


<b>FROM</b>	NAME & TITLE	Robert Cename, Budget Director <i>Baltac</i>	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall		
	SUBJECT	City Council Bill 21-0174—Baltimore City Senior Homeowners Grant Program		

DATE:

**TO**

The Honorable President and  
Members of the City Council  
City Hall, Room 400

December 20, 2021

**Position: Oppose**

The Department of Finance is herein reporting on City Council Bill 21-0174, Baltimore City Senior Homeowners Grant Program.

**Fiscal Impact**

The Department of Finance anticipates an annual cost of \$765,632 for implementation of this legislation. This legislation is part of a package of legislation with *21-0172 Baltimore City Legacy Residents-Urban Homesteading Program* and *21-0173 Baltimore City Home Repairs Grant Program*. As a package, implementation of these bills is estimated to cost approximately \$16.1 million at minimum, excluding the actual grant funding that would be issued through if this program were established.

In consultation with DHCD, the Baltimore City Senior Homeowners Grant Program would need (1) Operations Officer I, (1) Office Support Specialist III, and (10) Grant Service Specialist IIs to review the volume of applications for this program. This staffing level is estimated based on anticipated high demand for the program and an assumption that a Grant Service Specialist would be able to process 300 applications annually. Based on these staffing estimates, Finance projects an annual estimated personnel cost of \$729,832. Additionally, costs for technological equipment and software licenses would be an additional \$35,800, for a total annual cost of \$765,632. This cost estimate does not include the costs of the grants themselves due to the fact that Finance is unable to estimate how many possible homeowners would be eligible for the program. However, it should be noted that would be an additional cost.

<b>Baltimore City Senior Homeowners Grant Program</b>	
(1) Operations Officer I	\$121,277
(1) Office Support Specialist III	\$56,895
(10) Grant Services Specialist II	\$551,660
Computer Equipment	\$25,000
Software Licenses	\$10,800
<b>Minimum Program Costs</b>	<b>\$765,632</b>

It should be noted that the Operations Officer I position listed for this program would also manage the program established in City Council bill 21-0173 Baltimore City Home Repairs Grant Program. If both programs were implemented, the costs for both programs would include only one Operations Officer I position.

### **Other Considerations**

Finance has identified several concerns regarding implementation of the program and the impact for the City and participants.

First, while the Department of Finance supports the intent of this legislation to prevent foreclosures for legacy residents, the City is unable to fund this program through the General Fund due to the current fiscal outlook due to the COVID-19 pandemic and increased education spending as a result of the implementation of the Blueprint for Maryland's Future legislation, which begins in Fiscal 2023.

Second, this legislation is part of a package of legislation with *21-0172 Baltimore City Legacy Residents-Urban Homesteading Program* and *21-0173 Baltimore City Home Repairs Grant Program*. The City Council has suggested that this package could be funded using funding the City has been allocated from the American Rescue Plan Act (ARPA). Finance defers to the Mayor's Office of Recovery Programs on whether these programs are eligible uses of ARPA funding.

Finally, the legislation would take effect on the 30<sup>th</sup> day after the date it is enacted and does not have an end date. Standing up a program of this size in 30 days is not seem feasible considering staffing and outreach needs, as well as establishing proper processes and procedures. In addition, unlike the other legislation in the package, this legislation does not have an end date. All ARPA funds must be obligated by December 2024 and spent by December 2026. If this program is not eligible for ARPA funding, the General Fund would be unable to support such a large program considering the current fiscal outlook due to the COVID-19 pandemic and increased education spending as a result of the implementation of the Blueprint for Maryland's Future legislation, which begins in Fiscal 2023.

### **Conclusion**

This legislation is intended to help senior homeowners who are at risk of losing their homes due to a reverse mortgage. While the Department of Finance supports the intent of this legislation, the City is unable to fund the program through the General Fund without impacting resources for existing programs.

**For the reasons stated above, the Department of Finance opposes City Council Bill 21-0174.**

cc: Henry Raymond  
Natasha Mehu  
Nina Themelis