

Introduced by: President Young, *Middleton, Scott, Costello, Balok, Pinkert, Henry,*

Prepared by: Department of Legislative Reference Date: March 1, 2017

Referred to: TAXATION, FINANCE & ECONOMIC DEVELOPMENT Committee

Cohen, Stokes, Clark, Schick, Reisinger

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL 17-0030

A BILL ENTITLED

AN ORDINANCE concerning

Tax Credits – Citywide High-Performance Market-Rate Rental Housing – Extension of Eligibility

FOR the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

BY repealing and reordaining, with amendments

Article 28 - Taxes
Section 10-18(a)(4) and (l)
Baltimore City Code
(Edition 2000)

Bud DeJoy E-V-Act

Robarts, Jim White, [Signature]

[Signature] Mary [Signature]

Lois [Signature] Edmund [Signature]

[Signature] [Signature]

****The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

Agencies

Baltimore City Public School System

Baltimore Development Corporation

City Solicitor

Comptroller's Office

Department of Audits

Department of Finance

Department of General Services

Department of Housing and Community Development

Department of Human Resources

Department of Planning

Other:

Other:

Other:

Department of Public Works

Department of Real Estate

Department of Recreation and Parks

Department of Transportation

Fire Department

Health Department

Mayor's Office of Employment Development

Mayor's Office of Human Services

Mayor's Office of Information Technology

Office of the Mayor

Police Department

Other:

Other:

Board of Estimates

Board of Ethics

Board of Municipal and Zoning Appeals

Comm. for Historical and Architectural Preservation

Commission on Sustainability

Employees' Retirement System

Other:

Other:

Other:

Environmental Control Board

Fire & Police Employees' Retirement System

Labor Commissioner

Parking Authority Board

Planning Commission

Wage Commission

Other:

Other:

Other:

Council Bill 17-0030

- 1 (A) newly constructed on a vacant lot, cleared site, or parking lot;
- 2 (B) converted from a non-residential use; or
- 3 (C) a wholly renovated structure; and
- 4 (ii) for which:
 - 5 (A) the cost of the construction or conversion exceeds \$60,000 per rental
 - 6 unit; and
 - 7 (B) a first occupancy permit following substantial completion of the
 - 8 construction or conversion is issued after January 1, 2014, and on or
 - 9 before June 30, [2019] 2024.

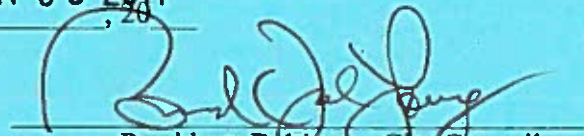
10 (l) *Termination of program.*

11 Applications for the credit may not be accepted after December 31, [2017] 2022.

12 SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance
13 are not law and may not be considered to have been enacted as a part of this or any prior
14 Ordinance.

15 SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30th day
16 after the date it is enacted.

Certified as duly passed this _____ day of JUN 05 2017, 2017



President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,

this _____ day of JUN 05 2017, 2017

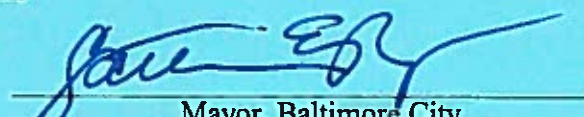


Chief Clerk


Approved this 13 day of June, 2017

Approved For Form and Legal Sufficiency

This 6th Day of June 2017.



Mayor, Baltimore City



Chief Solicitor

**BALTIMORE CITY COUNCIL
TAXATION, FINANCE AND ECONOMIC DEVELOPMENT
VOTING RECORD**

DATE: May 11, 2017

BILL#: 17-0030

BILL TITLE: Ordinance -Tax Credits - Citywide High-Performance Market-Rate Rental Housing -Extension of Eligibility

MOTION BY: Reisinger SECONDED BY: Pinkett

- FAVORABLE FAVORABLE WITH AMENDMENTS
 UNFAVORABLE WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Middleton, Sharon, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pinkett, Leon, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costello, Eric	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reisinger, Edward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stokes, Robert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTALS	<u>5</u>			

CHAIRPERSON: Sharon Middleton

COMMITTEE STAFF: Jennifer L. Coates, Initials: JLC

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor



DEPARTMENT OF LAW

101 City Hall
Baltimore, Maryland 21202

May 8, 2017

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 17-0030 – Tax Credits – Citywide High-Performance
Market-Rate Rental Housing – Extension of Eligibility

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 17-0030 for form and legal sufficiency. The bill would amend Sections 10-18 of Article 28 of the City Code concerning the Citywide High-Performance Market-Rate Rental Housing tax credit. The amendments change the sunset of the tax; extending the application deadline to December 31, 2022, and requiring any occupancy permit for a building receiving the credit to be obtained before June 30, 2024.

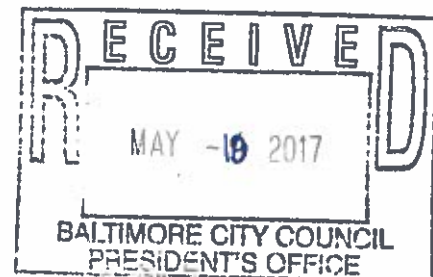
The changes are consistent with the state law authorizing these credits. Md. Code, Tax Prop., §9-242. Therefore, the Law Department approves this bill for form and legal sufficiency.

Very truly yours,

Hilary Ruley
Chief Solicitor

cc: David E. Ralph, Acting City Solicitor
Karen Stokes, Director, Mayor's Office of Government Relations
Kyron Banks, Mayor's Legislative Liaison
Elena DiPietro, Chief Solicitor, General Counsel Division
Victor Tervalá, Chief Solicitor
Jennifer Landis, Assistant Solicitor

A



TJA

FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET
	SUBJECT	CITY COUNCIL BILL #170030 / TAX CREDITS -- CITYWIDE HIGH-PERFORMANCE MARKET-RATE RENTAL HOUSING -- EXTENSION OF ELIGIBILITY

CITY of
BALTIMORE
MEMO



DATE:

TO

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

March 20, 2017

The Department of Planning is in receipt of City Council Bill #17-0030, which is for the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

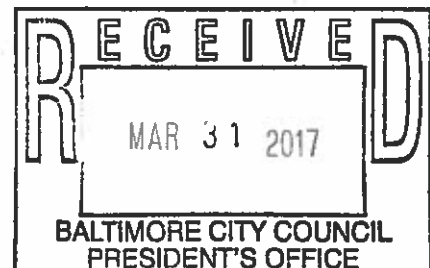
The Department of Planning supports the adoption of City Council Bill #17-0030 as an important tool to spur neighborhood revitalization, citywide.

If you have any questions, please contact Mr. Wolde Ararsa, Division Chief, Land Use and Urban Design Division at 410-396-4488.

TJS/WA

- cc: Mr. Pete Hammen, Chief Operating Officer
Mr. Jim Smith, Chief of Strategic Alliances
Ms. Karen Stokes, Mayor's Office
Mr. Colin Tarbert, Mayor's Office
The Honorable Edward Reisinger, Council Rep. to Planning Commission
Mr. David Tanner, BMZA
Mr. Geoffrey Veale, Zoning Administration
Ms. Sharon Daboin, DHCD
Mr. Patrick Fleming, DOT
Ms. Elena DiPietro, Law Dept.
Mr. Francis Burnszynski, PABC
Mr. William Cole, Baltimore Development Corporation
Ms. Natawna Austin, Council Services

F





**BALTIMORE
HOUSING**

CATHERINE PUGH
Mayor

MICHAEL BRAVERMAN
Acting Executive Director, HABC
Acting Commissioner, HCD

MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Michael Braverman, Acting Commissioner 

Date: May 9, 2017

Re: **City Council Bill 17-0030 - Tax Credits – Citywide High-Performance
Market-Rate Rental Housing – Extension of Eligibility**

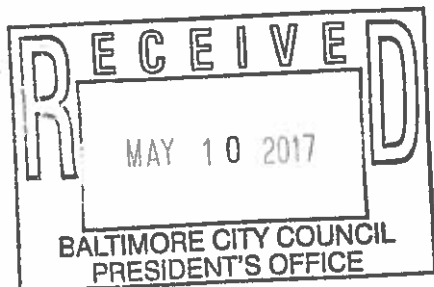
The Department of Housing and Community Development (HCD) has reviewed City Council Bill 17-0030, for the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

If enacted, this bill would extend the tax-credit program for market-rate rental housing projects in the City from June 30, 2019 to June 30, 2024

The Department of Housing and Community Development has no objection to the passage of City Council Bill 17-0030.


MB:sd

cc: Ms. Karen Stokes, *Mayor's Office of Government Relations*
Mr. Kyron Banks, *Mayor's Office of Government Relations*



NO
obj



F R O M	Name & Title	Walter J. Horton Real Estate Officer	CITY OF BALTIMORE MEMO	
	Agency Name & Address	Department of Real Estate City Hall – Room 304		
	Subject	City Council Bill 17-0030 Tax Credits – Citywide High Performance Market Rate Rental Housing		

TO: Honorable President and Members
of the City Council
C/O Natawna Austin
Office of the Council President
City Hall – Room 400

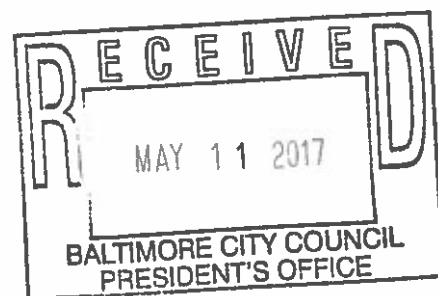
DATE: May 10, 2017

As requested, the Department of Real Estate reviewed the subject bill which, if approved, would authorize the Mayor and City Council of Baltimore to extend the termination date for this program for certain newly constructed or converted market rate rental housing developments.

The Bill if enacted, would extend the tax credit program from June 30, 2019 to J30, 2024.

The Department of Real Estate supports the passage of City Council Bill 17-0030.


WJH/





MEMORANDUM

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

FROM: William H. Cole, President and CEO 

DATE: March 23, 2017

SUBJECT: City Council Bill No. 17-0030
Tax Credits – Citywide High-Performance Market-Rate Rental Housing-
Extension of Eligibility

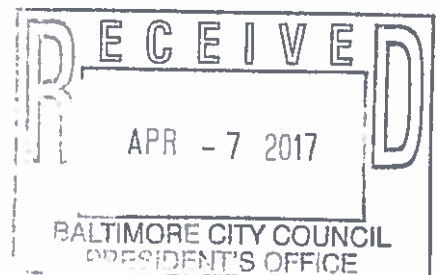
The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill No. 17-0030 for the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

Without the support of the Citywide High-Performance Market-Rate Rental Housing Tax Credit program, several of the commercial real estate projects currently in the development pipeline for the City, and the private investment associated with them, are at risk of becoming financially infeasible and unable to proceed. Under the 5-year extension period being proposed, a majority of the projects in the pipeline would be able to deliver as planned in the City and offer additional housing options to support its residential growth.


BDC supports Bill No. 17-0030 and respectfully requests that favorable consideration is given by the City Council.

Cc: Kyron Banks, Mayor's Office
Colin Tarbert, Mayor's Office

F

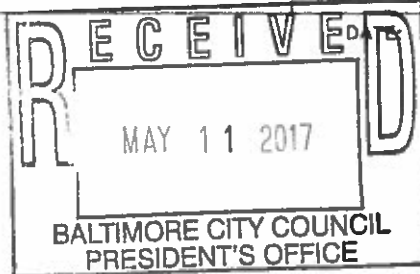


Andrew Kleine

FROM	NAME & TITLE	Andrew Kleine, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research 100 Holliday Street, Room 432 – 410-396-4941		
	SUBJECT	City Council Bill #17-0030 - Tax Credit - Citywide High-Performance Market-Rate Rental Housing - Extension of Eligibility		

TO

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



May 10, 2017

Attention: Ms. Natawna Austin

We are herein reporting on City Council Bill 17-0030, the purpose of which is extend the date for termination of the High-Performance Market-Rate Rental Housing tax credit (HPMRRH) program by amending Article 28, Section(s) 10-18(a)(4)(i), (ii)(B) and 10-18(l) of the Baltimore City Code. The proposed amendments will extend the application period from December 31, 2017 to December 31, 2022 and will extend from June 30, 2019 to June 30, 2024 the deadline for issuance of the occupancy permit after completion of the construction.

The City currently grants two types of HPMRRH tax credits, one for eligible projects within specific targeted areas of the City as defined on Section 10-17(e) of this article, and another for citywide projects outside of the targeted area. The proposed amendment will only apply to citywide projects. The credit for eligible projects is structured as a ten year abatement to the real property taxes calculated as the difference between the post-construction assessed value and the pre-construction assessed value. The tax credit is granted at a rate of 80% for the first five years, declining by 10% per year thereafter.

Background

The original purpose of the tax credit program was to incentivize environmentally sustainable building options while expanding the City's inventory of rental housing. Among other requirements, eligible citywide projects must achieve at least a Silver rating according to the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system as adopted by the Maryland Green Building Council. Projects outside the targeted area must have more than 20 rental units while projects within the targeted area are required to have more than 50 rental units. The total construction cost must be above \$60,000 per unit.

This credit was first granted in Fiscal 2014 to the project located at 521 Saint Paul Street for a total credit amount of \$142,000; however, the cost of this tax credit has substantially grown since then. There are currently seven projects located within the targeted area and one citywide receiving the HPMRRH tax credit, for a total cumulative cost of \$4.5 million from the beginning of the program. Of this amount, \$3.2 million is the estimated Fiscal 2017 cost.

As of today, there are about 18 projects that have submitted applications for both targeted and citywide tax credits. Out of the 18, 11 applications are for citywide projects.

Analysis

Construction of High-Performance Buildings: The purpose of this tax credit was to encourage the construction of high-performance rental housing units and to help increase the City's population through more housing

No position

options. As defined in the State Law, High-performance buildings are those that achieve at least a silver rating according to the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system as adopted by the Maryland Green Building Council.

When the tax credit was first introduced, the City did not enforce the construction of high-performance buildings. The tax credit was introduced to encourage the development of green construction.

Part XI, Section 101.3 of the Baltimore City Building Fire and Related Codes mandates specific Green construction requirements for multiple-family dwellings that are four stories or higher with more than 5 dwelling units. Non-exempt residential buildings must be built according to the Baltimore City Green Construction Code, which itself is modeled after the International Green Construction Code (ICC), as amended. The City's Green Construction Code also allows non-exempt buildings to be built in accordance with one of several codified alternatives, including LEED Silver. All newly constructed or converted non-exempt residential buildings must comply with the City's Green Construction Code.

There are substantial financial and environmental benefits to invest in the construction of green building projects and extensive research highlights the advantages of this type of construction. A recent report issued by the US Green Building Council states that LEED-certified buildings produce 34% lower CO2 emissions, consume 25% less energy, 11% less water, and have diverted more than 80 million tons of waste from landfills in 2016.

In addition to the short and long-term environmental benefits of green construction, there are material economic and financial incentives to abandon traditional construction for the investment on the construction of high-performance projects. Some of the benefits are highlighted below:

- **Green Buildings Property Value:** According to the US Green Building Council, properties constructed meeting LEED certification appreciate in value by 4% annually, on average.
- **Lower Fixed and Operating Costs –** Green buildings report 20% lower maintenance costs, and substantially lower energy, water, waste and maintenance costs.
- **Not Significant Construction Cost Differential –** Some anecdotal examples show that the increase in materials and construction costs between green and non-green projects ranges between 0% and 1.4%; however, there are some cases where up to 0.4% reduction was achieved when the projects change from traditional construction to high-performance during the design stages.
- **Higher Effective Rents -** A study by the Burnham-Moores Center for Real Estate, University of San Diego, showed that green buildings have 3.5% lower vacancy rates and 13% higher rental rates than traditional construction buildings.

The encouragement of construction of Green building is undoubtedly valuable for the future of the City; however, there is no financial or environmental justification for why developers would opt to invest in regular construction.

Vacancy Rates: Baltimore multifamily rental vacancy has been consistently higher than the region and National averages. For calendar 2016, the National multifamily rental vacancy rate as reported by the Census Bureau averaged 6.9%, while the Baltimore Area, including Towson and Columbia averaged 7.6% during the same year. According to the Comprehensive Housing Market Analysis released by the US Department of Housing and Urban Development, the City's vacancy rate was 9.3% in 2016, down from the 10.8% average in 2010. The higher vacancy rate in comparison with surrounding areas indicates that additional inventory without net absorption will only increase the City's vacancy rate. There about 2,300 rental buildings across the City, including about 216 exempt rental buildings.

Additional revenues: It is unarguable that construction and conservation of existing real property have short and long-term positive impact towards the increase of the City's property taxable base. Projects eligible for this tax credit generate an average increase in assessment of about \$11 million, and in some cases, such as the building located at 10 Light Street, have yielded more than \$70 million in assessment increases; however, the

real question is how many of these developments would have been completed without the City's subsidy.

Costs of Proposed Legislation: The projected credit cost of projects outside the targeted area that have already submitted application is \$14.0 million over the next ten years. It is estimated that 10 additional projects would apply if the credit is extended as proposed, costing another \$11.7 million over ten years.

The total cumulative cost of the two HPMRRH tax credit programs, including the estimated cost of projects subject the proposed extension, is estimated at \$58.7 million over the next 10 years.

Conclusion

The Department of Finance has no position on City Council Bill 17-0030.

cc: Henry Raymond
Kyron Banks

May 11, 2017

The Honorable Councilwoman Sharon Green Middleton
Baltimore City Council
100 N. Holliday Street
Baltimore, MD 21202

RE: Support for Bill 17-30 – High Performance Market Rate Rental Housing Tax Credit

Dear Chairwoman Middleton and Members of the Taxation, Finance and Economic Development Committee:

The MBIA Baltimore City Chapter, representing 1,100 business members in the City and across the State, supports Council Bill 17-30, which re-authorizes the citywide 10 year tax credit for high performance market rate rental housing that is newly constructed or converted.

This credit has been responsible for the majority of recent multi-family real estate development projects citywide and without it; ongoing and future projects would likely be cancelled. Given the City's disproportionately high property tax rate, the high performance credit is necessary to level the playing field and make development in all neighborhoods in the City feasible. This credit is and will continue to be an important tool towards creating quality, new housing across the City and will contribute to the revitalization of many City neighborhoods in the next five years of its authorization.

The MBIA urges this Committee to give this ordinance a favorable report to continue the growth and development of Baltimore City.

For questions or more information on the MBIA's position, please contact MBIA Baltimore City Chapter Chair Sean Davis at sdavis@mragta.com or (410) 935-5050, or MBIA Vice President of Government Affairs, Josh Greenfeld, at jgreenfeld@marylandbuilders.org or (443) 515-0025.

Thank you for your consideration of this important matter.

Respectfully:

Josh Greenfeld, Esq.
Vice President of Government Affairs
Maryland Building Industry Association

Cc: Catherine Pugh, Mayor
Bernard C. "Jack" Young, Baltimore City Council President
Councilman Leon Pinkett, Vice-chair
Councilman Ed Reisinger
Councilman Eric Costello
Councilman Robert Stokes
William Cole, CEO, Baltimore Development Corporation
Tom Stosur, Director, Planning Department
Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development
Kara Kunst, Office of the Council President

received
5-10-17 jrc



City of Baltimore
Taxation, Finance and Economic Development Committee
May 11, 2017
Chair of Committee- Councilwoman Middleton
Members of the Committee
Councilmen Resinger, Costello, Pinkett & Stokes

- Good Morning- I'm Richard Manekin, a partner at Workshop Development and I'm here to speak in support of City Council Bill 17-0030- the extension of the Citywide High-Performance Market Rate Rental Housing Tax Credit
- The cliché "Success Breeds Success" is so true particularly when it comes to Tax Credits in continuing the expansion of multi-family units in the City of Baltimore. We've seen the number of units increase dramatically which in turn has created construction jobs, increased residents in the city and an expansion of retail which is creating a more vibrant and exciting city.
- I'm here today as a developer who is challenged everyday to make the economics work so that new projects can be built. We're faced with increased costs for land, construction and always taking the risk of increases in interest rates and the ups and downs of leasing markets.
- We're very excited to be developing along with nationally acclaimed Avalon Bay, 800 Fleet Street which is the former Della Notte Restaurant and the adjacent Mo's Pasta and Seafood which is located at President and Eastern to Fleet and over to Albemarle. We began work on the acquisition of this property 3 ½ years ago and worked through a multitude of challenges including converting a long term city ground lease to a purchase, an assemblage of two properties, working with two Little Italy community associations and a restaurant association, rezoning, design and value engineering, UDARP, and the debt and equity markets.

received
5-11-17 JRC



• •

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

- Essential to making this project work financially is the High-Performance Market Rate Rental Housing Tax Credit. Developers are able to build these projects by giving a return on cost to our investor partners. The minimum return on cost today is 6.5% and without the current tax credit our return on cost for 800 Fleet Street is 5.5%. So therefore, without the tax credit this \$130 million project can't be built. The real estate tax benefit to the city (EVEN WITH THE TAX CREDIT) will start out at an additional \$400,000 per year. When the tax credits burn off in 10 years the real estate tax will increase significantly more. While we all know our long term goal is to reduce city real estate taxes to be more competitive with our surrounding jurisdictions, in order to get there we need to increase economic development and residency in the city. As a life long Baltimore resident who is deeply committed to the city I want to thank members of the City Council for all of your support to the development community which in turn benefits the entire community.



Baltimore Development Workgroup

May 10, 2017

The Chairwoman and Members of
The Baltimore City Council
Taxation, Finance and Economic Development Committee
City Hall, 100 North Holiday Street
Baltimore Maryland 21202

Re: **City Council Bill 17-0030**

Dear Chairwoman Middleton and Members,

In keeping with its mission to ensure the voice and perspective of the professional real estate community is heard in matters of development related laws and enhance Baltimore's reputation as a desirable place to develop, the Baltimore Development Workgroup ("BDW") submits this letter in support of the above referenced legislation.

Council Bill 17-0030 extends the citywide high performance tax credit program for market rate rental housing. Our membership, which includes developers, engineers, architects, attorneys and planners, wishes to stress the importance of the program as a necessary tool to foster economic development in Baltimore City. By extending the program through December 31st, 2022, the proposed legislation will help to further the recent revitalization of neighborhoods through quality new housing projects.

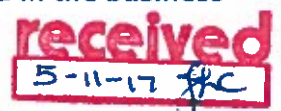
The BDW respectfully requests a favorable report of City Council Bill 17-0030. Should you have questions or comments, please contact me at your convenience.

Respectfully Submitted,



Joseph R. Woolman III, Esq.
Chairman, Legislative Monitoring and
Review Committee

The Baltimore Development Workgroup is a group of real estate professionals, including developers, engineers, architects, attorneys, planners, and others engaged in the business of real estate development in Baltimore City



Cc: Catherine Pugh, Mayor

Bernard C. "Jack" Young, Baltimore City Council President

William Cole, CEO, Baltimore Development Corporation

Tom Stosur, Director Planning Department

Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development

Kara Kunst, Office of the Council President



HEARING NOTES

Bill: 17-0030

**Tax Credits – Citywide High-Performance Market-Rate Rental Housing –
Extension of Eligibility**

Committee: Taxation, Finance and Economic Development

Chaired By: Councilmember Sharon Green Middleton

Hearing Date: May 27 2017
Time (Beginning): 10:00 a.m.
Time (Ending): 11:05 a.m.
Location: Clarence "Du" Burns Chamber
Total Attendance: ~25
Committee Members in Attendance:
Sharon Green Middleton
Leon Pinkett
Eric Costello
Edward Reisinger
Robert Stokes

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
Hearing televised or audio-digitally recorded?	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" 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 Reisinger		
Seconded by:	Councilmember Pinkett		
Final Vote:	Favorable		

Major Speakers
(This is not an attendance record.)

- Mr. Andrew Klein, Department of Finance

- Mr. Darron Cooper, Baltimore Development Corporation
- Mr. Martin French, Department of Planning
- Ms. Karen Stokes, Office of the Mayor
- Mr. Kyron Banks, Office of the Mayor
- Mr. Ted Lassiter, Department of Real Estate
- Ms. Hilary Ruley, Law Department
- Ms. Sharon DaBoin, Department of Housing and Community Development
- Mr. Richard Manaekin, Workshop Development
- Mr. Joseph R. Woolman III, Esq., Baltimore Development Workgroup
- Mr. Joshua Greenfeld, Maryland Building Industry Association
- Mr. Al Barry, Al Barry Associates

Major Issues Discussed

1. Councilwoman Middleton introduced members of the City Council and agency representatives. She commented on how important it is for the committee to receive agency reports in a timely fashion. Councilman Pinkett expressed similar concerns. Ms. Karen Stokes responded that the Mayor's Office would immediately address Chairwoman Middleton's concerns.
 2. President Young expressed support for the bill emphasizing the need to enhance housing development in the City.
 3. Mr. Andy Klein commented in support of the Department of Finance's report of no position. He emphasized that the original purpose of the tax credit was to incentivize environmentally sustainable building options while expanding the City's inventory of rental housing. The Department questioned how many development projects would have been completed without the City's subsidy.
 4. Mr. Pinkett commented that the credit is a valuable tool in spurring development. He wanted to see a breakdown showing distribution of the tax credit to various neighborhoods. Mr. Klein and Mr. Cooper will provide that information.
 5. Mr. French commented about the usefulness of the tax credit for rehabbing old buildings around the city.
 6. Mr. Richard Manekin provided written testimony and commented about the usefulness of the tax credit in leveraging investments, moving along construction projects and gains in tax benefits to the City.
 7. Mr. Joseph Woolman provided written testimony and commented about the importance of the tax credit as a necessary tool to foster economic development and further neighborhood revitalization in the City.
 8. Mr. Joshua Greenfeld provided written testimony and commented in support of the bill emphasizing that the tax credit has been responsible for the majority of recent multi-family real estate development projects citywide.
 9. Mr. Al Barry testified in support of the bill.
 10. The hearing was adjourned.
-

Further Study

Was further study/documents requested?

Yes No

If yes, describe. Representatives of the Department of Finance and Baltimore Development Corporation will provide the committee with a list of projects (by City Council district as well as targeted area v. citywide area distribution of the tax credit) which have applied for the tax credit and also information about vacancies.

Committee Vote:

S. Middleton: Yea
L. Pinkett: Yea
E. Costello: Yea
E. Reisinger: Yea
R. Stokes: Yea

Jennifer L. Coates, Committee Staff



Date: May 11, 20178

cc: Bill File
OCS Chrono File

CITY OF BALTIMORE MEETING ATTENDANCE RECORD

M Chairperson: Sharon Middleton
 Place: Clarence "Du" Burns Chambers
 Market-Rate Rental Housing - Extension of Eligibility CC Bill Number: 17-0030

E PRINT

PLEASE CHECK HERE



TESTIFY

ORGANIZATION NAME	ZIP	EMAIL ADDRESS	WHAT IS YOUR POSITION ON THIS BILL?		LOBBYIST: ARE YOU REGISTERED IN THE CITY	
			FOR	AGAINST	YES	NO
Street	21202	Johndoenbmore@yahoo.com	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
751	21202	smarekiv@workshopdev.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
St. Balt, MD	21202	joe@jreashmen.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ig						
	21202	jgreenfell@marylandwithus.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



BALTIMORE CITY COUNCIL TAXATION, FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

Mission Statement

On behalf of the Citizens of Baltimore City, the mission of the Taxation, Finance and Economic Development Committee of the Baltimore City Council is to legislate policy that will deter unnecessary tax burdens while seeking and supporting projects and initiatives that will generate and increase our tax base. Reviewing and considering financing tools that impact the retention and sustainability of our economic base is essential. Introducing and enhancing legislation that perpetuates equal access to economic development for African Americans/Minorities/Women and other members of our community that will result in an improved quality of life for all citizens of Baltimore is a critical component of Baltimore's success.

**The Honorable Sharon Green Middleton
Chairwoman**

PUBLIC HEARING

**Thursday, May 11, 2017
10:00 AM**

CLARENCE "DU" BURNS COUNCIL CHAMBERS

Bill 17-0030

**Tax Credits – Citywide High-Performance Market-Rate Rental Housing -
Extension of Eligibility**

CITY COUNCIL COMMITTEES

BUDGET AND APPROPRIATIONS

Eric Costello – Chair
Leon Pinkett – Vice Chair
Bill Henry
Sharon Green Middleton
Brandon M. Scott
Isaac "Yitzy" Schleifer
Shannon Sneed
Staff: Marguerite Murray

EDUCATION AND YOUTH

Zeke Cohen – Chair
Mary Pat Clarke – Vice Chair
John Bullock
Kristerfer Burnett
Ryan Dorsey
Staff: D'Paul Nibber

EXECUTIVE APPOINTMENTS

Robert Stokes – Chair
Kristerfer Burnett – Vice Chair
Mary Pat Clarke
Zeke Cohen
Isaac "Yitzy" Schleifer
Staff: Jennifer Coates

HOUSING AND URBAN AFFAIRS

John Bullock – Chair
Isaac "Yitzy" Schleifer – Vice Chair
Kristerfer Burnett
Bill Henry
Shannon Sneed
Zeke Cohen
Ryan Dorsey
Staff: Richard Krummerich

JUDICIARY AND LEGISLATIVE INVESTIGATIONS

Eric Costello – Chair
Mary Pat Clarke – Vice Chair
John Bullock
Leon Pinkett
Edward Reisinger
Brandon Scott
Robert Stokes
Staff: D'Paul Nibber

LABOR

Shannon Sneed – Chair
Robert Stokes – Vice Chair
Eric Costello
Bill Henry
Mary Pat Clarke
Staff: Marguerite Murray

LAND USE AND TRANSPORTATION

Edward Reisinger – Chair
Sharon Green Middleton – Vice Chair
Mary Pat Clarke
Eric Costello
Ryan Dorsey
Leon Pinkett
Robert Stokes
Staff: Marshall Bell

PUBLIC SAFETY

Brandon Scott – Chair
Ryan Dorsey – Vice Chair
Kristerfer Burnett
Shannon Sneed
Zeke Cohen
Leon Pinkett
Isaac "Yitzy" Schleifer
Staff: Marshall Bell

TAXATION, FINANCE AND ECONOMIC DEVELOPMENT

Sharon Green Middleton – Chair
Leon Pinkett – Vice Chair
Eric Costello
Edward Reisinger
Robert Stokes
Staff: Jennifer Coates
- Larry Greene (pension only)



BILL SYNOPSIS

Committee: Taxation, Finance and Economic Development

Bill 17-0030

**Tax Credits - Citywide High-Performance Market-Rate Rental Housing -
Extension Of Eligibility**

Sponsor: President Young, et al
Introduced: March 6, 2017

Purpose:

For the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

Effective: On the 30th day after enactment

Hearing Date/Time/Location: May 11, 2017 / 10:00 a.m. / Clarence "Du" Burns Chambers

Agency Reports

Department of Law.....	
Planning Commission.....	Favorable
Department of Housing	
Department of Real Estate.....	
Department of Finance.....	
Baltimore Development Corporation.....	Favorable

Analysis

Current Law

Article 28 - Taxes; Section 10-18(a)(4) and (l); Baltimore City Code (Edition 2000)

Background

Baltimore City is authorized by state law (*2013 Maryland Code; Tax – Property, Section 9-242 – High performance buildings*) to grant a tax credit against the property tax imposed on certain newly constructed or converted high-performance market-rate rental housing projects in certain areas of the City.

The City uses two tax credit programs for high performance market-rate rental housing:

I. High-performance Market-Rate Rental Housing Property Tax Credit – Citywide (10 years)

- For newly constructed wholly renovated or converted from non-residential building
- Contains more than 20 residential units
- Construction/conversion costs exceeds \$60,000 per unit
- Meets minimum of LEED Silver certification or the Baltimore City Green Building Code Standard Two Green Star rating
- Projects that are eligible for the City Historic (CHAP) Tax Credit are not eligible.

II. High-performance Market-Rate Rental Housing Property Tax Credit – Targeted Areas (15 years)

- For newly constructed or converted from a non-residential building
- Contains more than 50 residential units
- Construction/conversion costs exceeds \$60,000 per unit
- Meets minimum of LEED Silver certification or the Baltimore City Green Building Code Standard Two Green Star rating
- Only eligible in targeted areas.

The **High-performance Market-Rate Rental Housing Property Tax Credit - Citywide program** provides qualifying property owners a credit against the tax imposed on the increased value of real property due to improvements that were made to the property immediately before the occupancy permit was issued. The credit begins at 80% of the tax imposed on the value in the first year of eligibility and decreases according to a schedule for a total of 10 years (*see the table below*).

Citywide 10-year	% Tax Credit
Year 1	80 percent
Year 2	80 percent
Year 3	80 percent
Year 4	80 percent
Year 5	80 percent
Year 6	70 percent
Year 7	60 percent
Year 8	50 percent
Year 9	40 percent
Year 10	30 percent

Under current City law, the City-wide tax credit can be used for properties that have a first occupancy permit that is issued after January 1, 2014 and on or before June 30, 2019. Bill 17-0030 would extend the program termination date to 2024. The bill also proposes to allow applications for the credit to be accepted beyond the current deadline of December 31, 2017. The new application deadline would be December 31, 2022.

Additional Information

Fiscal Note: Not Available

Information Source(s): Law Department, Baltimore Development Corporation

Analysis by: Jennifer L. Coates
Analysis Date: May 2, 2017

Direct Inquiries to: (410) 396-1260

**CITY OF BALTIMORE
COUNCIL BILL 17-0030
(First Reader)**

Introduced by: President Young, Councilmembers Middleton, Scott, Costello, Bullock, Pinkett,
Henry, Cohen, Stokes, Clarke, Schleifer, Reisinger

Introduced and read first time: March 6, 2017

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Department, Department of
Housing and Community Development, Department of Real Estate, Department of Finance,
Baltimore Development Corporation

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Tax Credits – Citywide High-Performance Market-Rate Rental Housing –**
3 **Extension of Eligibility**

4 FOR the purpose of extending the date for termination of the tax-credit program for certain newly
5 constructed or converted market-rate rental housing projects; conforming and correcting
6 related provisions; and generally relating to property tax credits.

7 BY repealing and reordaining, with amendments

8 Article 28 - Taxes
9 Section 10-18(a)(4) and (l)
10 Baltimore City Code
11 (Edition 2000)

12 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the**
13 **Laws of Baltimore City read as follows:**

14 **Baltimore City Code**

15 **Article 28. Taxes**

16 **Subtitle 10. Credits**

17 **§ 10-18. High-performance market-rate rental housing – Citywide.**

18 (a) *Definitions.*

19 (4) *Newly constructed or converted.*

20 “Newly constructed or converted” means a high-performance market-rate rental
21 housing project [that]:

22 (i) [was] THAT IS either:

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 17-0030

1 (A) newly constructed on a vacant lot, cleared site, or parking lot;

2 (B) converted from a non-residential use; or

3 (C) a wholly renovated structure; and

4 (ii) for which:

5 (A) the cost of the construction or conversion exceeds \$60,000 per rental
6 unit; and

7 (B) a first occupancy permit following substantial completion of the
8 construction or conversion is issued after January 1, 2014, and on or
9 before June 30, [2019] 2024.

10 (l) *Termination of program.*

11 Applications for the credit may not be accepted after December 31, [2017] 2022.

12 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
13 are not law and may not be considered to have been enacted as a part of this or any prior
14 Ordinance.

15 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
16 after the date it is enacted.

**TAXATION, FINANCE &
ECONOMIC DEVELOPMENT
COMMITTEE**

**AGENCY
REPORTS**



Baltimore
Development Corporation

MEMORANDUM

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

FROM: William H. Cole, President and CEO *[Signature]*

DATE: March 23, 2017

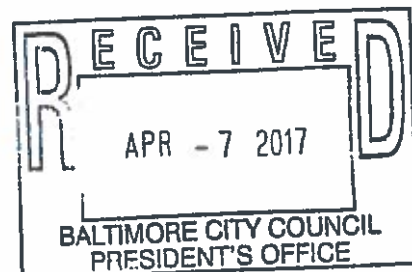
SUBJECT: City Council Bill No. 17-0030
Tax Credits – Citywide High-Performance Market-Rate Rental Housing-
Extension of Eligibility

The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill No. 17-0030 for the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

Without the support of the Citywide High-Performance Market-Rate Rental Housing Tax Credit program, several of the commercial real estate projects currently in the development pipeline for the City, and the private investment associated with them, are at risk of becoming financially infeasible and unable to proceed. Under the 5-year extension period being proposed, a majority of the projects in the pipeline would be able to deliver as planned in the City and offer additional housing options to support its residential growth.


BDC supports Bill No. 17-0030 and respectfully requests that favorable consideration is given by the City Council.

Cc: Kyron Banks, Mayor's Office
Colin Tarbert, Mayor's Office



[Handwritten mark]

TJS

FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET		
	SUBJECT	CITY COUNCIL BILL #170030 / TAX CREDITS – CITYWIDE HIGH-PERFORMANCE MARKET-RATE RENTAL HOUSING – EXTENSION OF ELIGIBILITY		

DATE:

TO

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

March 20, 2017

The Department of Planning is in receipt of City Council Bill #17-0030, which is for the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

The Department of Planning supports the adoption of City Council Bill #17-0030 as an important tool to spur neighborhood revitalization, citywide.

If you have any questions, please contact Mr. Wolde Ararsa, Division Chief, Land Use and Urban Design Division at 410-396-4488.

TJS/WA

- cc: Mr. Pete Hammen, Chief Operating Officer
 Mr. Jim Smith, Chief of Strategic Alliances
 Ms. Karen Stokes, Mayor's Office
 Mr. Colin Tarbert, Mayor's Office
 The Honorable Edward Reisinger, Council Rep. to Planning Commission
 Mr. David Tanner, BMZA
 Mr. Geoffrey Veale, Zoning Administration
 Ms. Sharon Daboin, DHCD
 Mr. Patrick Fleming, DOT
 Ms. Elena DiPietro, Law Dept.
 Mr. Francis Burnszynski, PABC
 Mr. William Cole, Baltimore Development Corporation
 Ms. Natawna Austin, Council Services

**CITY OF BALTIMORE
COUNCIL BILL 17-0030
(First Reader)**

Introduced by: President Young, Councilmembers Middleton, Scott, Costello, Bullock, Pinkett,
Henry, Cohen, Stokes, Clarke, Schleifer, Reisinger

Introduced and read first time: March 6, 2017

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Department, Department of
Housing and Community Development, Department of Real Estate, Department of Finance,
Baltimore Development Corporation

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Tax Credits – Citywide High-Performance Market-Rate Rental Housing –**
3 **Extension of Eligibility**

4 FOR the purpose of extending the date for termination of the tax-credit program for certain newly
5 constructed or converted market-rate rental housing projects; conforming and correcting
6 related provisions; and generally relating to property tax credits.

7 BY repealing and reordaining, with amendments

8 Article 28 - Taxes
9 Section 10-18(a)(4) and (l)
10 Baltimore City Code
11 (Edition 2000)

12 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
13 Laws of Baltimore City read as follows:

14 **Baltimore City Code**

15 **Article 28. Taxes**

16 **Subtitle 10. Credits**

17 **§ 10-18. High-performance market-rate rental housing – Citywide.**

18 (a) *Definitions.*

19 (4) *Newly constructed or converted.*

20 “Newly constructed or converted” means a high-performance market-rate rental
21 housing project [that]:

22 (i) [was] THAT IS either:

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 17-0030

1 (A) newly constructed on a vacant lot, cleared site, or parking lot;

2 (B) converted from a non-residential use; or

3 (C) a wholly renovated structure; and

4 (ii) for which:

5 (A) the cost of the construction or conversion exceeds \$60,000 per rental
6 unit; and

7 (B) a first occupancy permit following substantial completion of the
8 construction or conversion is issued after January 1, 2014, and on or
9 before June 30, [2019] 2024.

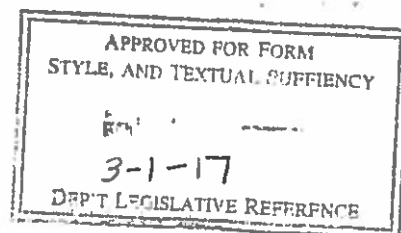
10 (l) *Termination of program.*

11 Applications for the credit may not be accepted after December 31, [2017] 2022.

12 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
13 are not law and may not be considered to have been enacted as a part of this or any prior
14 Ordinance.

15 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
16 after the date it is enacted.

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL _____



Introduced by: President Young

A BILL ENTITLED

AN ORDINANCE concerning

**Tax Credits – Citywide High-Performance Market-Rate Rental Housing –
Extension of Eligibility**

FOR the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

BY repealing and reordaining, with amendments

Article 28 - Taxes
Section 10-18(a)(4) and (l)
Baltimore City Code
(Edition 2000)

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the Laws of Baltimore City read as follows:

Baltimore City Code

Article 28. Taxes

Subtitle 10. Credits

§ 10-18. High-performance market-rate rental housing – Citywide.

(a) *Definitions.*

(4) *Newly constructed or converted.*

“Newly constructed or converted” means a high-performance market-rate rental housing project [that]:

(i) [was] THAT IS either:

(A) newly constructed on a vacant lot, cleared site, or parking lot;

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

(B) converted from a non-residential use; or

(C) a wholly renovated structure; and

(ii) for which:

(A) the cost of the construction or conversion exceeds \$60,000 per rental unit; and

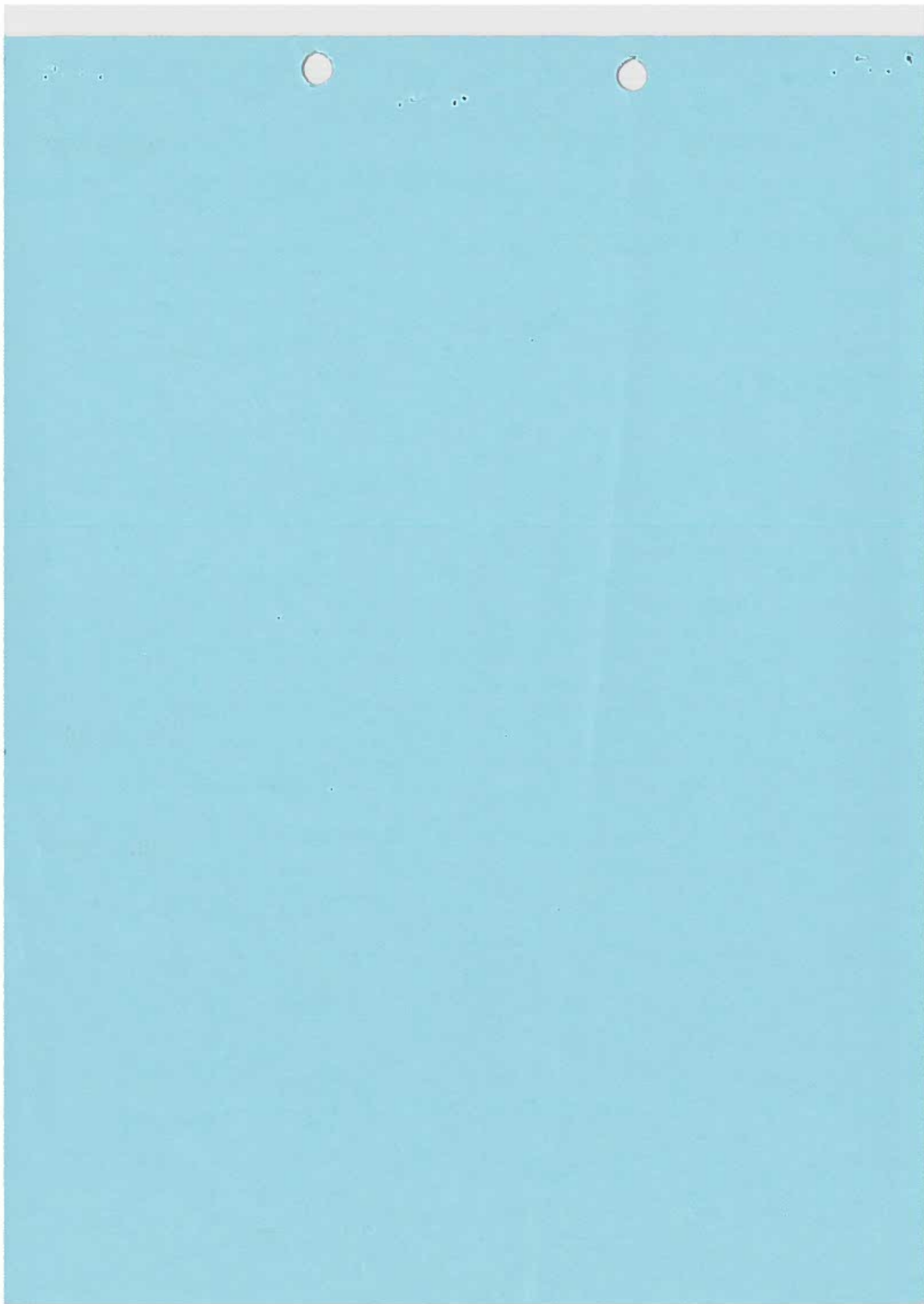
(B) a first occupancy permit following substantial completion of the construction or conversion is issued after January 1, 2014, and on or before June 30, [2019] 2024.

(l) *Termination of program.*

Applications for the credit may not be accepted after December 31, [2017] 2022.

SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30th day after the date it is enacted.



ACTION BY THE CITY COUNCIL

MAR 06 2017

FIRST READING (INTRODUCTION) _____ 20 _____

PUBLIC HEARING HELD ON May 11, _____ 20 17

COMMITTEE REPORT AS OF May 15, _____ 20 17

FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION

[Signature]

Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

MAY 15 2017

20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING _____ JUN 05 2017
20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) _____ 20 _____

WITHDRAWAL _____ 20 _____

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

[Signature]

President

[Signature]

Chief Clerk

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor



DEPARTMENT OF LAW

101 City Hall
Baltimore, Maryland 21202

May 8, 2017

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 17-0030 – Tax Credits – Citywide High-Performance
Market-Rate Rental Housing – Extension of Eligibility

Dear President and City Council Members:

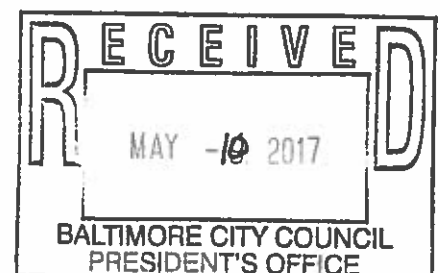
The Law Department has reviewed City Council Bill 17-0030 for form and legal sufficiency. The bill would amend Sections 10-18 of Article 28 of the City Code concerning the Citywide High-Performance Market-Rate Rental Housing tax credit. The amendments change the sunset of the tax; extending the application deadline to December 31, 2022, and requiring any occupancy permit for a building receiving the credit to be obtained before June 30, 2024.

The changes are consistent with the state law authorizing these credits. Md. Code, Tax Prop., §9-242. Therefore, the Law Department approves this bill for form and legal sufficiency.

Very truly yours,

Hilary Ruley
Chief Solicitor

cc: David E. Ralph, Acting City Solicitor
Karen Stokes, Director, Mayor's Office of Government Relations
Kyron Banks, Mayor's Legislative Liaison
Elena DiPietro, Chief Solicitor, General Counsel Division
Victor Tervalá, Chief Solicitor
Jennifer Landis, Assistant Solicitor





BALTIMORE HOUSING

CATHERINE PUGH
Mayor

MICHAEL BRAVERMAN
Acting Executive Director, HAABC
Acting Commissioner, HCD

MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Michael Braverman, Acting Commissioner 

Date: May 9, 2017

Re: **City Council Bill 17-0030 - Tax Credits – Citywide High-Performance Market-Rate Rental Housing – Extension of Eligibility**

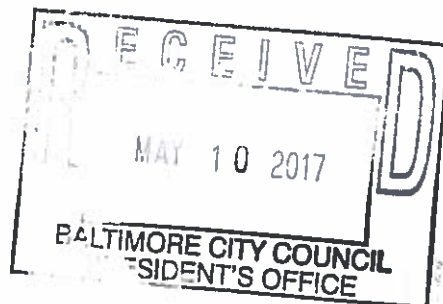
The Department of Housing and Community Development (HCD) has reviewed City Council Bill 17-0030, for the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

If enacted, this bill would extend the tax-credit program for market-rate rental housing projects in the City from June 30, 2019 to June 30, 2024

The Department of Housing and Community Development has no objection to the passage of City Council Bill 17-0030.

MB:sd

cc: Ms. Karen Stokes, *Mayor's Office of Government Relations*
Mr. Kyron Banks, *Mayor's Office of Government Relations*



*No
obj*






Baltimore
Development Corporation

MEMORANDUM

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

FROM: William H. Cole, President and CEO 

DATE: March 23, 2017

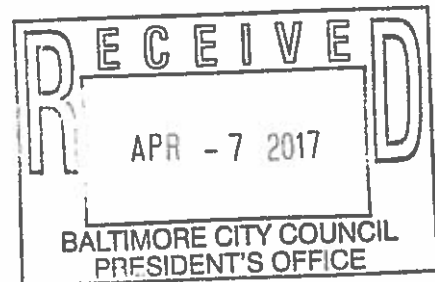
SUBJECT: City Council Bill No. 17-0030
Tax Credits – Citywide High-Performance Market-Rate Rental Housing-
Extension of Eligibility

The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill No. 17-0030 for the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

Without the support of the Citywide High-Performance Market-Rate Rental Housing Tax Credit program, several of the commercial real estate projects currently in the development pipeline for the City, and the private investment associated with them, are at risk of becoming financially infeasible and unable to proceed. Under the 5-year extension period being proposed, a majority of the projects in the pipeline would be able to deliver as planned in the City and offer additional housing options to support its residential growth.

BDC supports Bill No. 17-0030 and respectfully requests that favorable consideration is given by the City Council.

Cc: Kyron Banks, Mayor's Office
Colin Tarbert, Mayor's Office





TJA

FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET
	SUBJECT	CITY COUNCIL BILL #170030 / TAX CREDITS – CITYWIDE HIGH-PERFORMANCE MARKET-RATE RENTAL HOUSING – EXTENSION OF ELIGIBILITY

CITY of
BALTIMORE

MEMO



TO

DATE:

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

March 20, 2017

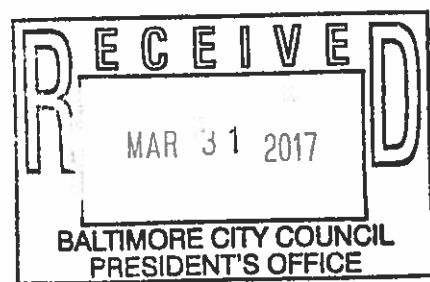
The Department of Planning is in receipt of City Council Bill #17-0030, which is for the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

The Department of Planning supports the adoption of City Council Bill #17-0030 as an important tool to spur neighborhood revitalization, citywide.

If you have any questions, please contact Mr. Wolde Ararsa, Division Chief, Land Use and Urban Design Division at 410-396-4488.


TJS/WA

- cc: Mr. Pete Hammen, Chief Operating Officer
- Mr. Jim Smith, Chief of Strategic Alliances
- Ms. Karen Stokes, Mayor's Office
- Mr. Colin Tarbert, Mayor's Office
- The Honorable Edward Reisinger, Council Rep. to Planning Commission
- Mr. David Tanner, BMZA
- Mr. Geoffrey Veale, Zoning Administration
- Ms. Sharon Daboin, DHCD
- Mr. Patrick Fleming, DOT
- Ms. Elena DiPietro, Law Dept.
- Mr. Francis Burnszynski, PABC
- Mr. William Cole, Baltimore Development Corporation
- Ms. Natawna Austin, Council Services



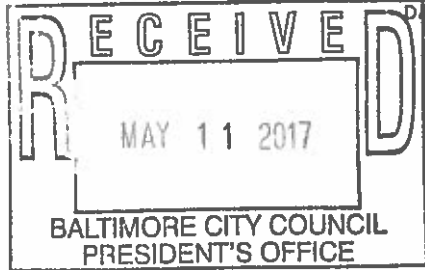
T

Andrew Kleine

FROM	NAME & TITLE	Andrew Kleine, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research 100 Holliday Street, Room 432 - 410-396-4941		
	SUBJECT	City Council Bill #17-0030 - Tax Credit - Citywide High-Performance Market-Rate Rental Housing - Extension of Eligibility		

TO

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



DATE:

May 10, 2017

Attention: Ms. Natawna Austin

We are herein reporting on City Council Bill 17-0030, the purpose of which is extend the date for termination of the High-Performance Market-Rate Rental Housing tax credit (HPMRRH) program by amending Article 28, Section(s) 10-18(a)(4)(i), (ii)(B) and 10-18(l) of the Baltimore City Code. The proposed amendments will extend the application period from December 31, 2017 to December 31, 2022 and will extend from June 30, 2019 to June 30, 2024 the deadline for issuance of the occupancy permit after completion of the construction.

The City currently grants two types of HPMRRH tax credits, one for eligible projects within specific targeted areas of the City as defined on Section 10-17(e) of this article, and another for citywide projects outside of the targeted area. The proposed amendment will only apply to citywide projects. The credit for eligible projects is structured as a ten year abatement to the real property taxes calculated as the difference between the post-construction assessed value and the pre-construction assessed value. The tax credit is granted at a rate of 80% for the first five years, declining by 10% per year thereafter.

Background

The original purpose of the tax credit program was to incentivize environmentally sustainable building options while expanding the City's inventory of rental housing. Among other requirements, eligible citywide projects must achieve at least a Silver rating according to the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system as adopted by the Maryland Green Building Council. Projects outside the targeted area must have more than 20 rental units while projects within the targeted area are required to have more than 50 rental units. The total construction cost must be above \$60,000 per unit.

This credit was first granted in Fiscal 2014 to the project located at 521 Saint Paul Street for a total credit amount of \$142,000; however, the cost of this tax credit has substantially grown since then. There are currently seven projects located within the targeted area and one citywide receiving the HPMRRH tax credit, for a total cumulative cost of \$4.5 million from the beginning of the program. Of this amount, \$3.2 million is the estimated Fiscal 2017 cost.

As of today, there are about 18 projects that have submitted applications for both targeted and citywide tax credits. Out of the 18, 11 applications are for citywide projects.

Analysis

Construction of High-Performance Buildings: The purpose of this tax credit was to encourage the construction of high-performance rental housing units and to help increase the City's population through more housing

No position

options. As defined in the State Law, High-performance buildings are those that achieve at least a silver rating according to the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system as adopted by the Maryland Green Building Council.

When the tax credit was first introduced, the City did not enforce the construction of high-performance buildings. The tax credit was introduced to encourage the development of green construction.

Part XI, Section 101.3 of the Baltimore City Building Fire and Related Codes mandates specific Green construction requirements for multiple-family dwellings that are four stories or higher with more than 5 dwelling units. Non-exempt residential buildings must be built according to the Baltimore City Green Construction Code, which itself is modeled after the International Green Construction Code (ICC), as amended. The City's Green Construction Code also allows non-exempt buildings to be built in accordance with one of several codified alternatives, including LEED Silver. All newly constructed or converted non-exempt residential buildings must comply with the City's Green Construction Code.

There are substantial financial and environmental benefits to invest in the construction of green building projects and extensive research highlights the advantages of this type of construction. A recent report issued by the US Green Building Council states that LEED-certified buildings produce 34% lower CO2 emissions, consume 25% less energy, 11% less water, and have diverted more than 80 million tons of waste from landfills in 2016.

In addition to the short and long-term environmental benefits of green construction, there are material economic and financial incentives to abandon traditional construction for the investment on the construction of high-performance projects. Some of the benefits are highlighted below:

- **Green Buildings Property Value:** According to the US Green Building Council, properties constructed meeting LEED certification appreciate in value by 4% annually, on average.
- **Lower Fixed and Operating Costs –** Green buildings report 20% lower maintenance costs, and substantially lower energy, water, waste and maintenance costs.
- **Not Significant Construction Cost Differential –** Some anecdotal examples show that the increase in materials and construction costs between green and non-green projects ranges between 0% and 1.4%; however, there are some cases where up to 0.4% reduction was achieved when the projects change from traditional construction to high-performance during the design stages.
- **Higher Effective Rents -** A study by the Burnham-Moores Center for Real Estate, University of San Diego, showed that green buildings have 3.5% lower vacancy rates and 13% higher rental rates than traditional construction buildings.

The encouragement of construction of Green building is undoubtedly valuable for the future of the City; however, there is no financial or environmental justification for why developers would opt to invest in regular construction.

Vacancy Rates: Baltimore multifamily rental vacancy has been consistently higher than the region and National averages. For calendar 2016, the National multifamily rental vacancy rate as reported by the Census Bureau averaged 6.9%, while the Baltimore Area, including Towson and Columbia averaged 7.6% during the same year. According to the Comprehensive Housing Market Analysis released by the US Department of Housing and Urban Development, the City's vacancy rate was 9.3% in 2016, down from the 10.8% average in 2010. The higher vacancy rate in comparison with surrounding areas indicates that additional inventory without net absorption will only increase the City's vacancy rate. There about 2,300 rental buildings across the City, including about 216 exempt rental buildings.

Additional revenues: It is unarguable that construction and conservation of existing real property have short and long-term positive impact towards the increase of the City's property taxable base. Projects eligible for this tax credit generate an average increase in assessment of about \$11 million, and in some cases, such as the building located at 10 Light Street, have yielded more than \$70 million in assessment increases; however, the

real question is how many of these developments would have been completed without the City's subsidy.

Costs of Proposed Legislation: The projected credit cost of projects outside the targeted area that have already submitted application is \$14.0 million over the next ten years. It is estimated that 10 additional projects would apply if the credit is extended as proposed, costing another \$11.7 million over ten years.


The total cumulative cost of the two HPMRRH tax credit programs, including the estimated cost of projects subject the proposed extension, is estimated at \$58.7 million over the next 10 years.

Conclusion

The Department of Finance has no position on City Council Bill 17-0030.

cc: Henry Raymond
Kyron Banks

Henry Raymond

F R O M	Name & Title	Walter J. Horton Real Estate Officer	CITY OF BALTIMORE MEMO	
	Agency Name & Address	Department of Real Estate City Hall – Room 304		
	Subject	City Council Bill 17-0030 Tax Credits – Citywide High Performance Market Rate Rental Housing		

TO: Honorable President and Members
of the City Council
C/O Natawna Austin
Office of the Council President
City Hall – Room 400

DATE: May 10, 2017

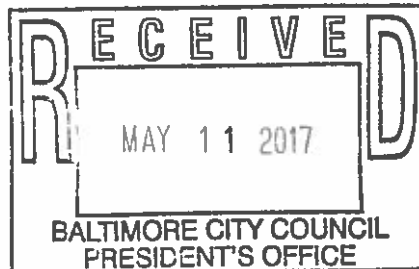
As requested, the Department of Real Estate reviewed the subject bill which, if approved, would authorize the Mayor and City Council of Baltimore to extend the termination date for this program for certain newly constructed or converted market rate rental housing developments.

The Bill if enacted, would extend the tax credit program from June 30, 2019 to J30, 2024.

The Department of Real Estate supports the passage of City Council Bill 17-0030.

WJH/

A



BDW

Baltimore Development Workgroup

May 10, 2017

The Chairwoman and Members of
The Baltimore City Council
Taxation, Finance and Economic Development Committee
City Hall, 100 North Holiday Street
Baltimore Maryland 21202

Re: City Council Bill 17-0030

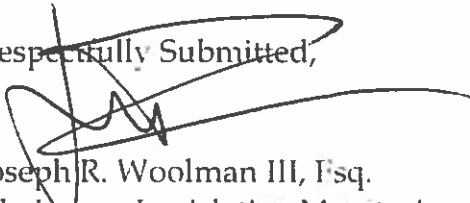
Dear Chairwoman Middleton and Members,

In keeping with its mission to ensure the voice and perspective of the professional real estate community is heard in matters of development related laws and enhance Baltimore's reputation as a desirable place to develop, the Baltimore Development Workgroup ("BDW") submits this letter in support of the above referenced legislation.

Council Bill 17-0030 extends the citywide high performance tax credit program for market rate rental housing. Our membership, which includes developers, engineers, architects, attorneys and planners, wishes to stress the importance of the program as a necessary tool to foster economic development in Baltimore City. By extending the program through December 31st, 2022, the proposed legislation will help to further the recent revitalization of neighborhoods through quality new housing projects.

The BDW respectfully requests a favorable report of City Council Bill 17-0030. Should you have questions or comments, please contact me at your convenience.

Respectfully Submitted,


Joseph R. Woolman III, Esq.
Chairman, Legislative Monitoring and
Review Committee

The Baltimore Development Workgroup is a group of real estate professionals, including developers, engineers, architects, attorneys, planners, and others engaged in the business of real estate development in Baltimore City

received
5-11-17 JRC

1 2 3 4 5 6 7 8 9 10 11 12

Cc: Catherine Pugh, Mayor
Bernard C. "Jack" Young, Baltimore City Council President
William Cole, CEO, Baltimore Development Corporation
Tom Stosur, Director Planning Department
Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development
Kara Kunst, Office of the Council President

City of Baltimore
Taxation, Finance and Economic Development Committee
May 11, 2017
Chair of Committee- Councilwoman Middleton
Members of the Committee
Councilmen Resinger, Costello, Pinkett & Stokes

- Good Morning- I'm Richard Manekin, a partner at Workshop Development and I'm here to speak in support of City Council Bill 17-0030- the extension of the Citywide High-Performance Market Rate Rental Housing Tax Credit
- The cliché "Success Breeds Success" is so true particularly when it comes to Tax Credits in continuing the expansion of multi-family units in the City of Baltimore. We've seen the number of units increase dramatically which in turn has created construction jobs, increased residents in the city and an expansion of retail which is creating a more vibrant and exciting city.
- I'm here today as a developer who is challenged everyday to make the economics work so that new projects can be built. We're faced with increased costs for land, construction and always taking the risk of increases in interest rates and the ups and downs of leasing markets.
- We're very excited to be developing along with nationally acclaimed Avalon Bay, 800 Fleet Street which is the former Della Notte Restaurant and the adjacent Mo's Pasta and Seafood which is located at President and Eastern to Fleet and over to Albemarle. We began work on the acquisition of this property 3 ½ years ago and worked through a multitude of challenges including converting a long term city ground lease to a purchase, an assemblage of two properties, working with two Little Italy community associations and a restaurant association, rezoning, design and value engineering, UDARP, and the debt and equity markets.

received
5-11-17 JHC

- Essential to making this project work financially is the High-Performance Market Rate Rental Housing Tax Credit. Developers are able to build these projects by giving a return on cost to our investor partners. The minimum return on cost today is 6.5% and without the current tax credit our return on cost for 800 Fleet Street is 5.5%. So therefore, without the tax credit this \$130 million project can't be built. The real estate tax benefit to the city (EVEN WITH THE TAX CREDIT) will start out at an additional \$400,000 per year. When the tax credits burn off in 10 years the real estate tax will increase significantly more. While we all know our long term goal is to reduce city real estate taxes to be more competitive with our surrounding jurisdictions, in order to get there we need to increase economic development and residency in the city. As a life long Baltimore resident who is deeply committed to the city I want to thank members of the City Council for all of your support to the development community which in turn benefits the entire community.

May 11, 2017

The Honorable Councilwoman Sharon Green Middleton
Baltimore City Council
100 N. Holliday Street
Baltimore, MD 21202

RE: Support for Bill 17-30 – High Performance Market Rate Rental Housing Tax Credit

Dear Chairwoman Middleton and Members of the Taxation, Finance and Economic Development Committee:

The MBIA Baltimore City Chapter, representing 1,100 business members in the City and across the State, supports Council Bill 17-30, which re-authorizes the citywide 10 year tax credit for high performance market rate rental housing that is newly constructed or converted.

This credit has been responsible for the majority of recent multi-family real estate development projects citywide and without it; ongoing and future projects would likely be cancelled. Given the City's disproportionately high property tax rate, the high performance credit is necessary to level the playing field and make development in all neighborhoods in the City feasible. This credit is and will continue to be an important tool towards creating quality, new housing across the City and will contribute to the revitalization of many City neighborhoods in the next five years of its authorization.

The MBIA urges this Committee to give this ordinance a favorable report to continue the growth and development of Baltimore City.

For questions or more information on the MBIA's position, please contact MBIA Baltimore City Chapter Chair Sean Davis at sdavis@mrakta.com or (410) 935-5050, or MBIA Vice President of Government Affairs, Josh Greenfeld, at jgreenfeld@marylandbuilders.org or (443) 515-0025.

Thank you for your consideration of this important matter.

Respectfully:

Josh Greenfeld, Esq.
Vice President of Government Affairs
Maryland Building Industry Association

Cc: Catherine Pugh, Mayor
Bernard C. "Jack" Young, Baltimore City Council President
Councilman Leon Pinkett, Vice-chair
Councilman Ed Reisinger
Councilman Eric Costello
Councilman Robert Stokes
William Cole, CEO, Baltimore Development Corporation
Tom Stosur, Director, Planning Department
Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development
Kara Kunst, Office of the Council President

received
5-10-17 JLC

**CITY OF BALTIMORE
COUNCIL BILL 17-0030
(First Reader)**

Introduced by: President Young, Councilmembers Middleton, Scott, Costello, Bullock, Pinkett,
Henry, Cohen, Stokes, Clarke, Schleifer, Reisinger

Introduced and read first time: March 6, 2017

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Department, Department of
Housing and Community Development, Department of Real Estate, Department of Finance,
Baltimore Development Corporation

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Tax Credits – Citywide High-Performance Market-Rate Rental Housing –**
3 **Extension of Eligibility**

4 FOR the purpose of extending the date for termination of the tax-credit program for certain newly
5 constructed or converted market-rate rental housing projects; conforming and correcting
6 related provisions; and generally relating to property tax credits.

7 BY repealing and reordaining, with amendments

8 Article 28 - Taxes
9 Section 10-18(a)(4) and (l)
10 Baltimore City Code
11 (Edition 2000)

12 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the**
13 **Laws of Baltimore City read as follows:**

14 **Baltimore City Code**

15 **Article 28. Taxes**

16 **Subtitle 10. Credits**

17 **§ 10-18. High-performance market-rate rental housing – Citywide.**

18 (a) *Definitions.*

19 (4) *Newly constructed or converted.*

20 “Newly constructed or converted” means a high-performance market-rate rental
21 housing project [that]:

22 (i) [was] THAT IS either:

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 17-0030

1 (A) newly constructed on a vacant lot, cleared site, or parking lot;

2 (B) converted from a non-residential use; or

3 (C) a wholly renovated structure; and

4 (ii) for which:

5 (A) the cost of the construction or conversion exceeds \$60,000 per rental
6 unit; and

7 (B) a first occupancy permit following substantial completion of the
8 construction or conversion is issued after January 1, 2014, and on or
9 before June 30, [2019] 2024.

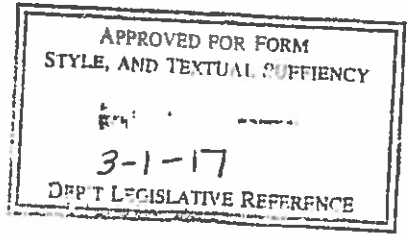
10 (l) *Termination of program.*

11 Applications for the credit may not be accepted after December 31, [2017] 2022.

12 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
13 are not law and may not be considered to have been enacted as a part of this or any prior
14 Ordinance.

15 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
16 after the date it is enacted.

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL 17-0030



Introduced by: President Young

A BILL ENTITLED

AN ORDINANCE concerning

**Tax Credits – Citywide High-Performance Market-Rate Rental Housing –
Extension of Eligibility**

TEFD
~~Law~~
Planning D
HED
Real E:
Finance
BPC

FOR the purpose of extending the date for termination of the tax-credit program for certain newly constructed or converted market-rate rental housing projects; conforming and correcting related provisions; and generally relating to property tax credits.

BY repealing and reordaining, with amendments
Article 28 - Taxes
Section 10-18(a)(4) and (l)
Baltimore City Code
(Edition 2000)

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the Laws of Baltimore City read as follows:

Baltimore City Code
Article 28. Taxes
Subtitle 10. Credits

§ 10-18. High-performance market-rate rental housing – Citywide.

(a) *Definitions.*

(4) *Newly constructed or converted.*

“Newly constructed or converted” means a high-performance market-rate rental housing project [that]:

(i) [was] THAT IS either:

(A) newly constructed on a vacant lot, cleared site, or parking lot;

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

(B) converted from a non-residential use; or

(C) a wholly renovated structure; and

(ii) for which:

(A) the cost of the construction or conversion exceeds \$60,000 per rental unit; and

(B) a first occupancy permit following substantial completion of the construction or conversion is issued after January 1, 2014, and on or before June 30, [2019] 2024.

(l) *Termination of program.*

Applications for the credit may not be accepted after December 31, [2017] 2022.

SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30th day after the date it is enacted.

CITY OF BALTIMORE
ORDINANCE _____
Council Bill 17-0030

Introduced by: President Young, Councilmembers Middleton, Scott, Costello, Bullock, Pinkett,
Henry, Cohen, Stokes, Clarke, Schleifer, Reisinger
Introduced and read first time: March 6, 2017
Assigned to: Taxation, Finance and Economic Development Committee
Committee Report: Favorable
Council action: Adopted
Read second time: May 15, 2017

AN ORDINANCE CONCERNING

**Tax Credits – Citywide High-Performance Market-Rate Rental Housing –
Extension of Eligibility**

FOR the purpose of extending the date for termination of the tax-credit program for certain newly
constructed or converted market-rate rental housing projects; conforming and correcting
related provisions; and generally relating to property tax credits.

BY repealing and reordaining, with amendments

Article 28 - Taxes
Section 10-18(a)(4) and (l)
Baltimore City Code
(Edition 2000)

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the
Laws of Baltimore City read as follows:

Baltimore City Code

Article 28. Taxes

Subtitle 10. Credits

§ 10-18. High-performance market-rate rental housing – Citywide.

(a) *Definitions.*

(4) *Newly constructed or converted.*

“Newly constructed or converted” means a high-performance market-rate rental
housing project [that]:

(i) [was] THAT IS either:

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike-out~~ indicates matter stricken from the bill by
amendment or deleted from existing law by amendment.

Council Bill 17-0030

- 1 (A) newly constructed on a vacant lot, cleared site, or parking lot;
- 2 (B) converted from a non-residential use; or
- 3 (C) a wholly renovated structure; and
- 4 (ii) for which:
 - 5 (A) the cost of the construction or conversion exceeds \$60,000 per rental
 - 6 unit; and
 - 7 (B) a first occupancy permit following substantial completion of the
 - 8 construction or conversion is issued after January 1, 2014, and on or
 - 9 before June 30, [2019] 2024.

10 (l) *Termination of program.*

11 Applications for the credit may not be accepted after December 31, [2017] 2022.

12 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
13 are not law and may not be considered to have been enacted as a part of this or any prior
14 Ordinance.

15 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
16 after the date it is enacted.

Certified as duly passed this ____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,

this ____ day of _____, 20__

Chief Clerk

Approved this ____ day of _____, 20__

Mayor, Baltimore City