



METROPOLITAN BALTIMORE COUNCIL

AFL-CIO Unions

Council Bill 22-0195 – Inclusionary Housing for Baltimore City
Committee of the Whole Hearing, November 17, 2022

Position: Support with Sponsor Amendments

The Metropolitan Baltimore Council AFL-CIO Unions, requests that the Baltimore City Council pass CB 22-1095–Inclusionary Housing for Baltimore City, with amendments offered by Council Member Ramos.

The Metropolitan Baltimore Council AFL-CIO represents tens of thousands of working people and their unions, many of whom reside in the City of Baltimore. Our mission is to advocate and advance the best interests of working families and organized labor.

Inclusionary Housing is a working families issue and an essential tool to building more affordable, integrated neighborhoods in Baltimore City. Developers receiving a major public subsidy or significant zoning change, should allocate at least 10% of those affordable units to households earning no more than 60% of Area Median Income (AMI). Further, developers should make an additional 5% of units affordable at even lower incomes if the city offers the developer additional subsidy to do so. It is estimated that CB 22-1095 with sponsor amendments would create over 1,000 new affordable units over the next decade. With CB 22-1095, Baltimore has a chance to break with development policies that subsidized segregation and separate & unequal development—to create a more equitable, integrated future.

The Metropolitan Baltimore AFL-CIO recognizes that housing affordability and security is important to Union members and working families. Our public employees, healthcare workers, educators and countless others deserve quality and affordable housing. Unions understand the concept of shared growth through our collective bargaining, by which prosperity is shared with workers—inclusionary housing is built upon that same pillar of shared prosperity.

Workers in Baltimore should have the opportunity to share in the economic prosperity that inclusionary housing provides. Oftentimes our most vulnerable are excluded from the growth and integration that accompanies development. This type of exclusion also has an impact on the children of our working families. Studies have shown that the median quality of nearby schools where inclusionary housing exists rank in the 40th to 60th percentile; while the median quality of schools near public housing rank in the 19th percentile. The benefits of inclusionary housing are widely felt in neighborhoods for generations.



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The Metropolitan Baltimore Council AFL-CIO Unions supports CB 22-0195 & urges you to reject weakening amendments:

1. **Do not reduce the very limited affordability required – no rental units above 60% AMI.** 60% AMI (\$55,740 for a family of two) is already based on a *regional* assessment of income – average incomes in Baltimore City are already much lower than the region. 60% AMI allows frontline workers and persons who use vouchers to access the affordable units. Raising this threshold to 80% AMI would place those units beyond the reach of voucher holders and many frontline workers.
2. **Maintain strong oversight and accountability.** The inclusionary housing board should remain in the bill. The prior inclusionary law suffered from weak oversight and implementation. A robust board is needed to maintain transparency and accountability.
3. **No Fee-In-Lieu.** CB 22-0195 creates affordable housing opportunities that are integrated into communities. Allowing developers to opt out of the law by paying into a fund would facilitate the creation of affordable units that are not well integrated into communities – thereby repeating the mistakes of our City's long history of subsidizing segregated affordable housing.
4. **Maintain Strong Affirmative Marketing.** Sponsor amendments will ensure that developers affirmatively market the affordable units to groups that have historically been excluded from the benefits of new development and then hold the developers accountable for doing so.

Baltimore City spent \$38 million in tax subsidies for market rate development in FY 2022 and got zero affordable units in return. Baltimore will have given \$73 million from one special tax break alone to multi-family housing developers from FY 2014 through FY 2023. Almost all 6,621 units created with this subsidy are luxury, non-affordable units located in predominantly high income neighborhoods. Virtually none of the units are affordable.

There is no evidence that reasonable inclusionary housing laws reduce development and CB 22-0195 with sponsor amendments is modeled on best practices from around the country. Inclusionary housing laws in the United States have created 110,000 housing units in 258 programs, since about 2000. CB 22-0195 with sponsor amendments is more reasonable and less restrictive on development than successful ordinances in Pittsburgh, Philadelphia, Chicago, Washington D.C., & Mont. County. Inclusionary housing provides ALL Baltimore residents the opportunity to participate in Baltimore's redevelopment as the integrated, equitable City that we deserve.

Please issue a FAVORABLE COMMITTEE REPORT on Council Bill 22-0195 with sponsor amendments. If you have any questions, please contact President Courtney Jenkins at cjenkins@mbaflcio.org or by phone at 410-242-1300.

Courtney Jenkins, President