


*BaltAC*

<b>FROM</b>	NAME & TITLE	Robert Cename, Budget Chief	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Department of Finance Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 20-0482—Inclusionary Housing Requirements “Sunset” Extension		

DATE:

**TO**

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

May 5, 2020

**Position: Does Not Oppose**

The Department of Finance is herein reporting on City Council Bill 20-0482, Inclusionary Housing Requirements-“Sunset” Extension, the purpose of which is to extend the current Inclusionary Housing provision beyond the expiration date of June 30, 2020 to June 30, 2022.

**Background**

City Council Bill 06-0558, Inclusionary Housing, was enacted in June 2007 as Ordinance 07-474, Article 13 Housing and Urban Renewal, Subtitle 2B Inclusionary Housing Requirements. The law requires 20% of units to be affordable for projects that have at least 30 units and are receiving a subsidy from the City. The policy’s goal is to create affordable housing opportunities in high market value neighborhoods and to promote economic diversity by providing housing for residents with a broad range of incomes. Under this extension, the Department of Housing and Community Development (DHCD) plans to conduct analysis of the existing law to assess the impact and current effectiveness, as well as align it with the current housing and community development landscape in the City.

**Fiscal Impact**

Under the existing law, developers receive a waiver from the affordable unit requirements if City funds are unavailable. City funds have been limited due to the crushing impact of the Great Recession and the modest recovery in the decade since, which has put continued fiscal stress on even core City functions. As such, since enactment, this policy has resulted in the creation of 36 affordable housing units, with 11 units created in Fiscal 2019. DHCD plans to conduct an evaluation of this program and provide recommendations that will achieve the laws objectives. This work will require additional costs, such as possibly hiring a consultant.

Considering the current economic downturn resulting from the COVID-19 pandemic and the resulting impact on the City’s budget, the Department of Finance requests the opportunity to be involved throughout the evaluation process to ensure that the new policy and program protects the City’s fiscal health and promotes economic growth, without placing further stress on the General Fund.

**Conclusion**

The Department of Finance looks forward to supporting DHCD in identifying the best action to take when reevaluating the implementation and impact of this law.

**For the reasons stated above, the Department of Finance does not oppose City Council Bill 20-0482.**

cc: Henry Raymond  
Matthew Stegman  
Nina Themelis