

CITY OF BALTIMORE
ORDINANCE **24.308**
Council Bill 22-0195

Introduced by: Councilmember Ramos, President Mosby, Concilmembers Dorsey, Glover,
Conway, Bullock, Torrence
Introduced and read first time: February 7, 2022
Assigned to: Committee of the Whole
Committee Report: Favorable, with Amendments
Council action: Adopted
Read second time: November 20, 2023

AN ORDINANCE CONCERNING

Inclusionary Housing for Baltimore City

FOR the purpose of defining certain terms; repealing certain findings and policy statements; repealing rules of statutory interpretation that have been superseded by the enactment of Code-wide revisions; requiring the Commissioner of the Department of Housing and Community Development to adopt an inclusionary housing manual; requiring annual reporting by the Commissioner of the Department of Housing and Community Development; amending the duties of the Inclusionary Housing Board; amending certain affordability requirements; clarifying a certain City policy regarding mixed income communities; repealing off-site substitutions; repealing the Inclusionary Housing Offset Fund; repealing density bonuses; requiring residential projects to submit inclusionary housing plans; amending requirements for continued affordability; clarifying the applicability of certain fair housing laws and regulations; establishing certain penalties; and generally relating to inclusionary housing:

BY repealing and reordaining, with amendments

Article 13 - Housing and Urban Development

Sections 2B-1, 2B-3, 2B-7, 2B-16, 2B-17, 2B-21, 2B-25, 2B-31 through 2B-33, 2B-51,
2B-71, and 2B-72

Baltimore City Code
(Edition 2000)

BY repealing

Article 13 - Housing and Urban Development

Sections 2B-2, 2B-4, 2B-6, 2B-6, 2B-22, 2B-24, 2B-34, 2B-36, 2B-37, the subtitle "Part V:
Off-Site Substitution", 2B-41 through 2B-45, inclusive, 2B-52, the subtitle "Part VII:
Inclusionary Housing Offset Fund", and 2B-61 through 2B-67, inclusive

Baltimore City Code
(Edition 2000)

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike-out~~ indicates matter stricken from the bill by
amendment or deleted from existing law by amendment.

Council Bill 22-0195

1 **By adding**

2 Article 13 - Housing and Urban Development
3 Sections 2B-5, 2B-32, 2B-35, and 2B-63
4 Baltimore City Code
5 (Edition 2000)

6 **By renumbering**

7 Article 13 - Housing and Urban Development
8 Sections 2B-5, 2B-11 through 2B-15, inclusive, 2B-35, 2B-36, 2B-37, and the subtitle
9 "Part VI - Continued Affordability", respectively to be Sections 2B-3, 2B-21 through
10 2B-25, inclusive, 2B-44, 2B-45, 2B-46, and the subtitle "Part V - Continued
11 Affordability", respectively
12 Baltimore City Code
13 (Edition 2000)

14 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That
15 Section(s) 2B-5, 2B-11, 2B-13 through 2B-15, inclusive, 2B-35, 2B-36, 2B-37, and the subtitle
16 "Part VI - Continued Affordability", respectively, of Article 13 - Housing and Urban
17 Development of the Baltimore City Code are renumbered to be Section(s) 2B-3, 2B-21, 2B-23
18 through 2B-25, inclusive, 2B-44, 2B-46, 2B-47, and the subtitle "Part V - Continued
19 Affordability", respectively.

20 **SECTION 2. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
21 Laws of Baltimore City read as follows:

22 **Baltimore City Code**

23 **Article 13 - Housing and Urban Renewal**

24 **Subtitle 2B - Inclusionary Housing Requirements**

25 **Part I - Definitions; General Provisions**

26 **§ 2B-1. Definitions - General:**

27 **(a) In general:**

28 In this Subtitle, the following terms have the meanings indicated:

29 **(b) Board:**

30 "Board" means the Inclusionary Housing Board established by this subtitle.

31 **(c) Developer:**

32 "Developer" means any person, firm, partnership, association, joint venture, corporation,
33 or other entity or combination of entities that undertakes a residential project.

Council Bill 22-0195

1 ~~(D) DEPARTMENT.~~

2 "DEPARTMENT" MEANS THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

3 ~~(E) DWELLING UNIT.~~

4 "DWELLING UNIT" OR "UNIT" HAS THE MEANING STATED IN § 202.2 OF THE BALTIMORE
5 CITY PROPERTY MAINTENANCE CODE.

6 ~~(F) ~~(d)~~ *Housing Commissioner.*~~

7 ~~["Housing Commissioner"] "COMMISSIONER" means the Commissioner of Housing and~~
8 ~~Community Development or the Commissioner's designee.~~

9 ~~(G) ~~(e)~~ *Housing funds.*~~

10 "Housing funds" means Federal, State, or City funds designated explicitly for the purpose
11 of providing affordable housing.

12 ~~(H) ~~(f)~~ *Includes, including.*~~

13 "Includes" or "including" means by way of illustration and not by way of limitation.

14 ~~(I) ~~(g)~~ *Major public subsidy.*~~

15 ~~*(1) In general.*~~

16 ~~["Major public subsidy" means the provision by the City or any of its agents or~~
17 ~~contractors of funds, resources, or financial assistance for a residential project that~~
18 ~~needs these funds, resources, or assistance to proceed.]~~

19 ~~*(2) Inclusions.*~~

20 ~~["Major public subsidy" includes:]~~

21 ~~(i) the sale or transfer of land substantially below its appraised value;~~

22 ~~(ii) payment in lieu of taxes;~~

23 ~~(iii) tax increment financing;~~

24 ~~(iv) grants or loans that equal or exceed 15% of total projected project costs; or]~~

25 ~~(v) except as specified in paragraph (3) of this subsection, installation or repair~~
26 ~~of physical infrastructure directly related to the residential project and with~~
27 ~~value equal to or exceeding 5% of total projected project costs.]~~

Council Bill 22-0195

1 ~~[(3) Exclusions:]~~

2 ~~["Major public subsidy" does not include:]~~

3 ~~[(i) infrastructure repairs or improvements undertaken as part of a regularly~~
4 ~~planned program; or]~~

5 ~~[(ii) housing funds.]~~

6 ~~(h) [(h) Neighborhood:~~

7 ~~"Neighborhood" means an area delineated by commonly accepted boundary, as~~
8 ~~determined by the Planning Director.~~

9 ~~(i) [(i) Planning Director:~~

10 ~~"Planning Director" means the Director of the Department of Planning or the Director's~~
11 ~~designee.~~

12 ~~(k) [(j) Residential project:~~

13 ~~"Residential project" means any new construction or any substantial renovation of an~~
14 ~~existing building that is designed, in whole or in part, to provide residential units.~~

15 ~~[(k) Significant land use authorization:]~~

16 ~~["Significant land use authorization" means the adoption of a Planned Unit Development~~
17 ~~or a legislatively approved amendment to a Planned Unit Development, either of which~~
18 ~~increases the permissible number of residential units by 30 or more units above the~~
19 ~~number permitted before adoption of the Planned Unit Development or amendment.]~~

20 ~~[(l) Significant rezoning:]~~

21 ~~["Significant rezoning" means any rezoning that permits residential units where none~~
22 ~~were permitted previously.]~~

23 ~~[(l-1) Source of income:]~~

24 ~~[(1) In general:]~~

25 ~~["Source of income" means any lawful source of money paid directly or indirectly to;~~
26 ~~or on behalf of, a renter or buyer of housing.]~~

27 ~~[(2) Inclusions:]~~

28 ~~["Source of income" includes income from:]~~

29 ~~[(i) a lawful profession, occupation, or job;]~~

Council Bill 22-0195

1 ~~[(ii) any government or private assistance, grant, loan, or rental assistance~~
2 ~~program, including low-income housing assistance certificates and vouchers~~
3 ~~issued under the United States Housing Act of 1937; or]~~

4 ~~[(iii) a gift, an inheritance, a pension, an annuity, alimony, child support, or other~~
5 ~~consideration or benefit;]~~

6 ~~[(n) Vacant dwelling.]~~

7 ~~["Vacant dwelling" means residential real property that:]~~

8 ~~[(1) has been vacant or abandoned for 1 year, as cited on a violation notice issued~~
9 ~~under the City Building, Fire, and Related Codes Article; or]~~

10 ~~[(2) has been owned by the Mayor and City Council of Baltimore City for 1 year and~~
11 ~~is in need of substantial renovation;]~~

12 ~~[§ 2B-2. Definitions—Mandatory, prohibitory, and permissive terms.]~~

13 ~~[(a) Mandatory terms.]~~

14 ~~["Must" and "shall" are each mandatory terms used to express a requirement or to impose~~
15 ~~a duty.]~~

16 ~~[(b) Prohibitory terms.]~~

17 ~~["Must not", "may not", and "no ... may" are each mandatory negative terms used to~~
18 ~~establish a prohibition;]~~

19 ~~[(c) Permissive terms.]~~

20 ~~["May" is permissive.]~~

21 ~~[§ 2B-2. [2B-3.] Definitions—Affordability standards.]~~

22 ~~(a) In general.~~

23 ~~In this Subtitle, the following terms relating to affordability standards have the meanings~~
24 ~~indicated:~~

25 ~~[(b) Affordable housing cost: Extremely low, very low, low, and moderate.]~~

26 ~~[(1) An "extremely low" housing cost equals an amount not more than 1/12 of 30% of~~
27 ~~30% of the AMI, adjusted for household size;]~~

28 ~~[(2) A "very low" housing cost equals an amount greater than 1/12 of 30% of 30% of the~~
29 ~~AMI, but not more than 1/12 of 30% of 60% of the AMI, adjusted for household~~
30 ~~size;]~~

Council Bill 22-0195

1 ~~[(3) A "low" housing cost equals an amount greater than 1/12 of 30% of 60% of the~~
2 ~~AMI, but not more than 1/12 of 30% of 80% of the AMI, adjusted for household~~
3 ~~size.]~~

4 ~~[(4) A "moderate" housing cost equals an amount greater than 1/12 of 30% of 80% of~~
5 ~~the AMI, but not more than 1/12 of 30% of 120% of the AMI, adjusted for~~
6 ~~household size.]~~

7 ~~(B) [(e)] Affordable unit.~~

8 "Affordable unit" means a ~~[residential] DWELLING unit that is required by this subtitle to~~
9 ~~be provided [at an extremely low, very low, low, or moderate affordable housing cost.]~~
10 ~~TO A FAMILY EARNING AN INCOME THAT IS EITHER:~~

11 ~~(1) LOW INCOME; OR~~

12 ~~(2) MODERATE INCOME.~~

13 ~~(C) [(d)] AMI.~~

14 "AMI" means the area median income for the metropolitan region that encompasses
15 Baltimore City, as published and annually updated by the United States Department of
16 Housing and Urban Development.

17 ~~(D) [(e)] Eligible household.~~

18 "Eligible household" means ~~[:] A LOW INCOME OR A MODERATE INCOME HOUSEHOLD:~~

19 ~~[(1) for a unit provided at an extremely low housing cost, a household having an~~
20 ~~income at or below 30% AMI;]~~

21 ~~[(2) for a unit provided at a very low housing cost, a household having an income~~
22 ~~greater than 30% but not more than 60% AMI;]~~

23 ~~[(3) for a unit provided at a low housing cost, a household having an income greater~~
24 ~~than 60% but not more than 80% AMI; and]~~

25 ~~[(4) for a unit provided at a moderate housing cost, a household having an income~~
26 ~~greater than 80% but not more than 120% AMI.]~~

Council Bill 22-0195

1 ~~(E) {(f)} Housing cost.~~

2 "Housing cost" means:

3 (1) for ownership units, a sales price that requires a monthly payment, including
4 mortgage principal and interest, taxes, insurance, homeowner association fees,
5 and other assessments; and

6 (2) for rental units, a monthly payment for lease, sublet, let, or other rights to occupy
7 a residential unit.

8 ~~(F) LOW INCOME.~~

9 "LOW INCOME" MEANS A HOUSEHOLD INCOME BETWEEN 51% AND 80% AMI.

10 ~~(g) Market rate.~~

11 "Market rate" means not restricted to an affordable rent or affordable ownership cost.

12 ~~(H) MODERATE INCOME.~~

13 "MODERATE INCOME" MEANS A HOUSEHOLD INCOME BETWEEN 81% AND 120% AMI.

14 ~~{§ 2B-4. Findings and policy.}~~

15 ~~{(a) In general.}~~

16 [The Mayor and City Council of Baltimore finds as follows:]

17 ~~{(b) Benefits of economic diversity.}~~

18 [Economic diversity in our neighborhoods, anchored by a strong and stable middle class
19 and including homes for the full range of the City's workforce, as well as for seniors and
20 others on fixed incomes, will stimulate economic investment, promote neighborhood
21 stability, and increase public safety for all.]

22 ~~{(c) Limitations of private sector.}~~

23 [The private sector, as the primary source of housing and economic development activity
24 in Baltimore City, is not solely, through its individual development actions, able to create
25 economically diverse neighborhoods or developments or to develop housing for the broad
26 range of incomes that will lead to economic diversity.]

27 ~~{(d) Capabilities of City.}~~

28 ~~{(1) Baltimore City can provide benefits to the private sector, to promote economic
29 diversity and housing for a broad range of incomes in neighborhoods and residential
30 developments, in a manner that recognizes the central role that private investment
31 must play for the continued growth and well-being of the City, including the
32 opportunity to earn reasonable and customary levels of profitability.}~~

Council Bill 22-0195

1 ~~[(2) These benefits include:]~~

2 ~~[(i) the disposition of publicly owned land;]~~

3 ~~[(ii) the expenditure of public funds, including state and federal funds under the~~
4 ~~City's control;]~~

5 ~~[(iii) tax relief; and]~~

6 ~~[(iv) the adoption of land-use standards that promote the inclusion of affordable~~
7 ~~homes.]]~~

8 ~~[(e) City policy:]~~

9 ~~[It is the policy of Baltimore City to encourage economic diversity and balanced~~
10 ~~neighborhoods by promoting the inclusion of housing opportunities for residents with a~~
11 ~~broad range of incomes in all residential projects that contain [30] 20 or more residential~~
12 ~~units.]]~~

13 ~~[(f) No additional financial burdens:]~~

14 ~~[This subtitle is not intended to impose additional financial burdens on a developer or a~~
15 ~~residential project. Rather, the intent of this subtitle is that the cost offsets and other~~
16 ~~incentives authorized under it will fully offset any financial impact resulting from the~~
17 ~~inclusionary requirements imposed.]]~~

18 **[§ 2B-6. Scope and applicability:]**

19 ~~[(a) Incentives not made available:]~~

20 ~~[If cost offsets and other incentives are not made available to a residential project in~~
21 ~~accordance with this subtitle, the residential project is not subject to the requirements of~~
22 ~~this subtitle.]]~~

23 ~~[(b) City's obligations:]~~

24 ~~[(1) Whenever a residential project is granted a waiver or is otherwise exempt from this~~
25 ~~subtitle, the City is not required to provide resources to the project or to the~~
26 ~~Inclusionary Housing Offset Fund.]]~~

27 ~~[(2) This subtitle does not obligate the City to expend or commit any funds beyond that~~
28 ~~which may be appropriated through the annual Ordinance of Estimates.]]~~

Council Bill 22-0195

1 ~~{(e) Incentives insufficient to offset financial impact.}~~

2 ~~{Notwithstanding any other provision of this subtitle, if the Housing Commissioner~~
3 ~~determines that the cost offsets or other incentives available to a residential project are~~
4 ~~insufficient to offset the financial impact on the developer of providing the affordable~~
5 ~~units required by this subtitle.}~~

6 ~~{(1) the Housing Commissioner shall either:}~~

7 ~~{(i) exempt the residential project from this subtitle; or}~~

8 ~~{(ii) modify the number of affordable units required so that the cost offsets or~~
9 ~~other incentives available are sufficient to offset the financial impact; and}~~

10 ~~{(2) neither the developer nor the Housing Commissioner need obtain the approval of~~
11 ~~the Board of Estimates for a modification or waiver under this subtitle.}~~

12 ~~{(d) Subsidized project.}~~

13 ~~{A residential project is exempt from this subtitle if:}~~

14 ~~{(1) it is subsidized by a public program; and}~~

15 ~~{(2) it satisfies the affordability requirements of § 2B-2(b) of this subtitle.}~~

16 ~~§ 2B-4. [2B-7.] Rules and regulations:~~

17 ~~(a) In general:~~

18 ~~Subject to Title 4 ("Administrative Procedure Act—Regulations") of the City General~~
19 ~~Provisions Article, the [Housing] Commissioner, in consultation with the [Inclusionary~~
20 ~~Housing Board and the] Planning Commission, must adopt rules and regulations to carry~~
21 ~~out the provisions of this subtitle.~~

22 ~~(b) Scope—General:~~

23 ~~These rules and regulations may include provisions for:~~

24 ~~(1) defining, clarifying, or construing terms used in this subtitle;~~

25 ~~{(2) setting or refining standards for modifications or waivers;}~~

26 ~~(2) {(3)} determining eligibility to purchase or rent affordable units; and~~

27 ~~(3) {(4)} setting standards for sale or rental prices for affordable units.~~

Council Bill 22-0195

1 ~~(e) Scope—Requiring timely response:~~

2 ~~{(1)} The rules and regulations must:~~

3 ~~(1) {(i)} require the {Inclusionary Housing Board,} the {Housing} Commissioner,~~
4 ~~and the Planning Department to provide timely and definitive responses~~
5 ~~to all submissions required from a developer under this subtitle; and~~

6 ~~(2) {(ii)} assure to the greatest extent practicable that the completion of~~
7 ~~residential projects is not delayed by implementation of this subtitle.~~

8 ~~{(2)} Determinations by the Housing Commissioner regarding the sufficiency of potential~~
9 ~~cost offsets and other incentives must be made within 45 days from submission by a~~
10 ~~developer, in accordance with this subtitle, of a residential project to the Housing~~
11 ~~Commissioner, Planning Department, or other body, as required.]~~

12 ~~{(d) Scope—Written commitments.}~~

13 ~~{The rules and regulations must assure that the City evidences in writing its decisions to~~
14 ~~provide cost offsets or other incentives to a developer or residential project under this~~
15 ~~subtitle.}~~

16 ~~{(e) Advertising for comment.}~~

17 ~~{(1)} A notice of the proposed adoption of all rules and regulations under this subtitle~~
18 ~~must be advertised in a newspaper of general circulation at least 45 days before their~~
19 ~~proposed adoption.}~~

20 ~~{(2)} The advertisement must include:}~~

21 ~~{(i)} a summary of the proposed rules and regulations; and}~~

22 ~~{(ii)} information on how a person can:}~~

23 ~~{(A)} obtain a copy of the proposed rules and regulations; and}~~

24 ~~{(B)} submit comments on them before their adoption.}~~

25 ~~§ 2B-5. INCLUSIONARY HOUSING MANUAL.~~

26 ~~(A) IN GENERAL:~~

27 ~~THE COMMISSIONER MUST ADOPT, AND MAY AMEND FROM TIME TO TIME, AN~~
28 ~~INCLUSIONARY HOUSING MANUAL.~~

Council Bill 22-0195

1 ~~(B) CONTENTS GENERALLY:~~

2 THE INCLUSIONARY HOUSING MANUAL MUST INCLUDE, BUT IS NOT LIMITED TO:

3 (1) RULES AND REGULATIONS ON THE CREATION AND MANAGEMENT OF RESIDENTIAL
4 PROJECTS AND AFFORDABLE UNITS;

5 (2) RULES AND REGULATIONS FOR RESIDENTIAL PROJECT CONSTRUCTION
6 AGREEMENTS;

7 (3) RULES AND REGULATIONS GOVERNING ANNUAL REPORTING BY RESIDENTIAL
8 PROJECTS CREATED UNDER THIS SUBTITLE, AS REQUIRED UNDER § 2B-35 OF THIS
9 SUBTITLE; AND

10 (4) RULES AND REGULATIONS FOR THE IMPLEMENTATION OF THIS SUBTITLE.

11 ~~§§ 2B-6 to 2B-20. (Reserved)~~

12 *Part II. Inclusionary Housing Board*

13 ~~§ 2B-26. [2B-16.] Annual Report.~~

14 ~~(a) Required:~~

15 On or before ~~[October]~~ DECEMBER 31 of each year, the ~~[Board]~~ COMMISSIONER must:

16 (1) submit a report to the Mayor and the City Council, THE BOARD, and to the
17 Planning Commission that assesses efforts during the preceding fiscal year to
18 create and sustain inclusionary housing in the City;

19 (2) POST THE REPORT ON THE DEPARTMENT OF HOUSING AND COMMUNITY
20 DEVELOPMENT'S WEBSITE; AND

21 (3) FILE THE REPORT WITH THE DEPARTMENT OF LEGISLATIVE REFERENCE.

22 ~~(b) Contents generally:~~

23 The report must include:

24 (1) the total number (and proportion (as to the total of all housing units developed) of
25 affordable housing units generated under this subtitle) OF NEW AFFORDABLE UNITS
26 CREATED UNDER THIS SUBTITLE FOR THAT YEAR AND CUMULATIVELY SINCE 2007;

27 (2) [the number and proportion generated under each of the various provisions of this
28 subtitle (e.g., major public subsidy or significant rezoning)] FOR THAT YEAR, THE
29 PERCENT OF NEW DWELLING UNITS CREATED IN THE CITY THAT ARE AFFORDABLE
30 UNITS;

Council Bill 22-0195

1 ~~(3) the TOTAL number [generated at various affordable costs] OF LOW-INCOME~~
2 ~~AFFORDABLE UNITS AND MODERATE INCOME AFFORDABLE UNITS DEVELOPED~~
3 ~~UNDER THIS SUBTITLE FOR THAT YEAR AND CUMULATIVELY SINCE 2007;~~

4 ~~(4) [a list and description of all waivers, modifications, or variances requested,~~
5 ~~granted, and denied under this subtitle, with a summary of the reasons for granting~~
6 ~~of denying each request] FOR THAT YEAR, THE PERCENT OF NEW DWELLING UNITS~~
7 ~~CREATED IN THE CITY THAT ARE LOW-INCOME AFFORDABLE UNITS AND THAT ARE~~
8 ~~MODERATE INCOME AFFORDABLE UNITS; AND~~

9 ~~[(5) an estimate of the percent of units in the City that are occupied;]~~

10 ~~[(6) the amount and percent of residential property tax-base increase;]~~

11 ~~[(7) the percent of households that the City has retained;]~~

12 ~~[(8) an estimate of the growth in City households;]~~

13 ~~(5) [(9)] the number of units for which the City or eligible housing providers had a~~
14 ~~right of first refusal under [§ 2B-34] § 2B-44 ("Right of first refusal") or~~
15 ~~[§ 2B-52(c)] § 2B-52(a) ("[Resales during affordability period – First refusal]~~
16 ~~City's right of first refusal"), and the number of those units on which that right~~
17 ~~was exercised[.];~~

18 ~~[(10) recommendations made by the Board under § 2B-66B ("Administration:Board~~
19 ~~to advise") on priorities for which Inclusionary Housing Offset Fund money is~~
20 ~~best used; and]~~

21 ~~[(11) a summary of all information for the fiscal year that the Inclusionary~~
22 ~~Housing Offset Fund submits to the Board under § 2B-67 ("Reporting to~~
23 ~~Board").]~~

24 ~~§ 2B-27. [2B-17.] Duties.~~

25 ~~In addition to the other duties specified elsewhere in this subtitle, the Board is responsible~~
26 ~~for[.]:~~

27 ~~[(1) reviewing requests for modifications or waivers under § 2B-21 ("Project receiving~~
28 ~~major public subsidy"), § 2B-22 ("Project benefitting from significant land use~~
29 ~~authorization or rezoning"), and § 2B-23 ("Other projects – 30 or more units"); and~~
30 ~~advising the Housing Commissioner within 20 days of referral by the~~
31 ~~Commissioner, in a manner determined by the Board; and]~~

32 ~~[(2)] advising the [Housing] Commissioner and the Planning Director in the performance~~
33 ~~of their respective duties under this subtitle.~~

34 ~~§§ 2B-28 to 2B-30. [Reserved]~~

Council Bill 22-0195

Part III. Inclusionary Requirements

~~§ 2B-31. (2B-21.) [Project-receiving-major-public-subsidy] INCLUSIONARY REQUIREMENTS.~~

~~(a) Applicability of section.~~

This section applies to any residential project {that:

- ~~(1) THAT provides [30] 20 or more [residential] DWELLING units; [and]~~
- ~~(2) [receives a major public subsidy.] THAT IS NEWLY CONSTRUCTED, WHOLLY RENOVATED, OR CONVERTED FROM A NON-RESIDENTIAL BUILDING; AND~~
- ~~(3) WHERE THE COST TO CONSTRUCT, RENOVATE, OR CONVERT IS GREATER THAN OR EQUAL TO \$60,000 PER DWELLING UNIT.~~

~~(b) Affordable units required.~~

~~(1) In every residential project subject to this section, at least [20%] 10% of all [residential] DWELLING units must be affordable units.~~

~~{(2) (i) For rental units:}~~

- ~~[1. at least 30% must be provided to eligible households at an extremely low rental cost;]~~
- ~~[2. at least 25% must be provided to {eligible households at or below a very low rental cost;}~~
- ~~[3. at least 25% must be provided to eligible households at or below a low rental cost; and]~~
- ~~[4. the remainder must be provided to eligible households at a rental cost that does not exceed 1/12 of 30% of 100% of the AMI.]~~

~~{(ii) For ownership units:}~~

- ~~[1. at least 25% must be provided to eligible households at a very low ownership cost;]~~
- ~~[2. at least 50% must be provided to eligible households at a low ownership cost; and]~~
- ~~[3. the remainder must be provided to eligible households at a moderate ownership cost.]~~

~~(2) OF THE TOTAL NUMBER OF AFFORDABLE UNITS REQUIRED FOR EACH RESIDENTIAL PROJECT SUBJECT TO THIS SECTION 50% MUST BE FOR LOW-INCOME HOUSEHOLDS.~~

Council Bill 22-0195

1 ~~(3) OF THE TOTAL NUMBER OF AFFORDABLE UNITS REQUIRED FOR EACH RESIDENTIAL~~
2 ~~PROJECT SUBJECT TO THIS SECTION 50% MUST BE FOR MODERATE-INCOME~~
3 ~~HOUSEHOLDS.~~

4 ~~{{e} Cash subsidies.}~~

5 ~~{If the Housing Commissioner determines that the major public subsidy is insufficient to~~
6 ~~offset the financial impact on the developer of providing the affordable units required by~~
7 ~~this subtitle, the City may grant a cash subsidy to the developer from the Inclusionary~~
8 ~~Housing Offset Fund or other available sources in an amount sufficient to offset the~~
9 ~~financial impact.}~~

10 ~~{{d} Modifications or waivers—Housing Commissioner.}~~

11 ~~{If the Housing Commissioner determines that the major public subsidy or cash subsidies~~
12 ~~available to a residential project are insufficient to offset the financial impact on the~~
13 ~~developer of providing the affordable units required by this subtitle.}~~

14 ~~{{1} the Housing Commissioner shall either:}~~

15 ~~{{i} exempt the residential project from this subtitle; or}~~

16 ~~{{ii} modify the number of affordable units required so that the major public~~
17 ~~subsidy or cash subsidies available are sufficient to offset the financial~~
18 ~~impact; and}~~

19 ~~{{2} neither the developer nor the Housing Commissioner need obtain the approval of~~
20 ~~the Board of Estimates for a modification or waiver under this subsection.}~~

21 ~~{{e} Modifications or waivers—Board of Estimates.}~~

22 ~~{{1} In addition to the modifications and waivers provided for in subsection (d) of this~~
23 ~~section, the Housing Commissioner, with approval from the Board of Estimates,~~
24 ~~may grant a modification of or a waiver from the requirements of subsection (b) of~~
25 ~~this section if the findings required by paragraph (3) of this subsection are made.}~~

26 ~~{{2} The Housing Commissioner must state the reasons that he or she believes that~~
27 ~~granting the modification or waiver would further the goal of increasing inclusionary~~
28 ~~housing in Baltimore City.}~~

29 ~~{{3} The Housing Commissioner and the Board of Estimates may grant the modification~~
30 ~~or waiver if they find that:}~~

31 ~~{{i} homes will be provided for families in a mixed-income setting at lower~~
32 ~~affordability levels than those required under this section;}~~

33 ~~{{ii} because of limited City resources, more affordable units in mixed-income~~
34 ~~housing will be created over a 2-year period than would be created if the~~
35 ~~modification or waiver were not granted.}~~

Council Bill 22-0195

1 ~~[(iii) more effective use of public programs or sources of subsidy will better~~
2 ~~address mixed-income housing in Baltimore City; or]~~

3 ~~[(iv) the modification or waiver will promote the creation of units that are more~~
4 ~~expensive to construct than typical units because they are specially designed~~
5 ~~and designated for people with disabilities or built to be substantially more~~
6 ~~energy efficient than customary units.]~~

7 ~~[(4) The Housing Commissioner must:]~~

8 ~~[(i) issue a written decision on the application within 45 days of its receipt; and]~~

9 ~~[(ii) post a copy of the decision on the City's website.]~~

10 ~~[(f) Investment Threshold:]~~

11 ~~[(1) "Additional cost" means the difference in the amount of major public subsidy for an~~
12 ~~entire development between what would be required to make the development~~
13 ~~feasible with the affordable units required by this subsection compared to the~~
14 ~~amount of major public subsidy that would be required to make the development~~
15 ~~feasible if it did not include the affordable units required by this subsection.]~~

16 ~~[(2) In this subsection, "investment threshold" per unit means the additional cost per~~
17 ~~affordable unit of creating inclusionary units at a given income tier as detailed~~
18 ~~below:]~~

19 ~~[(i) for Rental Development:]~~

20 ~~{Units at or Below Extremely Low Cost \$125,000}~~

21 ~~{Units at or Below Very Low Cost \$100,000}~~

22 ~~{Units at or Below Low Cost \$50,000}~~

23 ~~{Units at or Below Moderate Cost \$25,000}~~

24 ~~[(ii) for Ownership Development:]~~

25 ~~{Units at or Below Very Low Cost or}~~
26 ~~{Extremely Low Cost \$125,000}~~

27 ~~{Units at or Below Low Cost \$100,000}~~

28 ~~{Units at or Below Moderate Cost \$50,000}~~

29 ~~[(3) If the Housing Commissioner determines that the additional cost per affordable unit~~
30 ~~exceeds the basic investment threshold, the Housing Commissioner shall, except by~~
31 ~~mutual agreement of the City and the developer:]~~

Council Bill 22-0195

1 ~~[(i) exempt the residential project from the requirement to provide affordable-~~
2 ~~units; and]~~

3 ~~[(ii) require the developer to deposit into the Inclusionary Housing Offset Fund-~~
4 ~~an amount equal to the lesser of the following amounts, but only if the major~~
5 ~~public subsidy has been increased to fully offset the cost to the developer of-~~
6 ~~making the deposit:]~~

7 ~~[(A) the basic per unit investment threshold as indicated in this~~
8 ~~subsection; or]~~

9 ~~[(B) 20% of the additional cost that would have been required to~~
10 ~~achieve the affordability targets specified in § 2B-21(b)(2) of this~~
11 ~~subtitle.]~~

12 ~~§ 2B-22. Project benefitting from significant land use authorization or rezoning.]~~

13 ~~[(a) Applicability of section.]~~

14 ~~[This section applies to any residential project that:]~~

15 ~~[(1) provides 20 or more residential units; and]~~

16 ~~[(2) is wholly or partially on property for which there has been:]~~

17 ~~[(i) a significant land use authorization; or]~~

18 ~~[(ii) a significant rezoning.]~~

19 ~~[(b) Affordable units required.]~~

20 ~~[(1) In every residential project subject to this section, at least 10% of all residential~~
21 ~~units must be affordable units.]~~

22 ~~[(2) Of these affordable units:]~~

23 ~~[(i) at least half must be provided to eligible households at or below a low~~
24 ~~affordable cost for ownership units or at or below a very low affordable cost~~
25 ~~for rental units; and]~~

26 ~~[(ii) the others may be provided to eligible households at a moderate affordable~~
27 ~~ownership cost or moderate affordable rent.]~~

28 ~~[(c) Density Bonuses.]~~

29 ~~[The residential project may apply to the Board of Municipal and Zoning Appeals to~~
30 ~~receive bonus units up to 20% of the units otherwise allowed in the residential project;~~
31 ~~computed as set forth in Zoning Code Table 9-40], but only if the Housing~~
32 ~~Commissioner first determines that the residential project:]~~

Council Bill 22-0195

1 ~~{(1) would not be economically feasible if it provided the number of inclusionary~~
2 ~~units required by this subtitle, but}~~

3 ~~{(2) would be economically feasible if it provided the number of inclusionary units~~
4 ~~required by this subtitle and received the density bonus described in this~~
5 ~~subsection.}~~

6 ~~{(d) Exemption.}~~

7 ~~{(1) A residential project is exempt from the requirements of this subtitle if:}~~

8 ~~{(i) the Board of Municipal and Zoning Appeals denies the density bonus~~
9 ~~described in subsection (c) of this section; or}~~

10 ~~{(ii) the Housing Commissioner determines that the project would not be~~
11 ~~economically feasible if it provided the number of inclusionary units required~~
12 ~~by this subtitle, even if the project received the density bonus described in~~
13 ~~subsection (c) of this section.}~~

14 ~~{(2) Neither the developer nor the Housing Commissioner need obtain the approval of~~
15 ~~the Board of Estimates for an exemption under this subsection.}~~

16 ~~{(e) Modifications or waivers.}~~

17 ~~{(1) In addition to the exemption provided for in subsection (d) of this section, the~~
18 ~~Housing Commissioner, with approval from the Board of Estimates, may grant a~~
19 ~~modification of or a waiver from the requirements of subsection (b) of this section if~~
20 ~~the Housing Commissioner finds that:}~~

21 ~~{(i) homes will be provided for families at lower affordability levels in a mixed~~
22 ~~income setting than those required under this section;}~~

23 ~~{(ii) the development would not be economically feasible given existing market~~
24 ~~conditions with the number of inclusionary units required under this section,~~
25 ~~additional density bonuses are not available, and granting a modification or~~
26 ~~waiver would create more affordable units in mixed-income housing over a~~
27 ~~2-year period than would be created if the modification or waiver were not~~
28 ~~granted; or}~~

29 ~~{(iii) the modification or waiver will promote the creation of units that are more~~
30 ~~expensive to construct than typical units because they are specially designed~~
31 ~~and designated for people with disabilities or built to be substantially more~~
32 ~~energy efficient than customary units.}~~

33 ~~{(2) The Housing Commissioner must:}~~

34 ~~{(i) issue a written recommendation to the Board of Estimates within 45 days of~~
35 ~~the application's receipt; and}~~

Council Bill 22-0195

1 ~~{(ii) provide a copy of that recommendation to:}~~

2 ~~{(A) the Inclusionary Housing Board;}~~

3 ~~{(B) the Planning Director; and}~~

4 ~~{(C) the City Council.}~~

5 ~~{(3) When the Board of Estimates issues its decision, the Housing Commissioner must:}~~

6 ~~{(i) provide a copy of that decision to:}~~

7 ~~{(A) the Inclusionary Housing Board;}~~

8 ~~{(B) the Planning Director; and}~~

9 ~~{(C) the City Council; and}~~

10 ~~{(ii) post a copy of the decision on the City's website.}~~

11 ~~{§ 2B-23. Other projects—30 or more units.}~~

12 ~~{(a) Applicability of section.}~~

13 ~~{This section applies to any residential project that:}~~

14 ~~{(1) provides 30 or more residential units; and}~~

15 ~~{(2) is not otherwise subject to § 2B-21 (“Project receiving major public subsidy or~~
16 ~~§ 2B-22 (“Project benefitting from significant land use authorization or~~
17 ~~rezoning”);}~~

18 ~~{(b) Affordable units required.}~~

19 ~~{(1) In every residential project subject to this section, 10% of all residential units must~~
20 ~~be provided to eligible households at or below a moderate affordable cost.}~~

21 ~~{(2) The residential project is entitled to a certain cost-offsets, as provided in this~~
22 ~~section, subject to the availability of City funds to provide these cost offsets.}~~

23 ~~{(3) (i) The extent to which funds are available shall be determined by the Housing~~
24 ~~Commissioner.}~~

25 ~~{(ii) The developer of a project subject to this section shall be informed no later than~~
26 ~~the time of a Pre-Development Meeting with the Planning Department whether~~
27 ~~the City has the funds available in the Inclusionary Housing Offset Fund to~~
28 ~~provide cash subsidies under this section.}~~

Council Bill 22-0195

1 ~~[(e) Cost offsets.]~~

2 ~~[(1) If all of the affordable units provided under this section are at or below a low~~
3 ~~affordable housing cost, the residential project may apply to the Board of Municipal~~
4 ~~and Zoning Appeals for bonus units equal to 20% of the units otherwise allowed in~~
5 ~~the residential project, computed as set forth in Zoning Code Table 9-401. In that~~
6 ~~case, the number of affordable units required is 10% of all units, including bonus~~
7 ~~units.]~~

8 ~~[(2) If the Board of Municipal and Zoning Appeals denies the density bonus described in~~
9 ~~paragraph (1) of this subsection or the Housing Commissioner determines that the~~
10 ~~bonus units provided under paragraph (1) of this subsection are insufficient to offset~~
11 ~~the financial impact on the developer of providing the affordable units required by~~
12 ~~this subtitle, the City may provide cash subsidies to the developer from the~~
13 ~~Inclusionary Housing Offset Fund or other available sources in an amount sufficient~~
14 ~~to offset the financial impact.]~~

15 ~~[(d) Modifications or waivers—Housing Commissioner.]~~

16 ~~[If the Housing Commissioner determines that the density bonus and cash subsidies~~
17 ~~available to a residential project are insufficient to offset the financial impact on the~~
18 ~~developer of providing the affordable units required by this subtitle.]~~

19 ~~[(1) the Housing Commissioner shall either:]~~

20 ~~[(i) exempt the residential project from this subtitle; or]~~

21 ~~[(ii) modify the number of affordable units required so that the density bonus~~
22 ~~or cash subsidies available are sufficient to offset the financial impact;~~
23 ~~and]~~

24 ~~[(2) neither the developer nor the Housing Commissioner need obtain the approval of~~
25 ~~the Board of Estimates for a modification or waiver under this subsection.]~~

26 ~~[(e) Modifications or waivers—Board of Estimates.]~~

27 ~~[(1) In addition to the exemption provided for in subsection (d) of this section, on~~
28 ~~application by a developer to the Housing Commissioner, the Commissioner with~~
29 ~~approval from the Board of Estimates may grant a modification of or a waiver from~~
30 ~~the requirements of subsection (b) of this section if they find that:]~~

31 ~~[(i) even if with available cost offsets, the economic return to the developer~~
32 ~~for the entire development would be less than it would be absent a~~
33 ~~requirement for affordable units;]~~

34 ~~[(ii) exceptionally high ongoing occupancy costs make it infeasible to include~~
35 ~~affordable units on the site; or]~~

Council Bill 22-0195

1 ~~{(iii) in a neighborhood that comprises primarily low- and moderate-cost~~
2 ~~housing and for which a development plan for mixed-income (including~~
3 ~~affordable) housing has been adopted by the Planning Commission; the~~
4 ~~developer's project fulfills that part of the plan that calls for market-rate~~
5 ~~housing.}~~

6 ~~{(2) The Housing Commissioner must:}~~

7 ~~{(i) issue a written decision on the application within 45 days of its receipt;}~~

8 ~~{(ii) provide a copy of that decision to:}~~

9 ~~{(A) the Inclusionary Housing Board;}~~

10 ~~{(B) the Planning Director; and}~~

11 ~~{(C) the City Council; and}~~

12 ~~{(iii) post a copy of the decision on the City's website.}~~

13 ~~{(f) Investment threshold:}~~

14 ~~{(1) If the cost offsets that would need to be provided under this section exceed the per~~
15 ~~unit investment threshold amounts specified below, the Housing Commissioner, in~~
16 ~~his or her discretion, may opt not to require affordable units in the development.}~~

17 ~~{(2) Investment Threshold for Rental Development:}~~

18 ~~{Units at or Below Very Low Cost \$115,000}~~

19 ~~{Units at or Below Moderate Cost \$ 40,000}~~

20 ~~{(3) Investment Threshold for Ownership Development:}~~

21 ~~{Units at or Below Low Cost \$110,000}~~

22 ~~{Units at or Below Moderate Cost \$ 50,000}~~

23 ~~{§ 2B-24. Other projects—Less than 30 units:}~~

24 ~~{A developer of a project with less than 30 residential units may request the Housing~~
25 ~~Commissioner to provide cost offsets under § 2B-23 ("Other projects—30 or more units") if~~
26 ~~the developer voluntarily includes affordable housing in the project in accordance with~~
27 ~~subsection (b) of that section.}~~

Council Bill 22-0195

1 ~~§ 2B-32. INCLUSIONARY HOUSING PLAN.~~

2 ~~(A) INCLUSIONARY HOUSING PLAN REQUIRED.~~

3 RESIDENTIAL PROJECTS SUBJECT TO THE AFFORDABILITY UNIT REQUIREMENTS OF THIS
4 SUBTITLE:

5 ~~(1) MUST SUBMIT AN INCLUSIONARY HOUSING PLAN TO THE DEPARTMENT OF~~
6 ~~HOUSING AND COMMUNITY DEVELOPMENT AND THE DEPARTMENT OF PLANNING~~
7 ~~WHEN SUBMITTING A PRE-DEVELOPMENT APPLICATION TO THE SITE PLAN REVIEW~~
8 ~~COMMITTEE; AND~~

9 ~~(2) MUST SUBMIT AN INCLUSIONARY HOUSING PLAN TO THE DEPARTMENT OF~~
10 ~~HOUSING AND COMMUNITY DEVELOPMENT WHEN APPLYING FOR A BUILDING~~
11 ~~PERMIT.~~

12 ~~(B) INCLUSIONARY HOUSING PLAN REQUIREMENTS.~~

13 RESIDENTIAL PROJECTS REQUIRED TO SUBMIT AN INCLUSIONARY HOUSING PLAN UNDER
14 SUBSECTION (A) MUST SUBMIT A PLAN IN THE FORM ESTABLISHED BY THE COMMISSIONER.

15 ~~(C) COMMISSIONER AUTHORITY TO CREATE FORM INCLUSIONARY HOUSING PLAN.~~

16 THE COMMISSIONER HAS THE AUTHORITY AND THE DISCRETION TO CREATE, AND AMEND
17 AS NECESSARY, A FORM INCLUSIONARY HOUSING PLAN.

18 ~~§ 2B-33. [2B-25.] [Source of income discrimination] FAIR HOUSING LAWS AND~~
19 ~~REGULATIONS.~~

20 ~~[(a) Projects subject to affordable housing requirements.]~~

21 ~~[[For any unit in any residential project that meets the requirements of § 2B-21(a)~~
22 ~~2B-31(a), § 2B-22(a), or, when effective, § 2B-23(a) of this subtitle, a person may not:]~~

23 ~~[(1) refuse to sell or rent, refuse to negotiate for the sale or rental of, or otherwise~~
24 ~~make unavailable or deny, a dwelling to any person because of that person's~~
25 ~~source of income;]~~

26 ~~[(2) discriminate against any person in the terms, conditions, or privileges of the sale~~
27 ~~or rental of a dwelling, or rental of a dwelling, or in the provision of services or~~
28 ~~facilities in connection with the sale or rental of a dwelling, because of that~~
29 ~~person's source of income;]~~

30 ~~[(3) make, print, or publish, or cause to be made, printed, or published, any notice,~~
31 ~~statement, or advertisement with respect to the rental of a dwelling that indicates~~
32 ~~any preference, limitation, or discrimination based on the source of income that~~
33 ~~may be used to pay rent;]~~

Council Bill 22-0195

1 ~~{(4) represent to any person, because of that person's source of income, that any~~
2 ~~dwelling is not available for inspection, sale, or rental when the dwelling is~~
3 ~~available; or~~

4 ~~{(5) for profit, induce or attempt to induce any person to sell or rent any dwelling by~~
5 ~~representations regarding the entry or prospective entry into the neighborhood of~~
6 ~~a person using a particular source of income.}~~

7 ~~{(b) Projects receiving cost offsets for affordable housing.}~~

8 ~~{For any unit in any residential project that receives a cost offset from the Housing~~
9 ~~Commissioner under § 2B-24 of this subtitle, a person may not:}~~

10 ~~{(1) refuse to sell or rent, refuse to negotiate for the sale or rental of, or otherwise~~
11 ~~make unavailable or deny, a dwelling to any person because of that person's~~
12 ~~source of income.}~~

13 ~~{(2) discriminate against any person in the terms, conditions, or privileges of the sale~~
14 ~~or rental of a dwelling, or rental of a dwelling, or in the provision of services or~~
15 ~~facilities in connection with the sale or rental of a dwelling, because of that~~
16 ~~person's source of income.}~~

17 ~~{(3) make, print, or publish, or cause to be made, printed, or published, any notice,~~
18 ~~statement, or advertisement with respect to the rental of a dwelling that indicates~~
19 ~~any preference, limitation, or discrimination based on the source of income that~~
20 ~~may be used to pay rent.}~~

21 ~~{(4) represent to any person, because of that person's source of income, that any~~
22 ~~dwelling is not available for inspection or rental when the dwelling is available;~~
23 ~~or}~~

24 ~~{(5) for profit, induce or attempt to induce any person to sell or rent any dwelling by~~
25 ~~representations regarding the entry or prospective entry into the neighborhood of~~
26 ~~a person using a particular source of income.}~~

27 ~~{(c) Requirements may not be waived.~~

28 ~~The requirements of this section may not be waived or modified under any other~~
29 ~~provision of this subtitle, and no residential project may be exempted from the~~
30 ~~requirements of this section under any other provision of this subtitle.}~~

31 ~~ALL RESIDENTIAL PROJECTS CREATED UNDER THIS SUBTITLE ARE SUBJECT TO APPLICABLE~~
32 ~~FEDERAL, STATE, AND LOCAL HOUSING LAWS AND REGULATIONS AS DETAILED IN THE~~
33 ~~INCLUSIONARY HOUSING MANUAL, INCLUDING, BUT NOT LIMITED TO:~~

34 ~~(1) 42 U.S.C. 3601 ET SEQ. ("FAIR HOUSING ACT OF 1968");~~

35 ~~(2) 24 C.F.R. PART 100 ("DISCRIMINATORY CONDUCT UNDER THE FAIR HOUSING~~
36 ~~ACT");~~

Council Bill 22-0195

1 (3) EXECUTIVE ORDER 11063, NOVEMBER 20, 1962 ("EQUAL HOUSING OPPORTUNITY
2 IN HOUSING");

3 (4) 24 C.F.R. PART 107 ("NONDISCRIMINATION AND EQUAL OPPORTUNITY IN
4 HOUSING UNDER EXECUTIVE ORDER 11063");

5 (5) TITLE VI, 42 U.S.C. 2000D ("PROHIBITION AGAINST EXCLUSION FROM
6 PARTICIPATION IN, DENIAL OF BENEFITS OF, AND DISCRIMINATION UNDER
7 FEDERALLY ASSISTED PROGRAMS ON GROUND OF RACE, COLOR, OR NATIONAL
8 ORIGIN");

9 (6) 28 C.F.R. § 42.101 ET SEQ. ("SUBPART C - NONDISCRIMINATION IN FEDERALLY
10 PROGRAMS - IMPLEMENTATION OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964");

11 (7) 24 C.F.R. PART 1 ET SEQ. ("NONDISCRIMINATION IN FEDERALLY ASSISTED
12 PROGRAMS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT -
13 EFFECTUATION OF TITLE VI OF THE CIVIL RIGHTS ACT 1964");

14 (8) STATE GOVERNMENT ARTICLE, §§ 20-702, 20-704, AND 20-705, ANNOTATED
15 CODE OF MARYLAND;

16 (9) HOUSING OPPORTUNITIES MADE EQUAL ACT, CH. 116, 2020 LAWS OF
17 MARYLAND; AND

18 (10) ARTICLE 4, SUBTITLE 3, § 3-5 ("UNLAWFUL PRACTICES... HOUSING").

19 ~~§ 2B-35. ANNUAL REPORT - RESIDENTIAL PROJECT.~~

20 (A) RESIDENTIAL PROJECTS SUBJECT TO THE AFFORDABILITY REQUIREMENTS OF THIS
21 SUBTITLE MUST SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT AND THE
22 INCLUSIONARY HOUSING BOARD.

23 (B) THE CONTENTS OF ANNUAL REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION
24 MUST BE ESTABLISHED BY THE COMMISSIONER.

25 (C) THE COMMISSIONER WILL PROMINENTLY POST ALL ANNUAL REPORTS REQUIRED UNDER
26 SUBSECTION (A) OF THIS SECTION ON THE CITY'S WEBSITE.

27 ~~§§ 2B-36 to 2B-40. (Reserved)~~

28 *Part IV - Standards for Affordable Units*

29 ~~§ 2B-41. [2B-31.] Comparable design.~~

30 ~~{(a) In general.}~~

31 The affordable units required by this subtitle:

32 (1) must be complementary to the market rate units in the same project as to their
33 exterior appearance;

Council Bill 22-0195

1 (2) must be comparable to the market rate units in the same project as to:

2 (i) number of bedrooms; and

3 (ii) overall quality of construction; and

4 (3) may vary in size and finish, consistent with standards set forth in the ~~[Housing]~~
5 Commissioner's rules and regulations.

6 ~~[(b) Variance.]~~

7 ~~[(1) The developer may request a variance from the requirements of subsection (a) of this~~
8 ~~section by submitting a written request to the Housing Commissioner.]~~

9 ~~[(2) The Housing Commissioner may approve a request if it is determined that the~~
10 ~~affordable units are of good quality and consistent with contemporary standards for~~
11 ~~new housing.]~~

12 ~~[(3) The Housing Commissioner must issue a written decision on the request within 45~~
13 ~~days of its receipt.]~~

14 ~~[(4) The Housing Commissioner must periodically report to the Inclusionary Housing~~
15 ~~Board on all applications made under this subsection and their disposition.]~~

16 **§ 2B-42. ~~[2B-32.] Placement.~~**

17 ~~[(a) In general.]~~

18 The affordable units required by this subtitle must be dispersed throughout the residential
19 project.

20 ~~[(b) Variance.]~~

21 ~~[(1) The developer may request a variance from the requirements of subsection (a) of~~
22 ~~this section by submitting a written request to the Housing Commissioner to cluster~~
23 ~~affordable units within the project.]~~

24 ~~[(2) Within 45 days of the request, the Housing Commissioner must, in his or her sole~~
25 ~~discretion, provide a written determination as to whether the proposal adequately~~
26 ~~demonstrates that:]~~

27 ~~[(i) the proposed design meets the goals of this subtitle; and]~~

28 ~~[(ii) a variance should be allowed.]~~

29 ~~[(3) The Housing Commissioner must periodically report to the Inclusionary Housing~~
30 ~~Board on all applications made under this subsection and their disposition.]~~

Council Bill 22-0195

1 ~~§ 2B-43. [2B-33.] Simultaneous offering.~~

2 ~~[(a) In general.]~~

3 The affordable units required by this subtitle must be constructed and completed in the
4 same time frame as the market rate units in the project.

5 ~~[(b) Variance.]~~

6 ~~[(1) The developer may request a variance from the requirements of subsection (a) of this~~
7 ~~section by submitting a written request to the Housing Commissioner.]~~

8 ~~[(2) The Housing Commissioner may approve a request if:]~~

9 ~~[(i) the Commissioner determines, in her or his sole discretion, that the~~
10 ~~provision of affordable units will not be adversely affected or delayed by the~~
11 ~~variance; or]~~

12 ~~[(ii) affordable units are to be provided off-site under Part V of this subtitle.]~~

13 ~~[(3) The Housing Commissioner must issue a written decision on the request within 45~~
14 ~~days of its receipt.]~~

15 ~~[(4) The Housing Commissioner must periodically report to the Inclusionary Housing~~
16 ~~Board on all applications made under this subsection and their disposition.]~~

17 ~~[§ 2B-34. Right of first refusal.]~~

18 ~~[(a) In general.]~~

19 ~~[The City and designated housing providers have a right of first refusal to purchase or~~
20 ~~rent up to one-third of affordable units provided in a residential project under this~~
21 ~~subtitle.]~~

22 ~~[(b) Designated housing providers.]~~

23 ~~[(1) From time to time, the Housing Commissioner may designate housing providers~~
24 ~~authorized to purchase or rent affordable units under this section, according to~~
25 ~~regulation and procedures adopted by the Commissioner.]~~

26 ~~[(2) The City or designated housing providers may rent or resell units acquired under~~
27 ~~this section to eligible households.]~~

28 ~~[(c) Time for exercise.]~~

29 ~~[The City or designated housing provider must decide whether to exercise its right of first~~
30 ~~refusal within 45 days of submission by a developer, pursuant to the rules and regulations~~
31 ~~adopted under this subtitle, of an offer to sell the affordable units.]~~

Council Bill 22-0195

1 ~~(e) First preference for neighbors, etc.~~

2 These provisions shall attempt, consistent with other governing requirements, to provide
3 special priority for otherwise-qualified individuals who:

4 (1) were displaced by the project; or

5 (2) reside within the same neighborhood in which the residential project is located.

6 ~~§ 2B-45. [2B-36.] Owner-occupancy of ownership units.~~

7 An affordable unit that is sold under this subtitle to an eligible household must be owner-
8 occupied.

9 ~~§ 2B-46. [2B-37.] Management of rental units.~~

10 An affordable rental unit provided under this subtitle must be managed under the same
11 management standards as all market-rate rental units in the development.

12 ~~§§ 2B-47 to 2B-50. [Reserved]~~

13 ~~{Part V. Off-Site Substitution}~~

14 ~~{§ 2B-41. "Off-site" defined.}~~

15 ~~{In this Part V, "off-site" means outside the metes and bounds of the property on which a
16 residential project is located.}~~

17 ~~{§ 2B-42. In general.}~~

18 ~~{The developer of a residential project may apply to provide off-site affordable residential
19 units in whole or partial substitution for the units required by § 2B-22 ("Project benefitting
20 from significant land-use authorization or rezoning") or § 2B-23 ("Other projects - 30 or
21 more units), as the case may be.}~~

22 ~~{§ 2B-43. Application.}~~

23 ~~{(a) In general.}~~

24 ~~{The application for off-site units must be made to the Housing Commissioner.}~~

25 ~~{(b) Accompanying report.}~~

26 ~~{The application must be accompanied by a report that includes.}~~

27 ~~{(1) conditions affecting the project that prevent the developer from meeting the
28 requirements of § 2B-22 ("Project benefitting from significant land use -
29 authorization or rezoning") or § 2B-23 ("Other projects - 30 or more units), as
30 the case may be.}~~

Council Bill 22-0195

- 1 ~~{(2) independent data, including appropriate financial information, that support the~~
2 ~~developer's position that constructing the required affordable units on site is not~~
3 ~~feasible; and}~~
- 4 ~~{(3) an analysis of how the off-site substitution will further mixed-income housing~~
5 ~~opportunities in the neighborhood in which the residential project is located.}~~

6 ~~{§ 2B-44. Minimum criteria.}~~

7 ~~{Off-site units may be allowed under this Part V only if:}~~

- 8 ~~{(1) they will be provided at another location in the same neighborhood or comparable~~
9 ~~contiguous geographic area as the residential project to which they are being~~
10 ~~credited, as determined by the Planning Director, or in a residential project~~
11 ~~approved by the Housing Commissioner within 2,000 feet of a rapid transit stop;~~
12 ~~and}~~
- 13 ~~{(2) in the aggregate, the off-site units and any affordable units provided on-site at the~~
14 ~~residential project are no fewer than the number of affordable units required by~~
15 ~~§ 2B-22 ("Project benefitting from significant land use authorization or rezoning")~~
16 ~~or § 2B-23 ("Other projects—30 or more units), as the case may be.}~~

17 ~~{§ 2B-45. Review.}~~

18 ~~{The Housing Commissioner, with approval by the Board of Estimates, may approve a~~
19 ~~request if the requested variance will promote mixed-income housing opportunities in~~
20 ~~Baltimore City to an extent equal to or greater than compliance with this subtitle.}~~

21 ~~*Part V*~~~~{*V*~~~~—Continued Affordability~~

22 ~~§ 2B-51. Rental units.~~

23 ~~(a) Affordability period.~~

- 24 ~~(1) Every affordable rental unit subject to this subtitle must remain at an affordable rent,~~
25 ~~as provided in this section, for a period of not less than {30} 20 years from the date of~~
26 ~~its initial occupancy.~~
- 27 ~~(2) THE AFFORDABILITY PERIOD FOR EACH AFFORDABLE UNIT STARTS EACH TIME~~
28 ~~OWNERSHIP OF THE AFFORDABLE UNIT IS TRANSFERRED.~~

29 ~~(b) Lease and sublease restrictions.~~

30 ~~During the affordability period, the owner of the rental property may not rent or lease any~~
31 ~~affordable unit and a tenant may not sub-rent or sublease the unit except to an eligible~~
32 ~~household at a rent that does not exceed an affordable rent applicable to that unit.~~

Council Bill 22-0195

1 ~~[(e) Rent increases.]~~

2 ~~[(1) During the affordability period, rent increases may be imposed only as provided in~~
3 ~~this section.]~~

4 ~~[(2) The percentage increase in annual rent may not exceed:]~~

5 ~~[(i) the percentage increase in the cost of living, based on an appropriate inflator~~
6 ~~index as determined by the Housing Commissioner; or]~~

7 ~~[(ii) a greater amount to the extent:]~~

8 ~~[(A) necessitated by documented hardship or other exceptional~~
9 ~~circumstances; and]~~

10 ~~[(B) approved in writing by the Housing Commissioner.]~~

11 ~~(c)[(d)] Owner's maintenance.~~

12 The owner of an affordable rental unit:

13 (1) at all times must comply with all building, fire, safety, and other codes applicable
14 to rental units; and

15 (2) in providing maintenance and other services to rental units in the residential
16 project, may not discriminate in any way against affordable units.

17 ~~[(e) Reports to Commissioner.]~~

18 ~~[(1) Owners of affordable rental units subject to this subtitle must periodically report to~~
19 ~~the Housing Commissioner on their compliance with the requirements of this~~
20 ~~section.]~~

21 ~~[(2) These reports must be made in the form and with the frequency that the Housing~~
22 ~~Commissioner requires.]~~

23 ~~[§ 2B-52. Ownership units.]~~

24 ~~[(a) City's right of first refusal.]~~

25 ~~[The City has the right of first refusal to purchase at market rate any affordable unit~~
26 ~~initially provided under this subtitle.]~~

27 ~~[(b) Identifying public investment.]~~

28 ~~[(1) At the time of initial sale, the Housing Commissioner shall identify the amount of~~
29 ~~public investment in the unit.]~~

30 ~~[(2) For units benefitting from significant rezoning or bonus units, the public investment~~
31 ~~is deemed to be an amount equal to the owner's initial purchase price.]~~

Council Bill 22-0195

1 ~~[(e) Allocation of proceeds.]~~

2 ~~[At the time of any subsequent sale, the proceeds of the sale shall be allocated as~~
3 ~~follows:]~~

4 ~~[(1) The owner receives the initial purchase price paid by the owner plus the value of~~
5 ~~documented improvements.]~~

6 ~~[(2) The City receives an amount equal to its public investment in the affordable~~
7 ~~unit, but only to the extent that the proceeds of the sale exceed the initial~~
8 ~~purchase price and the values of documented improvements.]~~

9 ~~[(3) Any proceeds of sale beyond the purchase price and the initial City investment~~
10 ~~shall be allocated to the owner and the City in the same proportion as the~~
11 ~~owner's initial purchase price compared to the initial public investment.~~
12 ~~However, if the sale occurs within 10 years of the owner's purchase, the owner's~~
13 ~~share of these proceeds is limited to 10% of the owner's proportional share for~~
14 ~~each full year of the owner's ownership.]~~

15 ~~[(d) Affordable Housing Agreement.]~~

16 ~~[The Housing Commissioner's rules and regulations must include provisions for the~~
17 ~~execution and filing in the land records of affordability housing agreements that embody~~
18 ~~the requirements of this section.]~~

19 ~~§§ 2B-52 to 2B-60. (Reserved)~~

20 ~~[Part VII. Inclusionary Housing Offset Fund]~~

21 ~~[§ 2B-61. Fund established.]~~

22 ~~[(a) In general.]~~

23 ~~[There is a Baltimore City Inclusionary Housing Offset Fund.]~~

24 ~~[(b) Nature of Fund.]~~

25 ~~[The Baltimore City Inclusionary Housing Offset Fund is a continuing, nonlapsing fund~~
26 ~~established by authority of City Charter Article I, § 10.]~~

27 ~~[§ 2B-62. Revenue sources.]~~

28 ~~[The Offset Fund comprises:]~~

29 ~~[(1) money appropriated to the Offset Fund in the annual Ordinances of Estimates; and]~~

30 ~~[(2) grants or donations made to the Offset Fund.]~~

Council Bill 22-0195

1 ~~{§ 2B-63. Use of Fund—General.}~~

2 ~~{Money deposited in the Offset Fund, along with any interest earned on that money, may be~~
3 ~~used only for the following purposes:}~~

4 ~~{(1) to finance the implementation and administration of this subtitle, including the~~
5 ~~provision of cost offsets under this subtitle; and}~~

6 ~~{(2) otherwise to promote economically diverse housing in City neighborhoods,~~
7 ~~including:}~~

8 ~~{(i) providing assistance, by loan, grant, or otherwise, for the planning,~~
9 ~~production, maintenance, or expansion of affordable housing in the City;}~~

10 ~~{(ii) providing assistance, by loan, grant, or otherwise, to persons unable to~~
11 ~~obtain affordable housing; and}~~

12 ~~{(iii) otherwise increasing housing opportunities for working families and other~~
13 ~~persons of low and moderate income.}~~

14 ~~{§ 2B-64. Use of Fund—Administration.}~~

15 ~~{No more than 5% of the money in the Offset Fund may be used in any fiscal year for~~
16 ~~personnel or other costs of administering the Offset Fund.}~~

17 ~~{§ 2B-65. Use of Fund—Public assistance.}~~

18 ~~{At least half of the households that receive assistance from the Offset Fund must have~~
19 ~~earnings of not more than 60% of the AMI.}~~

20 ~~{§ 2B-66. Administration.}~~

21 ~~{(a) Commissioner may prescribe procedures.}~~

22 ~~{The Housing Commissioner may prescribe procedures for administering the Offset~~
23 ~~Fund.}~~

24 ~~{(b) Board to advise.}~~

25 ~~{The Inclusionary Housing Board advises the Housing Commissioner through its annual~~
26 ~~report and as requested by the Commissioner on the activities and priorities for which~~
27 ~~Offset Fund money is best used to promote economically diverse housing in the City.}~~

28 ~~{§ 2B-67. Reporting to Board.}~~

29 ~~{(a) In general.}~~

30 ~~{The Housing Commissioner must provide the Inclusionary Housing Board, on a regular~~
31 ~~basis, information on the uses and impact of the Offset Fund.}~~

Council Bill 22-0195

1 ~~[(b) Inclusions:]~~

2 ~~[The information must include:]~~

3 ~~[(1) expenditures from the Offset Fund;]~~

4 ~~[(2) a list of projects funded through the Offset Fund;]~~

5 ~~[(3) the number and income levels of households assisted by the Offset Fund;]~~

6 ~~[(4) funds leveraged by Offset Fund funds;]~~

7 ~~[(5) number of affordable units produced or preserved;]~~

8 ~~[(6) information as to how Fund money may be used for development efforts~~
9 ~~assisting the homeless; and]~~

10 ~~[(7) other information that the Board requests about the Offset Fund's impact.]~~

11 ~~Part VI [VIII]—Administrative Review, [and] Judicial Review, AND PENALTIES~~

12 ~~§ 2B-61. [2B-71.] Administrative appeals.~~

13 ~~(a) Right of appeal:~~

14 Any person aggrieved by a decision or ruling of the [Housing] Commissioner under this
15 subtitle may appeal that decision or ruling to the Board of [Estimates] MUNICIPAL AND
16 ZONING APPEALS.

17 ~~(b) How and when taken:~~

18 The appeal must be taken in writing within 15 days from the date of notice of the decision
19 or ruling.

20 ~~(c) Hearing and decision:~~

21 The Board:

22 (1) must hold a hearing on the appeal as soon as practicable; and

23 (2) may affirm, modify, or reverse the action from which the appeal was taken.

24 ~~§ 2B-62. [2B-72.] Judicial and appellate review.~~

25 ~~(a) Judicial review:~~

26 A party aggrieved by a final decision of the Board of [Estimates] MUNICIPAL AND
27 ZONING APPEALS under § 2B [71]61 (“Administrative appeals”) of this subtitle may seek
28 judicial review of that decision by petition to the Circuit Court for Baltimore City in
29 accordance with the Maryland Rules of Procedure.

Council Bill 22-0195

1 ~~(b) Appellate review.~~

2 A party to the judicial review may appeal the court's final judgment to the Court of
3 Special Appeals in accordance with the Maryland Rules of Procedure.

4 ~~§ 2B-63. PENALTIES.~~

5 ~~(A) IN GENERAL.~~

6 ANY PERSON WHO VIOLATES A PROVISION OF THIS SUBTITLE OR OF A RULE, REGULATION,
7 OR ORDER ADOPTED OR ISSUED UNDER THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND,
8 ON CONVICTION, IS SUBJECT TO A FINE OF NOT MORE THAN \$1,000 FOR EACH OFFENSE.

9 ~~(B) EACH DAY A SEPARATE OFFENSE.~~

10 EACH DAY THAT A VIOLATION CONTINUES IS A SEPARATE OFFENSE.

11 ~~(C) PENALTIES DOUBLE.~~

12 FINES FOR EACH OFFENSE THAT CONTINUES UNABATED FOR A PERIOD OF 30 DAYS OR
13 MORE WILL DOUBLE.

14 ~~SECTION 3. AND BE IT FURTHER ORDAINED,~~ That this Ordinance takes effect on the 180th
15 day after the date it is enacted.

16 FOR the purpose of defining certain terms; repealing certain findings and policy statements;
17 repealing rules of statutory interpretation that have been superseded by the enactment of
18 Code-wide revisions; requiring annual reporting by the Commissioner of the Department of
19 Housing and Community Development; amending the composition and duties of the
20 Inclusionary Housing Board; amending certain affordability requirements; clarifying a certain
21 City policy regarding mixed income communities; repealing off-site substitutions; requiring
22 residential projects to submit inclusionary housing plans; amending requirements for
23 continued affordability; clarifying the applicability of certain fair housing laws and
24 regulations; establishing certain penalties; and generally relating to inclusionary housing.

25 BY repealing and re-ordaining, with amendments

26 Article 13 - Housing and Urban Renewal

27 Sections 2B-1, 2B-3, 2B-7, 2B-12, 2B-16, 2B-17, 2B-21, 2B-25, 2B-31 to 2B-33, 2B-37,

28 2B-51, 2B-71, and 2B-72

29 Baltimore City Code

30 (Edition 2000)

31 BY repealing

32 Article 13 - Housing and Urban Renewal

33 Sections 2B-2, 2B-4 to 2B-6, 2B-22 to 2B-24, 2B-34 to 2B-36, 2B-41 to 2B-45, 2B-52, and

34 2B-61 to 2B-67

35 Baltimore City Code

36 (Edition 2000)

Council Bill 22-0195

1 BY repealing and re-ordaining, without amendments

2 Article 13 - Housing and Urban Renewal

3 Sections 2B-11 and 2B-13 to 2B-15

4 Baltimore City Code

5 (Edition 2000)

6 BY adding

7 Article 13 - Housing and Urban Renewal

8 Sections 2B-22, 2B-24, and 2B-53

9 Baltimore City Code

10 (Edition 2000)

11 SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the
12 Laws of Baltimore City read as follows:

13 Baltimore City Code

14 Article 13. Housing and Urban Renewal

15 Subtitle 2B. Inclusionary Housing Requirements

16 Part 1. Definitions; General Provisions

17 § 2B-1. Definitions – General.

18 (a) In general.

19 In this Subtitle, the following terms have the meanings indicated.

20 (b) Board.

21 “Board” means the Inclusionary Housing Board established by this subtitle.

22 (c) COMMISSIONER.

23 “COMMISSIONER” MEANS THE COMMISSIONER OF THE DEPARTMENT OF HOUSING AND
24 COMMUNITY DEVELOPMENT OR THE COMMISSIONER’S DESIGNEE.

25 (D) [(c)] Developer.

26 “Developer” means any person, firm, partnership, association, joint venture, corporation,
27 or other entity or combination of entities that undertakes a residential project.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.

Council Bill 22-0195

1 [(d) Housing Commissioner.]

2 ["Housing Commissioner" means the Commissioner of Housing and Community
3 Development or the Commissioner's designee.]

4 (E) DEPARTMENT.

5 "DEPARTMENT" MEANS THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

6 (F) DWELLING UNIT.

7 "DWELLING UNIT" OR "UNIT" HAS THE MEANING STATED IN § 202.2 OF THE BALTIMORE
8 CITY PROPERTY MAINTENANCE CODE.

9 (G) [(e) Housing funds.]

10 "Housing funds" means Federal, State, or City funds designated explicitly for the purpose
11 of providing affordable housing.

12 [(f) Includes; including.]

13 ["Includes" or "including" means by way of illustration and not by way of limitation.]

14 (H) [(g) Major public subsidy.]

15 (1) In general.

16 "Major public subsidy" means the provision by the City or any of its agents or
17 contractors of funds, resources, or financial assistance for a residential project [that
18 needs these funds, resources, or assistance to proceed].

19 (2) Inclusions.

20 "Major public subsidy" includes:

21 (i) the sale or transfer of land substantially below its appraised value;

22 (ii) payment in lieu of taxes;

23 (iii) tax increment financing;

24 (iv) grants or loans that equal or exceed 15% of total projected project
25 costs; [or]

26 [(v) except as specified in paragraph (3) of this subsection, installation or
27 repair of physical infrastructure directly related to the residential project and
28 with value equal to or exceeding 5% of total projected project costs.]

29 (V) TAX CREDITS; OR

Council Bill 22-0195

1 (VI) ANY OTHER FUNDS, RESOURCES, OR FINANCIAL ASSISTANCE PROVIDED BY
2 THE CITY AS DETERMINED BY ANY RULE OR REGULATION PROMULGATED
3 UNDER THIS SUBTITLE.

4 [(3) Exclusions.]

5 ["Major public subsidy" does not include:]

6 [(i) infrastructure repairs or improvements undertaken as part of a regularly
7 planned program; or]

8 [(ii) housing funds.]

9 (i) [(h)] Neighborhood.

10 "Neighborhood" means an area delineated by commonly accepted boundary, as
11 determined by the Planning Director.

12 (j) PENTHOUSE.

13 "PENTHOUSE" MEANS A FLOOR ON TOP OF THE UPPERMOST STORY OF A BUILDING, THAT IS
14 USED FOR RESIDENTIAL PURPOSES AND HAS LUXURIOUS FEATURES.

15 (k) ~~(j)~~ [(i)] Planning Director.

16 "Planning Director" means the Director of the Department of Planning or the
17 Director's designee.

18 (L) ~~(k)~~ [(j)] Residential project.

19 "Residential project" means any new construction or any substantial renovation of an
20 existing building that is designed, in whole or in part, to provide residential units.

21 [(k) Significant land use authorization.]

22 ["Significant land use authorization" means the adoption of a Planned Unit Development
23 or a legislatively approved amendment to a Planned Unit Development, either of which
24 increases the permissible number of residential units by 30 or more units above the
25 number permitted before adoption of the Planned Unit Development or amendment.]

26 [(l) Significant rezoning.]

27 ["Significant rezoning" means any rezoning that permits residential units where none
28 were permitted previously.]

Council Bill 22-0195

1 (M) ~~(L)~~ SIGNIFICANT LAND USE AUTHORIZATION.

2 "SIGNIFICANT LAND USE AUTHORIZATION" MEANS ANY ACTION OF THE MAYOR, CITY
3 COUNCIL, BOARD OF MUNICIPAL AND ZONING APPEALS, OR
4 ZONING ADMINISTRATOR THAT INCREASES THE PERMISSIBLE NUMBER OF
5 DWELLING UNITS IN A LAND AREA BY 20 OR MORE DWELLING UNITS ABOVE THE
6 NUMBER OF DWELLING UNITS PERMITTED BEFORE THE ACTION.

7 [(l-1) Source of income.]

8 [(1) In general.]

9 ["Source of income" means any lawful source of money paid directly or indirectly to,
10 or on behalf of, a renter or buyer of housing.]

11 [(2) Inclusions.]

12 ["Source of income" includes income from:]

13 [(i) a lawful profession, occupation, or job;]

14 [(ii) any government or private assistance, grant, loan, or rental assistance
15 program, including low-income housing assistance certificates and vouchers
16 issued under the United States Housing Act of 1937; or]

17 [(iii) a gift, an inheritance, a pension, an annuity, alimony, child support, or other
18 consideration or benefit.]

19 [(n) Vacant dwelling.]

20 ["Vacant dwelling" means residential real property that:]

21 [(1) has been vacant or abandoned for 1 year, as cited on a violation notice issued
22 under the City Building, Fire, and Related Codes Article; or]

23 [(2) has been owned by the Mayor and City Council of Baltimore City for 1 year
24 and is in need of substantial renovation.]

25 **[§ 2B-2. Definitions – Mandatory, prohibitory, and permissive terms.]**

26 [(a) Mandatory terms.]

27 ["Must" and "shall" are each mandatory terms used to express a requirement or to impose
28 a duty.]

29 [(b) Prohibitory terms.]

30 ["Must not", "may not", and "no ... may" are each mandatory negative terms used to
31 establish a prohibition.]

Council Bill 22-0195

1 [(c) Permissive terms.]

2 ["May" is permissive.]

3 **§ 2B-2. [2B-3.] Definitions – Affordability standards.**

4 (a) In general.

5 In this Subtitle, the following terms relating to affordability standards have the meanings
6 indicated.

7 (b) Affordable housing cost: Extremely low, very low, low, and moderate.

8 (1) An "extremely low" housing cost equals an amount not more than 1/12 of 30% of
9 30% of the AMI, adjusted for household size.

10 (2) A "very low" housing cost equals an amount greater than 1/12 of 30% of 30% of the
11 AMI, but not more than 1/12 of 30% of [60%] 50% of the AMI, adjusted for
12 household size.

13 (3) A "low" housing cost equals an amount greater than 1/12 of 30% of 60% of the
14 AMI, but not more than 1/12 of 30% of [80%] 60% of the AMI, adjusted for
15 household size.

16 (4) A "moderate" housing cost equals an amount greater than 1/12 of 30% of 80% of the
17 AMI, but not more than 1/12 of 30% of [120%] 80% of the AMI, adjusted for
18 household size.

19 (c) Affordable unit.

20 "Affordable unit" means a [residential] DWELLING unit that is required by this subtitle to
21 be provided [at an extremely low, very low, low, or moderate affordable housing cost.]
22 TO A FAMILY EARNING AN INCOME THAT IS EITHER:

23 (1) LOW INCOME;

24 (2) MODERATE INCOME;

25 (3) VERY LOW INCOME; OR

26 (4) EXTREMELY LOW INCOME.

27 (d) AMI.

28 "AMI" means the area median income for the metropolitan region that encompasses
29 Baltimore City, as published and annually updated by the United States Department of
30 Housing and Urban Development.

Council Bill 22-0195

1 (c) Eligible household.

2 "Eligible household" means[:] A HOUSEHOLD WITH EXTREMELY LOW, VERY LOW, LOW, OR
3 MODERATE INCOME.

4 [(1) for a unit provided at an extremely low housing cost, a household having an
5 income at or below 30% AMI;]

6 [(2) for a unit provided at a very low housing cost, a household having an income
7 greater than 30% but not more than 60% AMI;]

8 [(3) for a unit provided at a low housing cost, a household having an income greater
9 than 60% but not more than 80% AMI; and]

10 [(4) for a unit provided at a moderate housing cost, a household having an income
11 greater than 80% but not more than 120% AMI.]

12 (F) EXTREMELY LOW INCOME.

13 "EXTREMELY LOW INCOME" MEANS A HOUSEHOLD INCOME BELOW 30% AMI.

14 (G) [(f)] Housing cost.

15 "Housing cost" means[:]

16 [(1) for ownership units, a sales price that requires a monthly payment, including
17 mortgage principal and interest, taxes, insurance, homeowner association fees,
18 and other assessments; and]

19 [(2) for rental units, a monthly payment for lease, sublet, let, or other rights to
20 occupy a residential unit, EXCLUDING UTILITIES, PARKING, AND DISCRETIONARY
21 FEES.

22 (H) LOW INCOME.

23 "LOW INCOME" MEANS A HOUSEHOLD INCOME AT OR BELOW 60% AMI.

24 (I) [(g)] Market rate.

25 "Market rate" means not restricted to an affordable rent or affordable ownership cost.

26 (J) MODERATE INCOME.

27 "MODERATE INCOME" MEANS A HOUSEHOLD INCOME AT OR BELOW 80% AMI.

28 (K) VERY LOW INCOME.

29 "VERY LOW INCOME" MEANS A HOUSEHOLD INCOME AT OR BELOW 50% AMI.

Council Bill 22-0195

1 [§ 2B-4. Findings and policy.]

2 [(a) In general.]

3 [The Mayor and City Council of Baltimore finds as follows.]

4 [(b) Benefits of economic diversity.]

5 [Economic diversity in our neighborhoods, anchored by a strong and stable middle class
6 and including homes for the full range of the City's workforce, as well as for seniors and
7 others on fixed incomes, will stimulate economic investment, promote neighborhood
8 stability, and increase public safety for all.]

9 [(c) Limitations of private sector.]

10 [The private sector, as the primary source of housing and economic development activity
11 in Baltimore City, is not solely, through its individual development actions, able to create
12 economically diverse neighborhoods or developments or to develop housing for the broad
13 range of incomes that will lead to economic diversity.]

14 [(d) Capabilities of City.]

15 [(1) Baltimore City can provide benefits to the private sector, to promote economic
16 diversity and housing for a broad range of incomes in neighborhoods and residential
17 developments, in a manner that recognizes the central role that private investment
18 must play for the continued growth and well-being of the City, including the
19 opportunity to earn reasonable and customary levels of profitability.]

20 [(2) These benefits include:]

21 [(i) the disposition of publicly owned land;]

22 [(ii) the expenditure of public funds, including state and federal funds under the
23 City's control;]

24 [(iii) tax relief; and]

25 [(iv) the adoption of land use standards that promote the inclusion of affordable
26 homes.]

Council Bill 22-0195

1 [(e) City policy.]

2 [It is the policy of Baltimore City to encourage economic diversity and balanced
3 neighborhoods by promoting the inclusion of housing opportunities for residents with a
4 broad range of incomes in all residential projects that contain ~~[30]~~ 20 or more residential
5 units.]

6 [(f) No additional financial burdens.]

7 [This subtitle is not intended to impose additional financial burdens on a developer or a
8 residential project. Rather, the intent of this subtitle is that the cost offsets and other
9 incentives authorized under it will fully offset any financial impact resulting from the
10 inclusionary requirements imposed.]

11 **[\$ 2B-5. Rules of construction.]**

12 [(a) In general.]

13 [In this subtitle, the following rules of construction apply.]

14 [(b) More stringent provisions apply.]

15 [For residential projects subject to federal, state, or other local affordable
16 housing requirements imposing an affordability restriction, if the terms of this
17 subtitle regarding the length of a restriction or the level of affordability are more
18 stringent than the applicable federal, state, or other local requirements, the terms
19 of this subtitle apply.]

20 [(c) Applying percentages.]

21 [In applying percentages referred to in this subtitle:]

22 [(1) any portion of a percent less than one-half is disregarded; and]

23 [(2) any portion of a percent one-half or greater is rounded up to the next
24 whole number.]

25 **[\$ 2B-6. Scope and applicability.]**

26 [(a) Incentives not made available.]

27 [If cost offsets and other incentives are not made available to a residential project in
28 accordance with this subtitle, the residential project is not subject to the requirements of
29 this subtitle.]

Council Bill 22-0195

1 [(b) City's obligations.]

2 [(1) Whenever a residential project is granted a waiver or is otherwise exempt from
3 this subtitle, the City is not required to provide resources to the project or to the
4 Inclusionary Housing Offset Fund.]

5 [(2) This subtitle does not obligate the City to expend or commit any funds beyond that
6 which may be appropriated through the annual Ordinance of Estimates.]

7 [(c) Incentives insufficient to offset financial impact.]

8 [Notwithstanding any other provision of this subtitle, if the Housing Commissioner
9 determines that the cost offsets or other incentives available to a residential project are
10 insufficient to offset the financial impact on the developer of providing the affordable
11 units required by this subtitle:]

12 [(1) the Housing Commissioner shall either:]

13 [(i) exempt the residential project from this subtitle; or]

14 [(ii) modify the number of affordable units required so that the cost offsets or
15 other incentives available are sufficient to offset the financial impact; and]

16 [(2) neither the developer nor the Housing Commissioner need obtain the approval
17 of the Board of Estimates for a modification or waiver under this subtitle.]

18 [(d) Subsidized project.]

19 [A residential project is exempt from this subtitle if:]

20 [(1) it is subsidized by a public program; and]

21 [(2) it satisfies the affordability requirements of § 2B-21(b) of this subtitle.]

22 **§ 2B-3. [2B-7.] Rules and regulations.**

23 (a) In general.

24 Subject to Title 4 {"Administrative Procedure Act – Regulations"} of the City General
25 Provisions Article, the [Housing] Commissioner, in consultation with the [Inclusionary
26 Housing Board and the] Planning Commission, must adopt rules and regulations to carry
27 out the provisions of this subtitle.

28 (b) Scope – General.

29 These rules and regulations may include provisions for:

30 (1) defining, clarifying, or construing terms used in this subtitle;

31 (2) setting or refining standards for modifications or waivers;]

Council Bill 22-0195

1 (2) [(3)] determining eligibility to [purchase or] rent affordable units; and

2 (3) [(4)] setting standards for [sale or] rental prices for affordable units.

3 (c) Scope – Requiring timely response.

4 (1) The rules and regulations must[:]

5 [(i)] require the Inclusionary Housing Board, the Housing Commissioner,
6 and the Planning Department to provide timely and definitive responses
7 to all submissions required from a developer under this subtitle; and].

8 [(ii)] assure to the greatest extent practicable that the completion of
9 residential projects is not delayed by implementation of this subtitle.]

10 [(2)] Determinations by the Housing Commissioner regarding the sufficiency of potential
11 cost offsets and other incentives must be made within 45 days from submission by a
12 developer, in accordance with this subtitle, of a residential project to the Housing
13 Commissioner, Planning Department, or other body, as required.]

14 (2) THE DEPARTMENT SHALL COMPILE THE RULES AND REGULATIONS ADOPTED
15 UNDER THIS SECTION IN A MANUAL AND MAKE THAT MANUAL AVAILABLE TO THE
16 PUBLIC.

17 [(d) Scope – Written commitments.]

18 [The rules and regulations must assure that the City evidences in writing its decisions to
19 provide cost offsets or other incentives to a developer or residential project under this
20 subtitle.]

21 [(e) Advertising for comment.]

22 [(1)] A notice of the proposed adoption of all rules and regulations under this subtitle
23 must be advertised in a newspaper of general circulation at least 45 days before their
24 proposed adoption.]

25 [(2)] The advertisement must include:

26 [(i)] a summary of the proposed rules and regulations; and]

27 [(ii)] information on how a person can:

28 [(A)] obtain a copy of the proposed rules and regulations; and]

29 [(B)] submit comments on them before their adoption.]

30 §§ 2B-4 [2B-5] to 2B-10. [Reserved]

Council Bill 22-0195

Part II. Inclusionary Housing Board

§ 2B-11. Board Established.

There is an Inclusionary Housing Board.

§ 2B-12. Composition.

(a) In general.

The [board comprises] BOARD IS COMPRISED OF the following [15] 10 members:

(1) [9] 4 members appointed by the Mayor and confirmed by the City Council in accordance with City Charter article IV, § 6; AND

(2) [4] 3 members nominated by the Council President, appointed by the Mayor, and confirmed by the City Council in accordance with City Charter Article IV, § 6;

(3) the Housing Commissioner OR THE HOUSING COMMISSIONER'S DESIGNEE; [and]

(4) the Planning [Director.] DIRECTOR OR THE PLANNING DIRECTOR'S DESIGNEE; AND

(5) THE DIRECTOR OF THE OFFICE OF EQUITY AND CIVIL RIGHTS OR THE DIRECTOR'S DESIGNEE, WHO SHALL SERVE AS A NON-VOTING MEMBER OF THE BOARD.

(b) Qualifications – General.

(1) Of the [13] 4 members appointed by the Mayor:

[(1) 1 must be a representative of a nonprofit entity that provides housing services in the City.]

[(2) 1 must be a neighborhood association leader.]

[(3) 1 must be a civil engineer practicing in the City.]

[(4) 1 must be an architect practicing in the City.]

[(5) 1 must be a lender experienced in lending practices for residential projects.]

[(6) 1 must be a builder or developer in the City of single-family detached or attached dwellings.]

[(7) 1 must be a builder or developer in the City of multiple-family dwellings.]

Council Bill 22-0195

1 [(8) 1 must be a representative of a nonprofit entity that advocates for
2 affordable housing in the City.]

3 [(9) 1 must be a representative of a labor union that represents municipal or
4 other workers in the City.]

5 (I) 1 MUST BE A FOR-PROFIT DEVELOPER WITH EXPERIENCE IN PUBLIC
6 FINANCING;

7 (II) 1 MUST BE A LENDER OR INVESTOR WITH EXPERIENCE IN MULTI-FAMILY
8 PROJECTS AND PUBLIC FINANCING OR A MIXED INCOME OR MULTI-FAMILY
9 DEVELOPER;

10 (III) 1 MUST HAVE EXPERIENCE IN HOUSING, COMMUNITY DEVELOPMENT,
11 PLANNING, SOCIAL SERVICES, OR PUBLIC HEALTH; AND

12 (IV) 1 MUST BE A RENTER EARNING AN INCOME AT OR BELOW 60% AMI.

13 (2) OF THE 3 MEMBERS NOMINATED BY THE COUNCIL PRESIDENT:

14 (i) 1 MUST BE A FOR-PROFIT MULTI-FAMILY DEVELOPER THAT USES PUBLIC
15 FINANCING, SUBSIDIES, OR TAX CREDITS;

16 (ii) 1 MUST BE A NONPROFIT AFFORDABLE HOUSING DEVELOPER; AND

17 (iii) 1 MUST BE A RENTER EARNING AN INCOME AT OR BELOW 60% AMI.

18 (c) Qualifications – Residency.

19 [(1)] All of the members must be residents of the City.

20 [(2) At least 1 member must be a member of an extremely low or very low
21 income household.]

22 [(3) Each of the 4 members nominated by the Council President must reside in a
23 different City Council district.]

24 **§ 2B-13. Board officers; expenses.**

25 (a) Chair.

26 (1) The Mayor designates 1 of the appointed members to be the Chair of the Board.

27 (2) The Board may appoint a Vice-Chair and other officers as necessary or appropriate.

28 (b) Compensation; expenses.

29 The members of the Board:

30 (1) serve without compensation; but

Council Bill 22-0195

1 (2) are entitled to reimbursement for reasonable expenses incurred in the performance
2 of their duties, as provided in the Ordinance of Estimates.

3 **§ 2B-14. Meetings; quorum; voting.**

4 **(a) Meetings.**

5 The Board meets on the call of the Chair as frequently as required to perform its duties.

6 **(b) Quorum.**

7 A majority of the members constitutes a quorum for the transaction of business.

8 **(c) Voting.**

9 An affirmative vote of at least a majority of a quorum is needed for any official action.

10 **§ 2B-15. Staff.**

11 The Department of Housing and Community Development must provide staff for the Board.

12 **§ 2B-16. Annual Report.**

13 **(a) Required.**

14 On or before [October] DECEMBER 31 of each year, the [Board] COMMISSIONER must:

15 (1) submit a report to the Mayor and the City Council, THE BOARD, and to the
16 Planning Commission that assesses efforts during the preceding fiscal year to
17 create and sustain inclusionary housing in the City;

18 (2) POST THE REPORT ON THE DEPARTMENT OF HOUSING AND COMMUNITY
19 DEVELOPMENT'S WEBSITE; AND

20 (3) FILE THE REPORT WITH THE DEPARTMENT OF LEGISLATIVE REFERENCE.

21 **(b) Contents generally.**

22 The report must include:

23 (1) [the total number and proportion (as to the total of all housing units developed) of
24 affordable housing units generated under this subtitle] THE TOTAL NUMBER OF
25 NEW AFFORDABLE UNITS CREATED UNDER THIS SUBTITLE FOR THAT YEAR AND
26 CUMULATIVELY FOR MODERATE, LOW, VERY LOW, AND EXTREMELY LOW INCOME
27 HOUSEHOLDS;

Council Bill 22-0195

1 (2) [the number and proportion generated under each of the various provisions of this
2 subtitle (e.g., major public subsidy or significant rezoning)] FOR THAT YEAR, THE
3 PERCENT OF NEW DWELLING UNITS CREATED IN THE CITY THAT ARE AFFORDABLE
4 UNITS FOR MODERATE, LOW, VERY LOW, AND EXTREMELY LOW INCOME
5 HOUSEHOLDS;

6 [(3) the number generated at various affordable costs;]

7 (3) AGGREGATED ANNUAL DATA PROVIDED UNDER § 2B-24 ("ANNUAL
8 REPORT - RESIDENTIAL PROJECT.") OF THIS SUBTITLE; AND

9 (4) ATTACH THE ANNUAL REPORTS FROM THE PROPERTIES WITH NEW AFFORDABLE
10 UNITS CREATED UNDER THIS SUBTITLE.

11 [(4) a list and description of all waivers, modifications, or variances requested,
12 granted, and denied under this subtitle, with a summary of the reasons for granting
13 or denying each request;]

14 [(5) an estimate of the percent of units in the City that are occupied;]

15 [(6) the amount and percent of residential property tax-base increase;]

16 [(7) the percent of households that the City has retained;]

17 [(8) an estimate of the growth in City households;]

18 [(9) the number of units for which the City or eligible housing providers had a
19 right of first refusal under § 2B-34 ("Right of first refusal") or
20 § 2B-52(c) ("Resales during affordability period – First refusal City's right of
21 first refusal"), and the number of those units on which that right
22 was exercised;]

23 [(10) recommendations made by the Board under § 2B-66B ("Administration:Board
24 to advise") on priorities for which Inclusionary Housing Offset Fund money is
25 best used; and]

26 [(11) a summary of all information for the fiscal year that the Inclusionary
27 Housing Offset Fund submits to the Board under § 2B-67 ("Reporting to
28 Board").]

29 **§ 2B-17. Duties.**

30 In addition to the other duties specified elsewhere in this subtitle, the Board is responsible
31 for:

32 [(1) reviewing requests for modifications or waivers under § 2B-21 ("Project
33 receiving major public subsidy"), § 2B-22 ("Project benefitting from significant
34 land use authorization or rezoning"), and § 2B-23 ("Other projects – 30 or more
35 units") and advising the Housing Commissioner within 20 days of referral by the
36 Commissioner, in a manner determined by the Board; and]

Council Bill 22-0195

1 [(2) advising the Housing Commissioner and the Planning Director in the
2 performance of their respective duties under this subtitle.]

3 (1) REVIEWING AND PROVIDING COMMENTS ON THE REGULATIONS PROMULGATED UNDER
4 § 2B-3 ("RULES AND REGULATIONS") OF THIS SUBTITLE; AND

5 (2) REVIEWING AND PROVIDING COMMENTS ON INCLUSIONARY HOUSING PLANS
6 SUBMITTED BY RESIDENTIAL PROJECTS TO THE BOARD AS REQUIRED UNDER § 2B-22
7 ("INCLUSIONARY HOUSING PLAN") OF THIS SUBTITLE.

8 §§ 2B-18 to 2B-20. [Reserved]

9 Part III. Inclusionary Requirements

10 § 2B-21. [Project receiving major public subsidy] INCLUSIONARY REQUIREMENTS.

11 (a) Applicability of section.

12 This section applies to any residential project [that]:

13 (1) THAT provides [30] 20 or more [residential] DWELLING units; [and]

14 (2) [receives a major public subsidy.] THAT RECEIVES:

15 (i) A MAJOR PUBLIC SUBSIDY; OR

16 (ii) A SIGNIFICANT LAND USE AUTHORIZATION;

17 (3) THAT IS NEWLY CONSTRUCTED, WHOLLY RENOVATED, OR CONVERTED FROM A
18 NON-RESIDENTIAL BUILDING; AND

19 (4) THE COST OF THE CONSTRUCTION OR CONVERSION EXCEEDS \$60,000 PER RENTAL
20 UNIT.

21 (b) Affordable units required.

22 (1) In every residential project subject to this section, at least [20%] 40% 5% of all
23 [residential] DWELLING units FOR RENT must be affordable units TO LOW INCOME
24 HOUSEHOLDS.

25 [(2) (i) For rental units:]

26 [1. at least 30% must be provided to eligible households at an extremely low
27 rental cost;]

28 [2. at least 25% must be provided to [eligible households at or below a very low
29 rental cost;]

30 [3. at least 25% must be provided to eligible households at or below a low rental
31 cost; and]

Council Bill 22-0195

1 [4. the remainder must be provided to eligible households at a rental cost that
2 does not exceed 1/12 of 30% of 100% of the AML.]

3 [(ii) For ownership units:]

4 [1. at least 25% must be provided to eligible households at a very low ownership
5 cost;]

6 [2. at least 50% must be provided to eligible households at a low ownership cost;
7 and]

8 [3. the remainder must be provided to eligible households at a moderate
9 ownership cost.]

10 (2) IN EVERY RESIDENTIAL PROJECT SUBJECT TO THIS SECTION, AT LEAST 5% OF ALL
11 DWELLING UNITS FOR RENT MUST BE AFFORDABLE UNITS TO VERY LOW INCOME
12 HOUSEHOLDS.

13 (3) ~~(2)~~ IN EVERY RESIDENTIAL PROJECT WHERE THE DEVELOPER IS OFFERED AN
14 ADDITIONAL SUBSIDY OR OFFERED THE OPPORTUNITY TO APPLY FOR AN ADDITIONAL
15 SUBSIDY FOR AFFORDABLE UNITS FOR VERY LOW INCOME OR EXTREMELY LOW INCOME
16 HOUSEHOLDS, UP TO AN ADDITIONAL 5% OF DWELLING UNITS FOR RENT MUST BE
17 AFFORDABLE TO VERY LOW AND EXTREMELY LOW INCOME HOUSEHOLDS UPON AN
18 AWARD OF THE ADDITIONAL SUBSIDY.

19 [(c) Cash subsidies.]

20 [If the Housing Commissioner determines that the major public subsidy is insufficient to
21 offset the financial impact on the developer of providing the affordable units required by
22 this subtitle, the City may grant a cash subsidy to the developer from the Inclusionary
23 Housing Offset Fund or other available sources in an amount sufficient to offset the
24 financial impact.]

25 [(d) Modifications or waivers – Housing Commissioner.]

26 [If the Housing Commissioner determines that the major public subsidy or cash subsidies
27 available to a residential project are insufficient to offset the financial impact on the
28 developer of providing the affordable units required by this subtitle:]

29 [(1) the Housing Commissioner shall either:]

30 [(i) exempt the residential project from this subtitle; or]

Council Bill 22-0195

1 [(ii) modify the number of affordable units required so that the major public
2 subsidy or cash subsidies available are sufficient to offset the financial
3 impact; and]

4 [(2) neither the developer nor the Housing Commissioner need obtain the approval of
5 the Board of Estimates for a modification or waiver under this subsection.]

6 (C) MORE RESTRICTIVE GOVERNS.

7 IF THE CITY NEGOTIATES OR A RESIDENTIAL PROJECT PROMISES TO PROVIDE A GREATER
8 PERCENTAGE OF AFFORDABILITY OR LONGER TIME PERIOD OF AFFORDABILITY, THAT MORE
9 RESTRICTIVE PROVISION GOVERNS OVER THE REQUIREMENTS OF THIS SUBTITLE TO THE
10 EXTENT OF ANY CONFLICT.

11 (D) EXCLUSIONS.

12 THE PROVISIONS OF THIS SECTION DO NOT APPLY TO:

13 (1) DORMITORIES, AS DEFINED IN § 1-305(G) OF THE ZONING CODE;

14 (2) FRATERNITY OR SORORITY HOUSES, AS DEFINED IN § 1-306(P) OF THE ZONING
15 CODE; OR

16 (3) RESIDENTIAL-CARE FACILITIES, AS DEFINED IN § 1-312(P) OF THE ZONING CODE;
17 OR

18 (4) A RESIDENTIAL PROJECT THAT IS DESIGNED FOR, MARKETED TO, AND LEASED TO
19 STUDENTS ENROLLED IN ACCREDITED EDUCATIONAL INSTITUTIONS LOCATED IN
20 BALTIMORE CITY, ALSO KNOWN AS "STUDENT HOUSING".

21 [(e) Modifications or waivers – Board of Estimates.]

22 [(1) In addition to the modifications and waivers provided for in subsection (d) of this
23 section, the Housing Commissioner, with approval from the Board of Estimates, may
24 grant a modification of or a waiver from the requirements of subsection (b) of this
25 section if the findings required by paragraph (3) of this subsection are made.]

26 [(2) The Housing Commissioner must state the reasons that he or she believes that
27 granting the modification or waiver would further the goal of increasing
28 inclusionary housing in Baltimore City.]

29 [(3) The Housing Commissioner and the Board of Estimates may grant the
30 modification or waiver if they find that:]

31 [(i) homes will be provided for families in a mixed-income setting at lower
32 affordability levels than those required under this section;]

33 [(ii) because of limited City resources, more affordable units in mixed-income
34 housing will be created over a 2-year period than would be created if the
35 modification or waiver were not granted;]

Council Bill 22-0195

1 [(iii) more effective use of public programs or sources of subsidy will better
2 address mixed-income housing in Baltimore City; or]

3
4 [(iv) the modification or waiver will promote the creation of units that are
5 more expensive to construct than typical units because they are specially
6 designed and designated for people with disabilities or built to be
7 substantially more energy efficient than customary units.]

8 [(4) The Housing Commissioner must:]

9 [(i) issue a written decision on the application within 45 days of its receipt;
10 and]

11 [(ii) post a copy of the decision on the City's website.]

12 [(f) Investment Threshold.]

13 [(1) "Additional cost" means the difference in the amount of major public subsidy for an
14 entire development between what would be required to make the development
15 feasible with the affordable units required by this subsection compared to the amount
16 of major public subsidy that would be required to make the development feasible if it
17 did not include the affordable units required by this subsection.]

18 [(2) In this subsection, "investment threshold" per unit means the additional cost per
19 affordable unit of creating inclusionary units at a given income tier as detailed below:]

20 [(i) for Rental Development:]

21 [Units at or Below Extremely Low Cost \$125,000]

22 [Units at or Below Very Low Cost \$100,000]

23 [Units at or Below Low Cost \$50,000]

24 [Units at or Below Moderate Cost \$25,000]

25 [(ii) for Ownership Development:]

26 [Units at or Below Very Low Cost or
27 Extremely Low Cost \$125,000]

28 [Units at or Below Low Cost \$100,000]

29 [Units at or Below Moderate Cost \$50,000]

30 [(3) If the Housing Commissioner determines that the additional cost per affordable unit
31 exceeds the basic investment threshold, the Housing Commissioner shall, except by
32 mutual agreement of the City and the developer:]
33

Council Bill 22-0195

1 [(i) exempt the residential project from the requirement to provide affordable
2 units; and]

3 [(ii) require the developer to deposit into the Inclusionary Housing Offset
4 Fund an amount equal to the lesser of the following amounts, but only if the
5 major public subsidy has been increased to fully offset the cost to the
6 developer of making the deposit:]

7 [(A) the basic per unit investment threshold as indicated in this
8 subsection; or]

9 [(B) 20% of the additional cost that would have been required to achieve
10 the affordability targets specified in § 2B-21(b)(2) of this subtitle.]

11 **[§ 2B-22. Project benefitting from significant land use authorization or rezoning.]**

12 [(a) *Applicability of section.*]

13 [This section applies to any residential project that:]

14 [(1) provides 20 or more residential units; and]

15 [(2) is wholly or partially on property for which there has been:]

16 [(i) a significant land use authorization; or]

17 [(ii) a significant rezoning.]

18 [(b) *Affordable units required.*]

19 [(1) In every residential project subject to this section, at least 10% of all residential
20 units must be affordable units.]

21 [(2) Of these affordable units:]

22 [(i) at least half must be provided to eligible households at or below a low
23 affordable cost for ownership units or at or below a very low affordable cost
24 for rental units; and]

25 [(ii) the others may be provided to eligible households at a moderate
26 affordable ownership cost or moderate affordable rent.]

Council Bill 22-0195

1 [(c) Density Bonuses.]

2 [The residential project may apply to the Board of Municipal and Zoning Appeals to
3 receive bonus units up to 20% of the units otherwise allowed in the residential project,
4 computed as set forth in Zoning Code Table 9-401, but only if the Housing
5 Commissioner first determines that the residential project:]

6 [(1) would not be economically feasible if it provided the number of inclusionary
7 units required by this subtitle, but]

8 [(2) would be economically feasible if it provided the number of inclusionary units
9 required by this subtitle and received the density bonus described in this
10 subsection.]

11 [(d) Exemption.]

12 [(1) A residential project is exempt from the requirements of this subtitle if:]

13 [(i) the Board of Municipal and Zoning Appeals denies the density bonus
14 described in subsection (c) of this section; or]

15 [(ii) the Housing Commissioner determines that the project would not be
16 economically feasible if it provided the number of inclusionary units
17 required by this subtitle, even if the project received the density bonus
18 described in subsection (c) of this section.]

19 [(2) Neither the developer nor the Housing Commissioner need obtain the approval
20 of the Board of Estimates for an exemption under this subsection.]

21 [(e) Modifications or waivers.]

22 [(1) In addition to the exemption provided for in subsection (d) of this section, the
23 Housing Commissioner, with approval from the Board of Estimates, may grant a
24 modification of or a waiver from the requirements of subsection (b) of this section if
25 the Housing Commissioner finds that:]

26 [(i) homes will be provided for families at lower affordability levels in a mixed
27 income setting than those required under this section;]

28 [(ii) the development would not be economically feasible given existing market
29 conditions with the number of inclusionary units required under this section,
30 additional density bonuses are not available, and granting a modification or
31 waiver would create more affordable units in mixed-income housing over a 2-
32 year period than would be created if the modification or waiver were not
33 granted; or]

Council Bill 22-0195

1 [(iii) the modification or waiver will promote the creation of units that are more
2 expensive to construct than typical units because they are specially designed
3 and designated for people with disabilities or built to be substantially more
4 energy efficient than customary units.]

5 [(2) The Housing Commissioner must:]

6 [(i) issue a written recommendation to the Board of Estimates within 45 days of
7 the application's receipt; and]

8 [(ii) provide a copy of that recommendation to:]

9 [(A) the Inclusionary Housing Board;]

10 [(B) the Planning Director; and]

11 [(C) the City Council.]

12 [(3) When the Board of Estimates issues its decision, the Housing Commissioner
13 must:]

14 [(i) provide a copy of that decision to:]

15 [(A) the Inclusionary Housing Board;]

16 [(B) the Planning Director; and]

17 [(C) the City Council; and]

18 [(ii) post a copy of the decision on the City's website.]

19 [§ 2B-23. Other projects – 30 or more units.]

20 [(a) *Applicability of section.*]

21 [This section applies to any residential project that:]

22 [(1) provides 30 or more residential units; and]

23 [(2) is not otherwise subject to § 2B-21 {"Project receiving major public subsidy
24 or § 2B-22 {" Project benefitting from significant land use authorization or
25 rezoning"}.}]

26 [(b) *Affordable units required.*]

27 [(1) In every residential project subject to this section, 10% of all residential units
28 must be provided to eligible households at or below a moderate affordable cost.]

29 [(2) The residential project is entitled to a certain cost-offsets, as provided in this
30 section, subject to the availability of City funds to provide these cost offsets.]

Council Bill 22-0195

1 [(3) (i) The extent to which funds are available shall be determined by the Housing
2 Commissioner.]

3 [(ii) The developer of a project subject to this section shall be informed no later than
4 the time of a Pre-Development Meeting with the Planning Department whether
5 the City has the funds available in the Inclusionary Housing Offset Fund to
6 provide cash subsidies under this section.]

7 [(c) Cost offsets.]

8 [(1) If all of the affordable units provided under this section are at or below a low
9 affordable housing cost, the residential project may apply to the Board of Municipal
10 and Zoning Appeals for bonus units equal to 20% of the units otherwise allowed in
11 the residential project, computed as set forth in Zoning Code Table 9-401. In that
12 case, the number of affordable units required is 10% of all units, including bonus
13 units.]

14 [(2) If the Board of Municipal and Zoning Appeals denies the density bonus described in
15 paragraph (1) of this subsection or the Housing Commissioner determines that the
16 bonus units provided under paragraph (1) of this subsection are insufficient to offset
17 the financial impact on the developer of providing the affordable units required by
18 this subtitle, the City may provide cash subsidies to the developer from the
19 Inclusionary Housing Offset Fund or other available sources in an amount sufficient
20 to offset the financial impact.]

21 [(d) Modifications or waivers – Housing Commissioner.]

22 [If the Housing Commissioner determines that the density bonus and cash subsidies
23 available to a residential project are insufficient to offset the financial impact on the
24 developer of providing the affordable units required by this subtitle:]

25 [(1) the Housing Commissioner shall either:]

26 [(i) exempt the residential project from this subtitle; or]

27 [(ii) modify the number of affordable units required so that the density
28 bonus or cash subsidies available are sufficient to offset the financial
29 impact; and]

30 [(2) neither the developer nor the Housing Commissioner need obtain the
31 approval of the Board of Estimates for a modification or waiver under this
32 subsection.]

33 [(e) Modifications or waivers – Board of Estimates.]

34 [(1) In addition to the exemption provided for in subsection (d) of this section, on
35 application by a developer to the Housing Commissioner, the Commissioner with
36 approval from the Board of Estimates may grant a modification of or a waiver from
37 the requirements of subsection (b) of this section if they find that:]

Council Bill 22-0195

1 [(i) even if with available cost offsets, the economic return to the developer
2 for the entire development would be less than it would be absent a
3 requirement for affordable units;]

4 [(ii) exceptionally high ongoing occupancy costs make it infeasible to include
5 affordable units on the site; or]

6 [(iii) in a neighborhood that comprises primarily low- and moderate-cost
7 housing and for which a development plan for mixed-income (including
8 affordable) housing has been adopted by the Planning Commission, the
9 developer's project fulfills that part of the plan that calls for market-rate
10 housing.]

11 [(2) The Housing Commissioner must:]

12 [(i) issue a written decision on the application within 45 days of its receipt;]

13 [(ii) provide a copy of that decision to:]

14 [(A) the Inclusionary Housing Board;]

15 [(B) the Planning Director; and]

16 [(C) the City Council; and]

17 [(iii) post a copy of the decision on the City's website.]

18 [(f) Investment threshold.]

19 [(1) If the cost offsets that would need to be provided under this section exceed the per
20 unit investment threshold amounts specified below, the Housing Commissioner, in his
21 or her discretion, may opt not to require affordable units in the development.]

22 [(2) Investment Threshold for Rental Development:]

23 [Units at or Below Very Low Cost \$115,000]

24 [Units at or Below Moderate Cost \$ 40,000]

25 [(3) Investment Threshold for Ownership Development:]

26 [Units at or Below Low Cost \$110,000]

27 [Units at or Below Moderate Cost \$ 50,000]

Council Bill 22-0195

1 [§ 2B-24. Other projects – Less than 30 units.]

2 [A developer of a project with less than 30 residential units may request the Housing
3 Commissioner to provide cost offsets under § 2B-23 {"Other projects – 30 or more units"} if
4 the developer voluntarily includes affordable housing in the project in accordance with
5 subsection (b) of that section.]

6 § 2B-22. INCLUSIONARY HOUSING PLAN.

7 (A) INCLUSIONARY HOUSING PLAN REQUIRED.

8 RESIDENTIAL PROJECTS SUBJECT TO THE AFFORDABILITY UNIT REQUIREMENTS OF THIS
9 SUBTITLE MUST SUBMIT AN INCLUSIONARY HOUSING PLAN TO THE DEPARTMENT OF
10 HOUSING AND COMMUNITY DEVELOPMENT AND THE INCLUSIONARY HOUSING BOARD
11 WHEN APPLYING FOR A BUILDING PERMIT.

12 (B) INCLUSIONARY HOUSING PLAN REQUIREMENTS.

13 (1) IN GENERAL.

14 RESIDENTIAL PROJECTS REQUIRED TO SUBMIT AN INCLUSIONARY HOUSING PLAN
15 UNDER SUBSECTION (A) MUST SUBMIT A PLAN IN THE FORM ESTABLISHED BY THE
16 COMMISSIONER.

17 (2) AFFIRMATIVE FAIR HOUSING MARKETING.

18 AN INCLUSIONARY HOUSING PLAN MUST INCLUDE A PLAN FOR AFFIRMATIVELY
19 MARKETING THE AFFORDABLE UNITS IN THE RESIDENTIAL PROJECT TO THOSE
20 INDIVIDUALS LEAST LIKELY TO APPLY TO BECOME TENANTS WITHOUT SPECIAL
21 OUTREACH EFFORTS.

22 (C) REVIEW AND COMMENT ON INCLUSIONARY HOUSING PLAN.

23 BEFORE THE CITY ISSUES BUILDING PERMITS FOR A RESIDENTIAL PROJECT THAT IS
24 SUBJECT TO THE AFFORDABILITY UNIT REQUIREMENTS OF THIS SUBTITLE, THE
25 RESIDENTIAL PROJECT'S INCLUSIONARY HOUSING PLAN MUST FIRST BE REVIEWED AND
26 COMMENTED UPON BY THE INCLUSIONARY HOUSING BOARD.

27 (D) COMMISSIONER AUTHORITY TO CREATE INCLUSIONARY HOUSING PLAN FORM.

28 THE COMMISSIONER, WITH THE ADVICE AND CONSENT OF THE INCLUSIONARY HOUSING
29 BOARD, SHALL CREATE AND AMEND AS NECESSARY A FORM FOR AN INCLUSIONARY
30 HOUSING PLAN.

Council Bill 22-0195

1 § 2B-23. [2B-25. Source of income discrimination] FAIR HOUSING LAWS AND
2 REGULATIONS.

3 [(a) Projects subject to affordable housing requirements.]

4 [For any unit in any residential project that meets the requirements of § 2B-21(a)
5 2B-31(a), § 2B-22(a), or, when effective, § 2B-23(a) of this subtitle, a person may not:]

- 6 [(1) refuse to sell or rent, refuse to negotiate for the sale or rental of, or otherwise
7 make unavailable or deny, a dwelling to any person because of that person's
8 source of income;]
- 9 [(2) discriminate against any person in the terms, conditions, or privileges of the sale
10 or rental of a dwelling, or rental of a dwelling, or in the provision of services or
11 facilities in connection with the sale or rental of a dwelling, because of that
12 person's source of income;]
- 13 [(3) make, print, or publish, or cause to be made, printed, or published, any notice,
14 statement, or advertisement with respect to the rental of a dwelling that indicates
15 any preference, limitation, or discrimination based on the source of income that
16 may be used to pay rent;]
- 17 [(4) represent to any person, because of that person's source of income, that any
18 dwelling is not available for inspection, or rental when the dwelling is available;
19 or]
- 20 [(5) for profit, induce or attempt to induce any person to sell or rent any dwelling by
21 representations regarding the entry or prospective entry into the neighborhood of
22 a person using a particular source of income.]

23 [(b) Projects receiving cost offsets for affordable housing.]

24 [For any unit in any residential project that receives a cost offset from the Housing
25 Commissioner under § 2B-24 of this subtitle, a person may not:]

- 26 [(1) refuse to sell or rent, refuse to negotiate for the sale or rental of, or otherwise
27 make unavailable or deny, a dwelling to any person because of that person's
28 source of income;]
- 29 [(2) discriminate against any person in the terms, conditions, or privileges of the sale
30 or rental of a dwelling, or rental of a dwelling, or in the provision of services or
31 facilities in connection with the sale or rental of a dwelling, because of that
32 person's source of income;]
- 33 [(3) make, print, or publish, or cause to be made, printed, or published, any notice,
34 statement, or advertisement with respect to the rental of a dwelling that indicates
35 any preference, limitation, or discrimination based on the source of income that
36 may be used to pay rent;]

Council Bill 22-0195

1 [(4) represent to any person, because of that person's source of income, that any
2 dwelling is not available for inspection or rental when the dwelling is
3 available; or]

4 [(5) for profit, induce or attempt to induce any person to sell or rent any dwelling
5 by representations regarding the entry or prospective entry into the
6 neighborhood of a person using a particular source of income.]

7 [(c) Requirements may not be waived.]

8 [The requirements of this section may not be waived or modified under any other
9 provision of this subtitle, and no residential project may be exempted from the
10 requirements of this section under any other provision of this subtitle.]

11 ALL RESIDENTIAL PROJECTS CREATED UNDER THIS SUBTITLE ARE SUBJECT TO APPLICABLE
12 FEDERAL, STATE, AND LOCAL HOUSING LAWS AND REGULATIONS.

13 § 2B-24. ANNUAL REPORT – RESIDENTIAL PROJECT.

14 (A) RESIDENTIAL PROJECTS SUBJECT TO THE AFFORDABILITY REQUIREMENTS OF THIS
15 SUBTITLE MUST SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT AND THE
16 INCLUSIONARY HOUSING BOARD.

17 (B) THE CONTENTS OF THE ANNUAL REPORT REQUIRED UNDER SUBSECTION (A) OF THIS
18 SECTION MUST INCLUDE:

19 (1) THE NUMBER OF AFFORDABLE UNITS IN THE RESIDENTIAL PROJECT FOR EACH
20 INCOME LEVEL APPLICABLE UNDER THIS SUBTITLE;

21 (2) THE SQUARE FOOTAGE OF EACH BEDROOM IN EACH AFFORDABLE UNIT;

22 (3) WHETHER AN AFFORDABLE UNIT IS LEASED AND OCCUPIED AT THE TIME OF
23 THE REPORT AND TO WHICH INCOME LEVEL THE TENANT BELONGS;

24 (4) WHETHER OR NOT THE RESIDENTIAL PROJECT IS IN COMPLIANCE WITH THE
25 INCLUSIONARY HOUSING PLAN;

26 (5) THE NUMBER OF TENANTS, DELINEATED BY GROUP, OCCUPYING AFFORDABLE
27 UNITS WHO WERE IDENTIFIED AS BELONGING TO A GROUP LEAST LIKELY TO LEASE
28 AS A RESULT OF THE AFFIRMATIVE MARKETING REQUIRED UNDER § 2B-22(B)
29 {“INCLUSIONARY HOUSING PLAN REQUIREMENTS”} OF THIS SUBTITLE;

30 (6) AN ACCOUNTING OF THE MONTHLY RENT COLLECTED FOR EACH AFFORDABLE UNIT
31 FOR THAT YEAR, AS PREPARED BY AN INDEPENDENT ACCOUNTANT;

32 (7) A COMPARISON, DISPLAYED AS BOTH A NUMBER AND PERCENTAGE, OF THE
33 MONTHLY RENT COLLECTED FOR EACH AFFORDABLE UNIT AGAINST THE MONTHLY
34 RENT THAT COULD HAVE BEEN COLLECTED IF EACH AFFORDABLE UNIT WAS A
35 MARKET-RATE UNIT, AS PREPARED BY AN INDEPENDENT ACCOUNTANT;

Council Bill 22-0195

1 (8) AN ACCOUNTING OF THE EFFICACY OF THE HIGH-PERFORMANCE INCLUSIONARY
2 TAX CREDIT;

3 (9) THE TYPE OF MAJOR PUBLIC SUBSIDY THAT MADE THE RESIDENTIAL PROJECT
4 SUBJECT TO THE AFFORDABILITY UNIT REQUIREMENTS OF THIS SUBTITLE; AND

5 (10) ANY ADDITIONAL INFORMATION RELATED TO COMPLIANCE WITH THIS
6 SUBTITLE OR ANY RULES AND REGULATIONS ISSUED UNDER THIS SUBTITLE AS
7 DETERMINED BY THE COMMISSIONER.

8 (C) THE COMMISSIONER WILL PROMINENTLY POST ALL ANNUAL REPORTS REQUIRED
9 UNDER SUBSECTION (A) OF THIS SECTION ON THE CITY'S WEBSITE.

10 §§ 2B-25 to 2B-30. [Reserved]

11 Part IV. Standards for Affordable Units

12 § 2B-31. Comparable design.

13 [(a) In general.]

14 The affordable units required by this subtitle:

15 (1) must be complementary to the market rate units in the same project as to their
16 exterior appearance;

17 (2) must be comparable to the market rate units in the same project as to:

18 (i) number of bedrooms; and

19 (ii) overall quality of construction; and

20 (3) may vary in size and finish, consistent with standards set forth in the [Housing]
21 Commissioner's rules and regulations.

22 [(b) Variance.]

23 [(1) The developer may request a variance from the requirements of subsection (a) of
24 this section by submitting a written request to the Housing Commissioner.]

25 [(2) The Housing Commissioner may approve a request if it is determined that the
26 affordable units are of good quality and consistent with contemporary standards
27 for new housing.]

28 [(3) The Housing Commissioner must issue a written decision on the request within
29 45 days of its receipt.]

Council Bill 22-0195

1 [(4) The Housing Commissioner must periodically report to the Inclusionary
2 Housing Board on all applications made under this subsection and their disposition.]

3 **§ 2B-32. Placement.**

4 [(a) In general.]

5 The affordable units required by this subtitle must be dispersed throughout the residential
6 project.

7 [(b) Variance.]

8 [(1) The developer may request a variance from the requirements of subsection (a) of
9 this section by submitting a written request to the Housing Commissioner to cluster
10 affordable units within the project.]

11 [(2) Within 45 days of the request, the Housing Commissioner must, in his or her sole
12 discretion, provide a written determination as to whether the proposal adequately
13 demonstrates that:]

14 [(i) the proposed design meets the goals of this subtitle; and]

15 [(ii) a variance should be allowed.]

16 [(3) The Housing Commissioner must periodically report to the Inclusionary Housing
17 Board on all applications made under this subsection and their disposition.]

18 **(B) SIMULTANEOUS OFFERING.**

19 THE AFFORDABLE UNITS REQUIRED BY THIS SUBTITLE MUST BE CONSTRUCTED AND
20 COMPLETED IN THE SAME TIME FRAME AS THE MARKET RATE UNITS OF THE PROJECT.

21 **§ 2B-33. Simultaneous offering. AFFORDABLE UNIT COUNT.**

22 [(a) In general.]

23 [The affordable units required by this subtitle must be constructed and completed in the
24 same time frame as the market rate units in the project.]

25 [(b) Variance.]

26 [(1) The developer may request a variance from the requirements of subsection (a) of
27 this section by submitting a written request to the Housing Commissioner.]

28 [(2) The Housing Commissioner may approve a request if:]

29 [(i) the Commissioner determines, in her or his sole discretion, that the provision
30 of affordable units will not be adversely affected or delayed by the variance; or]

31 [(ii) affordable units are to be provided off-site under Part V of this subtitle.]

Council Bill 22-0195

1 [(3) The Housing Commissioner must issue a written decision on the request within 45
2 days of its receipt.]

3 [(4) The Housing Commissioner must periodically report to the Inclusionary Housing
4 Board on all applications made under this subsection and their disposition.]

5 (A) IN GENERAL.

6 THE MIX OF AFFORDABLE UNITS REQUIRED BY THIS SUBTITLE MUST BE AT THE SAME RATIO
7 AS THE OFFERINGS FOR THE BUILDING AS A WHOLE.

8 (B) FLOOR PLAN.

9 [IF A BUILDING OFFERS DIFFERENT PRICE POINTS FOR UNITS WITH IDENTICAL NUMBERS OF
10 BEDROOMS AND BATHROOMS, THE INCLUSIONARY UNIT MUST BE FOR THE FLOOR PLAN
11 WITH THE LOWEST MONTHLY RENT.]

12 (C) PENTHOUSE UNITS.

13 NO PENTHOUSE UNITS WILL BE INCLUDED IN THE COUNT OF AFFORDABLE UNITS.

14 **§ 2B-34. Right of first refusal.**

15 [(a) In general.]

16 [The City and designated housing providers have a right of first refusal to purchase or
17 rent up to one-third of affordable units provided in a residential project under this
18 subtitle.]

19 [(b) Designated housing providers.]

20 [(1) From time to time, the Housing Commissioner may designate housing providers
21 authorized to purchase or rent affordable units under this section, according to
22 regulation and procedures adopted by the Commissioner.]

23 [(2) The City or designated housing providers may rent or resell units acquired under
24 this section to eligible households.]

25 [(c) Time for exercise.]

26 [The City or designated housing provider must decide whether to exercise its right of first
27 refusal within 45 days of submission by a developer, pursuant to the rules and regulations
28 adopted under this subtitle, of an offer to sell the affordable units.]

29 **§ 2B-35. Eligibility to purchase or rent.**

30 [(a) In general.]

31 [The rules and regulations adopted by the Housing Commissioner under this subtitle must
32 include provisions for determining eligibility to purchase or rent affordable units.]

Council Bill 22-0195

1 [(b) Counseling.]

2 [These provisions must require appropriate housing counseling from a HUD qualified
3 counseling agency in a manner determined by the Housing Commissioner.]

4 [(c) First preference for neighbors, etc.]

5 [These provisions shall attempt, consistent with other governing requirements, to provide
6 special priority for otherwise-qualified individuals who:]

7 [(1) were displaced by the project; or]

8 [(2) reside within the same neighborhood in which the residential project is located.]

9 [§ 2B-36. Owner-occupancy of ownership units.]

10 [An affordable unit that is sold under this subtitle to an eligible household must be owner-
11 occupied.]

12 § 2B-36. [2B-37.] Management of rental units.

13 An affordable rental unit provided under this subtitle must be managed under the same
14 management standards as all market-rate rental units in the development.

15 § 2B-37. MASTER LEASING AFFORDABLE UNITS.

16 (A) IN GENERAL.

17 THE CITY OR DESIGNATED HOUSING PROVIDERS MAY ENTER MASTER LEASE AGREEMENTS
18 TO MANAGE AFFORDABLE UNITS DEVELOPED TO COMPLY WITH § 2B-21(B)(2)
19 {“INCLUSIONARY REQUIREMENTS.”} OF THIS ARTICLE.

20 (B) DESIGNATED HOUSING PROVIDERS.

21 THE COMMISSIONER MAY DESIGNATE HOUSING PROVIDERS TO MANAGE AND RENT
22 AFFORDABLE UNITS IN ACCORDANCE WITH THE REGULATIONS AND PROCEDURES ADOPTED
23 BY THE COMMISSIONER.

24 §§ 2B-38 to 2B-40. {Reserved}

25 [Part V. Off-Site Substitution]

26 [§ 2B-41. “Off-site” defined.]

27 [In this Part V, “off-site” means outside the metes and bounds of the property on which a
28 residential project is located.]

Council Bill 22-0195

1 [§ 2B-42. In general.]

2 [The developer of a residential project may apply to provide off-site affordable residential
3 units in whole or partial substitution for the units required by § 2B-22 {"Project benefitting
4 from significant land-use authorization or rezoning"} or § 2B-23 {"Other projects – 30 or
5 more units}, as the case may be.]

6 [§ 2B-43. Application.]

7 [(a) In general.]

8 [The application for off-site units must be made to the Housing Commissioner.]

9 [(b) Accompanying report.]

10 [The application must be accompanied by a report that includes:]

11 [(1) conditions affecting the project that prevent the developer from meeting the
12 requirements of § 2B-22 {"Project benefitting from significant land use
13 authorization or rezoning"} or § 2B-23 {"Other projects – 30 or more units}, as
14 the case may be;]

15 [(2) independent data, including appropriate financial information, that support the
16 developer's position that constructing the required affordable units on site is not
17 feasible; and]

18 [(3) an analysis of how the off-site substitution will further mixed-income housing
19 opportunities in the neighborhood in which the residential project is located.]

20 [§ 2B-44. Minimum criteria.]

21 [Off-site units may be allowed under this Part V only if:]

22 [(1) they will be provided at another location in the same neighborhood or comparable
23 contiguous geographic area as the residential project to which they are being
24 credited, as determined by the Planning Director, or in a residential project
25 approved by the Housing Commissioner within 2,000 feet of a rapid transit stop;
26 and]

27 [(2) in the aggregate, the off-site units and any affordable units provided on-site at the
28 residential project are no fewer than the number of affordable units required by
29 § 2B-22 {"Project benefitting from significant land use authorization or
30 rezoning"} or § 2B-23 {"Other projects – 30 or more units}, as the case may be.]

31 [§ 2B-45. Review.]

32 [The Housing Commissioner, with approval by the Board of Estimates, may approve a
33 request if the requested variance will promote mixed-income housing opportunities in
34 Baltimore City to an extent equal to or greater than compliance with this subtitle.]

Council Bill 22-0195

Part V [VI]. Continued Affordability

§ 2B-41. [2B-51.] Rental units.

(a) Affordability period.

(1) Every affordable rental unit subject to this subtitle must remain at an affordable [rent] HOUSING COST, as provided in this section, for a period of not less than 30 years from the date of its initial occupancy.

(2) 1 YEAR PRIOR TO THE EXPIRATION OF THE AFFORDABILITY PERIOD, THE OWNER SHALL NOTIFY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT OF THE OPPORTUNITY TO MASTER LEASE THE AFFORDABLE UNITS, AT WHICH TIME, THE CITY OR DESIGNATED NONPROFIT HOUSING PROVIDERS MAY HAVE THE FIRST RIGHT OF REFUSAL TO MASTER LEASE THE AFFORDABLE UNITS TO CONTINUE AFFORDABILITY AFTER THE AFFORDABILITY PERIOD EXPIRES.

(b) Lease and sublease restrictions.

During the affordability period, the owner of the rental property may not rent or lease any affordable unit and a tenant may not sub-rent or sublease the unit except to an eligible household at a rent that does not exceed an affordable rent applicable to that unit.

[(c) Rent increases.]

[(1) During the affordability period, rent increases may be imposed only as provided in this section.]

[(2) The percentage increase in annual rent may not exceed:]

[(i) the percentage increase in the cost of living, based on an appropriate inflator index as determined by the Housing Commissioner; or]

[(ii) a greater amount to the extent:]

[(A) necessitated by documented hardship or other exceptional circumstances; and]

[(B) approved in writing by the Housing Commissioner.]

Council Bill 22-0195

1 (C) AFFORDABILITY VARIANCE.

2 (1) ALL AFFORDABLE UNITS UNDER THIS SECTION MUST BE INITIALLY LEASED TO
3 MODERATE, LOW, VERY LOW, OR EXTREMELY LOW INCOME HOUSEHOLDS, AS
4 OUTLINED IN § 2B-21 OF THIS SUBTITLE ("INCLUSIONARY REQUIREMENTS").

5 (2) IF A TENANT'S INCOME INCREASES:

6 (I) THE TENANT WILL BE ALLOWED TO STAY IN THE UNIT; AND

7 (II) THE TENANT'S RENT CAN BE INCREASED AT THE SAME RATIO AS THE ORIGINAL
8 LEASING.

9 (3) IF THE INCOME OF A TENANT IN AN AFFORDABLE UNIT, AS DESCRIBED IN THIS SECTION,
10 INCREASES TO 100% OF AMI:

11 (I) THE TENANT SHALL PAY FULL MARKET RENT; AND

12 (II) ANOTHER UNIT MUST BE MADE AVAILABLE TO COMPLY WITH THE
13 AFFORDABILITY REQUIREMENTS IN THIS SECTION.

14 (d) Owner's maintenance.

15 The owner of an affordable rental unit:

16 (1) at all times must comply with all building, fire, safety, and other codes applicable
17 to rental units; and

18 (2) in providing maintenance and other services to rental units in the residential
19 project, may not discriminate in any way against affordable units.

20 [(e) Reports to Commissioner.]

21 [(1) Owners of affordable rental units subject to this subtitle must periodically report to
22 the Housing Commissioner on their compliance with the requirements of this
23 section.]

24 [(2) These reports must be made in the form and with the frequency that the Housing
25 Commissioner requires.]

26 [§ 2B-52. Ownership units.]

27 [(a) City's right of first refusal.]

28 [The City has the right of first refusal to purchase at market rate any affordable unit
29 initially provided under this subtitle.]

Council Bill 22-0195

1 [(b) Identifying public investment.]

2 [(1) At the time of initial sale, the Housing Commissioner shall identify the amount of
3 public investment in the unit.]

4 [(2) For units benefitting from significant rezoning or bonus units, the public investment
5 is deemed to be an amount equal to the owner's initial purchase price.]

6 [(c) Allocation of proceeds.]

7 [At the time of any subsequent sale, the proceeds of the sale shall be allocated as
8 follows:]

9 [(1) The owner receives the initial purchase price paid by the owner plus the value of
10 documented improvements.]

11 [(2) The City receives an amount equal to its public investment in the affordable
12 unit, but only to the extent that the proceeds of the sale exceed the initial
13 purchase price and the values of documented improvements.]

14 [(3) Any proceeds of sale beyond the purchase price and the initial City investment
15 shall be allocated to the owner and the City in the same proportion as the
16 owner's initial purchase price compared to the initial public investment.
17 However, if the sale occurs within 10 years of the owner's purchase, the owner's
18 share of these proceeds is limited to 10% of the owner's proportional share for
19 each full year of the owner's ownership.]

20 [(d) Affordable Housing Agreement.]

21 [The Housing Commissioner's rules and regulations must include provisions for the
22 execution and filing in the land records of affordability housing agreements that embody
23 the requirements of this section.]

24 §§ 2B-42 TO 2B-50. [2B-53 to 2B-60.] [Reserved]

25 [Part VII. Inclusionary Housing Offset Fund]

26 [\$ 2B-61. Fund established.]

27 [(a) In general.]

28 [There is a Baltimore City Inclusionary Housing Offset Fund.]

29 [(b) Nature of Fund.]

30 [The Baltimore City Inclusionary Housing Offset Fund is a continuing, nonlapsing fund
31 established by authority of City Charter Article I, § 10.]

Council Bill 22-0195

1 [§ 2B-62. Revenue sources.]

2 [The Offset Fund comprises:]

3 [(1) money appropriated to the Offset Fund in the annual Ordinances of Estimates, and]

4 [(2) grants or donations made to the Offset Fund.]

5 [§ 2B-63. Use of Fund – General.]

6 [Money deposited in the Offset Fund, along with any interest earned on that money, may be
7 used only for the following purposes:]

8 [(1) to finance the implementation and administration of this subtitle, including the
9 provision of cost offsets under this subtitle; and]

10 [(2) otherwise to promote economically diverse housing in City neighborhoods,
11 including:]

12 [(i) providing assistance, by loan, grant, or otherwise, for the planning, production,
13 maintenance, or expansion of affordable housing in the City;]

14 [(ii) providing assistance, by loan, grant, or otherwise, to persons unable to obtain
15 affordable housing; and]

16 [(iii) otherwise increasing housing opportunities for working families and other
17 persons of low and moderate income.]

18 [§ 2B-64. Use of Fund – Administration.]

19 [No more than 5% of the money in the Offset Fund may be used in any fiscal year for
20 personnel or other costs of administering the Offset Fund.]

21 [§ 2B-65. Use of Fund – Public assistance.]

22 [At least half of the households that receive assistance from the Offset Fund must have
23 earnings of not more than 60% of the AMI.]

24 [§ 2B-66. Administration.]

25 [(a) Commissioner may prescribe procedures.]

26 [The Housing Commissioner may prescribe procedures for administering the Offset
27 Fund.]

28 [(b) Board to advise.]

29 [The Inclusionary Housing Board advises the Housing Commissioner through its annual
30 report and as requested by the Commissioner on the activities and priorities for which
31 Offset Fund money is best used to promote economically diverse housing in the City.]

Council Bill 22-0195

1 **[§ 2B-67. Reporting to Board.]**

2 **[(a) In general.]**

3 **[The Housing Commissioner must provide the Inclusionary Housing Board, on a regular**
4 **basis, information on the uses and impact of the Offset Fund.]**

5 **[(b) Inclusions.]**

6 **[The information must include:]**

7 **[(1) expenditures from the Offset Fund;]**

8 **[(2) a list of projects funded through the Offset Fund;]**

9 **[(3) the number and income levels of households assisted by the Offset Fund;]**

10 **[(4) funds leveraged by Offset Fund funds;]**

11 **[(5) number of affordable units produced or preserved;]**

12 **[(6) information as to how Fund money may be used for development efforts**
13 **assisting the homeless; and]**

14 **[(7) other information that the Board requests about the Offset Fund's impact.]**

15 **Part VI [VIII]. Administrative Review, and Judicial Review, AND PENALTIES**

16 **§ 2B-51. [2B-71.] Administrative appeals.**

17 **(a) Right of appeal.**

18 **Any person aggrieved by a decision or ruling of the [Housing] Commissioner under this**
19 **subtitle may appeal that decision or ruling to the Board of [Estimates] MUNICIPAL AND**
20 **ZONING APPEALS.**

21 **(b) How and when taken.**

22 **The appeal must be taken in writing within 15 days from the date of notice of the decision**
23 **or ruling.**

24 **(c) Hearing and decision.**

25 **The Board:**

26 **(1) must hold a hearing on the appeal as soon as practicable; and**

27 **(2) may affirm, modify, or reverse the action from which the appeal was taken.**

Council Bill 22-0195

1 § 2B-52. [2B-72.] Judicial and appellate review.

2 (a) Judicial review.

3 A party aggrieved by a final decision of the Board of [Estimates] MUNICIPAL AND
4 ZONING APPEALS under § 2B-[71] 51 ("Administrative appeals") of this subtitle may
5 seek judicial review of that decision by petition to the Circuit Court for Baltimore City in
6 accordance with the Maryland Rules of Procedure.

7 (b) Appellate review.

8 A party to the judicial review may appeal the court's final judgment to the Court of
9 Special Appeals in accordance with the Maryland Rules of Procedure.

10 § 2B-53. PENALTIES.

11 (A) IN GENERAL.

12 THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL ISSUE A FINE OF
13 NO MORE THAN \$1,000 TO A PERSON WHO VIOLATES A PROVISION OF THIS SUBTITLE OR A
14 RULE, REGULATION, OR ORDER ADOPTED OR ISSUED UNDER THIS SUBTITLE.

15 (B) EACH VIOLATION A SEPARATE OFFENSE.

16 EACH VIOLATION A PERSON COMMITS OF A PROVISION OF THIS SUBTITLE OR A RULE,
17 REGULATION, OR ORDER ADOPTED OR ISSUED UNDER THIS SUBTITLE IS A SEPARATE
18 OFFENSE.

19 (C) EACH DAY A SEPARATE OFFENSE.

20 EACH DAY THAT A VIOLATION CONTINUES IS A SEPARATE OFFENSE.

21 SECTION 3. AND BE IT FURTHER ORDAINED, That, after ~~400~~ 200 affordable housing units
22 have been completed and occupied pursuant to this Ordinance, or after ~~3~~ years of the 3 years after
23 the issuance of the first tax credits or other major public subsidy issued to support this program,
24 whichever occurs first:

25 1. The Department of Housing and Community Development, in consultation with the
26 Inclusionary Housing Board, shall commission a study that includes:

27 A. An assessment of the effectiveness of this Ordinance in producing and
28 affirmatively marking affordable housing units;

29 B. A summary of the impact of the provisions of this Ordinance on the rental
30 market;

31 C. An estimate of the effective cost of implementation of this Ordinance;

32 D. A compilation of all prior reports relating to this Ordinance; and

Council Bill 22-0195

1 E. A list of proposed changes to the Code to make this Ordinance more effective;

2 F. A map and a list of the locations of the affordable units; and

3 G. Any other relevant information deemed necessary by the Department of Housing
4 and Community Development and the Inclusionary Housing Board.

5 2. The study shall be delivered to the Mayor, City Council, and the general public no
6 later than 120 days after ~~400~~ 200 affordable housing units have been completed and
7 occupied pursuant to this Ordinance or 3 years after the enactment date; the issuance
8 of the first tax credits or other major public subsidy issued to support this program,
9 whichever comes first;

10 3. No later than 60 days after the study has been delivered, the City Council shall hold
11 a hearing and make recommendations to revise this Ordinance and any related tax
12 credit Ordinances; and

13 4. This Ordinance shall remain in full force and effect while this evaluation process takes
14 place.

15 SECTION 4. AND BE IT FURTHER ORDAINED, That the affordable housing units created
16 by this Ordinance shall remain affordable for the life of the affordability period designated in this
17 Ordinance.

18 SECTION 4. 5. AND BE IT FURTHER ORDAINED, That the Board shall be appointed by the
19 90th day after this Ordinance is enacted.

20 SECTION 5. 6. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 180th
21 day after the date it is enacted.

Council Bill 22-0195

Certified as duly passed this 4 day of December, 2023



President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this 4 day of December, 2023



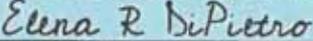
Chief Clerk

Approved this 22 day of January, 2024



Mayor, Baltimore City

Approved for Form and Legal Sufficiency
This 18th Day of December, 2023.



Chief Solicitor