

# Bill 22-0195 & Bill 23-0329 Inclusionary Housing for Baltimore City



## Frequently Asked Questions:

### 1. What is inclusionary housing and what will these bills do?

Inclusionary housing creates more socio-economically integrated communities! Inclusionary Bill 22-0195 says developments with 20 rental housing units or more that get a major subsidy from Baltimore City must set aside 10% of their units at an affordable rate for both low-to-moderate income households. City Council Bill 23-0329 is a companion bill to 22-0195, creating a tax credit to offset the cost of the inclusionary rental units.

### 2. Does the Inclusionary Housing Coalition (IHC) support Council Bill 23-0329, which creates a 15% tax credit for developments subject to inclusionary requirements?

Yes. Right now, the City gives developers up-to-80% tax credit to build luxury housing disproportionately occupied by white people in the white L. By comparison, a 15% tax credit is a small price to pay for integrated, affordable units that will be marketed to the primarily Black residents of Baltimore. The City's Enterprise report recommended this 15% tax credit, and the Coalition supports it if it results in the passage of meaningful inclusionary legislation.

### 3. Isn't a 15% tax credit expensive for the City? Why do we need more tax credits?

The status quo is expensive. In FY 22 alone, the City gave away \$38 million in tax credits to developers for luxury housing, primarily in the white L with no affordable units – thereby perpetuating segregation, depriving the Black Butterfly of tax revenue to repair our failing infrastructure, and placing the City in violation of its HUD-created obligation to further fair housing. The Baltimore City Finance Department estimated that a 15% tax credit would have cost the City an average of \$1 million/year over the last 8 years in core markets. While we think that developers already receive sufficient tax credits, if this small credit for affordable housing is necessary to move the Inclusionary Bill forward, we support it. While comprehensive tax credit reform is essential, the Inclusionary Housing bill and the related 15% tax credit should not be placed on hold indefinitely for a comprehensive approach that could take years.

### 4. Why doesn't the City offer developers parking and density bonuses in return for affordable units?

Reducing parking requirements and providing density bonuses are good incentives but ultimately involve many considerations with multiple community stakeholders that are beyond the scope of this bill. Further, the Enterprise report and developer testimony concluded that parking/density awards were insufficient for inclusionary housing in the Baltimore market.

### 5. How will this benefit my council district, where there's little new development and tons of vacant and uninhabitable housing?

Housing affordability is the top concern of Baltimore City residents, second only to crime & violence. Centuries of institutional racism and disinvestment that created this housing crisis cannot be solved with one bill. It requires a comprehensive plan that includes homeownership repair funds for older adults, policies to promote intergenerational wealth, community land trusts, tax sale process reform, a land bank to acquire and dispose of vacant properties efficiently and equitably, and other necessary tools. Inclusionary housing is just one tool – but an important one used in jurisdictions like Philadelphia, Pittsburgh, Chicago, Washington D.C., and at least 254 other programs that have created 110,000 affordable units. Based on past development, we estimate that CB 22-0195 will create approximately 1,000 new affordable units in 10 years. These are new units that current residents from all districts in the City can move into and benefit from.

### 6. Why does the Inclusionary Housing bill target affordability for households at 60% of AMI (e.g. \$55,000 for a family of two)? Why not higher or lower?

By requiring 10% of units to be affordable at or below 60% of AMI, CB 22-0195 is a balanced approach designed to meet the needs of Baltimore and its residents. Most Baltimore renters, and most Black residents of the City, have incomes at or below 60% of the regional Area Median Income. When using Housing Choice Vouchers and project-based subsidies from HABC, DHCD, or the Affordable Housing Trust Fund, the Inclusionary units can also serve households with much lower incomes. If the affordability level was set higher, at 80% of AMI, it might cost less in subsidy, but the rents would still be too high – even for those with housing vouchers. The housing would essentially be market-rate rentals and fail to meet the real needs of Baltimore residents. 60% of AMI strikes the right balance for Baltimore and is consistent with successful inclusionary housing laws in other jurisdictions. CB 22-0195 has a provision that an additional 5% of units have to be set aside for 50% or below area median income if there is additional subsidy to do so.



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& Take Action!**

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Please review Inclusionary Housing Coalition's (IHC) Fact Sheet for our position [here](#).  
Follow this [link](#) for additional information on the bill.