



# MEMORANDUM

STEPHANIE  
RAWLINGS-BLAKE,  
Mayor

PAUL T. GRAZIANO,  
Executive Director, HABC  
Commissioner, HCD

To: The Honorable Stephanie Rawlings-Blake, *Mayor of Baltimore*  
  
The Honorable President and Members of the Baltimore City Council  
c/o Karen Randle, *Executive Secretary*

From: Paul T. Graziano, *Commissioner*

Date: December 9, 2011

Re: **Report on the Performance of the Baltimore Affordable Housing Program**

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Established by Ordinance 06-181, the Baltimore Affordable Housing Program (AHP) was created in response to the Mayor and City Council finding there is a need in the City to develop programs to improve and expand housing opportunities for working families and other persons of low and moderate income. Among other components, one important activity falling within the scope of the AHP is to focus on activities of a large scale so as to sufficiently and completely address blighting influences in a given project area, which for the purposes of this program, are areas no smaller than a single block face comprising both sides of a street or way. AHP funds are useable for: (i) acquiring, structurally stabilizing and demolishing real property in the City; (ii) relocating households impacted from the aforementioned acquisition, structural stabilization and demolition of real property; (iii) administration and marketing costs associated with the above-mentioned two activities; and (iv) providing appropriate financial incentives, such as grants and loans, to developers, non-profit organizations, and eligible households for the purpose of: (1) orderly and sustainable planning, preservation, rehabilitation and development of economically diverse housing in city neighborhoods; (2) rental payment or home purchase assistance on behalf of eligible households for primary residency in eligible properties; and (3) the provision of buyer education and housing counseling services to eligible households in connection with housing opportunities in city neighborhoods and maximize home ownership.

Over the past few months, several AHP-sponsored projects have made exciting progress. Last week alone, Baltimore Housing hosted two community events celebrating revitalization work in the Barclay and Johnston Square communities:

- **Barclay**

On November 29<sup>th</sup>, 2011 a ribbon-cutting ceremony was held to celebrate the opening of the \$27.4 million first phase of the Barclay Neighborhood Revitalization Project, which is comprised of 72 units of affordable rental housing plus 8 for sale houses. Construction on an additional 12 for-sale houses will commence in early 2012. When completed this project will provide over 300 units of rental and owner occupied housing. Of special note, 6 of the first 17 users of the City's "Vacants to Value" homebuying incentive are purchasing homes on the 2200 and 2300 blocks of North Calvert in this mixed-income area.

Importantly, on December 8, 2011, Telesis, the developer for the project, was awarded low income housing tax credits by the Maryland Department of Housing and Community Development. This award will allow for the creation of 69 additional affordable rental units, representing Phase II of this effort.

- **Johnston Square**

On December 2, 2011, Baltimore Housing and Mi Casa, Inc. kicked off the next phase of the Johnston Square Neighborhood Revitalization Project. Building off of 10 affordable rental units that Mi Casa completed earlier this year for the Housing Authority of Baltimore City (HABC), an additional 30 properties are being renovated for affordable homeownership using over \$5 million in federal stimulus funds. This development activity is further supported by 37 affordable rentals being renovated by HABC as well as the \$16 million Lillian Jones Apartments (comprised of 74 affordable rental units) to be newly constructed commencing in early 2012 on the 1300 block of Greenmount Avenue. AHP provided essential funding for site assembly and clearance as well as for construction subsidies for the overall effort.

Several other projects that have been made possible through partial funding from the AHP have achieved significant milestones in recent months:

- **Byrd Properties**

The U.S. Department of Housing and Urban Development (HUD) has recently awarded \$7.3 million to Comprehensive Housing Assistance Inc. (CHAI) to build 60 units of affordable senior housing on the site of the failed Pimlico Apartments in Park Heights. This development, which was known informally as "The Ranch" due to the extremely violent criminal activity that occurred there, was demolished several years ago (along with several other failed Byrd properties) utilizing AHP funds.

- **Uplands**

Construction is well underway on 104 units of affordable rental housing at Uplands in West Baltimore off Edmondson Avenue. In early 2012, construction will commence on the first phase of for sale housing on this site that will ultimately include over 700 units of mixed income rental and owner occupied housing. Over \$15 million in AHP funds have been dedicated to this massive redevelopment that is converting a failed FHA insured property that was inflicting severe blight on the surrounding communities to a model planned community.

- **O'Donnell Heights**

O'Donnell Heights was a 900 unit public housing development which had been built in World War II as temporary housing for ship yard workers. It had long since passed its viable life and two thirds of the site has been cleared under a blight elimination/revitalization effort partially funded by the AHP. A redevelopment team has been designated and they have been working with HABC, the O'Donnell Public Housing Residents as well as the neighbors on a revitalization plan. The \$18 million phase I of the replacement housing has been funded and construction of 75 units of new rental housing will commence next May including 38 deeply affordable and 37 workforce homes.

- **Baker Street**

This past summer, 17 newly constructed for-sale homes were completed in Druid Heights as phase I of the Baker's View Project. Four (4) properties have been sold and the balance are being actively marketed. When completed, this project will include over 80 new homes where previously blight and abandonment prevailed. Again AHP funds helped to move this effort forward.

- **American Brewery**

This project involves the clearance of longtime vacant and uninhabitable houses on the 1600-1700 blocks of North Gay Street to facilitate the renovation of the historic American Brewery Building. The final 18 vacant structures to the south of the building (1601 through and including 1635 N. Gay St.) are currently being cleared, which will totally eradicate the blight in this two block stretch. The property will be maintained as community managed open space, designed to mitigate storm water runoff and will be consistent with the green infrastructure plan of the Office of Sustainability. This will create a pleasant environment for the Cole-Grant-Higgs (CGH) Senior Housing across North Gay Street and will help to support future affordable housing development in the nearby blocks. For example, on December 7, 2011, the Board of Estimates approved the land disposition agreement that will allow in the development of a 56-unit senior citizen apartment building and community center located within sight of the Brewery Building.

Other significant achievements in prior years and/or ongoing efforts made possible in part with funding from AHP include the first newly constructed homes in Barclay in over 50 years built by TRF and BUILD for affordable homeownership, major blight elimination through acquisition and clearance on the 2700 block of Tivoly Avenue in Coldstream-Homestead-Montebello (CHM), and the assembly and clearance of nearly 5 acres in Poppleton.

Also, a HUD-foreclosed and long-vacant rental project (Freedom Way) and a largely vacant and functionally obsolete HABC development (Claremont Homes) have been demolished and replaced by Orchard Ridge—a new planned community comprised of 199 rental units (including 184 affordable) and 72 units of affordable for sale housing, 42 of which are complete. In addition, another 60 units of affordable rental (Moravia Apartments) have been built off site.

Please see the attached "Chart of Current Baltimore Affordable Housing Program Projects" which breaks down the funding by project title, shows how much is budgeted for each, how much has been expended on each project to date, what encumbrances remain on each project, and what balance for future fiscal years on each project is anticipated.

Should you have any questions regarding any of the projects, please do not hesitate to contact me.

PTG:nb

cc: Ms. Angela Gibson, *Mayor's Office of Government Relations*  
Ms. Kaliopé Parthemos, *Deputy Mayor*

**Chart of Current Baltimore Affordable Housing Program Projects<sup>1</sup>**

Items	Project Title	Project Budget	Expenditures	Encumbrances	Balance
1	2800 West Lanvale Acq/Demo	\$80,641	\$80,641	\$ -	\$ -
2	American Brewery Periphery	\$1,479,000	\$1,231,216	\$217,887	\$29,897
3	Baker Street (Division)	\$150,000	\$137,918	\$3,047	\$9,035
4	Barclay	\$6,420,000	\$3,164,433	\$153,409	\$3,102,158
5	Byrd Properties	\$1,536,038	\$1,536,038	\$ -	\$ -
6	Cherry Hill Homes Ext Demolition	\$1,413,585	\$1,413,585	\$ -	\$ -
7	CHM/Tivoloy Avenue Acquisition	\$3,264,450	\$1,345,351	\$151,374	\$1,767,725
8	Johnston Square/Acq-Demo	\$3,149,118	\$312,080	\$2,084	\$2,834,954
9	Preston Street	\$2,450,000	\$92,712	\$ -	\$2,357,288
10	O'Donnell Heights - HABC Demo	\$625,958	\$625,958	\$ -	\$ -
11	Oliver Acquisition/Demolition	\$2,472,816	\$761,984	\$2,554	\$1,708,278
12	Claremont High-rise (Demo)	\$1,335,887	\$1,335,887	\$ -	\$ -
13	Claremont Homes (Demo)	\$2,883,882	\$2,883,882	\$ -	\$ -
14	Park Heights APQT Blocks	\$1,000,000	\$ -	\$ -	\$1,000,000
15	Poppleton Redevelopment	\$6,853,775	\$6,853,775	\$ -	\$ -
16	Uplands-Triangle Acquisition	\$5,281,881	\$4,941,629	\$29,412	\$310,840
17	Uplands-Predevelopment	\$781,980	\$781,980	\$ -	\$ -
18	Uplands-Redevelopment Sites A&B/Demolition	\$9,063,312	\$8,600,174	\$6,773	\$456,365
19	Uplands - Administration (GF)	\$178,874	\$178,874	\$ -	\$ -
20	Reserve Accounts	\$1,678,803	\$ -	\$ -	\$1,678,803
	<b>Sub-Total</b>	\$52,100,000	\$36,278,117	\$566,540	\$15,255,343
	<b>Unfunded Balance</b>	\$7,700,000	\$ -	\$ -	\$7,700,000
	<b>Total AHP</b>	\$59,800,000	\$36,278,117	\$566,540	\$22,955,343

<sup>1</sup> This information was excerpted from CIP budget documents already in the possession of the Mayor, the City Council, the Board of Estimates and the Planning Department.