


FROM	NAME & TITLE	CHRIS RYER, DIRECTOR	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET		
	SUBJECT	CITY COUNCIL BILL #24-0594/ CITY-WIDE AFFORDABLE HOUSING BOND ISSUANCE		

TO The Honorable President and
Members of the City Council
City Hall, Room 400
100 North Holliday Street

DATE: October 11, 2024

At its regular meeting of October 10, 2024, the Planning Commission considered City Council Bill #24-0594, for the purpose of designating a “development district” to be known as the “City-Wide Affordable Housing Development District”; providing for and determining various matters in connection with the establishment of the development district; creating a special, tax increment fund for the development district; to provide for the financing of costs associated with the rehabilitation of vacant units and the development of affordable housing; allocating certain property taxes to that fund; ...

In its consideration of this Bill, the Planning Commission reviewed the attached staff report, which recommended approval of City Council Bill #24-0594 and adopted the following resolution, with six members being present (six in favor):

RESOLVED, That the Planning Commission concurs with the recommendation of its departmental staff, and recommends that City Council Bill #24-0594 be **approved** by the City Council.

If you have any questions, please contact Mr. Eric Tiso, Division Chief, Land Use and Urban Design Division at 410-396-8358.

CR/ewt

attachment

cc: Ms. Nina Themelis, Mayor’s Office
The Honorable Eric Costello, Council Rep. to Planning Commission
Mr. Colin Tarbert, BDC
Ms. Rebecca Witt, BMZA
Mr. Geoffrey Veale, Zoning Administration
Ms. Stephanie Murdock, DHCD
Ms. Elena DiPietro, Law Dept.
Mr. Francis Burnszynski, PABC
Ms. Natawna Austin, Council Services
Ms. Stacy Freed, DHCD



Brandon M. Scott
Mayor

PLANNING COMMISSION

Sean D. Davis, Chair; Eric Stephenson, Vice Chair

STAFF REPORT



Chris Ryer
Director

October 10, 2024

REQUESTS:

City Council Bill #24-0594/ City-Wide Affordable Housing Bond Issuance:

For the purpose of designating a “development district” to be known as the “City-Wide Affordable Housing Development District”; providing for and determining various matters in connection with the establishment of the development district; creating a special, tax increment fund for the development district; to provide for the financing of costs associated with the rehabilitation of vacant units and the development of affordable housing; allocating certain property taxes to that fund; ...

City Council Bill #24-0595/ City-Wide Affordable Housing Development District:

For the purpose of authorizing the issuance of special obligation bonds and the pledge, subject to appropriation, of Tax Increment Revenues (as such term is defined herein) to the payment of debt service thereon; providing that such bonds may be issued from time to time and in one or more issues or series in an aggregate principal amount not exceeding \$150,000,000 for the purpose of financing costs associated with the rehabilitation of vacant units and the development of affordable housing, certain public infrastructure improvements, and other related costs, including, without limitation, the Project (defined herein), and other necessary improvements to, from, or within the development district, and certain other improvements permitted by the Tax Increment Act (defined herein); ...

RECOMMENDATIONS:

City Council Bill #24-0594: Approval

City Council Bill #24-0595: Approval

STAFF: Eric Tiso

PETITIONER: The Council President at the request of: The Administration (Department of Housing and Community Development)

SITE/GENERAL AREA

These bills affect the entirety of the City.

HISTORY

There are no previous legislative or Planning Commission actions regarding this program.

CONFORMITY TO PLANS

These bills are necessary to carry out the goals of the Baltimore City Vacant Property Strategy.

ANALYSIS

TIF Background: The purpose of Tax Increment Financing (TIF) is to create a partnership of investment that will yield a greater return on that investment. Typically, a TIF special district is designated for a certain number of years, and the current value of properties within that district is determined at the time of designation. That initial value is the base rate for the TIF district. The tax revenue generated by the properties in the area is collected in future years as normal. However, the City pledges to invest future increased tax revenue over the base rate from the first year that is generated by that special district. Typically additional investments are pledged through partnerships or State funding. Bonds are issued under the expectation that they will be repaid by the yearly increases, or “increment” in the future tax revenue. The base rate of tax revenue (determined in the first year) still goes to the City’s general funds as in prior years. Once the total bond investments are repaid, the future increasing tax revenue is continually invested into the special district until the TIF expires after a certain number of years. Upon expiration of TIF program, the City benefits from the totality of the increased tax revenue that would not have been possible, but for that investment.

CCB #24-0594: This bill will call for an initial investment of up to \$150 million in TIF Bonds over a fifteen-year period, with an aggregate amount not to exceed \$65 million. The purpose is to allow for reducing the number of the more than 13,000 vacant properties around the City. This will result in “strategic public investment in 37,500 “must address” properties, with a pathway to public investment in 45,000 properties as needed.” Over time, the expectation is that there will be an investment of up to “\$3 billion in comprehensive, public-private revitalization strategy to eliminate vacant and blighted properties in the City. That amount includes \$300,000,000.00 from the City’s private partner sources, and \$750,000,000.00 from the State of Maryland.”

CCB #24-0595: This bill will create the City-Wide Affordable Housing Development District. This is a novel approach, because a typical TIF would have a specific project area for designated improvements. In this case, the entire area of the City will be the development district, in a scattered, but targeted way.

Equity: This novel TIF program expects to reduce the number of vacant homes around the City, combat distressed properties, and in general correct generational disinvestment that has affected a number of our neighborhoods for decades. There is no significant impact to staff time expected from this program.

Notification: Over 17,500 individuals have been notified of this item via GovDelivery.



Chris Ryer
Director