUILDINGS TO COMPLY WITH BUILDING EMISSIONS STANDARDS”)
- The Building Emission Performance Standards regulations directive under 2-1602 (C) should
  - require that the adopted regulations prioritize direct emission reductions from qualified buildings via electrification plans and pathways,
  - provide protection against financial cost pass-through and evictions for tenants in covered multi-family buildings, 3) require covered public buildings’ retrofits to be

completed with a high-quality workforce (i.e. prevailing wage, insurance coverage, paid leave, etc.) (pg. 48)

#### *Equity and Environmental Justice Provisions*

- Strengthen the provisions on pages 9-12 by including language that requires 40% of investments go to overburdened communities and Rosenberg Justice 40 bill and/or the Boyce/Watson all agency climate, equity, and labor test language.
  - The language in the Boyce/Watson all agency climate, equity and labor test should be incorporated on page 22, lines 12-15 as well
  - The Interagency Commission on School Construction should be included as an agency required to consider climate in long-term planning

#### *Net Zero Schools*

- Explicitly state that the IAC state school construction funding process may cover planning, design, and engineering for net-zero schools.
- School buildings that are not net-zero should be net-zero ready Insert on Page 35, following line 6  
(12-501(3)(I)(2)(A (under the provision requiring solar ready):
  - A. The Installation of Solar Energy Systems
    - To include a 40% roof set aside and necessary electrical panel and conduit requirements. if the building:
    - Will have 20,000 square feet or more of continuous roof space, excluding the parking area; and
    - Will be 20 stories or less in height, above grade plane.
  - B. Regulations adopted under this subsection may authorize a local jurisdiction to waive the solar-ready requirement for a building on a specific finding that:
    - incident solar radiation at the building site is less than 75% of incident solar radiation at an open site; or
    - shadow studies indicate that 25% of a building's roof area will be in shadow.
    - Clarify the definition of "Solar Ready" to include the 40% roof set aside and the necessary electrical panel and conduit requirements.
- Delete "subject to the availability of funding" on Page 8 Line 14 and replace that language with one of the options below -
- P. 8, line 9-13, (5-312(c)(2)(I), Delete para. "Except as Provided in . . . Delete 5-312 (c) (2) (I) of the Education Article that was inserted: except as provided in subparagraph (iii) of this paragraph, the net-zero energy requirements that apply for a building to meet the definition of a 'high performance building' under § 3-602.1 12 of the state finance and procurement article

OR

- Amend to read: Except as provided in Subparagraph III of this Paragraph, Public Schools shall be required to achieve a 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2023 and a 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2025.
- Pg 40 line 15-17. Remove having the Council develop guidelines and instead require them to provide an annual report on the status of meeting the high performance building requirements.
- Pg 8, line 25 – pg 9, line 2. If a school qualifies for a waiver because the Interagency Commission determines that either (I) or (II) is true, the school must be net-zero READY.

#### *Buy Clean Maryland Act*

- Consider adding To SB528 the **Buy Clean Maryland Act** provisions from HB806 - Del. Stein Public Buildings bill with one change related to the waiver provisions.

- Section 4-904 (E) **Strike** - ~~(4) RESULT IN ONLY ONE SOURCE OR MANUFACTURER BEING ABLE TO PROVIDE THE NECESSARY MATERIALS.~~
- **Add** - (F) IF ONLY ONE SOURCE OR MANUFACTURER IS ABLE TO PROVIDE THE NECESSARY MATERIALS, A SOLE SOURCE PROCUREMENT MAY BE ALLOWED, PROVIDED NONE OF THE OTHER WAIVER DETERMINATIONS ARE MADE.