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

Position: Support with Sponsor Amendments

Citizens Planning and Housing Association (CPHA) requests that the City Council pass CB 22-1095, Inclusionary Housing for Baltimore City, with amendments offered by Council Member Ramos. CPHA is a member of the Inclusionary Housing Coalition.

Inclusionary Housing is an essential tool to building more affordable, integrated neighborhoods in Baltimore City. If a developer is receiving a major public subsidy or significant zoning change, they should make at least 10% of those units affordable to households earning no more than 60% of Area Median Income (AMI), plus an additional 5% of units affordable at even lower incomes if the city offers the developer additional subsidy to do so. There are no waivers or exceptions that plagued the city's prior inclusionary law and made it ineffective. Our coalition estimates 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-and-unequal development and create a more equitable, integrated future.

CPHA supports the development, passage, and implementation of an effective, equitable Inclusionary Housing law in Baltimore City that produces inclusionary housing units. CPHA believes Inclusionary Housing is one of many tools necessary to address Baltimore City's (1) lack of affordable housing, (2) shrinking population, and (3) segregation/inequities.

First, we see the Inclusionary Housing bill as a start to address the affordable housing crisis in Baltimore City. The Baltimore Banner's Baltimore Now^[1] poll in June 2022 found that 71% of the City identified a lack of affordable housing as a significant issue, and 18% identified the lack of affordable housing as a minor issue. These results support the city resident's demand for affordable housing; Inclusionary Housing is affordable housing. CPHA supports the passage of this legislation and plans to create a comprehensive housing plan ensuring safe, equitable housing for all.

Second, CPHA believes the Inclusionary Housing bill is one way to increase the population and attract new renters to Baltimore City. Inclusionary Housing will provide affordable housing options for both low- and moderate-income communities. This bill's passage will allow opportunities for various households for single, recent college graduates, trade workers, municipal employees, families, single-parent households, chosen families, immigrant populations, individuals with disabilities, veterans, seniors, and black, indigenous, and people of color (BIPOC). Passing a successful Inclusionary Housing law that regularly produces legislation can lead to more tax revenue. An effective Inclusionary Housing policy can economically benefit the City, attract new Baltimore City residents, and help to retain current residents.

Lastly, CPHA was formed in the 1940s to improve city planning, land use, housing, and living conditions in Baltimore. It is 2022. Structural racism still divides the City, and disparities are widespread. Passage of an effective Inclusionary Housing bill is an effective and recognized method to remove barriers to housing choice; it assists with counteracting historical exclusionary housing practices. Grounded Solutions, the top authority of Inclusionary Housing, identifies Inclusionary Housing as one of the most effective ways to "ensure economic and racial integration of higher opportunity neighborhoods." Grounded Solutions is currently under contract by the City of Baltimore. Grounded Solution is a valuable partner the City's DHCD can turn to get advice on administering an effective Inclusionary Housing program.

The Inclusionary Housing coalition supporting 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 white, high income neighborhoods.](#) Virtually none of the units are affordable. How is this equitable?

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, mostly since 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., & Montgomery County.

CPHA and the Inclusionary Housing Coalition look forward to working with the City and the Administration to pass an effective Inclusionary Housing law.

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 Char McCready, charm@cphamd.org, 410-539-1369.

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