



## REQUEST FOR APPLICATIONS

A State investment initiative for Baltimore City administered by the Maryland Department of Housing and Community Development



Larry Hogan, *Governor*  
Boyd K. Rutherford, *Lt. Governor*



Kenneth C. Holt, *Secretary*  
Ellington Churchill, *Deputy Secretary*

**FY17 Funding:**  
Up to \$18 million

**Eligible Applicants:**  
City of Baltimore Agencies  
Nonprofit Community  
Development Organizations

**Deadline for  
Submission:**  
Friday, August 19, 2016  
at 3:00 p.m.

## **I. Project C.O.R.E. General Description**

Project C.O.R.E. -- Creating Opportunities for Renewal and Enterprise -- is a new State of Maryland initiative to eliminate blight in Baltimore City and make way for new green space, new affordable housing, mixed-use development, and expanded opportunities for businesses. The initiative will generate jobs, strengthen the partnership between the City of Baltimore and the State of Maryland, and lead to safer, healthier and more attractive communities where families can remain or put down roots.

Project C.O.R.E. is being implemented over a four-year period, from 2016 through 2019. During that time period, the Department anticipates that a total of \$75 million of Project C.O.R.E. Funding will be available along with a projected \$600 million of additional financing through programs administered by the Maryland Department of Housing and Community Development.

During Fiscal Year 2016 (July 1, 2016 through June 30, 2017), the Maryland Department of Housing and Community Development ("the Department") will conduct one or more funding rounds to allocate available Project C.O.R.E. Funding to eligible projects. Since Project C.O.R.E. Funding is limited, the Department will prioritize awards to those projects that will have a strong positive economic and revitalization impact. In addition, projects that can be completed quickly and with relative certainty of achieving the project-specific goals will receive preferences in scoring.

## **II. Project C.O.R.E. Goals**

The goals of Project C.O.R.E. are:

- *Goal 1:* To support community growth in Baltimore City.
- *Goal 2:* To eliminate in a strategic manner as many full blocks of blight as possible.
- *Goal 3:* To encourage investment in Project C.O.R.E. communities through attractive financing and other incentives.

## **III. Eligible Applicants**

There are two types of eligible applicants for Project C.O.R.E. Funding: City of Baltimore agencies and nonprofit Community Development Organizations (CDOs) in Baltimore City. A CDO is a nonprofit organization which operates for the purpose of improving the physical, economic, or social environment of a specific geographic area, including one or more City neighborhoods.

The Department encourages eligible applicants to form partnerships with other organizations (for-profits, nonprofits, CDFI's, foundations, etc.) when applying for Project C.O.R.E. Funding. The complexity of projects that involve both the elimination of blight and subsequent redevelopment should create a strong incentive for applicants to work with other entities with the experience and expertise to initiate, undertake, and complete redevelopment activities.

Eligible applicants are not required to have an ownership stake in proposed projects or initiatives; however, they are expected to play a role in enabling the development to move forward.

#### **IV. Eligible Projects:**

Project C.O.R.E. Funding may be used for costs associated with eliminating blight within designated “Sustainable Communities” in the City of Baltimore. Sustainable Communities are those areas targeted by the City for revitalization and reinvestment. A map of the Sustainable Communities in the City of Baltimore can be found at: <http://www.dhcd.state.md.us/GIS/revitalize/index.html>.

Specific activities eligible for Project CORE Funding are:

- *Acquisition*: cost (including transaction and holding costs as approved by DHCD) associated with purchasing vacant buildings and/or land. Properties may be owned by private or public entities. Related-party acquisitions will be subject to additional review by DHCD.
- *Demolition*: cost to demolish blighted structures.
- *Stabilization*: cost to complete structural and other critical repairs necessary to stabilize an existing structure, remove any materials that will not be used in the completed project, remove hazardous materials (e.g. asbestos, lead paint, etc.) and other costs approved by DHCD that are associated with preparing a currently vacant structure for redevelopment.
- *Site Development*: cost to prepare a vacant site for new construction activities, including the removal of unsuitable soils/fill, hazardous materials, and the installation of new infrastructure (off-site and on-site).
- *Architectural and Engineering*: cost of architectural and engineering professional services directly associated with demolition, stabilization and site development aspects of the proposed project.

#### **V. Matching Requirements**

For each project application, applicants must provide evidence of a matching fund that is equal to or in excess of \$1 in non-State funding for every \$4 in Project C.O.R.E. Funding. Matching funds can include funds from the federal government, a local government, or other public or private source; real property; in-kind contributions; and funds expended before the date that the grant or loan is awarded that are directly related to the project(s).

#### **VI. Scoring Criteria and Checklist**

In addition to the minimum direct matching requirements outlined above, preference will be given to proposed projects that have secured or can secure significant additional funding for the project. This additional funding can include resources from the Department’s range of financing programs where applicable.

These additional preferences are included the Project C.O.R.E. Scoring Criteria and Checklist, which is attached. Project C.O.R.E. Funding for projects receiving awards will be disbursed upon the receipt and review of adequate documentation as determined by the Department.

## **VII. Project C.O.R.E. Priorities:**

- **Building upon community strengths:** Projects that significantly build upon existing community strengths and assets will be a priority, including:
  - Proximity to 21<sup>st</sup> Century School investments
  - Proximity to Anchor Institutions (Universities and Hospitals)
  - Proximity to other major investments, such as major rental preservation projects such as the Rental Assistance Demonstration (RAD) initiative.
  - Proximity to transit and transit-oriented development, including the Maryland Department of Transportation BaltimoreLink and CityLink corridors of focus.
  - Implementation of recent or new comprehensive plans, such as Baltimore City's Green Network Plan
  - Reuse of landmark historic buildings
  - Projects that build upon and expand residential market strength, for instance through homeownership in designated historic districts
  
- **Job Creation:**
  - Creating permanent jobs and/or construction jobs for local residents
  - Creating new small businesses, including those that will enhance services accessible to and needed by local neighborhood residents
  
- **Maximizing reinvestment and minimizing displacement:**
  - Projects that maximize the use of private capital that can be leveraged using C.O.R.E. and other Department resources.
  - A project resulting in greater Department resource utilization efficiency and leverage of private and non-DHCD public capital through the Department's financing programs.
  - Projects that minimize the social impact and public cost of resident relocation

## **VIII. Project C.O.R.E. Examples:**

The Department encourages innovative projects. Therefore, a range of development outcomes are possible using Project C.O.R.E. Funding along with complementary state and other funding. Outcomes may include, but are not limited to:

- Preparation of lots for redevelopment, through land assemblage, demolition and/or site development
- Building stabilization with a strategic focus on specific blocks and neighborhoods. For example, stabilization of a few vacant properties on a block of majority occupied housing, particularly in areas that have a significant base of homeownership.
- Historic preservation, through stabilization of historic or contributing buildings, making them ready for rehabilitation and reuse.
- Expanded housing opportunities for people of all economic backgrounds
- Site assemblage by land trust entity for permanent affordable housing development
- Site assemblage by land trust entity for open space, recreation and/or habitat preservation

- Opportunities for urban agriculture and community managed green space, or other potentially interim uses
- Opportunities for the creation or expansion of retail and other small businesses that enhance local resident access to jobs and services.
- “Clean, safe and green” neighborhoods that are attractive and convey the pride of the community

**For Example:**

New Construction Example: Developer A has long sought to redevelop a block of vacant buildings into a mixed-use complex including retail, open space, rental and homeownership units. The developer has demonstrated that the project has potential, but detailed financial analysis and underwriting indicates a \$1 million funding gap for a project with total development costs of \$25 million. As a result, the project has languished on the drawing boards. With total acquisition and site development cost of \$1 million, it is determined that Project CORE funds can cover these costs and could be the solution to get the project moving forward.

Rehabilitation Example: Developer B has a strong track record of renovating vacant rowhomes and selling them in order to stabilize and revitalize a specific historic neighborhood. They are currently spending about \$190,000 to acquire, stabilize and renovate the homes, but need to secure about \$20,000 in subsidy for every unit because the sales price supported by the market is currently \$170,000. This funding gap is a major barrier to achieving the scale of activity necessary to transform the targeted neighborhood. Some of the properties are eligible for acquisition by the City, while other properties are privately owned. With a total acquisition, stabilization and interior demolition budget of approximately \$20,000 per unit, it is determined that Project CORE Funding could be the source of gap funding.

**IX. Submission Requirements and Scoring**

This initial Project C.O.R.E. “Request for Applications” has a deadline of 3:00pm, Friday, August 19, 2016. Applications must be submitted utilizing the online submission process described in greater detail below. As part of the online submission process, applicants will have an opportunity to upload additional documentation to provide greater detail regarding the proposed development project. Additionally, applicants will be directed to complete and upload a “self-scoring document” using the Project C.O.R.E. Scoring Criteria and Checklist.

The online submission system – DHCD Project Portal – is a web-based application that allows organizations to apply for funding. The DHCD Project Portal requires authorization for access. Each organization must designate an Authorizing Official (AO). Once the AO registers the organization, he or she will receive an email Notification of Access Approval from the online systems administrator.

The AO will select a username and password and is responsible for defining the roles and responsibilities for staff users for the system. Once your organization is registered in the DHCD Project Portal, it can apply for financing and access instructions on how to navigate the system. Returning applicants should already have an account in the system.

The Department reserves the right to not consider incomplete applications, including those lacking required attachments.

**X. Review Process**

The applications will be reviewed by the Department and scored in accordance with the Project C.O.R.E. Scoring Criteria and Checklist. The highest scoring projects will receive a reservation of Project C.O.R.E. funding.

The Department is aware that some questions on the application may not be relevant for Project C.O.R.E. funding. Therefore, the applicant may choose to enter "Not Applicable (N/A)" in the space provided. The Department reserves the right to make inquiries of the applicant in order to make a fair funding decision and will follow-up with the applicant to obtain those answers to those questions, providing a reasonable deadline by which answers must be received.

**XI. Letter of Interest Option**

If an applicant and their partners are not ready to submit an application for this round, the Department encourages the applicant and their partners to submit a Letter of Interest (LOI) using the attached template. The LOI will help the Department understand the potential future pipeline for Project C.O.R.E. Funding applications and related investments. If the pipeline appears to include a high number of quality projects, the Department may, at its discretion, initiate one or more additional rounds within this and/or future fiscal years.

**XII. Contact Information**

For more information about the on-line application process, including account passwords and accessing the DHCD Project Portal, please contact:

**Valerie Carpenter**

*Assistant Director*

*Division of Neighborhood Revitalization*

Department of Housing & Community Development  
2 N. Charles St, Suite 450  
Baltimore, MD 21201  
410-209-5829 (office)

valerie.carpenter@maryland.gov

For more information about Project C.O.R.E. and this RFA, please contact:

**Kevin N. Baynes, AICP**

*Director, Community Programs*

*Division of Neighborhood Revitalization*

Department of Housing & Community Development  
2 N. Charles St, Suite 450  
Baltimore, MD 21201  
410-209-5823 (office)

kevin.baynes@maryland.gov