



Legislation Text

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: Councilmember Henry

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

Informational Hearing - HABC Participation in the Federal Rental Assistance Demonstration Project

FOR the purpose of calling upon Housing Commissioner Paul Graziano and the staff of the Housing Authority of Baltimore City to re-appear before the City Council to further discuss RAD's progress in Baltimore, answer any outstanding questions, and provide documentation memorializing answers and assertions provided at the hearing in March.

Recitals

The Housing Authority of Baltimore City (HABC) receives federal funding from the U.S. Department of Housing and Urban Development (HUD) for its public housing facilities' capital needs but, like housing authorities throughout the nation, has suffered dramatic reductions in this funding in recent years. In total, HABC has an unfunded capital need of approximately \$800 million for its public housing units.

In 2011, Congress passed legislation authorizing an initiative called the Rental Assistance Demonstration (RAD), which assists selected municipalities nationwide in making capital repairs to their public housing units through access to private financing resources. Run by HUD, the program converts public housing subsidies to long-term Section 8 subsidies; these allow the borrowing and leveraging of money in the form of loans, thereby reducing reliance on unpredictable public housing appropriations.

In the fall of 2013, HABC applied to the RAD program, and was notified in December 2013 that 22 sites with over 4,000 units had been accepted. HABC then made the decision to apply for Low Income Housing Tax Credits for each RAD project. As HABC does not have the required experience to receive these tax credits, it has chosen to sell the buildings to private, for-profit, and non-profit developers who, in turn, may sell the tax credits to investors for the equity needed to rehab the properties. In June 2013, HABC released a Request for Qualifications to attract interested developers, and 11 were chosen; HABC will remain a minority partner in the management of the buildings. HABC believes that as a result, over \$300 million in new construction investments will be made over the next three years in Baltimore.

Since HABC's announcement of its participation in RAD and the privatization of participating public housing units, many concerns have been raised. The Baltimore City Council's Housing and Community Development Committee held a Legislative Oversight hearing on the program on March 12, 2014, at which Housing Commissioner Paul Graziano gave an overview of the initiative and addressed issues raised by attendees. It was agreed that Commissioner Graziano and his staff would reappear before the committee at a future date to continue the conversation between the committee, HABC staff, HABC residents, HABC workers, public housing advocates, and interested residents in general.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Council calls upon Housing Commissioner Paul Graziano and the staff of the Housing Authority of Baltimore City to reappear before the Council to further discuss RAD's progress in Baltimore, answer any outstanding questions, and provide documentation memorializing answers and assertions provided at the hearing in March.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor, the Housing Commissioner, and the Mayor's Legislative Liaison to the City Council.

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