



BILL SYNOPSIS

Committee: Taxation, Finance and Economic Development

Bill 20-0587

Perkins Somerset Oldtown Development District

Sponsor: The Council President behalf of The Administration

Introduced: August 17, 2020

Purpose:

For the purpose of designating a “development district” to be known as the “Perkins Somerset Oldtown Development District”; providing for and determining various matters in connection with the establishment of the development district; creating a special, tax increment fund for the development district; allocating certain property taxes to that fund; making certain findings and determinations; providing for a special effective date...

Effective: Date of enactment

Bill 20-0588

Perkins Somerset Oldtown Bond Issuance

Sponsor: The Council President behalf of The Administration

Introduced: August 17, 2020

Purpose:

For the purpose of authorizing the issuance of special obligation bonds and the pledge, subject to appropriation, of Tax Increment Revenues and Special Tax Revenues (as such terms are defined herein) to the payment of debt service thereon; authorizing the pledge by the City, subject to appropriation, of the Tax Increment Revenues and Special Tax Revenues pursuant to a Contribution Agreement (defined herein) to provide for the payment by the State Issuer (defined herein) of the principal of and interest on the applicable State Obligations (defined herein) and other related costs; providing that such bonds or State Obligations may be issued from time to time and in one or more issues or series in an aggregate principal amount not exceeding \$105,000,000 for the purpose of financing infrastructure improvements and related costs, including, without limitation, the Project (defined herein), and other necessary improvements to, from, or within the development

district, and certain other infrastructure improvements permitted by the Acts (defined herein)...

Effective: Date of enactment

Bill 20-0588

Perkins Somerset Oldtown Special Taxing District

Sponsor: The Council President behalf of The Administration

Introduced: August 17, 2020

Purpose:

For the purpose of designating a “special taxing district” to be known as the “Perkins Somerset Oldtown Special Taxing District”; providing for and determining various matters in connection with the establishment of the special taxing district; creating a special fund for the special taxing district; providing for the levy of a special tax on all taxable real and personal property located in the special taxing district; providing for a special effective date; and generally providing for matters relating to the designation and operation of the special taxing district, the establishment and use of the special fund to provide for the payment by or reimbursement to the City for debt service, which the City is obligated to pay or has paid (whether such obligation is general or limited) on any special obligation bonds or notes issued by the City, the authorization of the pledge, subject to appropriation, of the special tax revenues, pursuant to a Contribution Agreement, to provide for the payment by the State Issuer of the principal of and interest on the applicable State Obligations issued in connection with the special taxing district and other related costs, the replenishment of any reserve fund established for any bonds or State Obligations, and the payment of certain expenses and administrative costs related to the operation of the special taxing district.

Effective: Date of enactment

Agency Reports

	20-0587	20-0588	20-0589
City Solicitor	X	X	X
Board of Municipal and Zoning Appeals	Favorable	Favorable	Favorable
Dept. of Planning	Favorable	Favorable	Favorable
Baltimore Development Corporation	Favorable	Favorable	Favorable
Dept. of Housing and Community Development	Favorable	Favorable	Favorable
Parking Authority Board	Favorable	Favorable	N/A
Dept. of Public Works	Favorable	Favorable	N/A
Dept. of Finance	Favorable	Favorable	Favorable

Analysis

Applicant

The Perkins Somerset Oldtown (PSO) neighborhood redevelopment project is a joint venture of the PSO Housing Company that includes McCormack Baron Salazar, Mission First Housing Group, The Henson Development Company, and the Beatty Development Group.

Background

The Perkins Somerset Oldtown (PSO) redevelopment project incorporates a range of investments in mixed-income housing, neighborhood assets and infrastructure, and human capital. This multi-phase project will be occurring on three sites in southeast Baltimore along the Central Business District, Harbor East and Fells Point, and it is projected to take approximately five years to complete. The specific communities that will be impacted include Perkins, Pleasant View Gardens, Somerset, Broadway/Dunbar, Washington Hill and Oldtown. This area is home to approximately 5,939 residents living in 2,122 households that are predominantly renters (89%) with a 60% poverty rate.

This re-development project will start with Perkins homes. Perkins Homes public housing site was built in 1942 and is currently home to 587 families on a site that houses a total of 629 units. The PSO Plan will replace those current units with 652 deeply affordable modern housing units. In addition to the Perkins replacement units, 717 additional units will be constructed at Perkins Homes and Somerset for a combined unit total of 1,346. Furthermore, 290 new modern housing units will be constructed at Oldtown over four phases, bringing the total number of units in these communities to 1,636. The units will serve a combination of market rate, affordable (30% - 80% Average Median Income) and deeply affordable housing.

The Development Plan requires approximately \$123.5 million in public and infrastructure improvements of which approximately \$76,000,000 would be financed through Tax Increment Financing bonds. The public improvements include City Springs School estimated at \$54 million, and North and South Central Parks at \$6.5 million, and infrastructure improvements are \$63 million.

Fiscal Impact Analysis

The special taxing district is a geographical area consisting of properties designated for the City to levy special tax on all taxable real and personal property to provide funds for the cost of the infrastructure improvements or related costs for a development project.

The City will have no liability to repay the bonds other than the increased real property taxes. To ensure there are sufficient funds to repay the bonds, a proposed special taxing district is to be created for the purpose of levying and collecting special taxes to cover any shortfalls between debt service and tax increment revenues. The parcels in the special taxing district are only those proposed for development. No other properties are included in the special taxing district. Addition, certain parcels of residential development proposed primary for low income housing will not be subject to special taxes.

Conformity to Comprehensive Master Plan for Baltimore City:

- LIVE Goal 1: Build Human and Social Capital by Strengthening Neighborhoods, Objective 5: Increase the City Population by 10,000 Households;
- LIVE GOAL 2 (Elevate the Design and quality of the City’s Built Environment, Objective 3: Promote Mixed-Use Development to Reinforce Neighborhood Centers and Main Streets; and
- PLAY Goal 3: Increase the Health of Baltimore’s Natural Resources and Open Spaces for Recreation and to Improve Water Quality.

Additional Information

Fiscal Note: Not Available

Information Source(s): Agency Reports

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Analysis Date: September 22, 2020

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