

**CITY OF BALTIMORE
COUNCIL BILL 13-0112R
(Resolution)**

Introduced by: President Young, Councilmembers Henry, Clarke, Kraft, Middleton, Mosby,
Scott, Stokes, Branch, Holton, Welch, Spector, Reisinger
Introduced and adopted: June 3, 2013

A COUNCIL RESOLUTION CONCERNING

Request for State Action – Preserving Baltimore’s Access to Low Income Housing Tax Credits

FOR the purpose of urging Governor Martin O’Malley to direct Secretary of Housing Raymond Skinner to make changes to the draft of the Multifamily Rental Financing Program Guide to preserve current elements of the housing tax credit program that make low income housing projects in Baltimore City viable.

WHEREAS, since the inception of the mandate under federal law (26 USC Section 42 (m)(1)(B)(i)(III)) that requires all states to provide a preference for projects in low income areas known as Qualified Census Tracts (QCTs) in their Qualified Allocation Plan for the low income housing tax credit program, the Multifamily Rental Financing Program Guide (the “Guide”) has complied with this requirement by having a specifically defined point preference for such projects.

WHEREAS, both the requirement to implement federal law and numerous strong policy reasons (such as combating the effective redlining of these neighborhoods by the private market, the fact that targeting affordable housing in low income neighborhoods can significantly contribute to revitalization of those communities, and the fact that the tax credit program is virtually the only significant capital available to fund such housing) support the inclusion of this preference in the Guide.

WHEREAS, QCTs are inherently at a disadvantage in relation to suburban projects when it comes to raising private debt because the lower rent levels in these neighborhoods are not able to support high first mortgage debt levels.

WHEREAS, removal of the mandated federal preference not only risks placing the Guide in violation of federal law, but also places the City of Baltimore at a serious disadvantage in vying for the highly competitive tax credits whose allocation is determined by the point structure of the Guide.

WHEREAS, it is universally recognized that bus systems are a form of mass transportation and that the bus system in the City of Baltimore is extensive, widely used by the City’s low income residents and represents a significant capital and operating investment in mass transit.

WHEREAS, failure to recognize this mass transit bus system in the Guide’s point allocation related to Transit Oriented Development (TOD) is both illogical and discriminatory to the City of Baltimore.

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

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1 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, that the
2 Baltimore City Council hereby urges Governor Martin O’Malley in the strongest possible terms
3 to direct that Secretary of Housing Raymond Skinner make the following changes to the draft of
4 the Multifamily Rental Financing Program Guide before the Governor will sign it into effect:

5 1. In order to preserve the required federal preference for Qualified Census Tracts, rather
6 than having Sections 5.2.1 and 5.2.2 each receive the same amount of 16 points as set
7 forth in the latest draft of the Guide issued on May 30, 2013, that instead:

8 a. The point allocation for Section 5.2.1 Community Impact Projects (projects in
9 low income QCTs) be reset at 18, the point allocation set forth in the previous
10 draft of the Guide, and

11 b. The point allocation for Section 5.2.2 Communities of Opportunity (projects in
12 affluent areas) be reset at 14, the point allocation set forth in the previous draft of
13 the Guide.

14 2. In order to recognize that a bus system is in fact mass transit and to recognize the City of
15 Baltimore’s significant and effective investment in such a system, in the definition of
16 Transit Oriented Development (TOD) set forth in Section 3.2 (2), either:

17 a. The word “rail” be stricken, which word was suddenly introduced without
18 warning in only the most recent draft of the Guide issued 5/30/13, thus removing
19 projects located near bus systems from being considered Transit Oriented
20 Developments, or

21 b. The words “and bus” be inserted after the word “rail”.

22 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Governor, the
23 Maryland Secretary of Housing and Community Development, the Mayor, and the Mayor’s
24 Legislative Liaison to the City Council.