

MEMORANDUM



Robin Carter, Chairperson, Board of Commissioners | Janet Abrahams, President | Chief Executive Officer

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Janet Abrahams, President and Chief Executive Officer

A handwritten signature in black ink, appearing to be "J. Abrahams", written over the printed name.

Date: February 22, 2021

Re: City Council Bill 21-0004 Office to End Homelessness – Establishment, Administration, and Permanent Housing Voucher Program

The Housing Authority of Baltimore City (HABC) has received the referral for comment on City Council Bill 21-0004, an ordinance concerning establishing the Baltimore City Office to End Homelessness and establishing a Permanent Housing Voucher Program. Through our Public Housing and Housing Choice Voucher (HCV) programs, HABC serves approximately 43,000 residents, including some of the city's most vulnerable populations such as the elderly, persons with disabilities, veterans and families with children, and through the traditional public housing sites, scattered site public housing and HCV program, HABC supported residents live in every zip code in Baltimore City.

HABC in general agrees with the intent of the proposed relief – to make homelessness rare, brief, and non-recurring. As HABC is not asked to participate in the creation of the Office to End Homelessness, nor to take part in the administration of the Permanent Housing Voucher Program, HABC takes no position on whether this is an appropriate way for either the City Council or the Mayor to enact the stated policy of the bill.

HABC does have specific concerns about the viability of the program as envisioned, and potential confusion on the part of renters, landlords, and support organizations.

Legal Authority

As noted in HABC's testimony for 20-0592, when this office and program were proposed under the previous City Council, there is specific state and federal law that provides for the operation of housing voucher programs (previously referred to as "Section 8") and provides for federal funding for that purpose.

Maryland state law (Maryland Annotated Code Housing and Community Development Art. Div. II. Sec. 12-401) provides for the creation of local housing authorities and that it is State policy that an authority:

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(1) shall manage and operate its housing projects efficiently to enable it to fix the rent for housing units at the lowest rates consistent with its providing decent, safe, and sanitary housing units and meeting the financial needs under subsection (b) of this section; but (2) may not operate for profit or as a source of revenue to the political subdivision.

Generally, in each political subdivision in Maryland, there is a body generally known as the “housing authority” of that political subdivision. §12-201. Title 15 of the Housing and Comm. Dev. Art. establishes the Baltimore City Housing Authority (HABC). HABC is a public body corporate and politic that:

- (1) exercises public and essential governmental functions; and
- (2) has all the powers necessary or convenient to carry out the purposes of Division II.

Additionally, §15-102 grants specific powers to the HABC, including the power to “make rent subsidy payments to or for persons of eligible income.” An Authority may also make rent subsidy payments to or on behalf of persons of eligible income and rent out houses, accommodations, lands, buildings, structures, or facilities in a housing project. §12-502(d).

As stated by the Baltimore City Department of Law in their testimony regarding City Council Bill 20-0592, “State law only references voucher programs for Baltimore City in the context of HABC. The City Code provisions regarding the Department of Housing and Community Development do not contain comprehensive provisions for rent subsidy programs and the HCD website refers residents to HABC for voucher programs information. <https://dhcd.baltimorecity.gov/nd/affordable-housing>. In fact, the stated purpose of the State law is to “authorize each authority to do all that is necessary or desirable to secure the financial aid or cooperation of political subdivisions, State government, or federal government to help the authority undertake, construct, maintain, or operate a housing project.” Sec. 12-103.”

HABC defers to the Baltimore City Department of Law to certify the proposed ordinance for legal form and sufficiency; However, HABC remains concerned that an additional, not easily differentiated voucher program could be confusing to applicants, participants, landlords, and other service providers.

Program Confusion

The title of the proposed voucher program (Baltimore City Permanent Housing Voucher Program) is not sufficiently different from the Housing Authority of Baltimore City Housing Voucher Program to ensure that applicants, participants, or landlords would be able to tell one program apart from the other. In fact, the “Program” as envisioned in City Council Bill 21-0004 is very specific, applying only to those households in “Permanent Supportive Housing” with household income below 30% of Area Median Income (AMI).

Given that HABC currently provides housing assistance through many different programs within the HCV Program, including vouchers that flow through the Mayor’s Office of Homeless Services (MOHS), HABC

has significant concerns that the proposed “Program” would lead to confusion and difficulties for administration of both programs and the people who seek to be served or landlords who seek to work with either program. In fact, for the 10 years ending 2018, HABC funded almost \$48 million in voucher assistance through Homelessness set aside vouchers and Re-entry vouchers provided to MOHS for combating homelessness in Baltimore City.

Capacity, Staffing, and Funding

After reviewing the proposed ordinance and considering HABC’s experience in providing housing subsidy to low income Baltimoreans through the HCV Program, HABC is concerned that the “Program” would require significant and new capacity, funding, and expertise that the City of Baltimore does not currently possess. Of particular concern are:

Capacity – Does the City of Baltimore have the capacity to operate a low-income housing voucher program? Personnel would be required to screen applicants, verify eligibility and operation of the program under the various Code of Federal Regulations cited in City Council Bill 21-0004. While HABC operates under these rules and regulations as the federally funded public housing authority (PHA) for the City of Baltimore, HABC is not aware of similar personnel within MOHS or other City agencies. This technical expertise is vital to running a program that provides the envisioned service and within the guidelines and policies.

Staffing – In addition to intake and eligibility screening, personnel would be required to perform periodic recertifications of program participants, inspections of rental units, customer service to applicants, participants, and landlords, as well as training, counseling, and ancillary administrative functions. There is also the open question of how the City would satisfy the need for a hearing officer as envisioned in this proposed ordinance. Doubtlessly, there would be new technology required to run this program (software, systems, hardware, etc.).

Funding – It seems that there is no specific, dedicated funding allocated to this program. While the bill notes that funds may be funded by an annual disbursement from the Affordable Housing Trust Fund (AHTF), and the “Program” may be further funded by an annual appropriation. HABC has concerns about the availability of funding under either of these sources. In addition, if funding is not available in a particular year, or available at a lower amount than the previous year, there is no provision for how rental assistance would continue for those households currently in the “Program.” In essence, absent a stable funding source that will guarantee subsidy on behalf of the tenant from one year to the next, the potential exists that a household would find themselves without housing assistance of the AHTF couldn’t or didn’t provide for sufficient funding, and/or if the City of Baltimore did not appropriate sufficient funding. These households would then have to find housing and would not necessarily be eligible for other housing subsidies and be at immediate risk for falling back into homelessness.

HABC defers to the Baltimore Department of Finance and Mayor's Office of Homeless Services for a full explanation of the personnel and budget implications of this legislation.

In conclusion, HABC will continue to use its federal funding to serve the residents of Baltimore by providing affordable housing opportunities to those with the lowest incomes. While the spirit of this legislation in attempting to find a way to make homelessness rare, brief, and non-recurring is supported by HABC, the particulars of the Baltimore City Permanent Housing Voucher Program raise concerns that HABC would recommend be addressed prior to enacting the program.

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