

**CITY OF BALTIMORE**  
**ORDINANCE \_\_\_\_\_**  
**Council Bill 14-0359**

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Introduced by: The Council President  
At the request of: The Administration (Baltimore Development Corporation)  
Introduced and read first time: April 7, 2014  
Assigned to: Taxation, Finance and Economic Development Committee  
Committee Report: Favorable  
Council action: Adopted  
Read second time: June 23, 2014

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**AN ORDINANCE CONCERNING**

1                   **Tax Credits – Citywide High-Performance Market-Rate Rental Housing**

2           FOR the purpose of providing a Citywide property tax credit for certain newly constructed or  
3           converted high-performance market-rate rental housing projects; imposing certain limitations,  
4           conditions, and qualifications; providing for the administration of the credit; defining certain  
5           terms; setting a date for termination of the program; and generally relating to property tax  
6           credits.

7           BY authority of  
8           Article - Tax-Property  
9           Section 9-242  
10          Annotated Code of Maryland

11          BY recaptioning  
12          Article 28 - Taxes  
13          Section 10-17 {“High-Performance Market-Rate Rental Housing”}  
14          to be  
15          Section 10-17 {“High-Performance Market-Rate Rental Housing – Targeted Areas”}  
16          Baltimore City Code  
17          (Edition 2000)

18          BY adding  
19          Article 28 - Taxes  
20          Section(s) 10-18  
21          Baltimore City Code  
22          (Edition 2000)

**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.



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1 (II) FOR WHICH:

2 (A) THE COST OF THE CONSTRUCTION OR CONVERSION EXCEEDS \$60,000  
3 PER RENTAL UNIT; AND

4 (B) A FIRST OCCUPANCY PERMIT FOLLOWING SUBSTANTIAL COMPLETION OF  
5 THE CONSTRUCTION OR CONVERSION IS ISSUED AFTER JANUARY 1,  
6 2014, AND ON OR BEFORE JUNE 30, 2019.

7 (B) *PROGRAM GOAL.*

8 THE GOAL OF THIS PROGRAM IS TO HELP GROW BALTIMORE’S RESIDENTIAL POPULATION  
9 IN AN ENVIRONMENTALLY SENSITIVE MANNER, BY ENCOURAGING THE CONSTRUCTION OR  
10 CONVERSION OF NEW HIGH-PERFORMANCE MARKET-RATE RENTAL HOUSING PROJECTS.

11 (C) *CREDIT GRANTED.*

12 IN ACCORDANCE WITH STATE TAX-PROPERTY ARTICLE § 9-242, A HIGH-PERFORMANCE  
13 MARKET-RATE RENTAL HOUSING TAX CREDIT IS GRANTED AGAINST THE CITY PROPERTY  
14 TAX IMPOSED ON ELIGIBLE NEWLY CONSTRUCTED OR CONVERTED HIGH-PERFORMANCE  
15 MARKET-RATE RENTAL HOUSING PROJECTS.

16 (D) *AMOUNT OF CREDIT.*

17 (1) THE AMOUNT OF THE CREDIT SHALL EQUAL A PERCENTAGE, AS SPECIFIED IN  
18 PARAGRAPH (2) OF THIS SUBSECTION, OF THE DIFFERENCE BETWEEN:

19 (I) THE PROPERTY TAX LIABILITY THAT, BUT FOR THE TAX CREDIT, WOULD BE  
20 OWED FOR THE FIRST FULL TAX YEAR ON THE FIRST ASSESSMENT AFTER  
21 ISSUANCE OF AN OCCUPANCY PERMIT FOR THE COMPLETED PROJECT; AND

22 (II) THE PROPERTY TAX LIABILITY THAT WOULD HAVE BEEN OWED IF THE PROJECT  
23 HAD NOT BEEN UNDERTAKEN.

24 (2) THE CREDIT IS LIMITED TO THE FOLLOWING PERCENTAGES OF THE AMOUNT COMPUTED  
25 UNDER PARAGRAPH (1) OF THIS SUBSECTION:

26	(I) IN YEARS 1 THROUGH 5	-	80%
27	(II) IN YEAR 6	-	70%
28	(III) IN YEAR 7	-	60%
29	(IV) IN YEAR 8	-	50%
30	(V) IN YEAR 9	-	40%
31	(VI) IN YEAR 10	-	30%
32	(VII) IN YEARS 11 AND AFTER	-	0%

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1 (3) IN NO EVENT, HOWEVER, MAY THE TAX CREDIT GRANTED UNDER THIS SECTION, ALONE  
2 OR COMBINED WITH THE STATE ENTERPRISE ZONE TAX CREDIT, EXCEED THE AMOUNT  
3 OF THE PROPERTY TAX IMPOSED ON THE PROPERTY.

4 (E) *INELIGIBILITY OF CERTAIN PROJECTS INVOLVING HISTORIC PROPERTY.*

5 THE TAX CREDIT GRANTED UNDER THIS SECTION DOES NOT APPLY TO:

6 (1) ANY PROJECT THAT INVOLVES IMPROVEMENTS ELIGIBLE FOR A TAX CREDIT UNDER  
7 § 10-8 {"HISTORIC RESTORATIONS AND REHABILITATIONS"} OF THIS SUBTITLE; OR

8 (2) ANY PROJECT THAT INVOLVES MODIFICATIONS TO OR AFFECTING A PROPERTY  
9 LISTED INDIVIDUALLY ON THE NATIONAL REGISTER OF HISTORIC PLACES OR  
10 LOCATED WITHIN A NATIONAL REGISTER HISTORIC DISTRICT, IF THE CITY'S  
11 COMMISSION FOR HISTORICAL AND ARCHITECTURAL PRESERVATION DETERMINES  
12 THAT THE MODIFICATIONS ARE INCOMPATIBLE WITH LOCAL HISTORIC  
13 PRESERVATION STANDARDS.

14 (F) *ADDITIONAL REQUIREMENTS.*

15 A PROPERTY TAX CREDIT GRANTED UNDER THIS SECTION SHALL:

16 (1) BE SUBJECT TO ELIGIBILITY REQUIREMENTS NO LESS STRINGENT THAN THOSE  
17 APPLICABLE TO CREDITS AUTHORIZED UNDER STATE TAX-PROPERTY ARTICLE  
18 § 9-242;

19 (2) BE FOR A PERIOD OF 10 YEARS FOR EACH PROPERTY, STARTING WITH THE FIRST  
20 ASSESSMENT AFTER ISSUANCE OF AN OCCUPANCY PERMIT FOR THE COMPLETED  
21 PROJECT;

22 (3) BE FULLY TRANSFERRABLE TO A NEW OWNER FOR THE REMAINING LIFE OF THE  
23 CREDIT; AND

24 (4) TERMINATE IF, DURING THE CREDIT PERIOD, THE PROJECT:

25 (I) FAILS TO MAINTAIN ITS HIGH-PERFORMANCE RATING; OR

26 (II) NO LONGER QUALIFIES AS A MARKET-RATE RENTAL HOUSING PROJECT, AS  
27 DEFINED IN THIS SECTION.

28 (G) *CONTINUING ELIGIBILITY.*

29 (1) THE PROPERTY OWNER SHALL ENSURE THAT, DURING THE CREDIT PERIOD, THE  
30 PROJECT FOR WHICH THE CREDIT WAS GRANTED IS:

31 (I) IN FULL COMPLIANCE WITH THE BUILDING, FIRE, AND RELATED CODES OF  
32 BALTIMORE CITY;

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1 (II) MAINTAINS ITS HIGH-PERFORMANCE RATING; AND

2 (III) CONTINUES TO BE USED FOR MARKET-RATE RENTAL HOUSING.

3 (2) AT THE TIME OF APPLICATION FOR THE CREDIT, THE PROPERTY OWNER MUST SUBMIT A  
4 STATEMENT OF PROJECTED ECONOMIC IMPACT AND PUBLIC BENEFITS FOR THE  
5 PROJECT. 3 YEARS FROM THE DATE AN APPLICATION IS ACCEPTED, THE OWNER MUST  
6 SUBMIT STATEMENTS OF ACTUAL ECONOMIC IMPACT AND PUBLIC BENEFITS FOR THE  
7 PROJECT. PUBLIC BENEFIT MEASURES INCLUDE NEIGHBORHOOD REVITALIZATION  
8 IMPACT, JOB CREATION, TAX GENERATION, AND MINORITY BUSINESS DEVELOPMENT.

9 (H) *NO TAX SUBSIDY DUPLICATION ALLOWED.*

10 EXCEPT FOR THE MARYLAND STATE ENTERPRISE ZONE TAX CREDIT PROGRAM, THE TAX  
11 CREDIT AUTHORIZED BY THIS SECTION DOES NOT APPLY TO ANY PROPERTY FOR WHICH  
12 ANY OTHER TAX SUBSIDY FROM THE CITY, WHETHER IN THE FORM OF A TAX CREDIT,  
13 PAYMENT IN LIEU OF TAXES, TAX INCREMENTAL FINANCING, OR OTHERWISE, IS BEING  
14 RECEIVED OR HAS BEEN APPLIED FOR.

15 (I) *APPLICATION.*

16 (1) THE OWNER SHALL SUBMIT THE APPLICATION FOR THE TAX CREDIT TO THE FINANCE  
17 DEPARTMENT, WITH A COPY TO THE OFFICE OF SUSTAINABILITY, AND PAY THE  
18 APPLICATION FEE SET BY THE BOARD OF ESTIMATES.

19 (2) IF THE PROPERTY IS TRANSFERRED AT ANY TIME, THE NEW OWNER SHALL FILE AN  
20 APPLICATION TO CONTINUE THE CREDIT.

21 (J) *REVIEW BY FINANCE AND CHAP.*

22 (1) THE DEPARTMENT OF FINANCE SHALL ESTABLISH GENERAL REVIEW PROCEDURES FOR  
23 THE PROGRAM.

24 (2) THE COMMISSION FOR HISTORICAL AND ARCHITECTURAL PRESERVATION, IN  
25 COORDINATION WITH THE DEPARTMENT OF FINANCE, SHALL ESTABLISH SPECIFIC  
26 PROCEDURES FOR DETERMINING WHETHER THE CRITERIA OF SUBSECTION (E) OF THIS  
27 SECTION APPLY TO A PROJECT SO AS TO RENDER IT INELIGIBLE FOR THE CREDIT  
28 AUTHORIZED BY THIS SECTION.

29 (2) THE DEPARTMENT OF FINANCE SHALL ANALYZE DATA SUBMITTED UNDER SUBSECTION  
30 (F)(2) OF THIS SECTION.

31 (K) *ADMINISTRATION.*

32 THE DIRECTOR OF FINANCE MAY:

33 (1) ADOPT RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION;

34 (2) SETTLE DISPUTED CLAIMS ARISING IN CONNECTION WITH THE CREDIT AUTHORIZED  
35 BY THIS SECTION; AND

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1 (3) DELEGATE POWERS, DUTIES, OR FUNCTIONS IN CONNECTION WITH THE  
2 ADMINISTRATION OF THE CREDIT AUTHORIZED BY THIS SECTION TO ANY EMPLOYEE  
3 OR AGENCY OF THE CITY.

4 (L) *TERMINATION OF PROGRAM.*

5 APPLICATIONS FOR THE CREDIT MAY NOT BE ACCEPTED AFTER DECEMBER 31, 2017.

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

9 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day  
10 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