

**CITY OF BALTIMORE
COUNCIL BILL 14-0199R
(Resolution)**

Introduced by: Councilmember Henry, President Young, Councilmembers Scott, Curran, Kraft,
Branch, Middleton, Costello, Clarke, Welch, Spector, Mosby
Introduced and read first time: December 4, 2014
Assigned to: Housing and Community Development Committee

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – HABC Participation in the Federal Rental Assistance**
3 **Demonstration Project**

4 FOR the purpose of calling upon Housing Commissioner Paul Graziano and the staff of the
5 Housing Authority of Baltimore City to re-appear before the City Council to further discuss
6 RAD’s progress in Baltimore, answer any outstanding questions, and provide documentation
7 memorializing answers and assertions provided at the hearing in March.

8 **Recitals**

9 The Housing Authority of Baltimore City (HABC) receives federal funding from the U.S.
10 Department of Housing and Urban Development (HUD) for its public housing facilities’ capital
11 needs but, like housing authorities throughout the nation, has suffered dramatic reductions in this
12 funding in recent years. In total, HABC has an unfunded capital need of approximately \$800
13 million for its public housing units.

14 In 2011, Congress passed legislation authorizing an initiative called the Rental Assistance
15 Demonstration (RAD), which assists selected municipalities nationwide in making capital repairs
16 to their public housing units through access to private financing resources. Run by HUD, the
17 program converts public housing subsidies to long-term Section 8 subsidies; these allow the
18 borrowing and leveraging of money in the form of loans, thereby reducing reliance on
19 unpredictable public housing appropriations.

20 In the fall of 2013, HABC applied to the RAD program, and was notified in December 2013
21 that 22 sites with over 4,000 units had been accepted. HABC then made the decision to apply for
22 Low Income Housing Tax Credits for each RAD project. As HABC does not have the required
23 experience to receive these tax credits, it has chosen to sell the buildings to private, for-profit,
24 and non-profit developers who, in turn, may sell the tax credits to investors for the equity needed
25 to rehab the properties. In June 2013, HABC released a Request for Qualifications to attract
26 interested developers, and 11 were chosen; HABC will remain a minority partner in the
27 management of the buildings. HABC believes that as a result, over \$300 million in new
28 construction investments will be made over the next three years in Baltimore.

29 Since HABC’s announcement of its participation in RAD and the privatization of
30 participating public housing units, many concerns have been raised. The Baltimore City
31 Council’s Housing and Community Development Committee held a Legislative Oversight

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

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1 hearing on the program on March 12, 2014, at which Housing Commissioner Paul Graziano gave
2 an overview of the initiative and addressed issues raised by attendees. It was agreed that
3 Commissioner Graziano and his staff would re-appear before the committee at a future date to
4 continue the conversation between the committee, HABC staff, HABC residents, HABC
5 workers, public housing advocates, and interested residents in general.

6 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
7 Council calls upon Housing Commissioner Paul Graziano and the staff of the Housing Authority
8 of Baltimore City to re-appear before the Council to further discuss RAD's progress in
9 Baltimore, answer any outstanding questions, and provide documentation memorializing answers
10 and assertions provided at the hearing in March.

11 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
12 Housing Commissioner, and the Mayor's Legislative Liaison to the City Council.