

**CITY OF BALTIMORE
COUNCIL BILL 07-0343R
(Resolution)**

Introduced by: President Rawlings-Blake, Councilmembers Kraft, Holton, Young, Curran,
Mitchell, Conaway, Middleton, Welch, Crider, Clarke
Introduced and adopted: October 29, 2007

A COUNCIL RESOLUTION CONCERNING

**In Support of Federal Legislation – The National Affordable Housing
Trust Fund Act of 2007**

FOR the purpose of commending the U.S. House of Representatives for passing the National Affordable Housing Trust Fund Act of 2007 that will expand federal housing programs to produce, rehabilitate, and preserve 1.5 million housing units over the next 10 years; urging the Honorable Chair and Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs to act favorably on the legislation; and exhorting the Honorable Members of the Maryland Delegation to the 110th Congress to secure adoption of the National Affordable Housing Trust Fund Act of 2007.

Recitals

The U.S. House of Representatives recently passed the National Affordable Housing Trust Fund Act of 2007, that, if enacted, will be the largest expansion in federal housing programs in decades, providing for the production, rehabilitation, and preservation of 1.5 million housing units over the next 10 years. The bill has been referred to the Senate Committee on Banking, Housing, and Urban Affairs for consideration.

Under the provisions of the Act, 60% of monies will go to participating local jurisdictions, and if the total amount available in any year is less than \$2 billion, there is a \$750,000 minimum funding threshold for local jurisdictions; all Trust Fund monies must be used for low income families that are below 80% of the state or local median, except that this income ceiling is reduced to 60% of local median income if annual funding in any year is less than \$2 billion. At least 75% of funds must go to extremely low-income families below 30% of median income or below the national poverty level, and at least 30% of funds must go to families with incomes below the SSI income limit. In addition, at least 10% of funds must go to families with incomes over 50% of the local area median income.

Participating local jurisdictions are required to make Trust Fund grants available to eligible recipients, that can be any organization, agency, or other entity, including for-profits, nonprofits, and faith-based organizations that have demonstrated the experience and capacity to carry out the proposed Trust Fund activities of construction, rehabilitation, acquisition, preservation incentives, and operating assistance to facilitate affordability. Funds may be used for both rental housing that is affordable and for down payment and closing cost assistance by first time homebuyers. The bill also requires a match for Trust Fund dollars equal to 12.5% if provided from state, local, and private sources or 25% if provided from a federal source. Up to 33% of this match may be provided through binding commitments to provide services for residents, and the match may be reduced or waived where a zoning variance or other waiver or regulatory

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

Council Bill 07-0343R

1 barriers was required to provide a site for Trust Fund-assisted housing. It matches state and local
2 generated funds at a higher rate than other programs such as Community Development Block
3 Grants and the Low Income Housing Tax Credits.

4 The bill is Congress' foremost attempt to address the foreclosure crisis; 2.2 million more
5 foreclosures are forecast for the 1st quarter of 2008, to date. According to Baltimore City
6 officials, enactment of the Act would mostly impact the income level directly above those that
7 qualify for Section 8 Vouchers – resulting in an increased number of stable low income renters
8 and enabling them to transition to home ownership with a much higher success rate. The bill has
9 a companion measure that provides funding for the trust fund and includes a 50-year term of
10 affordability, so housing will be affordable for a long time for the target population.

11 Passage of the National Affordable Housing Trust Fund Act of 2007 is particularly important
12 to Baltimore City – where almost 50% of low-income renter households spend more than ½ of
13 their incomes on rent, where there are few affordable and decent units available for purchase,
14 and where the likelihood of home ownership is slim at best.

15 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That this
16 Body commends the U.S. House of Representatives for passing the National Affordable Housing
17 Trust Fund Act of 2007 that will expand federal housing programs to produce, rehabilitate, and
18 preserve 1.5 million housing units over the next 10 years; urges the Honorable Chair and
19 Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs to act
20 favorably on the legislation; and exhorts the Honorable Members of the Maryland Delegation to
21 the 110th Congress to secure adoption of the National Affordable Housing Trust Fund Act of
22 2007.

23 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
24 Maryland Delegation to the 110th Congress of the United States, the Baltimore City Delegation
25 to the 2008 Maryland General Assembly, the Baltimore City Commissioner of Housing, the
26 Executive Director of the Mayor's Office of State Relations, and the Mayor's Legislative Liaison
27 to the City Council.