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November 16, 2022

Council Bill 22-0195 – Inclusionary Housing for Baltimore City

Committee of the Whole Hearing, November 17, 2022

Position: Support with Sponsor Amendments

The Baltimore Regional Housing Partnership requests that the City Council pass CB 22-0195, Inclusionary Housing for Baltimore City, with amendments offered by Council Member Ramos.

Since 2009, BRHP has worked to mitigate the deliberate and incidental segregating effects of federal, state, and local policies by expanding housing choices for families with low incomes. We know, firsthand, the life-changing impacts of providing families with safe, healthy, and affordable homes. As the Regional Administrator for the Baltimore Housing Mobility Program, our program has provided rental assistance, pre- and post-move counseling, and various pathways to financial stability for nearly 15 years. We believe that housing is the foundation of an individual's and family's well-being and is the key to reducing poverty, improving academic performance and health outcomes, and averting homelessness and incarceration.

Furthermore, the City has existing programs in place that will support Inclusionary Housing efforts through tenant- and project-based vouchers, which will help maximize housing choices for low-income residents in Baltimore. Developers and property managers can partner with BRHP, the Housing Authority of Baltimore City (HABC), as well as the Regional Project Based Voucher Program to make greater use of tenant- and project-based subsidies, allowing for market-rate rents while still serving residents at or below 30% AMI. Project based vouchers (PBV) could be set aside annually by voucher administrators for Inclusionary Housing developments.

Inclusionary Housing is an essential tool to building more affordable, integrated neighborhoods in Baltimore City. If a developer is receiving a major public subsidy or significant zoning change, they should make at least 10% of those units affordable to households earning no more than 60% of Area Median Income (AMI), plus an additional 5% of units affordable at even lower incomes if the city offers the developer additional subsidy to do so. Allowing waivers or exceptions to this requirement only stands to undermine the intentions of inclusionary housing. Our coalition estimates that CB 22-0195 with sponsor amendments would create over 1,000 new affordable units over the next decade.

The coalition supporting CB 22-0195 urges you to reject amendments that serve to weaken the bill. Specifically, we support the following:

1. **Keep affordability requirements to 60% AMI.** 60% AMI (\$55,740 for a family of two) is already based on a regional assessment of median income – incomes in Baltimore City are much lower than the region. 60% AMI allows frontline workers and persons who use vouchers to access the affordable units. Raising this threshold to 80% AMI would place those units beyond the reach of voucher holder payment standards and the incomes for many frontline workers.

The Baltimore Regional Housing Partnership is an equal housing opportunity provider.





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2. **Maintain strong oversight and accountability.** The inclusionary housing board should remain in the bill. The prior inclusionary law suffered from weak oversight and implementation. A robust board is needed to maintain transparency and accountability.
3. **No Fee-In-Lieu.** CB 22-0195 creates affordable housing opportunities that are integrated into communities. Allowing developers to opt out of the law by paying into a fund would facilitate the creation of affordable units that are not well integrated into communities – thereby repeating the mistakes of our city's long history of subsidizing segregated affordable housing.
4. **Maintain Strong Affirmative Marketing.** Sponsor amendments will ensure that developers affirmatively market the affordable units to groups that have historically been excluded from the benefits of new development and hold developers accountable for doing so.

Baltimore City spent \$38 million in tax subsidies for market rate development in FY 2022 and saw zero affordable units in return. Baltimore will have given \$73 million from one special tax break alone to multi-family housing developers from FY 2014 through FY 2023. Almost all 6,621 units created with this subsidy are luxury, non-affordable units located in predominantly white, high-income neighborhoods. Virtually none of the units are affordable and this approach is not equitable.

There is no evidence that reasonable inclusionary housing laws reduce development and CB 22-0195 with sponsor amendments is modeled on best practices from around the country. Inclusionary housing laws in the United States have created 110,000 housing units in 258 programs, mostly since 2000. CB 22-0195 with sponsor amendments is less restrictive and burdensome to developers than similar ordinances in Pittsburgh, Philadelphia, Chicago, Washington D.C., & Montgomery County.

Inclusionary housing provides ALL Baltimore residents the opportunity to participate in Baltimore's redevelopment as the integrated, equitable City that we deserve. A city cannot plan for a brighter tomorrow if it cannot ensure its citizens have access to quality and affordable housing. The lack of Inclusionary Housing Law exacerbates the affordable housing shortage and inhibits economic development. Working families should not struggle to find affordable housing, especially in desirable neighborhoods, that are well connected to employment options, transportation, and other services/amenities.

BRHP encourages the Council to file a favorable report Council Bill 22-0195 with sponsor amendments.

Sincerely,

A handwritten signature in black ink, appearing to read "Adria Crutchfield".

Adria Crutchfield
Executive Director

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