

MEMORANDUM

DATE: October 2, 2019
TO: Taxation, Finance and Economic Development Committee
FROM: Colin Tarbert, President and CEO 
POSITION: Support
SUBJECT: City Council Bill No. 19-0389 – High-Performance Market-Rate Rental Housing (Citywide) – Eligibility for Tax Credit

INTRODUCTION

The Baltimore Development Corporation (BDC) is reporting on City Council Bill No. 19-0389 introduced by Councilmembers Henry, Bullock, Stokes, Sneed, Clarke, Scott, and Middleton.

PURPOSE

This ordinance will modify the number of rental units required to qualify a multi-family dwelling for a high-performance market-rate rental housing tax credit.

BRIEF HISTORY

The High Performance Market Rate Rental Housing Tax Credit – Citywide was enacted into law in August 2014. The credit offers a ten year credit against the increase in City property tax liability for eligible rental housing projects throughout the City. The credit is equal to 80% of the increase in tax liability in the first five years of eligibility, and declines by 10% in each subsequent year of the credit.

To be eligible for the credit, properties must contain 20 or more residential rental units. If enacted, this legislation would reduce that eligibility requirement from 20 to 10 residential rental units. This reduction would promote more affordable in-fill development in outlying neighborhoods, particularly where zoning prohibits developing the current 20 unit requirement.

FISCAL IMPACT

BDC defers to the Department of Finance's assessment as to the fiscal impact of this Bill.

AGENCY POSITION

BDC supports City Council Bill No. 19-0389.

If you have any questions, please do not hesitate to contact Kim Clark at (410) 837-9305 or kclark@baltimoredevelopment.com.

cc: Nicholas Blendy

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