

**CITY OF BALTIMORE  
COUNCIL BILL 09-0106R  
(Resolution)**

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Introduced by: Councilmembers Cole, Kraft, President Rawlings-Blake, Councilmembers  
Curran, Henry, D'Adamo, Middleton, Reisinger, Conaway, Spector, Welch

Introduced and read first time: February 9, 2009

Assigned to: Community Development Subcommittee

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REFERRED TO THE FOLLOWING AGENCIES: Department of Housing and Community Development,  
Department of Real Estate, Baltimore Development Corporation, Police Department,  
Department of Finance

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A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Outer Harbor Initiative - A Community Redevelopment Strategy**

3 FOR the purpose of requesting that the Baltimore City Council through the Community  
4 Development Subcommittee review and approve the Outer Harbor Initiative.

5 **Recitals**

6 The Outer Harbor Initiative (OHI) is a comprehensive redevelopment strategy that would  
7 redevelop vacant, abandoned, or speculator held housing. OHI has three components:

- 8 1. **Increased Investment in Code Enforcement:** Because much of Baltimore's vacant  
9 and abandoned housing is held by speculators who hold property for appreciation vs.  
10 investing in its redevelopment, there should be more resources devoted to legal and  
11 enforcement strategies to force speculators to redevelop property.
- 12 2. **Capital & Developer Participation:** Banking and other lending entities together  
13 with responsible for profit and not-for-profit developers should participate in the  
14 strategy. Baltimore City should engage these partners in coordination with  
15 investment.
- 16 3. **Neighborhood Association or Associated Marketing:** As investment is made in  
17 specific neighborhoods, there should be coordination with neighborhood associations  
18 or partners to develop attraction of completed homes. Outside partners may include  
19 city marketing organizations or realtors.

20 Done successfully, the Outer Harbor Initiative will have multiple benefits including:

- 21 • Decent mixed income neighborhoods that ensure vacant homes are renovated for the  
22 purpose of decent, affordable housing and that transformational development takes  
23 place in struggling neighborhoods.
- 24 • Families build wealth through homeownership and equity in their homes.

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike out~~ indicates matter deleted by amendment.

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- 1 • Baltimore engages unemployed men and women, particularly youth, in Workforce
- 2 Development to build and renovate homes in the outer harbor and populate
- 3 businesses in that geographic vicinity.
- 4 • Baltimore’s tax base grows and capital flows *into* rather than *out of* Baltimore City.
- 5 • Enhanced public safety in the target neighborhoods, ensuring that they are safe,
- 6 desirable places to live.

7 In the past two decades the Inner Harbor area has been revitalized through considerable  
 8 development. To continue transforming the City’s many struggling neighborhoods, the next  
 9 wave of redevelopment should build on the Inner Harbor’s success by focusing on the Outer  
 10 Harbor area, where undeveloped investor-owned properties have *prevented* development from  
 11 occurring. As a result, vacancy has led to the departure of stakeholders, significantly lower  
 12 property tax revenues have been generated, and safe, decent and affordable housing has been lost  
 13 as a consequence. The City has lost productive citizens and property while draining resources.

14 In the City of Baltimore, there exists a severe housing problem with respect to the supply of  
 15 affordable housing relative to the need for low-income residents. Government funding for  
 16 housing at all levels is on the decline. In 2005, there were about two poor renters for every  
 17 affordable housing unit in the City, and more than 16,000 households were on the waiting list for  
 18 assisted housing. Nonprofits like Habitat for Humanity and its partners can serve the City’s  
 19 interests by producing homeownership opportunities for low-income families, thereby  
 20 strengthening communities, building the wealth of needy families, and helping to address the  
 21 desperate need for decent, affordable housing. Furthermore, a mix of other nonprofits and for  
 22 profit developers can join forces to ensure catalytic development that also increases the tax base.

23 To break the cycle of poverty and augment the population, each investment that the City  
 24 makes should be transformational and strategic. Our efforts should focus on improvements that  
 25 are sustainable over time. Homeownership and rental initiatives, workforce development, and  
 26 wealth-building strategies are all areas that can lead to long-term transform of individuals,  
 27 families, and communities. For example, there are opportunities for expanding youth workforce  
 28 development programs focused on construction, which would not only provide valuable skills to  
 29 youth, but also assist nonprofits in the homebuilding process.

30 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the  
 31 Community Development Subcommittee study the prospect of approving the Outer Harbor  
 32 Initiative to invest in three components:

- 33 1. Increased Investment in Code Enforcement
- 34 2. Capital & Developer Participation
- 35 3. Neighborhood Association or Associated Marketing.

36 **AND BE IT FURTHER RESOLVED,** That the City of Baltimore commits \$20 million over five  
 37 years, from FY2011 to FY2016, that would be used to support these three areas of  
 38 transformational change. In housing alone, funds from the City Affordable Housing Trust Fund  
 39 and Home/CDBG funds would support the efforts of two Habitat for Humanity affiliates –  
 40 Chesapeake Habitat for Humanity and Arundel Habitat for Humanity as partners in the Outer  
 41 Harbor Initiative. This support would help cover the costs for: acquisition of properties;  
 42 homeownership and counseling programs; construction predevelopment, such as environmental  
 43 testing, lead or asbestos abatement; permits and zoning costs and demolition; and could be

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1 focused on neighborhoods such as McElderry Park, Brooklyn-Curtis Bay, Pigtown, Patterson  
2 Park, Mount Winans, Westport, and other neighborhoods to be determined.

3 **AND BE IT FURTHER RESOLVED**, That the City of Baltimore support the creation of an  
4 affordable-housing TIF program in which the predicted increase in tax revenue created by  
5 affordable housing developers be sold in bonds by the City and used for reinvestment in  
6 subsequent affordable housing projects.

7 **AND BE IT FURTHER RESOLVED**, That the City of Baltimore explore utilizing existing or  
8 additional TIF funds for the Westport Planned Unit Development to facilitate the disposition of  
9 70 properties to be rehabilitated into decent, affordable housing for 70 low-income families.

10 **AND BE IT FURTHER RESOLVED**, That the City of Baltimore create the position of one  
11 Workforce Coordinator for the OED or support a position at a partner not-for-profit to facilitate  
12 workforce development in the building and construction industry.

13 **AND BE IT FURTHER RESOLVED**, That the City of Baltimore assist families in building wealth  
14 through homeownership, Individual Development Accounts, and other opportunities to access  
15 credit and grow wealth in their communities, by changing the law to allow 25% of future  
16 property taxes from Habitat houses to be directed to the neighborhood where they exist.

17 **AND BE IT FURTHER RESOLVED**, That the City of Baltimore agree to a comprehensive  
18 strategy in which targeted neighborhoods could improve public safety, through collaboration  
19 among the City of Baltimore, Habitat for Humanity, the Baltimore City Police Department, and  
20 community organizations to enhance code enforcement, reduce abandonment and the resulting  
21 public safety problems, and clean up blighted streets.

22 **AND BE IT FURTHER RESOLVED**, That the City of Baltimore commit to allocate 50% of the  
23 revenue generated through code enforcement as a direct resource for the office of code  
24 enforcement for use of supporting existing programs.

25 **AND BE IT FURTHER RESOLVED**, That the City of Baltimore commit to allocate 10% of the  
26 revenue generated through code enforcement to the community associations to be used as  
27 support for the development of the organization and for advertisement to attract developers to  
28 their neighborhood.

29 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Mayor and to  
30 the Mayor's Legislative Liaison to the Baltimore City Council.