

**AMENDMENTS TO COUNCIL BILL 23-0369
(1st Reader Copy)**

By: Committee of the Whole
{To be offered on the Council floor}

Amendment No. 1

1 Strike beginning with line 12 on page 2 down through and including line 32 on page 4 and
2 substitute:

3 “(A) DEFINITIONS.

4 (1) IN GENERAL.

5 IN THIS SECTION, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

6 (2) AFFORDABLE UNIT.

7 “AFFORDABLE UNIT” MEANS A DWELLING UNIT THAT IS REQUIRED BY CITY CODE
8 ARTICLE 13, SUBTITLE 2B {“INCLUSIONARY HOUSING REQUIREMENTS”} TO BE
9 PROVIDED TO A FAMILY EARNING AN INCOME THAT IS EITHER:

10 (I) LOW INCOME;

11 (II) MODERATE INCOME;

12 (III) VERY LOW INCOME; OR

13 (IV) EXTREMELY LOW INCOME.

14 (3) AMI.

15 “AMI” MEANS THE AREA MEDIAN INCOME FOR THE METROPOLITAN REGION THAT
16 ENCOMPASSES BALTIMORE CITY, AS PUBLISHED AND ANNUALLY UPDATED BY THE
17 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

18 (4) EXTREMELY LOW INCOME.

19 “EXTREMELY LOW INCOME” MEANS A HOUSEHOLD INCOME BELOW 30% AMI.

1 (5) HIGH-PERFORMANCE.

2 “HIGH-PERFORMANCE” MEANS A HIGH-PERFORMANCE BUILDING AS DEFINED IN
3 STATE TAX-PROPERTY ARTICLE § 9-242 {“HIGH PERFORMANCE BUILDINGS”}.

4
5 (6) LOW INCOME.

6 “LOW INCOME” MEANS A HOUSEHOLD INCOME AT OR BELOW 60% AMI.

7 (7) MARKET-RATE RENTAL HOUSING PROJECT.

8 “MARKET-RATE RENTAL HOUSING PROJECT” MEANS A MULTI-FAMILY DWELLING:

9 (I) THAT CONTAINS 20 OR MORE RENTAL UNITS; AND

10 (II) IN WHICH NONE OF THE RENTAL UNITS ARE SUBJECT TO GOVERNMENTAL
11 RESTRICTIONS ON THE AMOUNT OF RENT CHARGED OR ON THE TENANT’S
12 INCOME LEVEL, EXCEPT TO THE EXTENT SPECIFICALLY REQUIRED BY CITY
13 CODE ARTICLE 13, SUBTITLE 2B {“INCLUSIONARY HOUSING
14 REQUIREMENTS”}.

15 (8) MODERATE INCOME.

16 “MODERATE INCOME” MEANS A HOUSEHOLD INCOME AT OR BELOW 80% AMI.

17 (9) NEWLY CONSTRUCTED OR CONVERTED.

18 “NEWLY CONSTRUCTED OR CONVERTED” MEANS A HIGH-PERFORMANCE
19 MARKET-RATE RENTAL HOUSING PROJECT:

20 (I) THAT IS EITHER:

21 (A) NEWLY CONSTRUCTED ON A VACANT LOT, CLEARED SITE, OR
22 PARKING LOT;

23 (B) CONVERTED FROM A NON-RESIDENTIAL USE; OR

24 (C) A WHOLLY RENOVATED STRUCTURE; AND

25 (II) FOR WHICH:

26 (A) THE COST OF THE CONSTRUCTION OR CONVERSION EXCEEDS
27 \$60,000 PER RENTAL UNIT; AND
28

1 (B) A 1ST OCCUPANCY PERMIT FOLLOWING SUBSTANTIAL
2 COMPLETION OF THE CONSTRUCTION OR CONVERSION IS ISSUED
3 AFTER JANUARY 1, 2014 AND ON OR BEFORE JUNE 30, 2029.

4 (10) VERY LOW INCOME.

5 “VERY LOW INCOME” MEANS A HOUSEHOLD INCOME AT OR BELOW 50% AMI.

6
7 (B) PROGRAM GOAL.

8 THE GOAL OF THIS PROGRAM IS TO FACILITATE THOSE INCLUSIONARY HOUSING
9 REQUIREMENTS ESTABLISHED UNDER ARTICLE 13, SUBTITLE 2B {“INCLUSIONARY
10 HOUSING REQUIREMENTS”} OF THE CITY CODE.

11 (C) CREDIT GRANTED.

12 (1) IN GENERAL.

13 (i) IN ACCORDANCE WITH STATE TAX - PROPERTY ARTICLE § 9-242 {“HIGH
14 PERFORMANCE BUILDINGS”}, A HIGH-PERFORMANCE INCLUSIONARY HOUSING
15 TAX CREDIT IS GRANTED AGAINST THE CITY PROPERTY TAX IMPOSED ON
16 ELIGIBLE NEWLY CONSTRUCTED OR CONVERTED HIGH-PERFORMANCE
17 MARKET-RATE RENTAL HOUSING PROJECTS THAT PROVIDE AFFORDABLE UNITS
18 AS REQUIRED BY ARTICLE 13, SUBTITLE 2B {“INCLUSIONARY HOUSING
19 REQUIREMENTS”} OF THE CITY CODE.

20 (ii) THE TAX CREDIT DESCRIBED IN SUBPARAGRAPH (i) OF THIS PARAGRAPH SHALL
21 BE EQUAL TO THE ACTUAL AMOUNT OF THE DIFFERENCE BETWEEN THE
22 MARKET RATE RENT AND THE RENTAL RATE FOR THE AFFORDABLE UNIT.

23 (2) TIMING OF CREDIT.

24 THE TAX CREDIT DETAILED IN PARAGRAPH (1) OF THIS SUBSECTION COMMENCES
25 WITH THE FIRST TAX YEAR AFTER THE FIRST ASSESSMENT OF THE PROPERTY AFTER
26 THE ISSUANCE OF AN OCCUPANCY PERMIT FOR THE COMPLETED PROJECT.

27 (3) MEASURES.

28 (i) THE ACCOUNTING YEAR FOR THE CALCULATION OF THE DIFFERENCE BETWEEN
29 THE MARKET RATE RENT AND THE RENT FOR EACH AFFORDABLE UNIT IS
30 JANUARY 1 TO DECEMBER 31 OF EACH CALENDAR YEAR.

1 (II) ALL ACCOUNTING REQUIRED UNDER THIS SUBTITLE SHALL BE SUBMITTED TO
2 THE DEPARTMENT OF FINANCE BY JANUARY 15 FOLLOWING THE TERMINATION
3 OF THE PREVIOUS ACCOUNTING YEAR.

4 (D) CREDIT.

5 THE AMOUNT OF THE TAX CREDIT DESCRIBED UNDER SUBSECTION (C)(1) OF THIS
6 SECTION, MINUS THE LIMIT OF THE CREDIT SPECIFIED IN SUBSECTION (E) OF THIS
7 SECTION SHALL BE DEDUCTED FROM THE NEXT JULY PROPERTY TAX BILL AFTER
8 VERIFICATION BY THE DEPARTMENT OF FINANCE.

9 (E) CREDIT LIMITS.

10 (1) IN GENERAL.

11 THE AMOUNT OF THE CREDIT SHALL NOT EXCEED \$14,400 PER AFFORDABLE UNIT
12 EACH CALENDAR YEAR.

13 (2) RESTRICTIONS.

14 (I) THE TAX CREDIT GRANTED UNDER THIS SECTION MAY NOT, ALONE OR
15 COMBINED WITH ANY OTHER CREDIT, EXCEED THE AMOUNT OF THE
16 PROPERTY TAX IMPOSED ON THE PROPERTY IN ANY TAX YEAR.

17 (II) THE TAX CREDIT GRANTED UNDER THIS SECTION ONLY APPLIES TO THE
18 REQUIRED UNITS OUTLINED IN CITY CODE ARTICLE 13, SUBTITLE 2B.

19 (F) ELIGIBILITY REQUIREMENTS.

20 (1) IN GENERAL.

21 TO RECEIVE THE TAX CREDIT, THE OWNER OF THE MARKET-RATE RENTAL HOUSING
22 PROJECT MUST:

23 (I) APPLY TO THE DEPARTMENT OF FINANCE FOR THE CREDIT IN THE FORM
24 AND FORMAT REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION;

25 (II) PROVIDE THE DEPARTMENT OF FINANCE AN ACCOUNTING OF HOW MANY
26 RENTAL UNITS ARE SET ASIDE AS AFFORDABLE UNITS;

27 (III) DEMONSTRATE TO THE DEPARTMENT OF FINANCE COMPLIANCE WITH
28 ARTICLE 13, SUBTITLE 2B {"INCLUSIONARY HOUSING REQUIREMENTS"}
29 OF THE CITY CODE; AND

1 (IV) DEMONSTRATE TO THE DEPARTMENT OF FINANCE THE DIFFERENCE
2 BETWEEN THE MARKET RENT THAT WOULD HAVE BEEN CHARGED FOR A
3 MARKET RATE RENTAL UNIT AND THE RENT CHARGED FOR AN AFFORDABLE
4 UNIT.

5 (2) APPLICATION.

6 (I) THE OWNER SHALL:

7 (A) SUBMIT THE APPLICATION FOR THE TAX CREDIT TO THE DEPARTMENT
8 OF FINANCE IN THE FORM AND FORMAT REQUIRED BY THE
9 DEPARTMENT OF FINANCE; AND

10 (B) PAY THE APPLICATION FEE AS SET BY THE BOARD OF ESTIMATES.

11 (II) IF THE PROPERTY IS TRANSFERRED AT ANY TIME, THE NEW OWNER SHALL FILE
12 AN APPLICATION TO CONTINUE THE CREDIT IN THE FORM REQUIRED BY THE
13 DEPARTMENT OF FINANCE.

14 (G) INELIGIBILITY OF CERTAIN PROJECTS INVOLVING HISTORIC PROPERTY.

15 THE TAX CREDIT GRANTED UNDER THIS SECTION DOES NOT APPLY TO:

16 (1) ANY PROJECT THAT INVOLVES IMPROVEMENTS ELIGIBLE FOR A TAX CREDIT
17 UNDER § 10-8 {"HISTORIC RESTORATIONS AND REHABILITATIONS"} OF THIS
18 SUBTITLE;

19 (2) ANY PROJECT THAT INVOLVES MODIFICATIONS TO OR AFFECTS A PROPERTY
20 LISTED INDIVIDUALLY ON THE NATIONAL REGISTER OF HISTORIC PLACES OR
21 LOCATED WITHIN A NATIONAL REGISTER HISTORIC DISTRICT, IF THE CITY'S
22 COMMISSION FOR HISTORICAL AND ARCHITECTURAL PRESERVATION
23 DETERMINES THAT THE MODIFICATIONS ARE INCOMPATIBLE WITH LOCAL
24 HISTORIC PRESERVATION STANDARDS; OR

25 (3) ANY PROJECT THAT PROPOSES MORE THAN 20% OF ITS UNITS TO BE SET ASIDE
26 FOR RENTERS EARNING 50% OF AMI OR BELOW.

27 (H) ADDITIONAL REQUIREMENTS.

28 A TAX CREDIT GRANTED UNDER THIS SECTION SHALL:

1 (1) BE SUBJECT TO ELIGIBILITY REQUIREMENTS NO LESS STRINGENT THAN THOSE
2 APPLICABLE TO CREDITS AUTHORIZED UNDER STATE TAX - PROPERTY ARTICLE
3 § 9-242 {"HIGH PERFORMANCE BUILDINGS"};

4 (2) BE FOR A PERIOD OF 30 YEARS FOR EACH PROPERTY, STARTING WITH THE FIRST
5 TAX YEAR AFTER THE FIRST PROPERTY ASSESSMENT AFTER THE ISSUANCE OF
6 AN OCCUPANCY PERMIT FOR THE COMPLETED PROJECT;

7 (3) BE FULLY TRANSFERRABLE TO A NEW OWNER FOR THE REMAINING CREDIT
8 PERIOD; AND

9 (4) TERMINATE IF, DURING THE CREDIT PERIOD, THE PROJECT:

10 (I) FAILS TO MAINTAIN ITS HIGH-PERFORMANCE RATING; OR

11 (II) FAILS TO PROVIDE THE AFFORDABLE UNITS REQUIRED BY ARTICLE 13,
12 SUBTITLE 2B {"INCLUSIONARY HOUSING REQUIREMENTS"} OF THE
13 CITY CODE.

14 (i) CONTINUING ELIGIBILITY.

15 THE PROPERTY OWNER SHALL ENSURE THAT, DURING THE CREDIT PERIOD, THE
16 PROJECT FOR WHICH THE CREDIT WAS GRANTED IS:

17 (1) IN FULL COMPLIANCE WITH THE CITY BUILDING, FIRE, AND RELATED CODES
18 ARTICLE;

19 (2) MAINTAINS ITS HIGH-PERFORMANCE RATING; AND

20 (3) CONTINUES TO PROVIDE AFFORDABLE UNITS AS REQUIRED BY ARTICLE 13,
21 SUBTITLE 2B {"INCLUSIONARY HOUSING REQUIREMENTS"} OF THE CITY
22 CODE.

23 (j) TAX SUBSIDY DUPLICATION ALLOWED.

24 THE TAX CREDIT AUTHORIZED BY THIS SECTION MAY APPLY TO ANY PROPERTY FOR
25 WHICH ANY OTHER TAX SUBSIDY FROM THE CITY IS BEING RECEIVED OR HAS BEEN
26 APPLIED FOR, WHETHER:

27 (1) IN THE FORM OF A TAX CREDIT,

28 (2) IN THE FORM OF A PAYMENT IN LIEU OF TAXES AGREEMENT; OR

1 (3) IN FORM OF TAX INCREMENT FINANCING.

2 (K) ADMINISTRATION.

3 THE DIRECTOR OF FINANCE MAY:

4 (1) SUBJECT TO TITLE 4 {"ADMINISTRATIVE PROCEDURE ACT - REGULATIONS"} OF THE CITY GENERAL PROVISIONS ARTICLE, ADOPT RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION, INCLUDING PROCEDURES FOR GRANTING PARTIAL CREDITS FOR ELIGIBILITY FOR LESS THAN A FULL TAXABLE YEAR;

5 (2) SETTLE DISPUTED CLAIMS ARISING IN CONNECTION WITH THE CREDIT AUTHORIZED BY THIS SECTION; AND

6 (3) DELEGATE POWERS, DUTIES, OR FUNCTIONS IN CONNECTION WITH THE ADMINISTRATION OF THE CREDIT AUTHORIZED BY THIS SECTION TO ANY EMPLOYEE OR AGENCY OF THE CITY.

7 (L) ANNUAL REPORT.

8 (1) EACH FISCAL YEAR, THE ESTIMATED AMOUNT OF ALL TAX CREDITS RECEIVED BY PROPERTY OWNERS UNDER THIS SECTION:

9 (i) SHALL BE REPORTED BY THE DIRECTOR OF FINANCE AS A TAX EXPENDITURE; AND

10 (ii) SHALL BE INCLUDED BY THE DEPARTMENT OF FINANCE IN THE CITY'S BUDGET PUBLICATIONS FOR ANY SUBSEQUENT FISCAL YEAR WITH THE ESTIMATED OR ACTUAL CITY PROPERTY TAX REVENUE.

11 (2) ON OR BEFORE JULY 1 OF EACH YEAR, THE DIRECTOR OF FINANCE SHALL SUBMIT A REPORT THAT INCLUDES AN ANALYSIS OF THE TAX CREDIT AND ITS FINDINGS TO THE:

12 (i) BOARD OF ESTIMATES;

13 (ii) MAYOR; AND

14 (iii) CITY COUNCIL .

1 (3) EVERY 2 YEARS THE DEPARTMENT OF FINANCE AND THE DEPARTMENT OF
2 HOUSING AND COMMUNITY DEVELOPMENT SHALL CONDUCT A STUDY AND SUBMIT
3 A REPORT TO THE BOARD OF ESTIMATES, MAYOR, AND CITY COUNCIL THAT:

4 (I) EVALUATES THE IMPACT OF THE TAX CREDIT ESTABLISHED BY THIS
5 SECTION;

6 (II) STATES A CONCLUSION ABOUT WHETHER THE PROGRAM GOAL
7 ESTABLISHED IN SUBSECTION (B) OF THIS SECTION IS BEING MET; AND

8 (III) MAKES RECOMMENDATIONS TO MODIFY THIS SECTION TO BETTER MEET
9 THE PROGRAM GOAL.

10 (M) TERMINATION OF PROGRAM.

11 THE DEPARTMENT OF FINANCE MAY ACCEPT APPLICATIONS FOR THE CREDIT FOR A
12 PERIOD OF TIME THAT IS CONCURRENT WITH THE TERM OF THE INCLUSIONARY
13 HOUSING REQUIREMENTS ESTABLISHED BY ARTICLE 13, SUBTITLE 2B
14 {“INCLUSIONARY HOUSING REQUIREMENTS”} OF THE CITY CODE.”.

Amendment No. 2

1 On page 5, in line 1, strike “30th” and substitute “180th”.