A NEW ERA OF NEIGHBORHOOD INVESTMENT

A FRAMEWORK FOR COMMUNITY DEVELOPMENT
A mural by Danamarie Hosler at 4337 Park Heights Avenue in Central Park Heights.
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EXECUTIVE SUMMARY

Baltimore is at a critical juncture. Once a manufacturing and maritime powerhouse, the city is reinventing itself for the 21st Century. A population that had been in long decline has leveled off and jobs have grown. A promising but uneven physical transformation in its neighborhoods is also underway, and many communities have grown stronger in recent years. These include not just downtown and the waterfront but also neighborhoods that had struggled with vacancy and disinvestment such as Reservoir Hill, Greenmount West, Barclay and Oliver, where collaborative re-investment has helped generate revitalized, mixed-income communities with stabilizing property values and a higher quality of life for residents.

However, many neighborhoods continue to suffer the effects of poverty, a history of segregation and racial discrimination and face ongoing social ills and continued disinvestment. In addition, many long-stable middle-income areas are facing new demographic challenges as their housing and population age.

In addition to neighborhood-level challenges, Baltimore City, with many low-income households, lacks adequate affordable housing. Many Baltimore renters and owners struggle to pay for housing, leaving their families at risk of instability and even homelessness.

There is an urgent need to expand affordable housing options and increase equitable, inclusive community development to transform disinvested neighborhoods and create communities where residents of all incomes can prosper.

The Administration of Mayor Catherine Pugh, through the Department of Housing and Community Development (DHCD), is working to revitalize communities throughout Baltimore. The vision for Baltimore is an economically and culturally thriving city in which all people live in decent, healthy and affordable housing. Achieving this vision without displacing longtime residents requires a commitment to equitable community development that brings new resources and opportunities to long-disadvantaged neighborhoods and their residents.

DHCD presents this Framework as a starting point in a collaborative effort to guide the city into a new era of neighborhood investment. The Framework articulates a comprehensive vision for community development that leverages prior successes, builds partnerships and breaks new ground through innovative and bold new resources and approaches to collaborative neighborhood improvement.

This Framework is built on three key strategies:

Expand Resources and Capacity for Community Development

The Pugh Administration is committing significant resources to support transformative and equitable community development. The new public investment highlighted in this Framework constitutes an unprecedented allocation of support for distressed communities in the City. These new resources are designed to work in concert, creating opportunities for communities to grow and attract private investment in ways that have not been possible in the past. DHCD will ensure that investments generate the maximum benefits for communities by allocating resources efficiently and strategically.
• **Community Catalyst Grants**: Mayor Pugh has allocated $5 million to this new annual competitive awards program with up to $2 million in operating support for community-based groups and up to $3 million in capital funds for revitalization efforts.

• **Neighborhood Impact Investment Fund**: The new Neighborhood Impact Investment Fund is an innovative public-private partnership that provides powerful tools to deliver capital to support community development and broader neighborhood revitalization. The NIIF can only invest in neighborhoods that have been historically overlooked.

• **Affordable Housing Trust Fund**: Mayor Pugh, residents, housing advocates and stakeholders, with the leadership of the Baltimore City Council, have worked to create a dedicated source of revenue that will generate $20 million annually for the Trust Fund, opening the doors for low- and very-low-income families across the city to access stable, decent, and healthy housing.

• **State, Federal, Private, Philanthropic and Anchor Investments**: DHCD will continue to work closely with State and Federal governments, private investors and developers, and philanthropic and anchor institutions to further their critical investments in our communities.

• **Mayor’s Neighborhood SubCabinet**: Community development activities will be coordinated across City agencies through this new SubCabinet, which increases collaboration, fosters holistic solutions, and provides a forum for innovation.

Mayor Catherine Pugh cuts the ribbon in November 2018 at the opening of Metro Heights at Mondawmin, an affordable apartment complex in the Mondawmin neighborhood.
Promote Access and Equity

The Pugh Administration is committed to equitable community development that benefits all Baltimoreans. This approach requires that we as a community understand and commit to redress the long-standing income- and race-based barriers that have devastated neighborhoods and disadvantaged the people living in them. It also requires that the communities themselves are central to shaping neighborhood visions and plans. As part of this commitment, DHCD will take steps to minimize the displacement that can occur with rising property values and to maximize Baltimoreans’ access to job and entrepreneurial opportunities. DHCD will promote access and equity through three strategies.

- **Maintain and Expand Affordable Housing:**
  DHCD is committed to continued production of affordable units and a range of programmatic and policy-level innovations to decrease the number of Baltimoreans paying more than they can afford for housing.

- **Support and Expand Homeownership:**
  Supporting low-income homeowners is among the most efficient approaches to maintaining affordable housing. DHCD will continue to promote homeownership both by assisting current owners and attracting new buyers.

- **Economic Inclusion:** DHCD will continue to work with its partners to establish opportunities for small, local and minority and women-owned businesses to access the opportunities generated by new investments as part of community development initiatives and to create meaningful job opportunities for hard-to-employ Baltimoreans.
Invest in All Neighborhoods

The Pugh administration will invest in all neighborhoods, but the approach and expected return on that investment will vary based on current conditions. Strategies and approaches that succeed in one neighborhood may not work in another and thus DHCD’s approach will vary across neighborhoods and over time.

- **Build Assets and Address Blight:** DHCD will continue to expend significant capital toward improving quality of life through remediating blighted conditions while assembling land for future use and development, and creating attractive permanent and interim green spaces.

- **Build from Strength:** Many areas that struggle with disinvestment are adjacent to areas of strength and poised for new-term growth. In these “Impact Investment Areas,” DHCD will work with community partners to envision the future of their area and to leverage private and other resources in order to transform four initial Impact Investment Areas into stable and thriving neighborhoods.

- **Stabilize Middle Neighborhoods:** Affordable to a range of working and middle-class residents, “middle neighborhoods” are home to most of Baltimore’s homeowner and are critical to the success of the city. DHCD is working with stakeholders and residents to build a more coherent and expansive set of approaches to preserve and grow these communities.

- **Strengthen Neighborhood Retail Corridors:** Many neighborhood retail districts are burdened by under-used or vacant properties. The City will continue to pursue a range of initiatives to improve its commercial corridors, including the Main Streets program, the Leveraging Investments in Neighborhood Corridors (LINCS) Initiative and other programs executed by the Baltimore Development Corp.

Looking Ahead

This Framework lays out our vision for community development that will inform our course and immediate actions at the highest levels. It is not intended to be a detailed roadmap. We anticipate that sharing this Framework will provide a springboard for future dialogue and feedback from our partners which will strengthen our collective work and ultimately our outcomes. DHCD invites ongoing comments and feedback on this document. To submit comments and for information about how to become engaged with the process, please contact DHCD at framework@baltimorecity.gov. We look forward to working with community residents and stakeholders to establish goals and metrics by which we can measure success. DHCD will continue to engage our partners on both the Framework and broader community development issues with an update to the strategy planned by the end of 2019. Thank you for taking the time to explore this important topic. And thank you most of all to the many Baltimoreans who are actively engaged every day in making Baltimore and its neighborhoods stronger.
A community gathering in Penn North.
Baltimore is at a critical juncture. Once a manufacturing and maritime powerhouse, the city is reinventing itself for the 21st Century. A population that had been in long decline has leveled off and jobs have grown. A promising but uneven physical transformation in its neighborhoods is also underway, and many communities have grown stronger in recent years. These include not just downtown and the waterfront but also neighborhoods that had struggled with vacancy and disinvestment such as Reservoir Hill, Greenmount West, Barclay and Oliver, where collaborative re-investment has helped generate revitalized, mixed-income communities with stabilizing property values and a higher quality of life for residents.

However, many neighborhoods continue to suffer the effects of poverty, a history of segregation and racial discrimination and face ongoing social ills and continued disinvestment. In addition, many long-stable middle-income areas are facing new demographic challenges as their housing and population ages.

In addition to neighborhood-level challenges, Baltimore City, as home to many low-income households, lacks adequate affordable housing. Many Baltimoreans struggle to pay for housing, leaving their families at risk of instability and even homelessness.

There is an urgent need to expand affordable housing options and increase equitable, inclusive community development to transform disinvested neighborhoods and create communities where residents of all incomes can prosper.

The Pugh Administration, through the Department of Housing and Community Development (DHCD), is building on a long history of efforts to refine and adopt strategies to maximize the use of scarce government resources and actions in order to expand prosperity throughout all neighborhoods and achieve a vision of a Baltimore that is:

- A city where everyone, regardless of their race, ethnicity, income, zip code, lifestyle, age, gender or family or disability status, can find quality housing and good jobs.
- A city where neighborhoods thrive without displacing longtime residents.
- A city where all people live in decent, healthy and affordable housing.
- A city with prosperous neighborhoods for all — with access to a good education, well-paying jobs and all the opportunities that the city and region offer.

There is an urgent need to expand affordable housing options and increase equitable, inclusive community development to transform disinvested neighborhoods and create communities where residents of all incomes can prosper.
DHCD presents this Framework as a starting point in a collaborative effort to guide the city into a new era of neighborhood investment. Mayor Pugh separated Baltimore Housing into two agencies: DHCD and the Housing Authority of Baltimore City (HABC). HABC continues to creatively deliver housing for lower-income Baltimoreans and works in close partnership with DHCD to tackle the city’s affordable housing challenges. DHCD has a more singular focus on community development, leading the City’s efforts to reinvest in neighborhoods. The Framework articulates Mayor Pugh’s comprehensive vision for community development that leverages prior successes, builds partnerships and breaks new ground through innovative and bold new resources and approaches to collaborative neighborhood improvement.

This Framework is built on three key strategies:

Expand Resources and Capacity for Community Development

Revitalization requires capital. The Pugh Administration has committed an unprecedented set of local resources that will work effectively with ongoing State and Federal funding programs as well as contributions from private and philanthropic partners. While the needs are great and strategic use of funds remains paramount, we are poised for a dramatic increase in investment in city neighborhoods.

Strong and effective local partners are equally vital. The city is fortunate to have many capable community groups, neighborhood-based and citywide non-profit development organizations, community development finance institutions, as well as anchor and philanthropic institutions and other public and private partners. DHCD is committed to supporting emerging organizations and existing partners while working collaboratively to enhance the broader community development ecosystem.

Promote Access and Equity

Informing every aspect of this Framework is DHCD’s commitment to equitable community development, which requires working purposefully to address long-standing race- and income-based barriers that have devastated neighborhoods and disadvantaged the people living in them. Baltimore City has an opportunity to “get community development right.” That means: ensuring community voices are central to shaping neighborhood redevelopment; minimizing the displacement that can occur with rising values; supporting existing homeowners and residents to help them stay in their homes; maximizing Baltimoreans’ access to jobs and entrepreneurial
opportunities created by reinvestment; and prioritizing affordable housing in neighborhood revitalization efforts from the outset, not as an afterthought. In these ways, DHCD is committed from the start to equitable and inclusive redevelopment.

**Invest in All Neighborhoods**

While DHCD will continue to invest in all neighborhoods, the approach and expected return on that investment will vary based on current conditions. Strategies and approaches that succeed in one neighborhood may not work in another. In some areas, accumulating assets and fighting blight will quickly improve the quality of life and create long-term redevelopment opportunities. Other areas are poised to leverage private resources in the nearer term.

It must be noted that achieving equitable community development requires a multi-pronged response. DHCD plays a central role with code enforcement, our tools for transforming land and property, and our role in obtaining and sharing State and Federal resources. But holistic community development must also lead to improved education, public safety and healthcare; environmental and economic sustainability; and expanded economic opportunities. The Administration is committed to this approach and will coordinate investments across agencies and align investments in the built environment with investments in people.

The Framework is a living document that opens a dialogue with our partners, communities and stakeholders about long-term approaches to community development. We are working to make Baltimore a healthy and thriving city in which all residents share in its prosperity and are actively engaged in strengthening the city’s future. DHCD seeks authentic partnerships to help shape these approaches and we encourage all to become engaged in investing in Baltimore’s future. Please see the final section of this Framework for how to share comments on this living document.
Housing and mixed-use developments need capital, both debt and equity, patient enough to wait for returns while market values rise. Affordable housing requires subsidies to fill the gap between development costs and what low-income households can reasonably afford. Schools, parks, roads and water and utility services all are aspects of redevelopment that require scarce public dollars. And effective partners are as necessary for successful equitable redevelopment as capital. Recognizing the urgent need to leverage sustainable investments in many city communities, the Pugh Administration has committed significant resources to promote community development.

**Community Catalyst Grants**

Community development is driven by the hard work of residents, community associations, local businesses, property owners, community development organizations, schools, faith-based entities, philanthropy, anchor institutions, committed
private developers and many other stakeholders. Strong local organizations are particularly important in cultivating vital partnerships for revitalization, fostering neighborhood-scale strategic thinking and leveraging local knowledge. Community partners must shape the vision for their community’s future and play a role in implementation.

Community development is driven by the hard work of residents, community associations, local businesses, property owners, community development organizations, schools, faith-based entities, philanthropy, anchor institutions, committed private developers and many other stakeholders.

Our communities are strengthened by active residents and neighborhood associations and supported by an array of organizations. However, many lack sustainable staffing support or do not have access to essential technical, legal or financing support. It’s critical to the City’s success that we empower and strengthen such partner organizations.

The Pugh Administration is committing new resources to help these organizations play their essential role in community development. As an important first step, Mayor Pugh has allocated $5 million for the new Community Catalyst Grants (CCG) program. In the first year, up to $3 million in capital funds and up to $2 million in operating funds will be available for community-driven revitalization efforts. These funds meet the following critical needs:

- Operating support for community-based organizations
- Capital support for community-driven projects
- Technical assistance and organizational development for community-based organizations

Recognizing that sustaining operating expenses is often the most challenging aspect of launching new organizations, half or more of these funds will assist emerging organizations in disinvested areas that have not routinely received public operating support. The grants will include funds for technical assistance and capacity building and will promote networking activities and peer-to-peer learning to provide support for new groups. We anticipate working with partners to offer local groups technical training on financing and real estate development, or organizational issues such as building a board of directors, as well as sponsoring networking and social events.

The flexible capital grants will support a range of mixed-use projects, affordable and mixed-income housing, economic and business development and other community-driven efforts. The grants are designed to be flexible, allowing applicants to define their communities’ needs.

The Shake & Bake Family Fun Center is a popular entertainment venue in Upton.
MAKE GOVERNMENT WORK SMARTER

Mayor Pugh has created a “Neighborhood SubCabinet” to coordinate community development activities across agencies. Cross-agency coordination increases efficiency, aligns expenditures, engenders urgency, fosters holistic solutions and provides a forum for problem solving and innovation — while constantly tracking progress. The Neighborhood SubCabinet brings together executive-level staff from the departments of Housing and Community Development, Planning, Transportation, Public Works, Recreation and Parks, and Health; the Housing Authority of Baltimore City; the Baltimore Police Department; Baltimore Development Corp.; the Mayor’s Office of Employment Development; and Baltimore City Public Schools, among others.

The SubCabinet is structured as seven cross-agency Work Groups that carry out project-level coordination and report to the executive-level SubCabinet on a quarterly basis for performance management and high-level strategizing. There are four geographically defined Work Groups, one for each Impact Investment Area (described later in this report), and three for citywide priority topics: Green Network/Asset Building, Middle Neighborhoods and Retail Corridors.

Neighborhood leaders and elected officials attend SubCabinet and Work Group sessions, guide the vision, inform the work with local knowledge and ensure plans align with community needs.

“WHAT I LOVE ABOUT THE SUBCABINET IS YOU HAVE ALL OF THE PLAYERS SITTING AT THE TABLE HEARING THE SAME THING AT THE SAME TIME. THE RIGHT HAND ABSOLUTELY KNOWS WHAT THE LEFT HAND IS DOING AND SO THEREFORE WE’RE NOT WASTING RESOURCES.”

Jules Dunham-Howie, Director, Upton Planning Committee, West Side CDC.

Jules Dunham-Howie in front of the Billie Holiday monument in Upton, a landmark for the area.
Neighborhood Impact Investment Fund

The new Neighborhood Impact Investment Fund (NIIF) is an innovative public-private partnership that provides powerful tools to deliver capital to support community development and broader neighborhood revitalization. Initially capitalized with $52 million in City funds, NIIF is specifically targeted to invest in eligible neighborhoods that have been historically overlooked. These neighborhoods, which comprise approximately 65 percent of the city, may have assets or “green shoots,” such as public markets, public space, transit corridors or emerging housing and commercial development activity that can provide a central focus for revitalization. NIIF will seek to leverage and accelerate community development initiatives by providing flexible, patient capital on favorable terms to fill financing gaps and catalyze additional investment. NIIF has the flexibility to take innovative and creative approaches to support new initiatives. For example, NIIF can support pre-development activities or bridge loans to accelerate projects and provide credit support to other capital providers through subordinate debt or equity investment to leverage other capital and bring projects to fruition. NIIF is also seeking to partner with local Community Development Finance Institutions (CDFIs) and other intermediaries to stimulate small business investment in eligible neighborhoods and, potentially, direct investment or other forms of support for larger opportunities. Notably, NIIF investments are intended to generate returns that will be reinvested in additional projects. Through a close working relationship with the City, this exciting new capital pool promises to bolster DHCD’s capacity to support reinvestment and community development in many areas of the city.

Figure 1
Areas Eligible for NIIF Investments

- Areas Eligible for NIIF Investments
Affordable Housing Trust Fund

The City is taking a momentous step to provide housing for low-income families and individuals through the creation of the locally-funded Affordable Housing Trust Fund. For the first time, the City has committed substantial local resources to address this urgent and persistent need. Following a grassroots campaign, the City Charter was amended to create the Trust Fund to support the construction and maintenance of housing for very low-income households: those below 50 percent of the Area Median Income (roughly $45,500 for a family of four), with half of the funds to support housing for extremely low-income households: those below 30 percent of that threshold (roughly $28,000 for a family of four).

Mayor Pugh, residents, housing advocates and stakeholders, with the leadership of the Baltimore City Council, have worked together to create a dedicated source of revenue that will generate $20 million annually for the Trust Fund, opening the doors for families across the city to access stable, decent, and healthy housing.

The Pugh Administration provided the first allocation to the Trust Fund through the City’s 2018 Capital Improvement Plan process. The Fund will be managed and administered by DHCD with guidance from an advisory board consisting of industry representatives, community advocates and residents who benefit from various types of housing assistance.

State

DHCD will continue to strengthen and build on existing partnerships that have historically provided significant resources for community development in Baltimore. Aligning investments around collective strategies will accelerate community development outcomes.

The State of Maryland has been an important partner with a growing, sustained commitment to community development in the city. Through Fiscal Year 2019, Governor Hogan’s Project CORE has allocated $75 million for both blight removal and development support in Baltimore’s long-distressed neighborhoods. Project CORE has been among the largest sources of new capital for our neighborhoods of greatest need. More traditionally, the Maryland Department of Housing and Community Development plays an important role in filling affordable housing financing gaps and providing critical support to neighborhood groups through Community Legacy and Baltimore Regional Neighborhood Initiative funding. These programs represent a strong commitment to Baltimore by our elected State representatives and are an important source of support for neighborhood transformation. Baltimore DHCD and Maryland DHCD work closely together to align activities and co-invest in critical projects.

Federal

Though Federal support for urban America has declined from earlier eras, the Federal government remains a critical funding and strategic partner for Baltimore. The U.S. Department of Housing
and Urban Development (HUD) provides most of the support for public housing, and Baltimore has fared well with competitive programs such as the Perkins Somerset Oldtown Choice Neighborhoods Implementation Grant and the recent Poe Homes Planning Grant. The Low-Income Housing Tax Credit, Community Development Block Grant (CDBG) and HOME Programs are bedrock funding sources for housing and community groups. DCHD will work in the future to expand Section 108 (a program for capitalizing future CDBG allocations) and align the use of these funds with overall strategic goals.

One new source of Federal support is the Opportunity Zones program through which individuals and corporations can receive favorable capital gains tax treatment by investing in designated areas. Mayor Pugh worked with the State to ensure Baltimore received its proportional share of eligible U.S. Census tracts. While still being finalized, this program is designed to have substantial positive benefits by attracting new investment to 42 eligible census tracts in the city. The City, in partnership with the State, will explore strategies to ensure that Opportunity Zone projects in Baltimore are consistent with the City’s equitable development goals and designed to generate meaningful benefits for the City’s lower-income residents and their communities.

**Philanthropy**

Baltimore has strong philanthropic institutions that are deeply committed to community development and neighborhood initiatives. Donors playing key roles include The Abell Foundation, Annie E. Casey Foundation, Associated Black Charities, the Association of Baltimore Area Grantmakers, Baltimore Community Foundation, Robert W. Deutsch Foundation, Enterprise Community Partners, France-Merrick Foundation, the Goldsicker Foundation, Meyerhoff Charitable Funds, The Harry and Jeanette Weinberg Foundation, and many more. These organizations bring financial resources to community development as well as expertise, innovation, research and the ability to convene stakeholders and build partnerships. DHCD will look for formal and informal ways to strengthen and expand partnerships with this sector to align efforts and strategically co-invest in neighborhoods.
Anchors

The Baltimore region is extraordinarily rich in organizations referred to as anchor institutions because of their stature as centers of learning, research and employment, as well as the permanent nature of their physical locations and investments. These include many faith-based institutions, colleges and universities (University of Baltimore, Coppin State University; Johns Hopkins University, Loyola University Maryland, the University of Maryland; Baltimore, Maryland Institute College of Art and Morgan State University among others) and large medical institutions (Johns Hopkins Hospital, University of Maryland Medical Center; Bon Secours Hospital, LifeBridge Health, MedStar hospitals and others). These sectors collectively represent the city’s largest economic engines and sources of job growth. DHCD will support and build on existing collaborations with key anchor institutions and will leverage new investment to further accelerate growth and transformation in their surrounding areas.

Private Partners

DHCD recognizes that private partners play a significant role in redevelopment and bring their own resources and expertise to the table. For example, small-scale developers conducted most of the vacant building rehabilitations through receivership and Vacants to Value — commonly without public subsidy. The department will continue to collaborate with those helping to rebuild neighborhoods. Community Development Finance Institutions (CDFIs) also have a critical role partnering with the City on complex deals that are difficult for traditional banks. CDFIs are particularly adept at blending complicated financial streams, such as New Market Tax Credits, into community development projects. Baltimore Community Lending played a strong role in supporting scattered site rehabilitation through Vacants to Value. Other key CDFI partners include Baltimore Business Lending, City First Bank, Harbor Bank of Maryland, Harbor Bankshares, Healthy Neighborhoods, Inc., Latino Economic Development Center, MECU of Baltimore Inc., Neighborhood Housing Services and Reinvestment Fund, among others.

Coordinating Resources

These new City funding sources, coupled with partner funding, provide Baltimore communities with capital and operating resources that complement one another, fill key funding gaps and provide the tools to execute a comprehensive community development strategy. CCG grants are strengthening local groups to ensure that neighborhood development is inclusive and responds to neighborhood needs. The newly-launched NIIF can invest in coordination with Opportunity Zone funds, private investment, City capital investments and other public sources, assessing risks and rewards while maximizing project funding. The Affordable Housing Trust Fund, among its other benefits, will help ensure that neighborhood recovery is inclusionary, is accessible for existing and low-income residents and results in mixed-income communities. While these investment tools and partner resources don’t meet all the capital needs of our communities, they complement each other to significantly accelerate the pace of community development while at the same time ensuring growing community capacity to guide it.

In summary, DHCD is expanding its role as a convener and strategist, working with its many public and private partners on new investment approaches that work in coordination with each other to benefit Baltimore’s communities.
What does “equitable community development” mean for Baltimore? While we do not have a complete answer and look forward to ongoing dialogue with the community, this Framework is built on the following key elements which will guide DHCD’s efforts in the short term.

First, we must as a community understand and commit to redress the long-standing race-based barriers that have devastated neighborhoods and disadvantaged the people living in them.

Second, communities need to be central to shaping neighborhood visions. DCHD and the Planning Department will coordinate with other City agencies and work with local community residents, associations and partners to guide investments and activities on a local level.
The programmatic and neighborhood-based approaches described below require reaching consensus on the vision for each community and active participation in moving that vision forward. Towards that end, local residents participate directly in Neighborhood SubCabinet and local work sessions.

DHCD will also take steps to minimize the displacement that can occur with rising property values. This is done first by supporting legacy homeowners and secondly by ensuring that affordable housing (both homeownership and rental) is incorporated into neighborhood revitalization plans from the outset.

Finally, we must take steps to maximize Baltimoreans’ access to job and entrepreneurial opportunities that stem from public expenditures and overall community reinvestment.

Within this overarching goal, DHCD has set out three key strategies.

**Maintain and Expand Affordable Housing**

Affordable housing remains a basic need for many city residents, and DHCD and HABC are working on many fronts to address that challenge. More than 50,000 households—50 percent of
Baltimore’s renters—are housing cost–burdened, meaning they spend more than 30 percent of their income on housing. This remains true even though almost a third of all renters in Baltimore live in either a subsidized affordable housing development or have a Section 8 Housing Choice Voucher. Baltimore has more than 42,000 publicly supported rental units, among the highest counts of any big American city, proportionally. It may seem paradoxical, but Baltimore has both a large and growing number of cost–burdened households and a large and steadily growing inventory of subsidized, affordable housing. This reflects the high level of poverty in the city and the degree to which the region’s poverty and housing options for poor people are concentrated in the city. DHCD is committed to continued production of affordable private units and a range of programmatic and policy-level innovations to decrease the number of Baltimoreans paying more than they can afford for housing.

DHCD has a long history of supporting partners through financing, direct subsidy, support in accessing State and Federal resources and advantageous tax programs and land transactions.

DHCD has a long history of supporting partners through financing, direct subsidy, support in accessing State and Federal resources and advantageous tax programs and land transactions. DHCD releases an annual Notice of Funding Availability for developers seeking to use Federal HOME funds and other resources, usually as a component of a project seeking Low-Income Housing Tax Credits. Upon award of funding, DHCD works with partners and provides project management assistance to see projects move from pipeline to completion. Increasingly, we will be looking to create mixed-income housing incorporating both affordable and market rate units.

DHCD continues to collaborate with its sister agency, HABC, the largest provider of affordable units in the city. For example, DHCD is a partner in the Choice Neighborhoods project to redevelop the Perkins/Somerset/Old Town area, which recently received a $30 million Federal award that will leverage over $800 million in other funding and investment. DHCD will continue to partner with HABC in its efforts to reposition scattered-site units and ensure that future investments in major family housing sites align with the City’s community development vision for Baltimore’s neighborhoods.

DHCD is committed to increasing the number of affordable housing units developed in communities of choice throughout the city. To date, the City’s inclusionary housing legislation, despite hard work by Inclusionary Housing Board members and many staff, has not produced many units. However, DHCD is looking to re-invigorate the use of the tool. We are reviewing the rules that trigger the requirement to include inclusionary units in private developments and look to couple the program with new funding and financing resources as discussed above. Inclusionary housing practices can and should be an important tool for providing high-quality units in all neighborhoods across the city.

In addition, DHCD will explore creative, new ways to address affordability issues in the city. DHCD is providing support for community land trusts, which can be a vehicle for development and long-term preservation of affordable housing. DHCD is also exploring creation of a locally funded voucher program to be used in conjunction with supportive housing for homeless persons. We expect this
new collaborative approach will generate many additional ideas.

Finally, most cost-burdened households live in private, market-rate housing. A comprehensive approach must include strategies to ensure the quality of this critical housing stock. Working with DHCD, the Baltimore City Council recently passed legislation requiring all rental properties to be inspected and licensed. These inspections will, over time, improve housing quality and safety for many low-income Baltimoreans.

AFFORDABLE HOUSING TENETS

The Charter amendment creating the Affordable Housing Trust Fund also authorized a Commission to provide policy guidance on using the funds. This Commission will be an important DHCD partner in finding innovative and efficient ways to create and preserve more affordable housing. At the outset, DHCD affirms the following principles regarding affordable housing.

- All Baltimoreans deserve quality affordable housing.
- All affordable housing, including unsubsidized private market rentals, must be inspected and determined to be decent, healthy and safe.
- Over-concentration of households living in poverty can harm families and neighborhoods. Additional production of affordable housing should not lead to further segregation.
- Affordable housing development should occur in all neighborhoods. In neighborhoods with high demand, more must be done to produce and preserve high-quality affordable rental stock.
- Neighborhood revitalization efforts must strive to minimize displacement.
- A variety of approaches to expand affordable housing should be implemented, including vouchers, place-based efforts, community land trusts, for-profit and not-for-profit developers, public housing and both traditional and creative financing.
- Sustaining affordable housing includes preserving and creating homeownership opportunities to foster wealth building and stabilize households and neighborhoods.
Employees with Details, a division of the Baltimore-based social enterprise company Humanim, work on deconstructing a home in the city.

Support and Expand Homeownership

Homeownership is a powerful mechanism to disrupt inter-generational poverty, foster wealth-generation and stabilize neighborhoods. Supporting low-income homeowners is among the most efficient approaches to maintaining affordable housing. Yet in Baltimore, homeownership rates are falling. DHCD will continue to support homeownership both by assisting current owners and attracting and supporting new buyers.

The Department provides weatherization and repair grants and loans, lead-paint remediation and assistance with tax and water bill liens so that owners do not lose their homes over relatively small debts. The Department continues to innovate and expand our ability to offer this assistance. In addition, DHCD, in coordination with the State and other partners, supports estate-planning workshops to help seniors and others plan for transferring ownership of their homes. Too often, title problems with properties passed down within families complicate residents’ access to needed resources. Unfortunately, demand for all these services is great.
and DHCD looks to identify new resources to meet these needs.

DHCD will also expand efforts to support families looking to become new homeowners. The City supports homeownership counseling through CDBG grants to local partners and offers down payment assistance grants to eligible buyers including through the City Employee Homeownership Program, Live Near Your Work, Buying into Baltimore and Vacants 2 Value incentive programs which — depending on the buyer, location and nature of the home — can be worth between $5,000 and $20,000. The City also offers down payment assistance to 200 low- and moderate-income buyers a year through the CDBG program. DHCD is currently working with sellers and financers to explore alternative credit models to overcome financing barriers to homeownership for city residents.

**Economic Inclusion**

To promote equitable redevelopment, it is vital that residents and local, small and minority- and women-owned businesses have access to the opportunities generated from new investments, including good jobs with career paths as well as opportunities for contractors, firms and entrepreneurs.

In addition to the City requirements for minority- and women-owned business contracting and local hiring, DHCD has created such opportunities through its demolition program. In 2014, working with the Office of Sustainability, DHCD launched a pilot project for a “deconstruction” program. Deconstruction is an alternative to traditional demolition through which materials including lumber, bricks and architectural features are salvaged from the property. In the procurement, in addition to the reuse of building materials, DHCD required bidders to create meaningful job opportunities for individuals re-entering the workforce.

As a result, Baltimore City and its partners, including the State and the U.S. Forest Service, have become nationally recognized leaders in the field of demolition by deconstruction. The Baltimore-based nonprofit Humanim, which has created multiple social enterprises, was awarded Baltimore’s pilot deconstruction procurement contract and recently won the prestigious Mutual of America 2018 Governor Hugh L. Carey Community Partnership Award for its deconstruction work. Humanim has launched the successful social enterprise, Brick + Board, to sell reclaimed wood, brick and architectural remnants, creating “green collar” jobs for Baltimoreans facing barriers to employment.

**DCHD is developing a procurement for its stabilization services to ensure that its capital expenditures result in access to meaningful job opportunities for residents re-entering the workforce.**

DCHD is developing a similar procurement for its stabilization services to ensure that its capital expenditures result in access to meaningful job opportunities for residents re-entering the workforce. As another example, the Baltimore Integration Partnership has worked with local anchor institutions to expand their ability to do business with local entrepreneurs.
To create and sustain strong neighborhoods, we must consider: What do thriving neighborhoods look like? They have economic, social and environmental assets that offer stability and create opportunity for their residents. Key building blocks are good schools, access to employment opportunities, availability of local retail and amenities, public safety, green space, strong social networks and quality housing that increases in value. Thriving neighborhoods are affordable and home to residents with a mix of incomes and lifestyles; they are places where families, young adults and elders can all feel at home. And while all neighborhoods change and evolve, in successful communities, current residents are not threatened with economic or cultural displacement by either decline or rapidly escalating property prices.

Unique, individual neighborhoods represent the heart of Baltimore City. Every neighborhood is different. While community development goals are the same, the approach in each neighborhood must be tailored to current conditions in that neighborhood. This means our approach does not look the same in every area of the city. DHCD invests in all areas of the city but our approach, the type of investment and the expected return on that investment will vary across neighborhoods and over time.
SUPPORTING LARGE-SCALE REDEVELOPMENT

Large-scale redevelopment projects offer the potential to dramatically improve housing markets and economic development opportunities. Over the past few decades, Baltimore Housing (the City agency that previously housed both DHCD and HABC) pursued significant large-scale projects including major public housing redevelopments and the 88-acre East Baltimore Development Initiative.

Moving forward, DHCD is supporting the completion of the 50-acre Uplands homeownership and mixed-income housing redevelopment, the first phase of which has successfully created a new homeowner neighborhood in place of a failed apartment complex. The recently completed 262-unit Center/West apartments in Poppleton represent the first phase of a 16-acre redevelopment. The Perkins Somerset Old Town redevelopment is a critical large-scale project launched with a $30 million Federal Choice Neighborhood award in 2018.

This transformative project will reintegrate the public housing into the fabric of the neighborhood, create a mix of other affordable and market housing units and reinvigorate the Old Town retail mall. DHCD also maintains a focus on the Park Heights Major Redevelopment Area, the “Tivoly Triangle” in Coldstream Homestead Montebello and the 800 blocks of Edmondson and Harlem Avenues in Upton, each of which will become sources of strength for further development in the community.

DHCD will work proactively to identify opportunities and create partnerships with community groups, as well as the Baltimore Development Corp., HABC, the Planning Department, the NIF and others to promote an inclusive vision of redevelopment and support future large-scale developments. Many opportunities lie ahead. The proposed $800 million transformation of the Pimlico Race Course into a year-round, multi-use facility reintegrated with the neighborhood is perhaps the most exciting example.
In some areas which may be limited in their ability to readily attract private investment or new residents in the short term, we will continue to focus heavily on supporting local organizational capacity building, removing blight and assembling land and other assets for the future, while taking advantage of existing opportunities. This approach will account for the largest portion of DHCD capital expenditures. These investments lead to an immediate improvement in the quality of life for residents and development opportunities for the future.

Many areas that struggle with disinvestment are adjacent to areas of strength and poised for near-term growth. We will work with community partners to leverage private and other resources to transform these areas into stable and thriving neighborhoods. Many middle-market neighborhoods in the city — home to a range of working- and middle-class residents — are stable but face new or growing challenges. DHCD is working with stakeholders and residents to build a more coherent and expansive set of approaches to preserve and grow these communities.

We will continue to focus heavily on supporting local organizational capacity building, removing blight and assembling land and other assets for the future, while taking advantage of existing opportunities.

More broadly, the Pugh administration is taking a holistic approach to community development. DHCD plays a central role through its code enforcement responsibility, the use of land- and property-related tools and its ability to obtain State and Federal resources. But transformative community development must embrace a wider view of neighborhoods. That means ensuring they have access to quality services, vibrant retail districts and cultural amenities; improved education, public safety and healthcare; environmental and economic sustainability; and access to jobs with careers. DHCD will coordinate investments across agencies and align investing in buildings with investing in people. The Mayor’s Neighborhood SubCabinet is a primary vehicle for ensuring this coordination occurs at the highest level of City government.

Building Assets and Addressing Blight

Many Baltimore neighborhoods that continue to suffer from profound disinvestment, vacancy and highly concentrated poverty have difficulty generating the type of effective demand and private investment that would lead to transformation. Still, residents are hopeful and remain committed to positive change in their neighborhoods. This is evident in strong neighborhood organizations and community advocacy. To support such neighborhoods, DHCD works with community leaders to identify and address problems that immediately improve quality of life. These efforts often require major public sector intervention.

DHCD will continue to expend significant capital in such areas as a patient investment — including remediating blighting and dangerous conditions, assembling land for future use and development and creating both permanent and interim green spaces. In some cases, DHCD will opt to stabilize vacant buildings, rather than demolish them, to preserve them for future development. All neighborhoods present opportunities for growth, and DHCD will continue to collaborate with partners to build areas of strength to stabilize communities and anchor future redevelopment.
Treating Blight

Remediating blight through demolition and stabilization remains a high priority for enhancing public safety and improving quality of life in distressed areas. DHCD will continue to work with our State and community partners to utilize this tool where it is needed most. Additionally, we are excited to continue our work with partners like the Parks and People Foundation to bring new life to neighborhoods through the creation of attractive and lively green spaces. Thanks to infusions of capital—notably the City’s partnership with the State’s Project CORE—the pace of Baltimore’s efforts in demolition, stabilization and creation of green space has accelerated dramatically.

In carrying out demolitions, DHCD and the Maryland Stadium Authority have been working with industry experts to establish national best-practice standards for dust control at demolition sites. Initial research indicates that techniques such as better site monitoring and community notification, additional watering, halting demolition on windy days and using improved fencing and screening have been effective in reducing dust and enhancing community satisfaction.

In addition to state-of-the-art demolition and deconstruction practices, DHCD’s capital-intensive interventions must also include the acquisition and assemblage of both land and property for future reuse. Decades of disinvestment have created a mosaic of incoherent ownership and use patterns that can only be resolved by local government intervention. In Baltimore that authority resides with DHCD. If the land in many Baltimore neighborhoods is ever to be successfully re-used, it must be cleared and assembled into larger, more viable redevelopment sites. DHCD and the Department of Planning will continue to work with community leaders to prioritize acquisition and site-assembly opportunities.

Figure 2
Demolitions by Year

Through partnership with the State and City, communities are seeing an unprecedented amount of blight addressed. The number of vacant buildings citywide will substantially decline for the first time in many years.
CREATING OPPORTUNITY FOR FUTURE DEVELOPMENT ON FULTON AVENUE

In some cases, stabilization of long-abandoned property is preferable to demolition despite the increased expense. Sometimes distinctive buildings on blocks with inherent value and once-beautiful architecture have fallen into disrepair. Other times a significantly deteriorated property may be in the middle of an otherwise strong and resilient block. The demolition of mid-block properties requires the construction of retaining walls, which is not only expensive but leaves lots that are difficult to manage or redevelop. Despite the increased expense, stabilization can be a smarter strategy that preserves buildings for future use.

In 2016, a series of three-story properties on the 700 block of N. Fulton Ave. were in a state of near-collapse. The buildings formed an uninterrupted row of blighted properties along a major corridor in the Harlem Park neighborhood. Although full renovation was not likely in the short term, and while residents supported demolition in other areas of their neighborhood, they felt strongly that this block should be preserved. Accordingly, the properties were cleaned out, stabilized, fitted with new water-tight roofing, and secured for rehabilitation and development in the future.

As shown in before and after photos, in response to a community request, DHCD stabilized several distressed rowhouses in the 700 block of N. Fulton Ave., preserving them for future development.
Stewardship of Community Green Spaces

As a result of both depopulation and disinvestment, many Baltimore communities have a large number of vacant lots. Unfortunately, these lots — the vast majority of which are privately owned — can become unsightly with overgrowth and illegal dumping.

In assembling land for development and converting those lots into green space, the City must manage vacant properties more strategically to enhance the quality of life in our neighborhoods and improve their look and value. DHCD is committed to working with local partners to steward vacant lots, ensuring they are not a continued blight. Vacant land can also be transformed into parks, plazas, passive green space, recreation areas, forests, gardens and urban agriculture. Studies have shown that these types of investments benefit residents and boost property values. The Baltimore Green Network Plan created by the Department of Planning provides the blueprint for building assets through greening of vacant properties and re-connecting communities to Baltimore’s rich collection of parks and greenways. This Green Network Plan will be DHCD’s guide in stewarding vacant lots.

As a component of the Mayor’s Neighborhood SubCabinet, a Work Group has been established to support Baltimore Green Network implementation.

Building Assets

In addition to remediating blight and managing vacant land in the short term, DHCD will continue to work with communities and partners on existing projects, explore new opportunities and build assets for the future.

First, DHCD will continue to clear property titles and assemble land for redevelopment or conversion into interim and permanent green space. This slow work, requiring public sector powers and capital, must be undertaken to undo the effects of decades of disinvestment and prepare land for reinvestment and re-use.

Secondly, even in the most challenged market conditions, there are opportunities to build strength. For example, with the assistance of State Project CORE funds, the Walbrook Lumber site at 2600 W. North Avenue is being redeveloped as a mix of housing, office and retail. This project will provide services and amenities to the community around Coppin State University, which has transformed blocks immediately to the east with new university buildings. To the west, DHCD is using receivership and working with partners to rehab vacant buildings along North Avenue between the Walbrook site and the 3000 block of West North Ave., home to the new and attractive North Avenue Gateway apartments. This work is bolstered by planned streetscape and transportation upgrades supported by a Federal grant. As a result, the West North Avenue corridor will be fully new or rebuilt from Coppin State to the Gateway site, providing a source of stability for nearby neighborhoods.
RECEIVERSHIP

DHCD operates a receivership program that is a national best practice for addressing vacant properties at large scale and low cost. Receivership is a code enforcement action. When an owner fails to make a vacant property code-compliant, the City sues to ask a judge to appoint a receiver to auction the property. Only bidders who have been pre-qualified to renovate it can participate in the auction. Receiverships work best where there is a market for the vacant property.

Receivership is a flexible tool for both commercial and residential vacant properties. For the Greenmount West redevelopment, DHCD launched a successful commercial receivership action on the under-utilized Lebow Building, a former textile factory, to force a transfer of the property. Through efforts of many parties including private developers, City Schools, Mayor Pugh as a State Senator, community members, funders and lenders, the building has undergone a stunning transformation and is now the home of the Baltimore Design School, which prepares students for careers in architecture, fashion and graphic design.

Receivership played a role, either directly or indirectly, in more than 2500 vacant building rehabs since 2011, accounting for more than half of all vacant building renovations over that time. Receivership is one of the most important drivers of vacant property renovations in the city.

THE BALTIMORE VACANT PROPERTY RECEIVERSHIP ORDINANCE ...IS ARGUABLY THE MOST EFFECTIVE AND MOST WIDELY USED SUCH ORDINANCE IN EFFECT ANYWHERE IN THE UNITED STATES. IN CONTRAST TO ORDINANCES IN OTHER STATES, WHICH TEND TO BE APPLIED SPARINGLY IF AT ALL, IT HAS BECOME AN EFFECTIVE METHOD OF MOVING LARGE NUMBERS OF VACANT PROPERTIES INTO NEW OWNERSHIP AND REUSE.

The Baltimore Design School brought new life to this formerly vacant property. The City’s receivership process was a critical tool in redeveloping the property.
The City has seen major redevelopments and neighborhood-level investments in areas in and around the downtown core and near strong anchor institutions.

**Building from Strength: Impact Investment Areas**

**Transformational Investment**

DHCD will continue to build from strength, focusing additional investments to capitalize on ongoing revitalization efforts that are helping transform communities. Many neighborhoods are poised for transformational investment in the near term and within the scope and scale of the City's new resources, coupled with support from partners and anchor institutions.

In recent years, many of Baltimore's central and inner-ring neighborhoods have been transformed, through market trends and government investments, providing lessons to guide current efforts.

In the 1990s, as Baltimore's population was in steep decline, obsolete public housing developments nearly enveloped the downtown core of the city. Through focused, deliberate activities led by Baltimore Housing and supported by the State and Federal governments, these have been steadily redeveloped as sustainable, mixed-income neighborhoods that are again contributing to the
city’s vitality and providing significantly improved affordable housing options. These efforts began with the demolition and redevelopment of Lexington Terraces in the late 1990s and continued through demolition of the Flag House high rises, which was redeveloped as the mixed-income Albemarle Square townhome community. While largely successful in creating more sustainable mixed-income communities, these efforts were not without flaws. Widespread relocation, even when carried out under Federal guidelines, disrupted lives, social networks and communities. Drawing on lessons from Hope VI, HUD’s Choice Neighborhoods program, and the current Perkins Somerset Oldtown redevelopment plan in particular, ensures that all public housing units are replaced with at least the same number of new units — before demolition of any homes — allowing all residents to remain in the community if they choose.

In the same period, the downtown core has expanded to Harbor East and has become the city’s fastest growing residential neighborhood, with a strong housing market and bustling amenities. Meanwhile, anchor institutions and private employers continue to invest in Baltimore. The University of Maryland’s UM BioPark has brought new vitality west of Martin Luther King Jr. Boulevard, MICA’s expanded presence on North Avenue further anchors the Station North arts community and the University of Baltimore continues to invest in the area around Penn Station. In northeast Baltimore, Morgan State University developed the $72 million Graves School of Business and Management building and is supporting redevelopment of Northwood Plaza. On the west side, Coppin State University’s state-of-the-art Science and Technology Center has transformed the 2500 block of West North Avenue.
In addition to these redevelopments and trends, multi-pronged, neighborhood-scale change in Greenmount West, Barclay, Reservoir Hill and Oliver, coordinated through DHCD’s Vacants to Value initiative, has transformed these communities. In the early 2000s, these areas lacked investment and suffered from high vacancy rates and declining property values. Yet each also had strong and resilient local organizations, strong nearby anchors and institutions and proximity to either stable areas or areas that were strengthening through new investment and major redevelopment. DHCD and development partners, including HABC, worked with local resident associations, philanthropic and anchor institutions, CDFIs, small-scale private sector developers and stakeholders to pursue a range of strategies and coordinate investments, which led to increased vitality and dramatic declines in vacancy rates. Existing residents’ property values have risen, neighborhood character was preserved and access to quality affordable housing has improved.

The successes in those communities have informed DHCD’s approach as described in this Framework.

- **Build from strength.** Each neighborhood was near areas of strength, institutional anchors and ongoing committed investments. For example, the Station North Arts and Entertainment District and the presence of Penn Station and the strong market in Mount Vernon have anchored and nurtured redevelopment in Greenmount West.

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**Figure 4**

Decline in Vacants Since 2010

Through City-led interventions and sustained efforts of our partners, the number of vacant properties in four neighborhoods has declined significantly since 2010.

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenmount West</td>
<td>75%</td>
</tr>
<tr>
<td>Reservoir Hill</td>
<td>56%</td>
</tr>
<tr>
<td>Barclay</td>
<td>44%</td>
</tr>
<tr>
<td>Oliver</td>
<td>28%</td>
</tr>
</tbody>
</table>

Homes being rehabbed on the 1100 block of N. Bond Street.
Engage with residents and stakeholders to reach consensus on the vision for these communities. The communities benefited from strong resident organizations and advocates, as well as committed nonprofit and for-profit partners, CDFIs and supportive lenders, philanthropic and anchor institutions and other stakeholders, all of which engaged with the City. In Barclay, for example, the Department of Planning adopted a Small Area Plan that guided City selection of development partners and investment goals. Similarly, disposition of City property was done in close collaboration with community leadership to align with their vision for the neighborhood. To bring that vision to life, DHCD worked to transfer and sell City-owned properties to developers that shared the communities’ goals and priorities, such as increasing homeownership opportunities.

Coordinate public and private development efforts to achieve whole-block outcomes. DHCD worked with partners to weave together interventions in a coordinated and strategic fashion, including acquisition, disposition, demolition, stabilization, receivership, financing and planning. The key to success in many
neighborhoods was the development and execution of strategies that addressed entire blocks and leveraged new investment in surrounding areas.

- **Ensure new housing is available for a mix of income levels.** The efforts in Greenmount West and Barclay, for example, showed there is an achievable path to vibrant, mixed-income communities that do not isolate or concentrate poverty.

- **Ensure new developments are attractive.** All parties insisted on high-quality, contemporary, attractive development, repositioning the neighborhoods to both attract newcomers and renew a sense of pride among current residents.

In addition to learning from the success in these areas, lessons can be learned from mistakes and missed opportunities. How can we better manage cleared properties to ensure demolition leads to a better quality of life in the neighborhoods? Could more be done to protect low-income tenants in communities with increasing value? Can the City more effectively align community development, infrastructure and facility upgrades? What is the process to navigate the equally important outcomes of stimulating investment while retaining existing residents and neighborhood culture? DHCD is engaging with communities and partners to explore these questions and learn and adjust as we move forward with community development.

While there is room for improvement, public-private investments in these areas have clearly led to major progress and generated renewed optimism. With new resources, a commitment to build partner capacity and the lessons learned from successful neighborhood redevelopments in Greenmount West, Barclay, Reservoir Hill and Oliver, DHCD is poised to act more strategically to leverage investment to transform an increasing number of communities into more thriving, equitable and prosperous neighborhoods.

The grand opening of the New Shiloh Apartments brought 73 modern and affordable housing units to the Mondawmin neighborhood.
GREENMOUNT WEST’S NEW VITALITY

Greenmount West has transformed in the last 10 years from a deeply disinvested, under-populated neighborhood to a diverse community with a mix of subsidized affordable housing, market-rate rental properties, both longtime and new homeowners and an overall growing population. Anchored by strengthening mixed-used corridors on all sides, artist spaces, makerspaces and schools, homes are appreciating in value and new residents are moving in.

In 2005, a detailed market study commissioned by DHCD characterized the area as “distressed” due to its high vacancy rate and low market values. Since then, working jointly with residents, the Greenmount West Community Association, the Station North Arts and Entertainment District, Homes for America, Jubilee Housing, ReInvestment Fund, ReBuild Metro, the Central Baltimore Partnership, MICA, the University of Baltimore, the Robert W. Deutsch Foundation, private developers and investors and other stakeholders, deliberate City–led interventions led to transformational, inclusive change.

Vacant properties in Greenmount West were addressed using the full array of Vacants to Value tools. Disposition of City–owned real estate was done strategically and with the community’s vision in mind, transferring properties to developers that supported community goals such as increased homeownership. Even without City title, privately held vacant properties were moved into the hands of qualified developers through receivership. Other properties went through tax sale foreclosure or were privately acquired by partners capable of re-investing. Demolition and site assembly for redevelopment were used strategically. As a result, the number of vacant properties in Greenmount West declined by over 75 percent since 2010 and soon nearly all will have been redeveloped. It is DHCD’s ability, perhaps unique nationally, to thread together traditional public sector redevelopment tools such as acquisition, disposition, site assembly and financing with code enforcement and private–sector–led efforts that have resulted in positive transformation in neighborhoods proximate to areas of strength.

Throughout the redevelopment, all stakeholders and community members worked together to maintain affordable housing for low-income residents, thus ensuring a mixed-income thriving neighborhood outcome.
Figure 5
Greenmount West has undergone a dramatic transformation in recent years. Vacant properties have been redeveloped in large numbers.

<table>
<thead>
<tr>
<th>STRATEGIC INTERVENTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiverships</td>
</tr>
<tr>
<td>Dispositions</td>
</tr>
<tr>
<td>Affordable Housing Units</td>
</tr>
</tbody>
</table>

- Red: Redevelopment
- Blue: Vacant

A broad range of City, State, Federal, private and nonprofit resources were used collectively to create 59 affordable units in the City Arts building in Greenmount West.

Capitalizing on its location in the Station North Arts and Entertainment District, Greenmount West has attracted numerous public and private arts-related investments, including the Open Works makerspace.
Impact Investment Areas

The City’s four initial Impact Investment Areas are located strategically near anchor institutions, major redevelopments and recent neighborhood investments.

**East**: Johnston Square, Broadway East, East Baltimore Midway, Coldstream Homestead Montebello; **West**: Upton, Druid Heights, Penn North; **Southwest**: Poppleton, Hollins Market, Franklin Square, Union Square, Mt. Clare/New Southwest, Barre Circle, Washington Village/Pigtown; **Park Heights**: Park Circle, Greenspring, Tawanda-Grantley, Parklane, Central Park Heights, Lucille Park, Cyburn, Levindale, Langston Hughes, Pimlico Good Neighbors, Arlington

These neighborhoods offer near-term opportunities to achieve inclusive, economically sustainable growth.

Four Impact Investment Areas

Four areas of the city have been identified as the initial Impact Investment Areas. These are neighborhoods that offer near-term opportunities to achieve inclusive, economically sustainable growth supported by a comprehensive multi-agency City strategy and major public investments. As these
areas stabilize and grow, they will serve as strong community assets that will help fuel subsequent transformational development in adjacent communities.

**These areas share several critical characteristics:**

- They are generally low-income areas with challenging market conditions but — like the four communities highlighted above — are poised for positive, inclusive transformation.
- These neighborhood clusters have a base of stable residents, rich history, strong community groups, committed for-profit and nonprofit partners and a growing capacity to engage in redevelopment efforts.
- They border areas with strong markets and/or anchor institutions and have strong assets such as high-quality architecture.
- Each of these areas has — or is developing — a consensus vision of its future.
- In each, DHCD has assembled or has an opportunity to assemble a critical mass of vacant properties, including major sites for redevelopment.

DHCD will work with community partners, the Department of Planning and other stakeholders to establish a shared vision for the thriving, equitable communities these neighborhoods can become. Once a shared vision is reached, we will create a roadmap, benchmarks and renderings projecting development over a 10-year period. In collaboration with partners, we will construct a capital budget and develop a feasible implementation plan that will include strategies related to property acquisition, demolition, receivership, affordable housing and support for existing homeowners. Through the Neighborhood SubCabinet, the Mayor’s Office will ensure efficient and effective coordination across agencies.
EAST IMPACT INVESTMENT AREA

The East Impact Investment Area is composed of four neighborhoods: Johnston Square, Broadway East, East Baltimore Midway and Coldstream Homestead Montebello. These areas are supported by longtime stable markets to the North and Northeast and strengthening areas to the South. These areas are anchored to the West by the successes of Barclay and Greenmount West neighborhoods, as well as proximity to Penn Station.
EAST ASSETS, ANCHORS AND INVESTMENTS

1. New Montebello Elementary, Harford Heights Elementary and REACH Partnership High School
Through the City-State 21st Century Schools Initiative, these schools are being entirely renovated to transform student opportunities for local families and serve as strong anchors for the surrounding area.

2. Tivoly Triangle Redevelopment
A community of new homeowners will emerge on this nine-acre site providing value and stability for surrounding blocks. Long prioritized by the community, the City and State have invested more than $10 million in clearance and support.

3. East Baltimore Midway Opportunity
East Baltimore Midway is ripe for transformation, with strong community partners, beautiful architecture along quaint blocks, the strength of Cecil Elementary School, affordable artist housing and proximity to anchor institutions and multiple transportation hubs.

4. Gay Street Corridor Developments
This corridor has seen a dramatic transformation from blighted vacant properties to new investments including Humanim’s headquarters at the American Brewery Building and the new 61-unit Mary Harvin Center senior apartments. Current plans call for a new public park, the new Southern Streams wellness center and the 54 family Southern View apartments to complete the transformation.

5. Baltimore Food Hub and Hoen Lithograph Building
Major redevelopments of long abandoned industrial sites are underway in East Baltimore. The Baltimore Food Hub is a two-acre campus of food-related businesses. The 85,000 square foot Hoen Lithograph Building is the future home of the Center for Neighborhood Innovation, a vibrant, mixed-use complex that provides job opportunities and training.

6. East Baltimore Development Initiative
With $1.8 billion in investment to date, this 88-acre site is galvanizing the revitalization of East Baltimore with 2,100 units of mixed affordable and market-rate homeownership and rental housing in addition to 1.7 million square feet of life sciences research and office space, a community learning campus, a public elementary school and a new park.

7. Johnston Square Rehabs
HABC, DCHD, HABC and private for- and non-profit partners have been steadily rehabilitating vacant homes for families along Preston Street, Homewood Avenue and Mura Street, with many more in the pipeline.

8. Greenmount Chase Apartments
Breaking ground this year, this new 61-unit affordable family apartment building represents $16 million in investment on a block of formerly blighted land and vacant homes.

9. Ambrose Kennedy Park
Through a public-private partnership with Baltimore City Recreation and Parks Department and the Parks and People Foundation, this 1.75 acre park has been fully restored with new green spaces, paths, a splash pad and basketball courts replacing broken asphalt and chain link fencing. The park will be expanded in a second phase.

10. Public Private Athletic Fields
A proposed new athletic fields complex on a six-acre site assembled by the City will offer recreational amenities to the community and potentially a new home for St. Frances football.

11. Lillian Jones Apartments
The apartments at Greenmount Avenue and Chase Street are comprised of 78 attractive, family-friendly and affordable housing units anchoring a formerly long-blighted corner.
WEST IMPACT INVESTMENT AREA

The West area is composed of the neighborhoods of Upton, Druid Heights and Penn North along the spine of Pennsylvania Avenue. The area is endowed with stunning architecture and history and is the heart of Baltimore’s African-American community. It was a center for jazzy-age entertainment and the home of Baltimore’s Civil Rights movement, including the birthplace of Thurgood Marshall.
WEST ASSETS, ANCHORS AND INVESTMENTS

1. Penn Square I and II Apartments
   The Penn Square I and II apartments are comprised of 152 attractive, family-friendly and affordable housing apartments anchoring a formerly blighted corner.

2. New Dorothy Height Elementary Middle School
   Through the City-State 21st Century Schools partnership, the newly built $33 million Dorothy I. Height Elementary improves learning opportunities for students and provides a strong community anchor for families.

3. Bakers View Townhomes
   Provides a planned total of 87 affordable homes in Druid Heights. The first phase of homes sold out before construction was completed and the second phase is underway currently.

4. Druid Square
   Part of the Baltimore Green Network, Druid Square is envisioned as a new Baltimore urban square in the tradition of Lafayette Square. The new square, to be created after clearing blighted structures on the site, will be fronted by the new Bakers View Townhomes and renovations of currently vacant historic homes on Druid Hill Avenue.

5. Marshall Gardens/Pedestal Gardens
   Planned 82-unit building plus the renovation of five rowhomes for affordable housing will transform this area.

6. Avenue Market
   This is the heart of historic Pennsylvania Avenue. Baltimore Public Markets and the Baltimore Development Corporation (BDC) are spearheading Avenue Market’s redevelopment in conjunction with local, community-supported partners to bring new life to this key neighborhood institution.

7. Shake and Bake
   The iconic family fun center received nearly $300,000 from Baltimore City Recreation and Parks, improving the floors, lights, roof, kitchen and heating system.

8. Sojourner Place at Argyle
   Built in 2017, Sojourner Place at Argyle offers permanent, supportive housing for people who formerly experienced homelessness.

   Home to the Royal Theatre Marquee and Billie Holiday plaza. The Park is currently in planning phases for improvements and a football field.

10. Edmondson Avenue and Harlem Avenue Rehabs
    Via City, State and community partnership, 38 City-owned townhomes will be redeveloped for new families and homeowners, restoring these beautiful blocks and serving to anchor future redevelopment in the community.
SOUTHWEST IMPACT INVESTMENT AREA

Southwest Baltimore is a diverse mix of neighborhoods with both traditional Baltimore homes and brand-new developments. Anchored by the University of Maryland BioPark, this area is near strong markets and access to downtown and highways.
SOUTHWEST ASSETS, ANCHORS AND INVESTMENTS

1. **Vacants to Value Areas/ Homeownership Rehabs**
   Working with local partners, the City is using receivership and sales of City-owned properties to promote rehabilitation and homeownership of scores of vacant properties throughout the Southwest Area.

2. **Townes at the Terraces**
   A successful, attractive, mixed community of homeowners, senior housing and affordable rental housing, the Townes were developed on the former site of the Lexington Terraces high rises in late 1990s.

3. **Poe Homes Planning Grant**
   In 2018, HABC received a $1.3 million Choice Neighborhoods Planning Grant from HUD to develop a transformation plan for Poe Homes and the Poppleton/Hollins Market neighborhood. The Planning Grant is intended to lead to a HUD implementation grant that would rebuild the public housing unit-for-unit and leverage potentially hundreds of millions of dollars in investment.

4. **Center/West in Poppleton**
   Center/West provides 261 units of rental housing, including both high-end and affordable units. Phase 1 of the larger Poppleton project represents an $84 million investment in the community.

5. **University of Maryland BioPark**
   Just 5 minutes from the downtown core, UM BioPark houses high-growth life science companies and research centers. The 12-acre BioPark has 1.8 million square feet of lab and office space in 12 buildings plus garage parking and landscaped parks.

6. **West Baltimore Street Façade Improvements**
   Through $150,000 in BDC façade grants, the look and appeal of 11 commercial properties on the 1000 block of West Baltimore Street are being significantly upgraded.

7. **Franklin Square and Historic Union Square**
   Two traditional, elegant and historic urban squares, surrounded by beautiful homes anchor the surrounding neighborhoods.

8. **Traci Atkins Park Expansion**
   A good example of repurposing blighted vacant lots and land cleared through demolition to provide green amenities in the City, Traci Atkins Park will be expanded to include new properties, improve conditions at the foot of Mount Street and potentially improve access to Carroll Park.

9. **Mencken House**
   Baltimore National Heritage Area (BNHA) is assuming stewardship of the historic home of journalist, critic, and author H.L. Mencken (1880–1956). BNHA will manage the renovation, working closely with the Baltimore City Department of Housing and Community Development and the Commission for Historical and Architectural Preservation to re-open the house to the public in 2019.

10. **Hollins Market**
    The Baltimore Public Markets Corporation is working on a comprehensive vision for the market’s redevelopment while short-term improvements to the building are planned for spring 2019 in partnership with Warhorse Cities CDC.
Park Heights has strong anchor institutions and nearby neighborhoods. The area is receiving major investments including two new schools, a new park, recreation center and library. The City works closely with Park Heights Renaissance and many other partners.
PARK HEIGHTS ASSETS, ANCHORS AND INVESTMENTS

1. New Schools: Pimlico Elementary/Middle and Arlington Elementary
   Through the City-State 21st Century Schools partnership, the newly built Pimlico Elementary/Middle opened in fall 2018 and a totally rehabilitated and expanded Arlington Elementary will be complete by Fall 2019. This $78 million investment provides improved learning opportunities for students and strong anchors for families.

2. Proposed Pimlico Race Course Development
   The proposed plan to develop the racetrack and surrounding area would bring in over $800 million in public and private investment; keep the Preakness in Baltimore; re-connect the Park Heights neighborhood to the nearby Mt. Washington community; and offer community services and amenities on a year-round basis.

3. Sinai Hospital LifeBridge Health Center
   Sinai/LifeBridge is a strong community anchor and active participant in community revitalization efforts. Sinai/LifeBridge offers Live Near Your Work grants to employees buying homes in the area.

4. Pimlico School Area Rehabs
   City and private partners have renovated eight vacant properties for sale to homeowners directly across from the new 21st Century school.

5. CC Jackson Park and Recreation Center
   In partnership with the Ripken Baseball Foundation, the City recently completed a $7.5 million renovation that includes fitness rooms, community space, computer rooms, an indoor gym and athletic complex with new football and baseball fields and is conducting a planning process to expand the park’s frontage on Park Heights Avenue.

6. Major Redevelopment Area
   This 62-acre redevelopment site will be the center of a newly rebuilt Park Heights with new home ownership opportunities and a mix of building types. DHCD and partners are weighing development proposals for the first 17 acre phase, with an award of the site expected by spring 2019.

7. Loyola Northway
   On the 2600 block of Loyola Northway located in Central Park Heights, the City is working with community partners to rehabilitate vacant homes and demolish blighted buildings to create a green pocket park.

8. Renaissance Gardens and Renaissance Row
   Renaissance Row features high-quality mixed-income new housing and builds on the success of the adjoining 64-unit Renaissance Gardens.

9. Violet Avenue Rehabs
   Through City sales and use of receivership, AHC Greater Baltimore has rehabilitated ten homes for new homeowners.

10. Park Heights Corridor Rehabs
    Through receivership, City sale, financing and support for adjoining homeowners, the City is working with Park Heights Renaissance to rehabilitate 32 buildings and eliminate vacant properties between Park Circle and Springhill Ave.

11. Park Circle Improvements
    The City Department of Transportation is currently transforming this confusing intersection by Druid Hill Park. The $5 million investment will improve pedestrian access to Druid Hill Park and provide a beautiful gateway to the Park Heights Community.
Stabilize Middle Neighborhoods

Baltimore is home to many thriving “middle neighborhoods” affordable to a range of working- and middle-class residents. These areas are critical to the success of the overall city and are home to most of Baltimore’s homeowners. These homes generate wealth over generations for many families whose future security is inextricably tied to their communities’ ongoing success.

These are largely stable, highly livable and resilient communities, but unfortunately, they have historically received little benefit from national and local housing policy that has often failed to support the middle class. At this time, many suffer from deeply embedded demographic challenges. In some, many longtime homeowners and residents are aging and unable to maintain their homes. In others, the homes built to house large families are struggling in a market where smaller household sizes are now the norm. As a result, many middle neighborhoods in Baltimore — and across the country — face difficulty in attracting and retaining family households.

Baltimore is home to many thriving “middle neighborhoods” affordable to a range of working- and middle-class residents. These areas are critical to the success of the overall city and are home to most of Baltimore’s homeowners.
While DHCD and the City have a robust set of programs, we must expand resources and explore new approaches to meet the rising needs of these important areas.

Ensuring that middle neighborhoods remain stable and resilient for years to come will be a major focus at DHCD. The department strengthens middle neighborhoods through programs that support existing homeowners and incentivize new ones as well as through highly strategic code enforcement activity. Through an approach referred to as Streamlined Code Enforcement, DHCD automated the process for moving vacant buildings in many middle-market neighborhoods into receivership; those properties are likely to be purchased at auction and renovated because of the neighborhood’s strength.

Baltimore City is fortunate to have exceptionally innovative partners that are dedicated to improving middle neighborhoods. Citywide nonprofits and community-based organizations support affordable housing and homeownership opportunities to stabilize fragile blocks in middle neighborhoods. These include Habitat for Humanity of the Chesapeake, Healthy Neighborhoods Inc., Neighborhood Housing Services, St. Ambrose Housing Aid Center, and community groups such as Belair-Edison Neighborhoods Inc., Comprehensive Housing Assistance Inc., GO Northwest, WBC Community Development Corporation and many others. And Live Baltimore supports marketing efforts for Baltimore neighborhoods citywide, spreading the word about strong middle neighborhoods that first-time homebuyers and residents new to the city might overlook.
DHCD is the largest operational funder of Healthy Neighborhoods Inc. (HNI), whose work includes attracting new buyers with incentives like below-market rate loans and locally-driven community improvement projects that enhance property values. HNI also provides development assistance and supports high-impact projects. For example, HNI partnered with community members and the City to lead the redevelopment of 2300 block of Callow Avenue in Reservoir Hill.

While the City has implemented many best practices and empowered the work of partner organizations in middle neighborhoods, the focus is now on generating more synergy between efforts, exploring new approaches and seeking to expand resources. A Neighborhood SubCabinet Work Group has been convened to help lead this exploration for more focused strategies. Going forward, DHCD is excited to have the support of the Baltimore Innovation Team, a Bloomberg Foundation-supported team of analysts in City Hall, in these efforts.

**Strengthen Neighborhood Retail Corridors**

Retail corridors are critical to community and economic development. The radical global shift in how people purchase retail goods has emptied many suburban shopping malls and weakened urban commercial corridors. Many neighborhood retail districts are pockmarked with vacancy or under-used properties and fail to offer quality goods and services to residents.

The City pursues a range of initiatives to improve its commercial corridors, including the Main Streets program; the Leveraging Investments in Neighborhood Corridors (LINCS) initiative; clustered façade improvement for multiple properties; and financial products, loans, technical assistance and other programs executed by the Baltimore Development Corp. (BDC), the Mayor’s Office of Minority and Women Owned Business and others.

Through the LINCS initiative, the Department of Planning draws on the expertise of the Baltimore Chapter of the Urban Land Institute and works with communities to develop implementation strategies including specific tasks for City agencies to support four retail corridors: Greenmount Avenue, East North Avenue, Liberty Heights Boulevard and Pennsylvania Avenue. DHCD supports these endeavors with development and code enforcement activities, understanding that successful retail corridors are critical components to economic growth.

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**ECONOMIC INCLUSION WORKS TO HAVE THE ENTIRE COMMUNITY—INCLUDING BUSINESSES, ANCHOR INSTITUTIONS, GOVERNMENT AGENCIES, NEIGHBORHOOD ORGANIZATIONS, AND CIVIC LEADERSHIP—TAKE PROACTIVE STEPS TO IDENTIFY AND REMOVE BARRIERS THAT HAVE DENIED SEGMENTS OF THE POPULATION, AND PARTICULARLY PERSONS OF COLOR, PATHWAYS TO OPPORTUNITY AND ECONOMIC ADVANCEMENT.**

Collectively We Rise: The Business Case for Economic Inclusion in Baltimore; Baltimore Integration Partnership, June 2018.
of vital and successful neighborhoods. Other agencies including Department of Transportation and BDC have significant projects from these plans. As discussed above, the City’s retail and economic development strategies must also serve as engines for creating jobs and opportunities for residents and entrepreneurs. Local and minority entrepreneurs in our neighborhoods face challenges accessing start-up capital and securing workspace, as well as accessing newly created jobs.

The City’s approaches should incorporate lessons from entities such as the Baltimore Integration Partnership (BIP), which has worked since 2011 to establish economic inclusion as a city norm. A 2018 report from the BIP made the case: “Economic inclusion works to have the entire community—including businesses, anchor institutions, government agencies, neighborhood organizations, and civic leadership—take proactive steps to identify and remove barriers that have denied segments of the population, and particularly persons of color, pathways to opportunity and economic advancement.” (Collectively We Rise: The Business Case for Economic Inclusion in Baltimore; Baltimore Integration Partnership, June 2018.)

As a component of the Mayor’s Neighborhood SubCabinet, a Work Group has been convened to focus on this range of activities, ensure that efforts are coordinated across agencies, explore new approaches, define objectives, identify metrics and support implementation.

The Pigtown retail corridor on Washington Boulevard in Southwest Baltimore.
Baltimore is transforming. The Pugh Administration embraces a vision of a Baltimore that is a great place to live and work for all of its residents; a city where all people can find decent, safe and healthy housing at a cost that they can afford; a city of livable neighborhoods where residents are safe from crime, can buy healthy food and have ready access to quality education and the many opportunities the city and region offer. This Administration is committed to equitable prosperity that shares benefits with all people and strengthens communities to create new opportunities for all residents, no matter where they live, their racial background or their income.

In launching a new era of neighborhood investment, the City is providing significant new resources, focusing on equity and inclusion and partnering with communities to ensure residents’ hopes and voices help shape this bold citywide vision. We understand many steps are required to implement this vision and look forward to working with community residents and stakeholders to establish goals and metrics to measure success.

The strategic Framework is a living document. It is not a detailed roadmap but the start of a dialogue with our partners. Thank you for taking the time to explore this important topic. Thank you to the many
caring people who have helped DHCD shape these strategies. And thank you most of all to the many Baltimoreans who are actively engaged every day in making Baltimore and its neighborhoods stronger.

DHCD invites comments on this document now and as it evolves. To submit comments and for information about how to become engaged with the process, please contact us at: framework@baltimorecity.gov.

DHCD will hold public and stakeholder meetings on the Framework and broader community development issues and will provide a progress report and an update to the strategy by the end of 2019.

Most importantly, the Pugh Administration and the leadership of DHCD urge all Baltimoreans to get involved with community development in their neighborhood or across the city to help create a bright, beautiful, thriving and inclusive Baltimore.
ACKNOWLEDGMENTS

Thank You
Thank you to all of Baltimore's residents and our community partners for working with us to make our city a place where everyone thrives.

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Courtesy Baltimore City Mayor's Office (screen grab from video)
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Mayor Catherine Pugh talks with children at a Summer Food Program kick-off event.