BALTIMORE CITY

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Annual Report of Inclusionary Housing Advisory Board

2019

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A Message from the Inclusionary Housing Advisory Board

October 31, 2019

On behalf of the Inclusionary Housing Advisory Board, I am presenting the Fiscal Year 2019 Inclusionary Housing Annual Report as referenced in Article 13 Section 2B-16, to Mayor Bernard C. "Jack" Young, with copies to Council President, Brandon Scott, and Chris Ryer, Director of Department of Planning.

On June 2007, Ordinance 07-474, Article 13, Subtitle 2B was enacted with the goal of creating housing opportunities in neighborhoods that are of high market value and to promote economic diversity by providing housing for residents with a broad range of incomes. Creating Inclusionary Housing is part of the overall goal to create affordable housing throughout the City. Affordable Housing in thriving communities provides residents with better access to amenities, transportation, and in turn promotes economic stability to lower income families. Baltimore City is invested in creating affordable housing for its residents. It is the policy of the City to encourage mixed incomes communities and diverse neighborhoods.

The Law includes an Investment Threshold that establishes the maximum amount of subsidy that the City can use to make a unit affordable. The City evaluates each qualified project based on the Investment Threshold and makes a recommendation whether the project is required to include Inclusionary Housing units.

Implementing Inclusionary Housing is fundamental to Community Development. I want to thank the members of the Advisory Board who are dedicated to creating affordable housing in Baltimore City and work diligently to improve inclusionary housing outcomes. We are looking forward to bringing a renewed attention and focus to advancing those outcomes in the year ahead.

Sincerely,

William Ariano
Chair of the Board

FY 19 Inclusionary Housing Advisory Board Annual Report Introduction & Summary

Between July 1-2018 and June 30, 2019, DHCD reviewed 8 projects to be considered for the Inclusionary Housing requirement. Out of the 8, three projects did not qualify for review based on the requirements of Section 2B-21(a)(1) and 2B-22(a)(1) of the Inclusionary Housing Legislation stating that a Project must provide 30 or more residential units to be considered. (3) three projects were exempt because the City's contribution amount exceeded the Investment Threshold requirements under Section 2B-21(f) and 2B-23(f). There were (2) two projects however that based on their analysis were required to include Inclusionary Housing in their projects.

The FY 19 reviewed projects presented to the Advisory Board are as follows:

300 St. Paul (The Residences at 300 St. Paul)

277 Market Rate Apartments. The average cost per unit to produce inclusionary units = $524,637 or a total of $6,743,251 for full compliance. The waiver was due to exceeding the allowed threshold amounts permitted under the ordinance.

611 South Banner St. (Banner Hill Apartments)

349 Market Rate Apartments. The average cost per unit to produce inclusionary units = $2,2784,268 or a total of $15,625,272 for full compliance. The waiver was due to exceeding the allowed threshold amounts permitted under the ordinance.

1301 Aliceanna St. (Liberty Harbor East)

282 Market Rate Apartments. The average cost per unit to produce inclusionary units = $5,398,724 or a total of $22,427,704 for full compliance. The waiver was due to exceeding the allowed threshold amounts permitted under the ordinance.

815 Park Ave

25 Market Rate Units. This project was not required to include Inclusionary Housing Units based on their total unit count is less than 30 units minimum requirement under the Ordinance.

1238 Light St

21 Market Rate Units. This project was not required to include Inclusionary Housing Units based on their total unit count is less than the 30 units minimum requirement under the Ordinance.

115 N. Charles St. (The Vault House)

24 Market Rate Units. This project was not required to include Inclusionary Housing Units based on their total unit count is less than the 30 units minimum requirement under the Ordinance.

824 N. Calvert St. (Calvert Lofts)

49 Market Rate Units. (1) one-bedroom unit was required at 60-100% of AMI but because project was completed, developer agreed to include (10) ten units spread-out amongst 3 locations as permitted under Section 2B-42 under the ordinance.

1430 Lawrence St. (Anthem House II)

52 Market Rate Units. (1) to (3) efficiency and two-bedroom units were required at 80-100% of AMI.

I. The total number and proportion (as to the total of all housing units developed) of affordable housing units generated under this subtitle

For FY 19, a total of 11 units out of 1079 market rate units were developed under the Inclusionary Housing Legislation. Roughly for every 98 units created, 1 unit was required to fall under the Inclusionary Housing requirement.

II. The number and proportion generated under each of the various provisions of this subtitle (e.g., major public subsidy or significant rezoning);

ADDRESS	PUBLIC SUBSIDY	SIGNIFICANT REZONING	Required Units
824 N. Calvert St. Calvert Lofts	Y		10
1430 Lawrence St. Anthem House II	Y	Y	1
TOTAL	2	1	11

III. The number and proportion generated at various affordable costs;

ADDRESS	AMI	Required Units
824 N. Calvert St. Calvert Lofts	50-80%	10
1430 Lawrence St. Anthem House II	100%	1
TOTAL		11

IV. A list and description of all waivers, modifications, or variances requested, granted, and denied under this subtitle, with a summary of the reasons for granting or denying each request;

ADDRESS	Total Unit	Required Units	AMI	AVERAGE COST TO PROVIDE IH PER UNIT	RECOMMENDATION	ALTERNATE OPTION	EXPLANATION OF RECOMMENDATION	PUBLIC SUBSIDY	SIGNIFICANT REZONING
300 St. Paul The Residences at 300 St. Paul	277	0	N/A	$524,637	Exempt		Exceeds nclusionary Housing Threshold Limits (Section 2B-21(f))	Y	
611South Charles St – Banner Hill Apartment	349	0	N/A		Exempt		Exceeds Inclusionary Housing Threshold Limits (Section 2B-21(f))	Y	
815 Park Ave	25	0	N/A		Exempt		Project includes fewer than 30 units (Section 2B -21 (a)(1))	N/A	
1238 Light St	21	0	N/A		Exempt		Project includes fewer than 30 units (Section 2B 21- (a)(1))	N/A	
824 N. Calvert St - Calvert Lofts	49	10	50 80%	$60,725	Non-Exempt	(1) one-bedroom unit was required at 60-100% of AMI but because project was completed, developer agreed to include 10 units spread-out amongst 3 locations.	Developer applied to provide offsite units. (Section 2B-42)	Y	
115 North Charles Street – The Vault House	24	0			Exempt		Project includes fewer than 30 units	N/A	
1430 Lawrence St. – Anthem House II	52	1	100%	$17,024	Non-Exempt	TBD		Y	
1301 Aliceanna St-Liberty Harbor	282	0			Exempt		Exceeds Inclusionary Housing Threshold Limits (Section 2B-21(f))	Y	

V. An estimate of the percent of units in the City that are occupied;

Total Housing Units	294,858	
Occupied Housing Units	239,791	81%

Source: U.S. Census Bureau, 2013-2017 American Community Survey -5Year Estimates

VI. The amount and percent of residential property tax-base increase;

Tax Year Beginning	Total Taxable County Assessable Base (figures expressed in thousands)	Change from Previous	Percent Change
2018	40,462,377	1,269,039	2%

Source: Maryland State Department of Assessments and Taxation:
http://dat.maryland.gov/Pages/Assessable-Base-Report.aspx

VII. The percent of households that the City has retained;

Same house 1 year ago:	82.60%
Moved within same county in last year:	11%
Total retained:	94%

Source: Maryland State Department of Assessments and Taxation:

VIII. An estimate of the growth in City households

From 2010 through 2017 the number of occupied housing units increased by 1,399 units (.59%).

From 2016 through 2017 the number of occupied housing units declined by 2,625 units (-1.008%). This decline erased over half the total increase in occupied units achieved from 2010 through 2016.

Source: U.S. Census American Community Survey 2012-2016 Estimates

IX. The number of units for which the City or eligible housing providers had a right of first refusal under § 2B-34 {"Right of first refusal"} or § 2B-52(c) {"Resales during affordability period – First refusal"}, and the number of those units on which that right was exercised.;

Zero units had the first right of refusal under § 2B-34

X. Recommendations made by the Board under § 2B-66B {"Administration: Board to advise"} on priorities for which Inclusionary Housing Offset Fund money is best used.

The Board recommended for 824 N. Calvert St. that funding be provided to support ten units to make available to households earning between 50 and 80 percent of the AMI using the Inclusionary Housing Offset Funds. In addition, the Board respectfully recommends that an Inclusionary Housing Fund be authorized to receive alternate sources of funds.

XI. A summary of all information for the fiscal year that the Inclusionary Housing Offset Fund submits to the Board under § 2B-67 {"Reporting to Board"} (c) *Targets*.

Please see section titled FY 19 Inclusionary Housing Annual Report Introduction & Summary (Page 4 FY 19 Annual Report).