



Hearing Notes

Bill: 21-0001R

Investigative Hearing - Affordable Housing Trust Fund

Committee: Economic and Community Development

Chaired By: Councilwoman Sharon Green Middleton

Hearing Date: May 3, 2022

Time (Beginning): 2:00 PM

Time (Ending): 3:10 PM

Location: Virtual WEBEX

Total Attendance: Approximately 20

Committee Members in Attendance:

John Bullock Ryan Dorsey Robert Stokes Odette Ramos

Bill Synopsis in the file?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Attendance sheet in the file?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Agency reports read?.....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Video or audio-digitally recorded?.....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Certification of advertising/posting notices in the file?	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> n/a
Evidence of notification to property owners?.....	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> n/a
Final vote taken at this hearing?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a

Motioned by:.....Councilmember Sharon Green Middleton

Seconded by:.....Councilmember Odette Ramos

Final Vote:.....Favorable

Major Speakers

(This is not an attendance record.)

- Councilmember Odette Ramos
- Stephanie Murdock, Department of Housing and Community Development

- Kate Edwards, Deputy Commissioner, Development Division, Department of Housing and Community Development.
 - Stephanie Estrada El, Project Coordinator, Affordable Housing Trust Fund
 - Ebony Rector, Project Coordinator, Affordable Housing Trust Fund
 - Pedro Aponte, Department of Finance
 - Matt Hill, Member, Affordable Housing Trust Fund Commission
 - Garrick Good, Executive Director, North East Housing Initiative (NEHI)
 - Meleny Thomas, Executive Director, South Baltimore Community Land Trust (SBCLT)
 - Dan McArthy, Episcopal Housing Corporation
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Major Issues Discussed

1. Chairwoman Middleton opened the meeting, introduced committee members and City representatives and read the resolution into the record.
2. Councilmember Ramos commented about the purpose of the resolution.
3. Matt Hill testified on behalf of the Affordable Housing Trust Fund Commission. He shared information about the fiscal health of the Fund which did not suffer a deficit as projected. Instead the Fund had a \$7.5 million increase in revenue. By the end of this fiscal year, it is projected that Fund revenue would increase by \$8.5 million. Commercial development in the City is thriving and contributing to the Fund. Inflation has driven up the cost of development. The Fund has a robust working relationship with the Department of Housing and Community Development. The Commission holds monthly meetings open to the public. A concern is that the prior administration had committed 39% of Fund revenue to community-controlled, permanently affordable housing for community land trusts. The Fund's budget shows that only 29% has been directed to community land trust projects. Another concern is that release of funding has not been timely. The Fund has taken in \$47 million in revenue and committed roughly \$29 million and spent about \$4 million which is only about 10% of available revenue. The processes for expending Funds in a timely fashion is an urgent matter that needs to be improved in order to address affordable housing needs in Baltimore.
4. Garrick Good testified on behalf of North East Housing Initiative (NEHI) which supports the Fund. NEHI would like the City to explore ways to improve the process for efficiency in moving revenue from the Fund award stage to beneficiaries. NEHI has serviced many Baltimore residents.
5. Meleny Thomas testified on behalf of the South Baltimore Community Land Trust. She reiterated comments of Matt Hill and Garrick Good. She wanted to be sure that the purpose of the Fund is fulfilled. Moving awards to beneficiaries is key to creating affordable housing. Curtis bay is expected to develop affordable housing.
6. Dan McArthy testified on behalf of the Episcopal Housing Corporation (EHC) which has received an award from the Fund. The award was used to leverage other funds for an affordable housing project. The Fund allows smaller projects at the neighborhood level to advance their affordable housing projects, which is notable.
7. Kate Edwards testified on behalf of the Department of Housing and Community Development. She provided updated information related to the *Affordable Housing Trust Fund Annual Report (July 1, 2020 – June 30, 2021)*. The report presented to the committee,

however, did not clearly show total revenue collected for the Fund, which totaled \$47 million. The report also did not reflect all of the data Kate Edwards shared. She was requested to provide the committee with a copy of her report. The Fund has a surplus and DHCD will work with the AHTF Commission to determine how to expend funds. She indicated that:

- Total revenue collected through March 30, 2022 is \$46 949,614
- Total revenue collected in Fiscal Year 2022 through March 2022 was \$21,140,004
- Commitments (rental and community land trust projects) and awards to date totaled \$11,404,500 of which \$1,400,000 has been expended.
- Commitments for consultants for community land trust projects (Grounded Solutions Network) totaled a \$225,000 commitment of which \$16,825 has been expended
- Commitments of transfers to different agencies to work on certain related projects:
 - Senior homeownership (repairs) \$5,293,066 committed and \$659,761 expended
 - Pandemic homelessness \$2,750,000 committed, update on expenditures
 - Choice Neighborhoods (PSO) \$4,512,207 committed and \$500,000 expended
- Funds were also used for rental assistance, new construction of rental housing, inclusionary housing, as well as other projects outlined in the full report.

She also indicated that DHCD is working to streamline the AHTF grant process. The development process can take multiple years. Developers who have received grant agreements may be waiting for other financing before funds are released or may even be managing site control. The Fund also offers grants for pre-development cost that may be advanced to developers for operating cost. She also shared information about the pre-proposal application process.

8. Councilman Stokes inquired about consultants, equity initiatives, transparency in communicating and reporting. He wanted to know if efforts are being made to hire staff that are focused on equity. Enterprise Community Partners and Grounded Solutions serve as consultants. Consultants are under contract for two years. DHCD is currently interviewing for equity staff.
9. Pedro Aponte testified on behalf of the Department of Finance. He indicated that \$36.1 million in total surcharge funds had been received for the Fund. Finance processes surcharges on a daily basis and inputs funds directly into the Fund's account. Finance only collects surcharges for the Fund.
10. The committee discussed AHTF projects, grant process, partnerships, educational resources and other activities.
11. The committee voted to recommend the bill as favorable.
12. The hearing was adjourned.

Further Study or Actions

Was further study requested?

Yes No

If yes, describe. The Department of Housing and Community Development was requested to share the full Annual Report with the committee.

Committee Vote:

Sharon Green Middleton, ChairYea
 John Bullock:Yea
 Mark Conway:Absent
 Ryan Dorsey:Yea
 Antonio Glover:Absent
 Odette Ramos:Yea
 Robert Stokes:Yea

Jennifer L. Coates, Committee Staff

Date: May 3, 2022

cc: Bill File
OCS Chrono File