

Baltimore Region Rental Home Affordability Preservation Policy

November 2016

Background

The loss of existing affordable rental units regionally was identified as an impediment to fair housing in the region's 2012 *Analysis of Impediments to Fair Housing Choice (AI)*. Establishing a policy to address this impediment was included in the AI's Regional Fair Housing Action Plan. Additionally, *Strong Communities, Strong Region: The Baltimore Regional Housing Plan and Fair Housing Equity Assessment* determined that 70,000 renting households in the Baltimore metropolitan area, including 14,000 extremely low income households with disabilities, have an unmet affordable housing need --- and that the need is growing and will not be addressed through the market.¹

As we work to address our region's unmet need, there is a real risk that existing affordable units have been and will continue to be lost, moving us in the wrong direction. Affordability agreements with property owners expire, affordable units are demolished for redevelopment projects, unsubsidized rental units that are currently affordable become unaffordable due to changes in the market, and federal resources for the maintenance of public housing continue to decline. Therefore, it is critical for local and state government and interested private-sector parties to coordinate efforts regionally to preserve current affordable housing resources when it is possible and appropriate, develop strategies for creating new affordable units when existing affordability is lost, and to do so in a way that may diversify the region's affordable housing inventory, while offering a platform for low income households to improve their lives and share in our region's prosperity.

¹ This policy defines "affordable" rental homes as those in which households at 30% of Area Median Income (AMI) and below (as in public housing and project-based voucher units), 50% of AMI, and 60% AMI pay no more than 30% of their income in household costs. It seeks to preserve homes at each affordability level.

Policy and Agreement

The following are steps that Baltimore City; Anne Arundel, Baltimore, Harford, and Howard Counties; these jurisdictions' public housing agencies (PHAs); and the Baltimore Metropolitan Council (BMC) plan to take to address the risk of loss of affordable rental housing:

- Work together and with interested private sector parties to identify and track subsidized and market-rate affordable rental communities affordable to households at 60, 50, and 30 percent of Area Median Income (AMI) and below;
- Identify affordable rental properties at risk of being lost and develop strategies to maintain their affordability;
- Affirm the regional goal in *Strong Communities, Strong Region* of zero net loss of these units region-wide, and assemble, to the extent possible, the resources to reach that goal;
- Identify strategies and mechanisms for creating new affordable rental housing in high opportunity areas identified in *Strong Communities, Strong Region* when possible;
- Collaborate to offer any displaced families housing vouchers and seek funding for counseling to secure quality, safe housing in high opportunity areas, or to remain in their original communities.

Steps to Implementation

1. Assemble an Affordability Preservation Task Force that would be chaired by one of its public-sector members and staffed by the Baltimore Metropolitan Council. The Task Force would include the following:
 - a. Arundel Community Development Services, representing Anne Arundel County
 - b. Housing Commission of Anne Arundel County
 - c. City of Baltimore (including Housing Authority of Baltimore City)
 - d. City of Annapolis (including Housing Authority of the City of Annapolis)
 - e. Baltimore County
 - f. Harford County (including Harford County Housing Agency)
 - g. Howard County (including Howard County Housing Commission)
 - h. Maryland Department of Housing and Community Development (DHCD)
 - i. Maryland Department of Disabilities (MDOD)
 - j. U.S. Dept. of Housing and Urban Development (HUD) Baltimore Field Office
 - k. Baltimore Regional Housing Partnership
 - l. Other interested private-sector parties who may help with the strategy for, and/or potentially finance, the preservation and creation of affordable units (e.g. Enterprise Community Partners, Maryland Affordable Housing Coalition, The

Coordinating Center, ACLU, Md. Disability Law Center, Homeless Persons Representation Project)

2. Working with the Task Force, BMC will add the following information to the inventory of affordable housing resources assembled for *Strong Communities, Strong Region*:
 - a. Expiration dates of existing subsidies and number of units subsidized at which affordability level for:
 - i. Maryland DHCD-issued Low Income Housing Tax Credits, including deep affordability
 - ii. Federal project-based Section 8 subsidies
 - iii. Other federal subsidies (Section 202, HUD-subsidized mortgages, etc.)
 - b. Any public housing units slated for disposition or demolition included in the inventory that generated the public housing unit total in *Strong Communities, Strong Region*.
3. Supported by BMC staff, the Task Force will work to identify market-rate decent, safe and affordable homes that are at risk for loss using the following tools:
 - a. Purchasing data on rental home inventory (buildings with more than 40 units) for the Baltimore region every three years (approximately \$4,000) and
 - b. Gathering any relevant and available information from other sources (e.g. Howard County rental housing survey; Maryland Office of Planning Data Center; DHCD Market Analyses for BRAC-impacted Jurisdictions, Consolidated Plans, etc.)
 - c. Comparing market-rate affordable inventory to opportunity map and regional housing submarkets from *Strong Communities, Strong Region*.
4. The Task Force will meet at least quarterly (more frequently if needed) to review the list of units at risk of loss of affordability and to problem-solve to identify resources and strategies to preserve those units, especially if in a high opportunity area, and to identify resources and strategies for creating new affordable units in stable and high opportunity areas. These resources and strategies could include:
 - a. Subsidies such as HUD Project-Based Rental Assistance that could be available for transfer to another property in the region or other kind of re-use.
 - b. Tools under the Maryland Assisted Housing Preservation Act, such as right of first refusal.
 - c. Establishment of a regional loan fund, perhaps seeded by foundation funding.
5. Task Force members will be strategic in applying resources in areas where affordability is most at risk, maximizing preserved and created units in high opportunity areas.

6. Relevant members of the Task Force then will carry out the strategies identified and report back at the next meeting.
7. As needed, the Task Force will identify resources to update submarket analysis and/or opportunity map, ideally resulting in a shared opportunity map being used by the Task Force, DHCD, and the Baltimore Regional Housing Partnership (for the regional Housing Mobility Program).

Limits on Applicability

1. It is not the intent of this Agreement to create a new cause of action for any individual or organization alleging the failure of any signatory to fulfill any provisions of this Agreement.
2. This Agreement may not be construed to deprive any of the signatories of any defense that would be authorized by law in any action brought against any signatory in any judicial or administrative forum.
3. This Agreement may not be introduced as evidence of violation of any law or agreement in any action brought against any signatory in any judicial or administrative forum.
4. This Agreement may not be construed to pre-empt, supersede or add to any other legally binding law, rule, regulation, agreement or settlement properly enacted, adopted or entered into by any signatory.



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