

The Baltimore City Department of
**HOUSING & COMMUNITY
DEVELOPMENT**

MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Michael Braverman, Housing Commissioner



Date: September 18, 2018

Re: **City Council Bill 18-0221 - Recordation and Transfer Taxes – Surtax – Dedicating Surtax Proceeds to Affordable Housing Trust Fund**

The Department of Housing and Community Development (HCD) has reviewed City Council Bill 18-0221, for the purpose of imposing a surtax on recordations subject to the recordation tax and a surtax on property transfers subject to the transfer tax; providing for an exemption from these surtaxes for certain residential properties; dedicating the proceeds from these surtaxes to the Affordable Housing Trust Fund created by City Charter Article 1, § 14; correcting, clarifying and conforming related language; and generally relating to the City's recordation and transfer taxes.

If enacted, this bill would provide a funding mechanism for the Affordable Housing Trust Fund that was established by a charter amendment in 2016 to provide financial assistance for the production, maintenance, or expansion of affordable housing throughout Baltimore for extremely low income families (at or below 50% of AMI). The funds for the trust fund would be generated by adding an additional excise tax on fees for the transfer and recordation of real property transactions valued over a certain dollar amount. The funds could be used for predevelopment and development activities, to support community land trusts, for affordable and fair housing related services as well as for related administrative and planning costs. The funds could also support other uses associated with production or preservation of affordable housing in accordance with the Charter as amended. The fund will be administered by HCD and overseen by a 12 member appointed commission of community members.

The Department of Housing and Community Development supports and encourages the passage of City Council Bill 18-0221.

MB:sd

cc: Ms. Karen Stokes, *Mayor's Office of Government Relations*
Mr. Kyron Banks, *Mayor's Office of Government Relations*