

Baltimore Vacants Reinvestment Council
November 7, 2024
Humanim, 1701 N Gay St, Baltimore, MD 21213, USA
10:00 am - 12:00 pm

Minutes

The meeting recording can be found on the [DHCD YouTube Channel](#).

Council members in attendance:

- Jake Day, Secretary, Maryland Department of Housing and Community Development (Council Chair)
- Alice Kennedy, Commissioner, Baltimore City Department of Housing and Community Development (Council Vice Chair)
- Portia Wu, Secretary, Maryland Department of Labor
- Rebecca Flora, Secretary, Maryland Department of Planning
- Gary McGuigan, Executive Vice President, Maryland Stadium Authority
- Tom Sadowski, Executive Director, Maryland Economic Development Corporation
- Jasmin Torres, Assistant Attorney General, Maryland Office of the Attorney General
- Cory McCray, Maryland State Senator, Maryland General Assembly
- Stephanie Smith, Maryland State Delegate, Maryland General Assembly
- Faith Leach, Chief Administrative Officer, City of Baltimore
- Michael Mockston, Director, Department of Finance, City of Baltimore
- John Bullock, Councilman, Baltimore City Council
- Leslie McMillan, Co-Chair, BUILD
- Mark Anthony Thomas, President & CEO, Greater Baltimore Committee
- Matt Gallagher, President & CEO, Goldseker Foundation
- Beth Blauer, Associate Vice Provost for Public Sector Innovation & Associate Professor of Practice, Carey Business School

1. Call to Order

Baltimore Vacants Reinvestment Council Chair Jake Day called the meeting to order.

2. Opening Remarks

Chair Day and Council Vice Chair Alice Kennedy provided remarks about the importance of addressing the vacancy crisis in Baltimore City.

3. Introductions

Chair Day invited members of the Baltimore Vacants Reinvestment Council to introduce themselves.

4. Presentation of Council Purpose

Chair Day gave a presentation about the Reinvest Baltimore Executive Order as well as the purpose and duties of the Baltimore Vacants Reinvestment Council (BVRC).

Chair Day stated that Governor Moore signed the Reinvest Baltimore Executive Order on October 1, 2024. Reinvest Baltimore is a coordinated effort to align City, State and private partners' initiatives into a unified approach to address vacant properties in Baltimore City. Chair Day noted that the Executive Order established the BVRC and its duties are outlined in the Executive Order. Early deliverables of the BVRC include reviewing and commenting on production targets and long-term outcomes; launching "VacantStat" to monitor production targets and outcomes; developing a shared plan for raising private, federal, philanthropic investment; publishing an annual report; and reviewing and commenting on city/state programmatic and financial strategy and property pipeline for five years of reinvestment.

5. Discussion of Council Shared Values

Chair Day started the discussion by presenting a list of values from the Baltimore City agreement with the Greater Baltimore Committee and BUILD to eliminate vacancy in Baltimore City. Chair Day read those draft values aloud, which include: community led development without displacement; building equity and addressing the wealth gap through homeownership; keeping rental markets affordable; creating thriving mixed-income neighborhoods; providing housing that is safe and affordable; and investments reflect the priorities of communities.

Chair Day asked Council members to share values that are missing.

Delegate Stephanie Smith mentioned Sec. Wu's participation on the Council and suggested promoting opportunities to increase employment in Baltimore through these efforts.

Ms. McMillan from BUILD handed out a shared values document agreed upon by BUILD, GBC and Baltimore City. Ms. Millan mentioned that BUILD goes to neighborhoods to listen as well as to identify community leaders and bring them together to identify community priorities. Ms. McMillian notes that it is important to do more than listen—that we should also help communities act and plan. Vice Chair Kennedy noted that community organizations and residents already inform decisions on developers coming into their neighborhoods and the priority blocks and activities for reinvestment and that the last value should be reworded to reflect this.

Senator McCray recommended that the values include growth and said that we assume these things create growth but we should say it as it is one of Baltimore's main challenges. Senator McCray also recommended being inclusive of all neighborhoods.

Delegate Smith said that investments should reflect priorities and leadership of communities and recommended adding the word leadership to the values.

Secretary Flora said that this work isn't just about housing—for neighborhoods to be truly vital, we need mixed uses in addition to mixed incomes. Ms. McMillan agreed and noted that community leaders talk about wanting more than just housing for their communities.

Secretary Day asked for recommendations for language that can be summed up in a values phrase that gets to the completeness of neighborhoods. He noted that the language might be enshrined in city planning language.

Mr. Sadowski said that communities should be connected to services and employment and that the word connectivity should find its way into the values statement.

Secretary Wu said we should thread work and employment throughout and ensure there are opportunities for workers to live in housing and afford housing near their jobs.

Ms. Blauer recommended adding the word healthy to housing that is safe and affordable. She also said we should consider how we want to grow Baltimore's population through growth as well as preservation.

Chair Day said he will send out revised values that include the feedback from BVRC members. For the December meeting, he asked BVRC members to be prepared to offer feedback to these draft values in an attempt to gain consensus at the December meeting on a set of values.

6. Understanding the Challenge

Vice Chair Kennedy presented the challenge of vacancy in Baltimore and how the city has been working on the challenge. She noted the historic disinvestment and impact on communities health, well-being, and loss of generational wealth. She displayed a map that showed race by Census tract and another map that shows the concentration of vacant buildings and how it overlaps with predominantly Black communities. She shared a snapshot of the Baltimore City DHCD key stats dashboard and noted that the city is using data to understand the challenges, make decisions, and guide implementation. The vacant building notice dashboard is updated three times per day.

Vice Chair Kennedy reviewed a timeline of activities from the city's announcement with Greater Baltimore Committee and BUILD in December 2023 to work together to address vacant and abandoned housing at scale over 15 years, which requires a \$3 billion public investment. She noted that the strategy looks at vacant buildings as well as vacant lots and there are 37,500 properties to address.

Vice Chair Kennedy reviewed the Framework for Community Development, which includes geographic focus areas such as Impact Investment Areas and Middle Neighborhoods. She noted that the city meets with leaders working in the Impact Investment Areas monthly, which roll up to quarterly Neighborhood Sub-Cabinet meetings. Vice Chair Kennedy then showed a map of Broadway East, an Impact Investment Area, to show how the city works with

communities to do asset mapping, assess market conditions and complete block-level planning by focusing on whole block outcomes and creating priority zones for investment in each area. She noted that these zones are created either by building from strength where there is existing investment or by focusing on areas where communities want to see immediate change to mitigate crime and violence or create better connectivity for students to walk to school who are walking past vacant buildings, as an example.

Vice Chair Kennedy presented the city's measures for defining success in reduction of vacants. She noted that there are two ways to eliminate a vacant building: 1) by demolishing the property; or 2) when the property receives a use and occupancy permit. For vacant lots, the city determines the status of each lot—if it's been acquired, been adopted through the adopt a lot program or has a maintenance plan.

Vice Chair Kennedy mentioned that the work isn't just about reducing vacant properties, but it is also about producing whole block outcomes and focusing on prevention of vacants by assisting existing homeowners with repair grants, ensuring older adults can age in place, and addressing infrastructure needs such as adding street lights to dark blocks.

Vice Chair Kennedy showed a graph depicting the reduction of vacant buildings that showed a functional zero vacancy rate by 2036 if the city implements the vacancy reduction plan at scale. Vice Chair Kennedy reported that functional zero vacancy means that while there will be some new vacant properties that emerge, any new vacant buildings will be resolved quickly.

Vice Chair Kennedy showed a map of the vacancy reduction focus areas, which include the Impact Investment Areas. Vice Chair Kennedy then showed the financial modeling for those geographic areas to equal the \$3 billion needed to eliminate vacancy. She noted that information from block-level planning and other analyses informed the financial model.

7. Historic Funding Secretary Day

Chair Day provided a review of the uses and sources for the vacancy elimination plan to include \$900 million in state funding over 15 years from the Baltimore Vacants Reinvestment Initiative and Baltimore Regional Neighborhoods Initiative. He noted that the Council needs to have a policy conversation about how we can further forward fund this work to scale up faster. Chair Day then noted the \$300 million city contributions through the Affordable Housing Tax Increment Financing (TIF) and Industrial Development Authority. He noted the philanthropic ask of \$300 million and that raising an additional \$1.5 billion from local, state and/or federal sources needs to remain a topic of discussion.

Chair Day also noted that through the Housing and Community Development Financing Act 2024, MD DHCD gained the ability to use BVRI funds for credit enhancement in addition to its existing uses for acquisition, stabilization, demolition and other pre-development costs. Chair Day noted that BRNI funds have a variety of uses, including development costs and homebuyer incentives.

Ms. McMillan asked if the city's data uses vacant building notices as the basis for the number of vacant buildings in the city and noted that neighborhood walks with residents show other vacant buildings that do not have vacant building notices. Chair Day responded that the vacant building notices are just a count of buildings with a vacant notice and do not reflect all vacant buildings. Vice Chair Kennedy said that the city is assessing the number of unoccupied properties without a vacant building notice when planning for whole blocks outcomes. She noted that some unoccupied properties may turn into a vacant building with a notice and some may be addressed by getting in contact with the property owner if it is a maintained property to discuss the owner's plans for the property. Vice Chair Kennedy also noted that the Baltimore City Fire Department's markings on buildings are not placed on every vacant property on a block but on those where the fire department will not fight a fire from inside of the building because of structural deficiencies. Chair Day mentioned that through the work of the Council we will develop shared terminology to understand key terms like an unoccupied property versus a vacant building. Mr. Thomas of the Greater Baltimore Committee noted that the volume of visible blight is likely greater than captured in the numbers and that it's important that we understand the scale of what we're trying to tackle.

Vice Chair Kennedy presented on the Affordable Housing Tax Increment Financing. She noted that the Affordable Housing TIF was approved by the Board of Finance and a City Council hearing is scheduled for Tuesday, November 12 at 1 pm. She said the Affordable Housing TIF will provide \$150 million over 10 to 15 years with the first approval for \$60 million of the \$150 million dollars. She stated the TIF supports projects with affordability up to 115% of Area of Median Income; can be used on the hard construction costs of redevelopment of a vacant property and infrastructure costs related to vacancy elimination and vacant lots; and will be provided as grants administered by DHCD. Funding is not part of the agency budget but is held in a special Treasury account.

Ms. McMillan asked if the grants will be paid on a reimbursement basis. Vice Chair Kennedy said the city is working out if a portion could be provided upfront with additional funds to be reimbursed.

Vice Chair Kennedy showed the Affordable Housing TIF district, which is made up of individual properties that are vacant and in the in rem foreclosure or other acquisition pipeline as well as properties that capture the tax increment because they have been renovated in the last year and received a use and occupancy permit.

Vice Chair Kennedy presented on the Industrial Development Authority, which will commit \$150 million to the vacancy elimination plan. Vice Chair Kennedy states that the IDA was established in 1979 to improve blighted areas in Baltimore City and primarily used for development around the waterfront. In 2016 its charter lapsed and it has been sitting dormant. The city is reconstituting the IDA and in the process of selecting a five-member Board.

Vice Chair Kennedy showed opportunities for philanthropic investment into the vacancy elimination plan and stated that key items needed for funding are a revolving fund for lines of credits for developers and home repair grants.

Chair Day noted that as we align sources and uses, we will begin to identify gaps that will give us guidance on collective asks to the philanthropic community.

Chair Day stated again that BVRI funds can now be used for credit enhancement. He also shared that the Housing Expansion and Affordability Act of 2024 offers density bonuses to development that is .75 miles of a rail station, owned by non-profits or on former state and federally owned campuses. He noted that the bill also hastens the construction process and reduces barriers.

8. Reinvest Baltimore Goals and Outcomes Secretary Day

Chair Day asked Vice Chair Kennedy to discuss goals and outcomes for the vacancy elimination plan. Vice Chair Kennedy noted the FY25 production goals achieved with funding from the state through BVRI. She also stated that the goal for property rehabs are part of work that is already happening. She shared goals for the reduction in the vacant properties developed from historic and current data.

Chair Day noted that in the coming months we're going to need to articulate outcomes—some already given in the Reinvest Baltimore Executive Order—about reducing the number of VBN and unoccupied properties and establish objectives for vacant lots, population and household growth, and return on investment.

Vice Chair Kennedy then showed an analysis from PFM, a public management consultant, that shows return on investment. She noted that if the vacancy reduction plan goes to scale by year 2035 we will see city and state tax revenue exceed public investment. Ms. McMillan recommended sharing the full PFM report with this analysis at a future BVRC meeting.

9. Structure of Future Meetings Secretary Day

Secretary Day shared that the next meeting of the BVRC will take place on December 12 with the meeting location to be announced soon. He also shared that the BVRC will create working groups to include members outside of the council and that we will be discussing options for those working groups in the December and January BVRC meetings. He noted that we will also look at how and when we will hold public engagement sessions.

Chair Day presented the upcoming meeting topics, which include a presentation and discussion of the city's vacancy dashboard; a look at FY25 state investment into the vacancy elimination strategy; a discussion of block-level planning, including maps and prioritization, and working sessions on constraints and obstacles that will require future policy, advocacy and fundraising efforts.

10. Open Discussion

Chair Day opened the meeting for discussion. Ms. McMillan asked if the meeting materials would be shared with BVRC members. Chair Day said that the items will be shared.

Mr. Thomas stated that for the discussion about obstacles, BVRC needs to discuss the scale of investment needed and the capacity of the system to absorb that scale up and how we can align on implementation.

CAO Leach stated that we did not have enough time to dig into elements of the city's strategy and we need to do that in future meetings to make sure that BVRC members can get all their questions answered. Chair Day suggested that this could be a topic for the December and January meetings.

11. Closing Remarks

Secretary Day adjourned the meeting.