


MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Natawna Austin, Executive Secretary

FROM: William H. Cole, President and CEO 

DATE: October 2, 2015

SUBJECT: City Council Bill No. 15-0566
Portable Homestead Tax Credit – Extending Coverage

The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill Number 15-0566, and ordinance for the purpose of extending the Portable Homestead Tax Credit.

Homeownership incentives represent a key economic influencer in the decision for persons or households to move either to or within Baltimore City by maintaining or lowering the costs. The decision to move is based on a complex set of considerations that takes into account multiple factors including: economic; social; and locational issues.

From 2010 to 2014 the City has been able to reverse its population decline and increase both its population and the number of households. Prior to 2010, the majority of population decline for Baltimore City was attributable to net out-migration, meaning that more people moved out of the city than moved into the city. Analysis of Census data identified that over half of all moves both into and out of Baltimore City occurs between one of the surrounding jurisdictions, especially Baltimore County and Anne Arundel County.

An analysis by BNIA-JFI for the Grow Baltimore Initiative identified 75% of Baltimore City homeownership incentive program participants provided a previous address, with nearly 80% of these participants previously living in Baltimore City. Presuming that the participants that did not provide a previous address all came from outside of the City, homeownership incentive programs are effective in helping to retain existing residents within the City.

This Bill provides a valuable incentive to retain City residents and families who will not only contribute to maintaining the City's population growth but who also contributes to the City's economy. BDC supports this ordinance and respectfully request that Bill No. 15-0566 is given favorable consideration by the Baltimore City Council.

cc: Colin Tarbert
Angela Gibson

