



May 27, 2021

Re: Testimony for City Budget FY 2022 -- Taxpayer's Night

Dear Council President Mosby, Vice President Middleton, Chairman Costello and Council Members:

Please accept this testimony on behalf of members of [Baltimore Renters United](#) and the undersigned organizations regarding the City's proposed FY 2022 Ordinance of Estimates. We call on the Mayor and City Council to radically reimagine the City's budget to better recognize human rights, meet human needs, and provide residents a stronger voice in creating the budget.

Baltimore Renters United (BRU) is a coalition that works to realize housing as a human right in Baltimore City. Our members know that housing is critical to an individual's quality of life, the health of families, and the prosperity of communities. We also know that the collective power of people, especially those directly impacted by housing injustice, can bring about meaningful change to systems of inequity that are built on centuries of structural racism.

I. Better Prioritize Housing Needs and Housing Rights

BRU supports additional, significant investments to meet priority housing needs that are not included in the FY 2022 budget. For example, the Council recently passed CB 20-0625, Landlord – Tenant – Right to Counsel in Eviction Cases ("Right to Counsel law"), sponsored by Mayor Scott, which became effective on April 1, 2021. The Right to Counsel law calls for the City to expand access to legal representation for all eligible tenants in eviction cases within four years. The law also calls for DHCD to fund community-based groups to conduct outreach and education regarding tenants' rights. Laws protecting human rights require enforcement, and access to representation helps renters enforce laws protecting safe, fair, accessible, and affordable housing with security of tenure. [A study by Stout Risius Ross](#) in Baltimore City found that 92% of represented tenants would avoid disruptive displacement in eviction actions with representation. We know that access to representation is even more critical in the middle of a pandemic in which 3,300 families in Maryland have already been evicted despite the so-called eviction "moratoria" in place. According to recent census data, [over 28,250 Baltimore City](#)

[households are currently facing eviction with a total rent debt estimated at \\$82 million. An astounding 82% of those facing eviction in Maryland are persons of color.](#) This should be no surprise in Baltimore City. Due to centuries of systemic racism, redlining, and disinvestment, evictions in Baltimore City have a [disparate impact on Black, women-headed households.](#) [There are 296% more evictions of Black women than white men in Baltimore City.](#)

Based on the Stout study, we estimate that scaled implementation of the Right to Counsel law including outreach and education would cost \$7.7 million per year upon full implementation after four years of a scaled investment (FY 22: \$2.5 million; FY 23: \$4.5 million; FY 24: \$6.3 million; FY 25: \$7.7 million). Baltimore City has a unique opportunity to fund the Right to Counsel Law through federal American Rescue Plan Act (ARPA) funds over the next four fiscal years. Namely, the City has received or is slated to receive over \$80 million in ARPA funds designated for emergency rental assistance paid to landlords. Ten percent of these funds can and should be directed to funding the Right to Counsel Law. The City is also receiving over \$555 million in ARPA Fiscal Recovery Funds. The remaining implementation budget over four fiscal years should be drawn from these funds. [Jurisdictions around the country are using ARPA funds to expand access to legal counsel and ensure that emergency rental assistance funds are used to actually keep people housed in the economic aftershock of COVID-19.](#) Baltimore City should do the same in a comprehensive way that links legal assistance with wraparound social services and rental assistance. ARPA funds provide time for the City to seek a more sustainable funding source beyond FY 2025.

BRU urges the Mayor and Council to consider other critical priorities including funding for comprehensive mold testing, code enforcement and remediation measures. In a city in which 50% of the rental housing is substandard according to the City's Consolidated Plan, little money is spent beyond housing code enforcement on ensuring safe, habitable housing. Mold and rodent infestations are the most frequent conditions reported by our members as severe threats to their health and safety that are not addressed by current law. We encourage the Mayor and Council to look to Washington D.C. and other jurisdictions for innovative ways to expand and enforce the housing code as well as financial investments in remediation.

Additionally, we support investments in permanently affordable, community-controlled housing. Over 32,000 Baltimore City renters are paying more than 50% of their income toward rent -- often in substandard units with predatory landlords. We support investments in community development without displacement including through funding for community land trusts, limited equity cooperatives, and other forms of homeownership and rental housing that give residents and neighbors a greater stake in redeveloping their neighborhoods. Finally, we support a special priority in meeting the housing needs of persons experiencing homelessness using a housing first model. Additional funding should be directed to housing construction and allocation of vouchers to meet the needs first of those who do not have a home.

II. How Funding Decisions Are Made.

Long term, the City should study and implement models of participatory budgeting that would provide residents ongoing, meaningful input on the development of the budget -- not merely a limited opportunity for input once most major decisions have been made. The City's Affordable Housing Trust Fund is one small example of such a participatory process already in place in Baltimore. Established in 2016, the City's Trust Fund provides for a level of equity, participation, transparency and accountability in identifying and meeting the City's many housing needs.

III. Where Does the Money Come From?

In the short term, the City could readily take any of the following steps to obtain nearly \$20 million per year in additional revenue allocated to the City's Affordable Housing Trust Fund to fund the investments described above.

A. Defund2Refund

We stand in solidarity with Organizing Black, Communities United, and others organizations who understand that a bloated police department consuming 26% of the budget cannot bring peace to our neighborhoods or further racial equity. Black communities need stronger schools, affordable housing, and other resources, not over policing or a lack of resources due to police over-spending. In this budget, per capita spending on the police department reaches \$965 per resident-- exceeding per capita spending on police in 72 of the biggest cities in the USA. A 25% to 50% reduction in police spending will 'rightsize' our police spending and bring Baltimore in line with the average police spending in the country. Study after study shows that a living wage, access to holistic health services and treatment, educational opportunity, and stable housing are far more successful in reducing crime than police or prisons.

B. Fully Invest In the Future and Utilize General Obligation Bond Authority.

A [2012 Debt Study](#) commissioned by the City concluded that the City could easily raise its annual limit on issuing general obligation bonds (GO Bonds) from \$60 million to \$80 million without risk to its bond rating and to bring it in line with peer cities. The 2012 Debt Study pointed out that even \$80 million was very low -- in 2012 dollars. If the City's bond issuance from 1990 had just kept up with inflation, the GO Bond issuance would be \$107 million per year. The current \$80 million per year has not even kept up with inflation. Baltimore City is not investing capital in its neighborhoods as much as peer cities. The City should immediately raise its GO Bond issuance limit to at least \$107 million to keep pace with inflation and peer cities.

C. End the Inequitable High Performance Market Rate Rental Housing Tax Credit

The FY 2022 budget includes an increase from \$13 million to \$20 million for the “High Performance Market Rate Rental Housing Tax Credit.” This means \$20 million in taxpayer money to subsidize mostly luxury rental units that likely predominate in Harbor East and similar areas of the city. There was no analysis of equity in enacting this tax credit, and we have seen no analysis of racial and economic equity in how this credit has been implemented. \$20 million per year could fully fund the Right to Counsel Law, create 200 new Community Land Trust housing units, and provide housing vouchers to 250 homeless families. The Mayor and Council should move immediately to end this credit and redirect those funds to the Affordable Housing Trust Fund.

D. Expand Yield Tax or Similar Equitable Other Measures

Currently the City’s “Yield Tax” on recordation/transfer taxes on real property transactions over \$1 million is only yielding \$7-\$9 million per year for the Affordable Housing Trust Fund -- in contrast to the Finance Department’s projections that the Yield Tax would produce \$13 million on average in revenue each year. The City should consider expanding the Yield Tax to cover additional property transactions or other forms of real estate revenue increase to ensure that the benefits of redevelopment and increased assessments in the City extend to those least able to afford or maintain their housing.

Thank you for your consideration. We are available to discuss this matter at your earliest convenience. Please contact Matt Hill, Public Justice Center, 410-625-9409, ext. 229, hillm@publicjustice.org to discuss further.

Regards,

Baltimore Renters United Members:

Architects of Justice
Bolton House Residents Association
CASA
Chesapeake Physicians for Social Responsibility
Communities United
Disability Rights Maryland
Fair Housing Action Center
Greater Baltimore Democratic Socialists of America
Healthcare for the Homeless
Homeless Persons Representation Project

Jews United for Justice
Pro Bono Resource Center of Maryland
Public Justice Center
Right to Housing Alliance

Non-BRU Members:
Beyond the Boundaries
United Workers
South Baltimore Community Land Trust
Baltimore Furniture Bank