



MEMORANDUM

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

From: Alice Kennedy, Housing Commissioner

Date: February 16, 2022

Re: President Mosby Amendments to City Council Bill 21-0174 Baltimore City Senior Homeowners Grant Program

DHCD appreciates the opportunity to provide comment on President Mosby's proposed amendments to City Council Bill 21-0174 which were received by the agency during the Committee of the Whole hearing held on Monday, February 14, 2022.

Amendment No. 1

Requires that the applicant provide documentation to the department for review that they are able to pay or secure other grants to pay any costs in excess of the maximum grant amount awarded by the program and deletes the eligibility requirement that the applicant holds the title to the home, demonstrates that they will hold the title to the home or reasonable expects to hold title to the home. **DHCD has no objection to this portion of the amendment.**

Amendment 1 goes on to remove certain information that would be requested of the applicant including the source of the applicant's total household income and the number of family members who will live in the home and renumbers the section accordingly. This information violates Maryland law and is not necessary for the purpose of program application. **DHCD has no objection to this portion of the amendment.**

Additionally, Amendment 1 removes the condition of the property as one of the qualifiers for consideration of the application. **DHCD takes no position on this portion of the amendment.**

Finally, Amendment 1 requires the department to review and return proof a payment costs associated with the reverse mortgage. **DHCD takes no position on this portion of the amendment.**

Conclusion

While DHCD does not object to any of the amendment proposed by the Council President and appreciates the Sponsor's attempt to incorporate some of the areas of concern outlined in the various agencies Bill reports, the amendments do not change DHCD's opposition to the Bill.

Additionally, the amendments do not go far enough to address some of the additional concerns laid out in the agency's Bill report.

- The Legislation requires that funds be prioritized for applicants with a household income at or below 60% of Baltimore City's Area Median Income. This is **higher** than the thresholds currently used by DHCD, our programs prioritize residents 50% AMI and below, with a high priority on residents 30% AMI and below.
- The Department of Finance anticipates **the program would cost \$756,632** and additional staff would be needed to complete application verification and process grant distributions.
- As written the legislation would take effect on the **30th** day after the date it is enacted. DHCD would recommend an amendment to move the effective date to **180** days after enactment to allow the agency time for additional hiring and program design.
- It is **unclear how this legislation will be funded**, barring a funding source DHCD does not currently have the financial capacity to implement the Baltimore City Senior Homeowners Grant Program. It is unclear if ARPA funding could be used for this program.

Keeping low-income homeowners & Legacy Residents in their homes is a key strategy to preserving affordable housing in our city. The proposal laid out in this Bill represents an unfunded mandate and is in some ways duplicative of work already underway by the Department to address the causes of reverse mortgage foreclosures such as Tax sale.

It is the agencies desire to help homeowners avoid tax sale, especially older adults and legacy residents by supporting programs that will help address a root cause of a reverse mortgage foreclosure - inability to pay property taxes. By helping residents afford property taxes, creating property tax payment plans, and other tools to assist with avoiding tax sale, we would be helping homeowners avoid reverse mortgage foreclosure.