

REINVEST

Baltimore

Welcome!



Open Meetings

- The BVRC meetings are subject to the Open Meetings Act. At any open session the general public is invited to attend and observe.
- Except in instances when the BVRC expressly invites public participation, no member of the public attending an open session may participate in the session.
- A person attending an open session may not engage in any conduct, including visual demonstrations, such as the waving of placards, signs, or banners, that disrupts the session or that interferes with the right of members of the public to attend and observe the session.

Meetings Being Recorded

- BVRC meetings are recorded.
- A member of the public, including any representative of the news media, may record an open session of BVRC; the recording cannot create an excessive noise that disturbs members of the BVRC or other persons attending the session.

Agenda

- **Call to Order**

Secretary Day

- **Adoption of Meeting Minutes**

Secretary Day

- **Annual Goals & Monthly Goals to Actuals**

Commissioner Kennedy

- **Review Data Requests**

Secretary Day

- **Whole Blocks Approach**

Secretary Day

- **Working Group Updates**

Secretary Day

Annual Fiscal Year Goals



Data Requests



Data Request Tracking

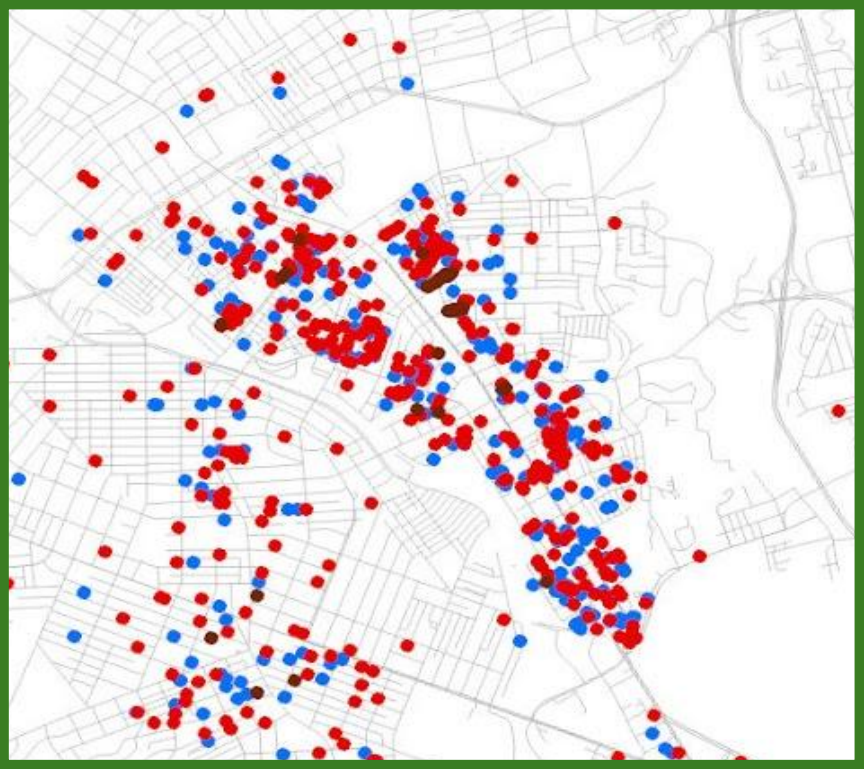
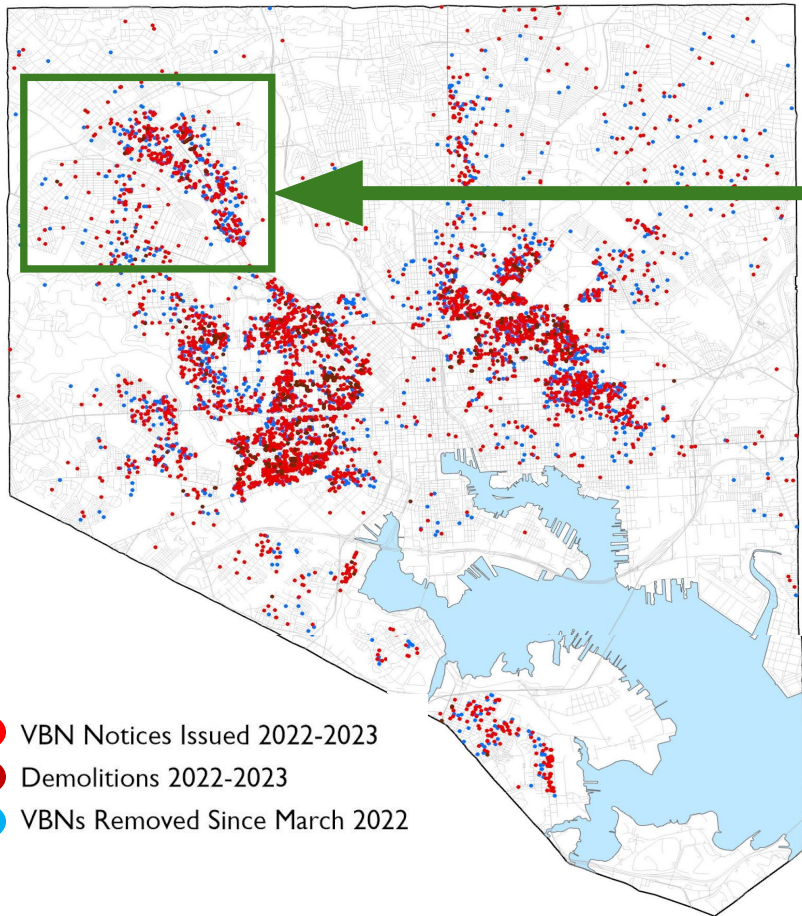
Item	Data provider	Delivery Date
Annual production goals for major activities	BC DHCD	March
Month over month progress report of actuals compared to goals	BC DHCD	April
FY25 property list for state, city and other investment	BC DHCD/MD DHCD	April
Block-level prioritization	BC DHCD	April
FY 26 property list for state, city and other investment	BC DHCD/MD DHCD	June
Rehab starts compared to FY24	BC DHCD	Need more clarity
Update VBN mapping tool (a way to visualize whole block change)	BC DHCD	FY26
# of VBNs generated by 311 citizen service request calls vs other methods	N/A	N/A

Whole Blocks Approach



Whole Blocks Whole City

Reverend George Hopkins



- VBN Notices Issued 2022-2023
- Demolitions 2022-2023
- VBNs Removed Since March 2022

Whole Blocks Approach- Change the Measurement of Our Work, Change Our Impact

Healthy Blocks Make Healthy Communities



- **ORGANIZE A STRONG TEAM OF NEIGHBORHOOD RESIDENTS & LEADERS
(including neighborhood stakeholders)**
- **BUILD FROM STRENGTH & PLAN WITH THE EXISTING BUILT ENVIRONMENT**
- **CREATE CONTIGUOUS CLUSTERS OF WHOLE BLOCKS**
- **DETERMINE VARIABLES TO MEASURE**
- **IDENTIFY & CONCENTRATE REDEVELOPMENT ACTIVITIES IN EACH CLUSTER
(with sufficient speed to outpace the rate of abandonment)**
- **LINE UP CONSISTENT PUBLIC / PRIVATE INVESTMENT**

□ COMMUNITY ADOPTED REDEVELOPMENT PLAN

- Defined properties in a redevelopment area
- Neighborhood planning creates conversations to define neighborhood strengths and realistic redevelopment opportunities
- Estimated market prices and absorption rates (sale, rental, mixed-use)
- Project budgets (including long-term financing) for redevelopment

□ PRIVATE CAPITAL TO MATCH PUBLIC FUNDS (\$1 for \$1 match to start)

□ SITE CONTROL (PUBLIC-PRIVATE PARTNERSHIP) OVER WHOLE BLOCKS AREA

- Land Disposition Agreement (LDA)
- Prioritized City acquisition/services in targeted neighborhoods (capital budgets, staffing levels, & quarterly acquisition goals)

□ PUBLIC SECTOR PRIORITIES & COMMITMENTS

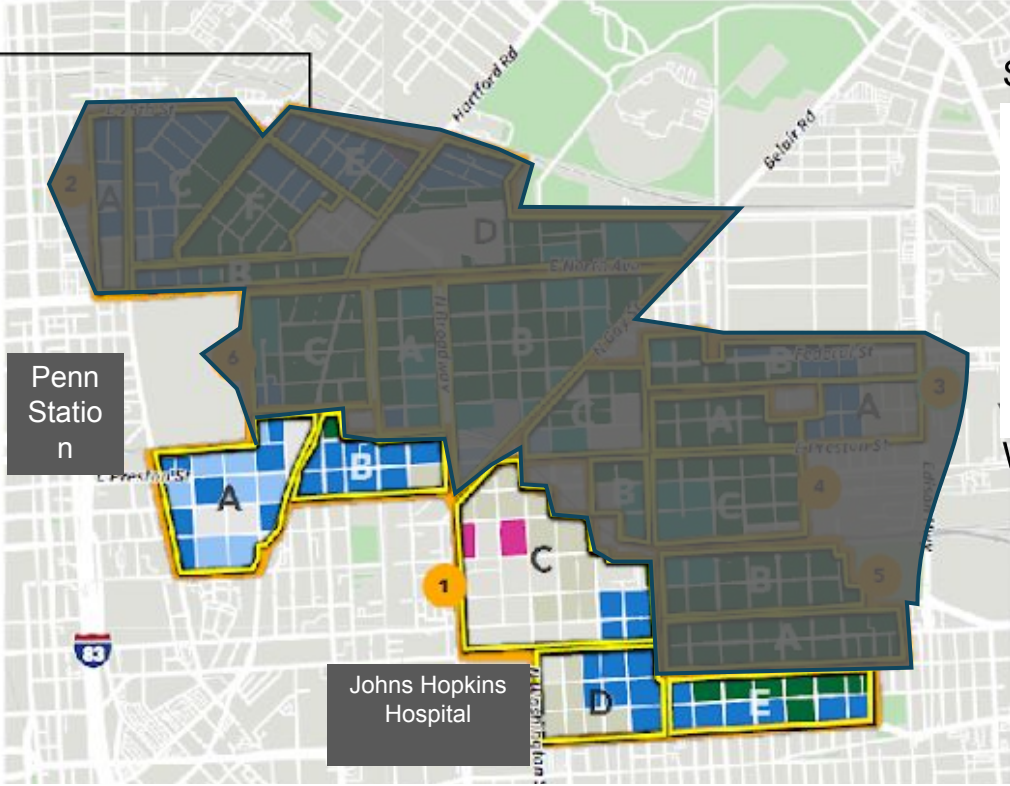
- Multi-year subsidies to allow for continuous production consistent with Private Capital requirements
- Coordination between subsidies and LDA / Site Control Strategy to prioritize City acquisition
- Coordination of investment to create a vibrant neighborhood (parks, other amenities, commercial corridors, etc.)

□ DEVELOPMENT CAPACITY & ACCESS TO CAPITAL

- Operating Capacity to work at scale –
Scale is defined as the production necessary to eliminate all vacancy
25 blocks @ 40 properties per block => +/- 1,000 properties
20% vacancy => 200 vacant properties + 10% new vacant units/year => 35 rehabs per year for 7 years to eliminate all
- Balance Sheet – Developer must have available cash equal to 6 months operating and production capital needed

Going forward: Eliminating Vacancy In East Baltimore

Primary Activity: Development
 Secondary Activity: Acquisition



Strongest



Primary Activities

- Development
- Pre-Development
- Acquisition
- Planning
- Organizing

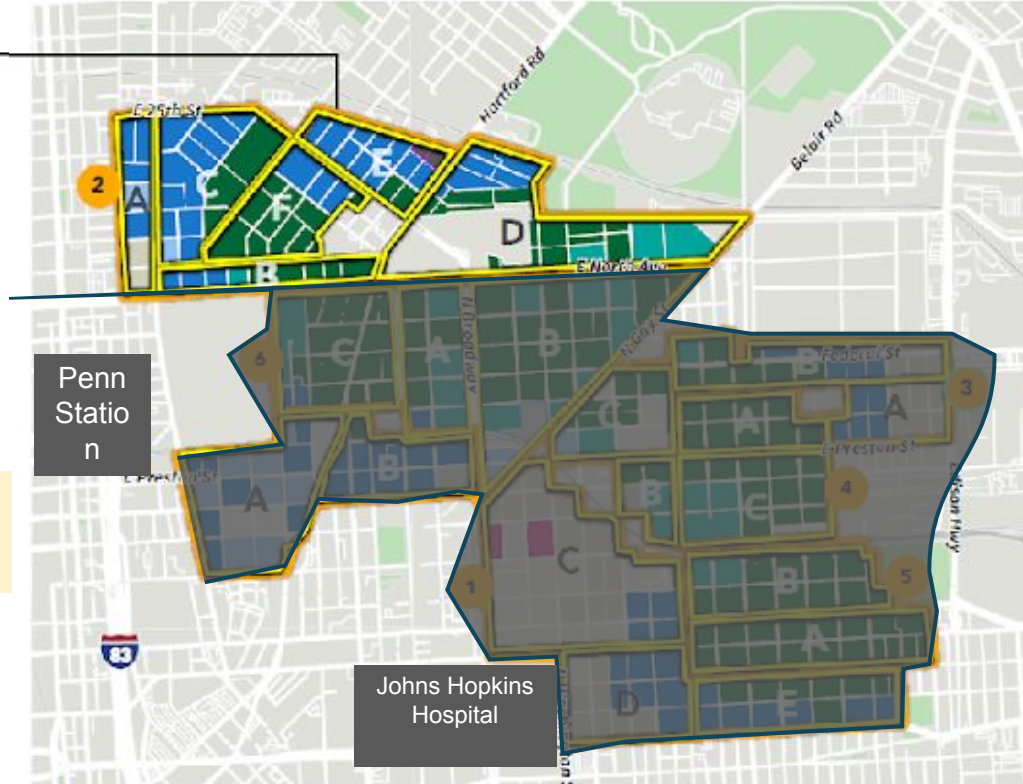
Weakest

Vacant Houses	2,873
Vacant Lots	3,402
Properties at Risk of Abandonment	4,238
Total Properties	10,513

Whole Block Areas	1
Redevelopment Clusters	5

Going forward: Eliminating Vacancy In East Baltimore

Primary Activity: Organizing & Planning
Secondary Activity: Acquisition



Strongest



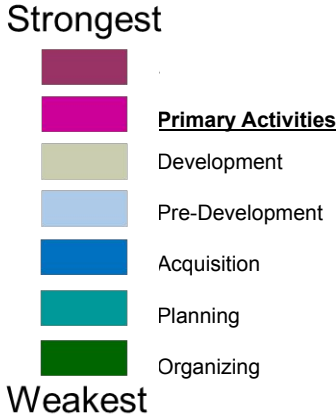
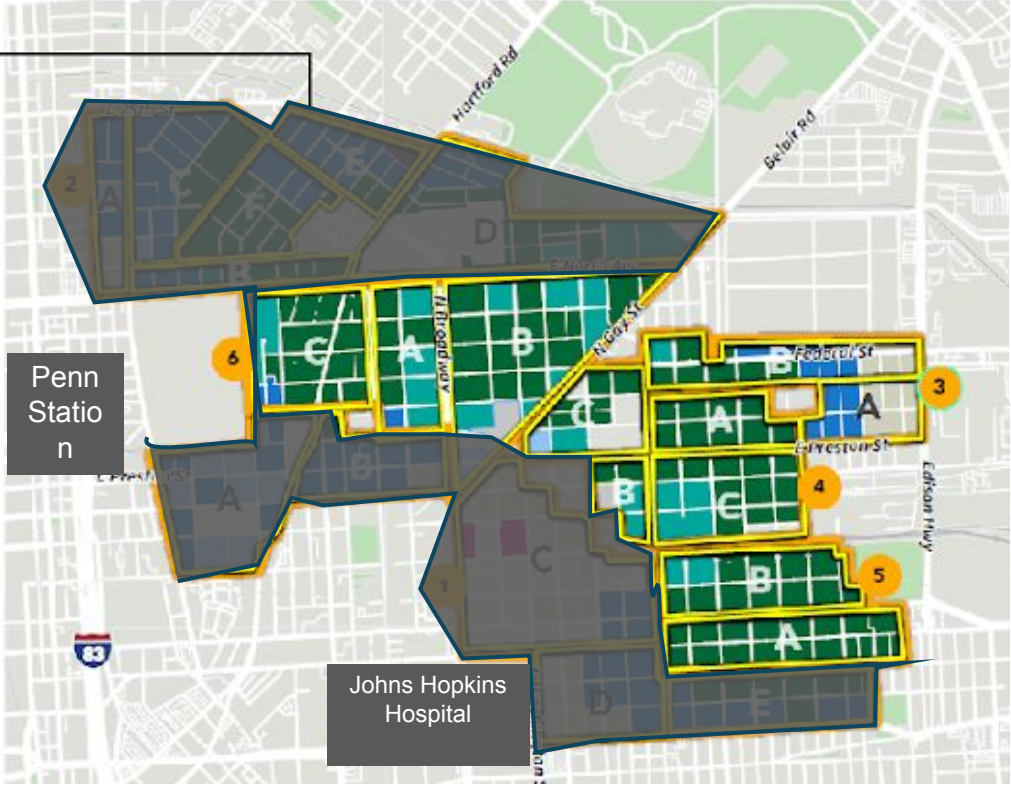
Weakest

Whole Block Areas 1

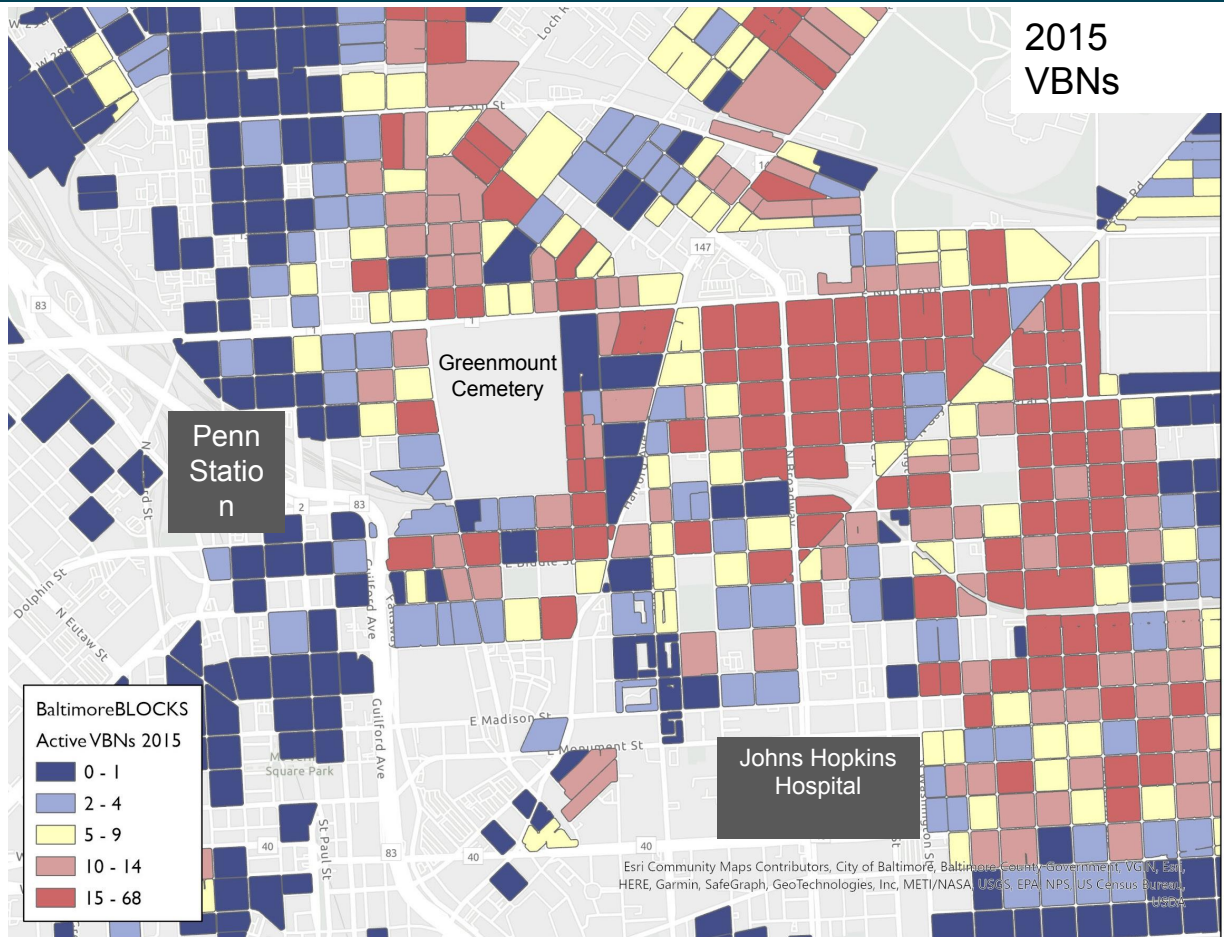
Redevelopment Clusters 6

Going forward: Eliminating Vacancy In East Baltimore

Primary Activity: Organizing
 Secondary Activity: Planning & Initial Acquisition



Whole Block Areas	4
Redevelopment Clusters	11



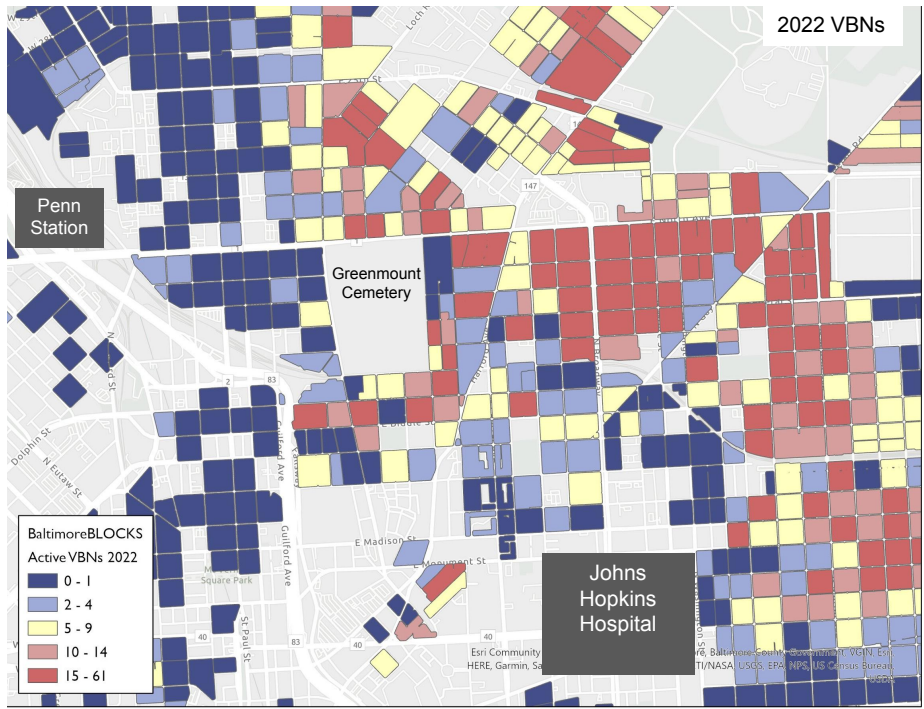
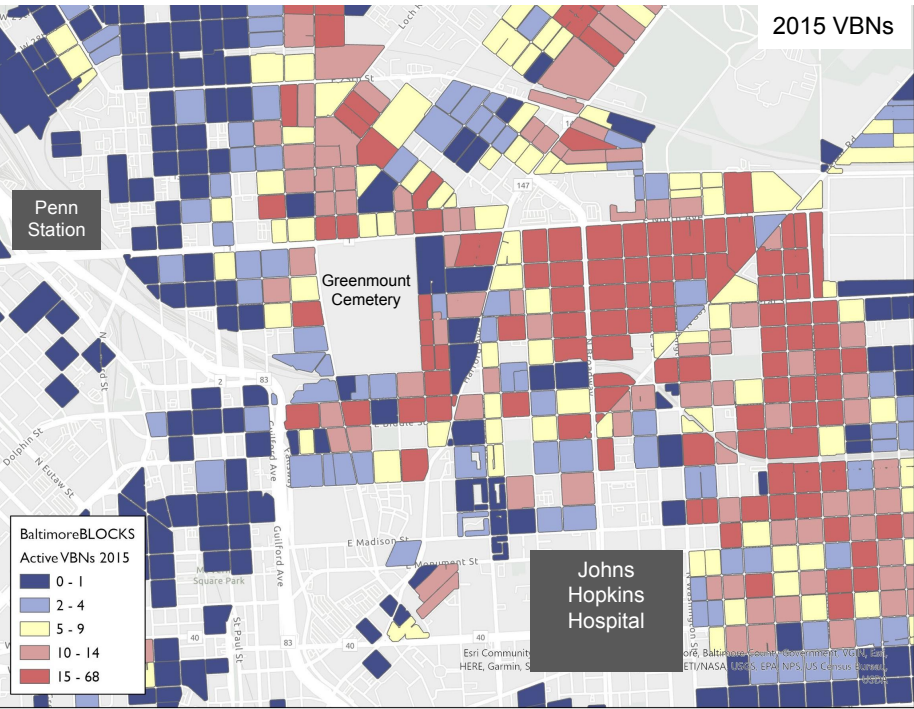
Build from neighborhood strengths (Hospital & Penn Station).

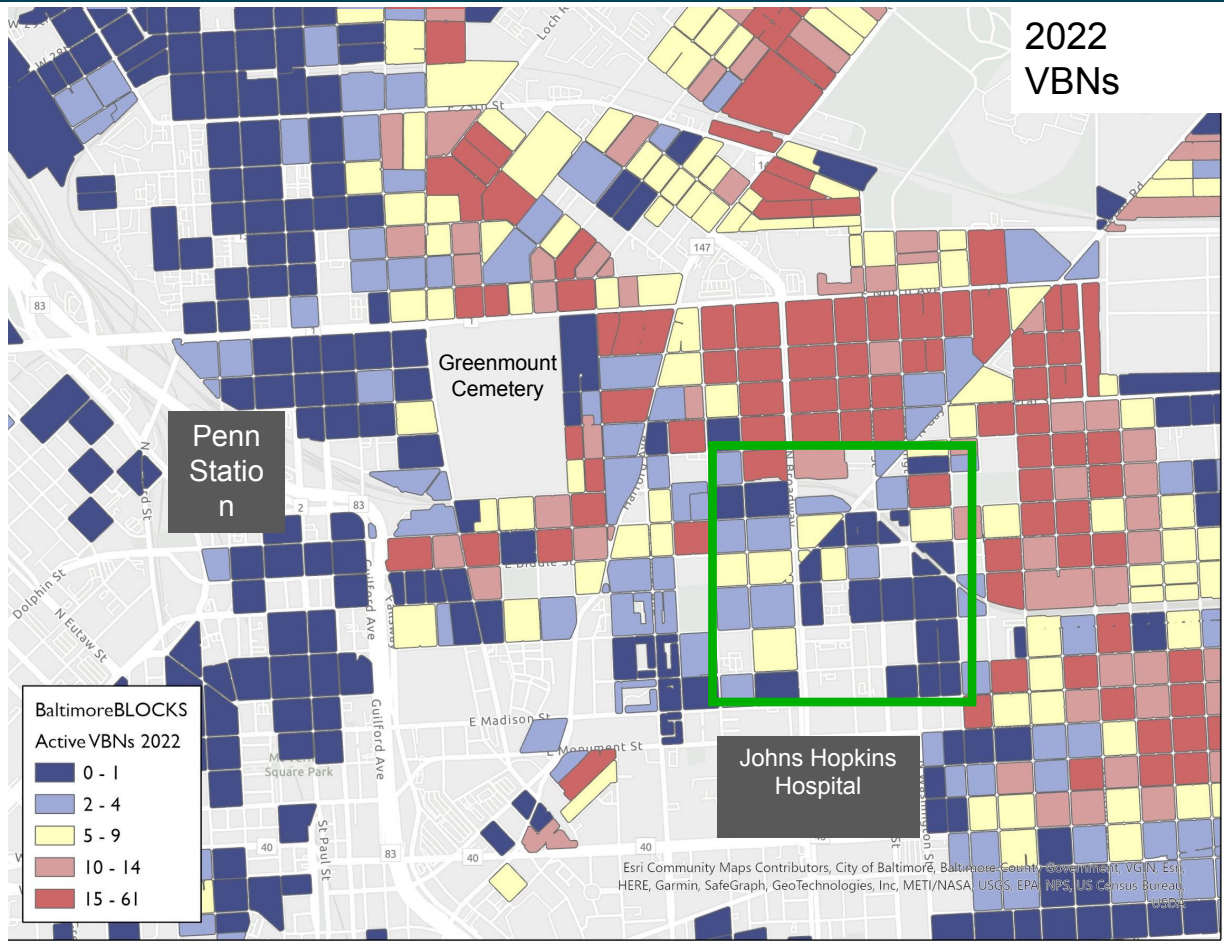
The redevelopment goal is to maximize the number of “purple” blocks that touch other “purple” blocks.

Don’t just measure vacancy measure areas with “purple” blocks

2015 VBNs

2022 VBNs





Build from neighborhood strengths (Hospital & Penn Station).

The redevelopment goal is to maximize the number of “purple” blocks that touch other “purple” blocks.

Don’t just measure vacancy measure areas with “purple” blocks

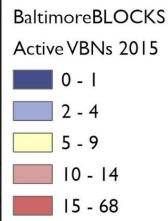


2015

52 Blocks

665 VBNs

7 whole blocks

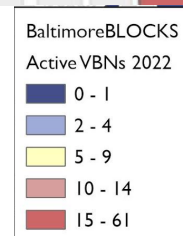


2022

52 Blocks

243 VBNs (63% Drop)

21 Whole blocks
(200% Increase)



The most important measurement had the greatest improvement

Going forward: community led development without displacement



1600 E. Preston Street-
Today

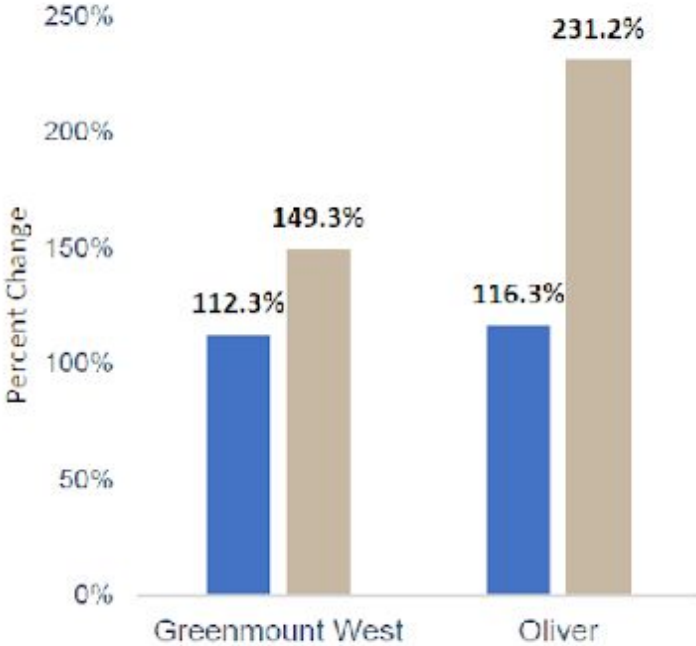
Oliver/Broadway East	2011	2024	Change
Population	1,281	1,902	48%
Vacancy	48%	4.6%	-91%
Median Home Price	\$ 18,540	\$ 280,000	1410%
Homicide/ 10,000 residents	6.25	3.15	-49%
% Households -Black	94%	93%	-1%

Going forward: community led development without displacement



Associated Press

"The community is here; where is the mayor?" asked the Rev. Calvin Keene, left, at the Baltimore house where Angela Dawson and five of her children died in a fire apparently set to retaliate for her crusade against drugs.



- % Change in City Taxes Since 2011
- % Change in Assessed Value Since 2011

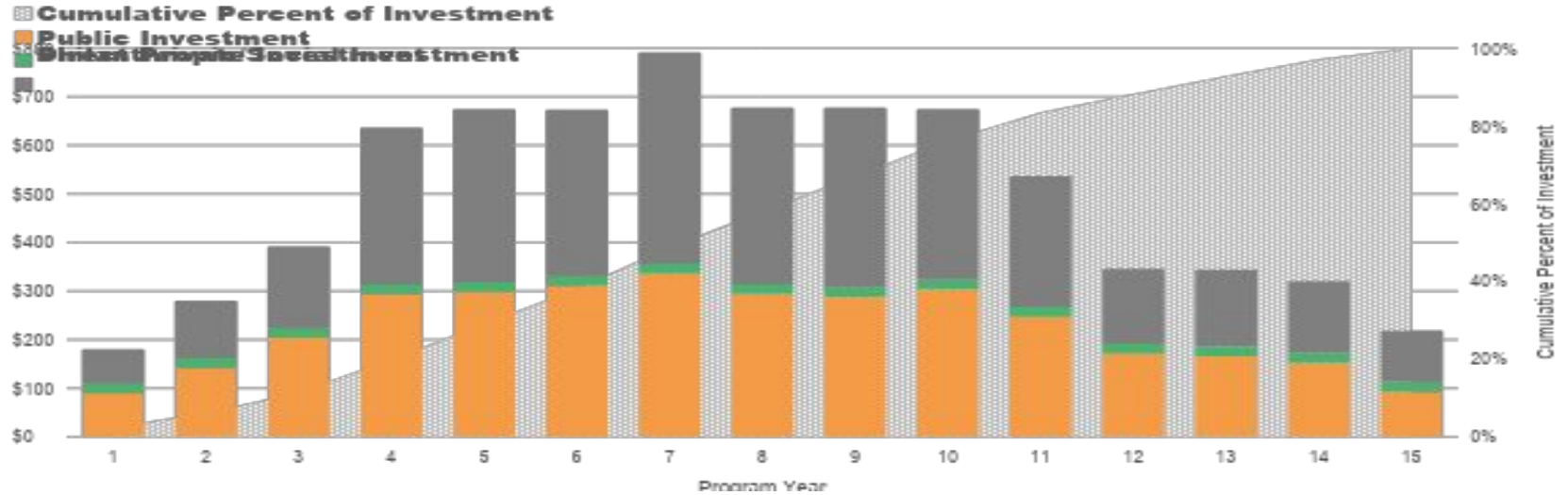
Vacant Property Intervention at Scale

Economic and Fiscal Impact Evaluation

Garrett Hincken and Mike Nadol



15-Year Investment



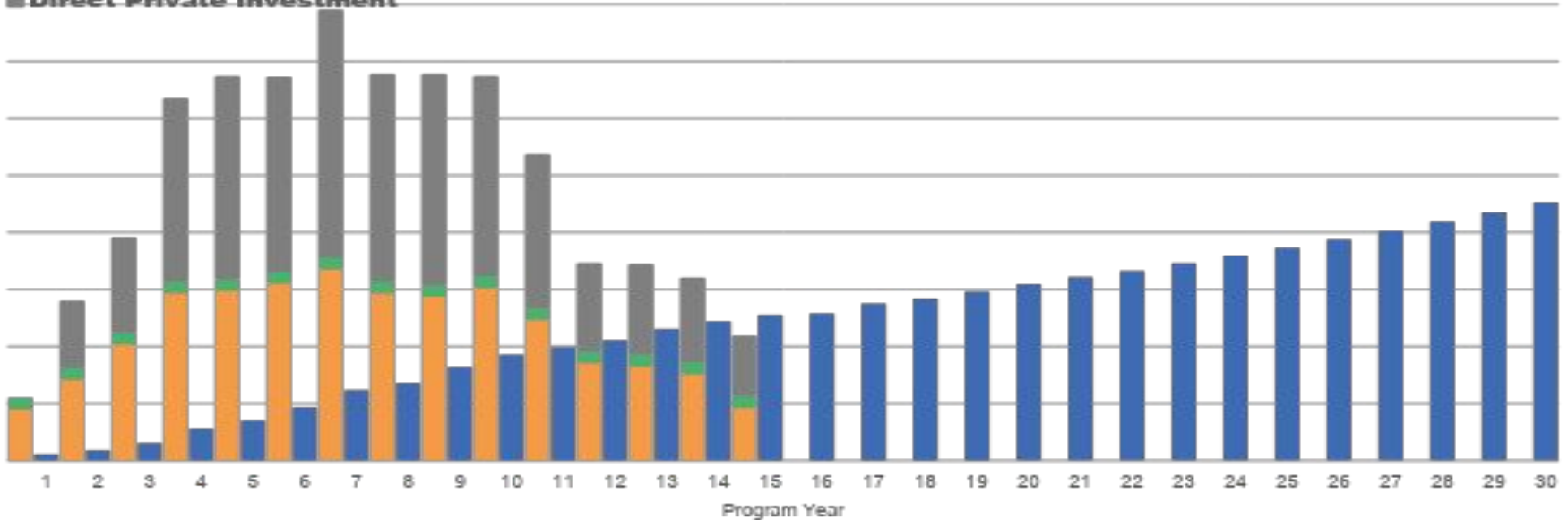
- PFM projected fiscal and economic impacts based on a preliminary, broad program design for 15 years of public, private, and philanthropic/social investment in Baltimore. The private investment shown above reflects construction and homebuyer financing leveraged directly by the program, not any broader catalytic effects
- While actual impacts will depend on the strategies deployed and their degree of success, the level and pace of investment, and broader market conditions, our analysis is illustrative of the significant return that can be achieved with sustained investment at scale



30-Year Fiscal Return on Investment



Note: Financial returns to the private sector are not estimated but would also be substantial



- Incremental fiscal returns include program-duration taxes and fees, as well as structural (ongoing) revenues beyond the development period such as property taxes on constructed and rehabilitated homes



Return on Investment – Economic Impacts

- Construction and related development activity would directly support close to 2,000 jobs and create new workforce development opportunities
- Supply-chain and the household spending of workers would support additional jobs in the City and State – with larger multiplier effects at the state level

Average Annual Economic Impacts of Development	City of Baltimore	State of Maryland
Average Annual Investment (\$M)	\$419.5	\$419.5
Direct Jobs Supported	1,883	1,883
Indirect and Induced Jobs Supported	551	1,145
Total Jobs Supported	2,435	3,028
Total Wages (\$M)	\$183.6	\$220.2
Total Contribution to GDP (\$M)	\$337.6	\$450.2

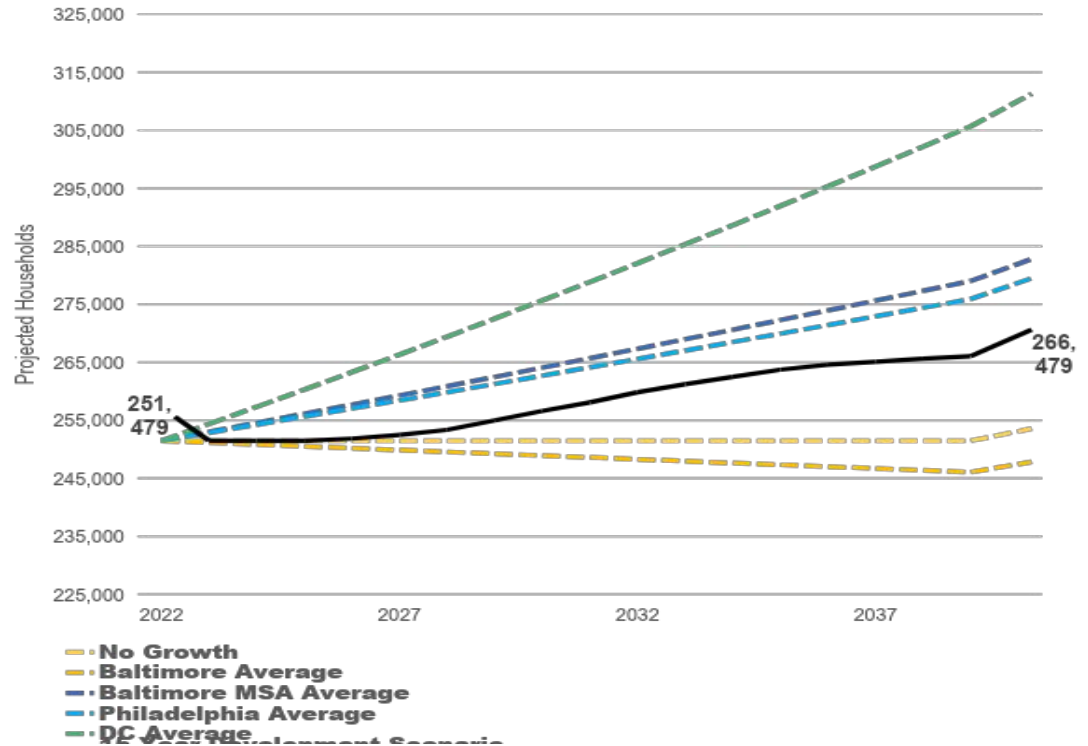
- 15,000 net new households earning an average of \$78k (80% of AMI) would equate to over \$1B in additional household income annually in the City
- Assuming 40% of households are net new to the State, the additional household income statewide would be roughly \$467M
- The household spending of those new residents supports thousands of additional jobs in the City and State

Annual Ongoing Economic Impacts of Household Growth	City of Baltimore	State of Maryland
Net New Direct Household Income (\$M)	\$1,168.8	\$467.5
Total Jobs	4,816	2,238
Total Wages (\$M)	\$332.7	\$150.7
Total Contribution to GDP (\$M)	\$614.9	\$280.9



Household Growth Projections

- Baltimore's decades-long history of population loss has contributed to the City's high level of vacant properties and shrinking tax base. By addressing vacant properties at scale, the City has an opportunity to strengthen both its population and its tax base
- The solid black line in the adjacent chart shows the potential household growth associated with addressing vacant properties at scale, adding 15,000 households compared to a no growth scenario – and over 22,000 households compared to Baltimore's recent population trajectory



Sources: US Census Bureau, Population Estimates for 2000 and 2020 (20-Year CAGR)

Monitoring Progress on Whole Block Outcomes

Baltimore City DHCD's Whole Blocks Monitoring Tool will allow us to:

- Visualize aggregate progress toward whole block success
- Capture the range of strategies being implemented on a given block (in an aggregate manner)
- Visualize block progress geographically to contextualize planning and prioritize for successful outcomes from building off of strength

Implementing Whole Blocks Strategy

Discussion

Implementing Whole Blocks Strategy

Organize a strong team of neighborhood leaders and residents

- Engage and listen to a broad base of community and institutional leaders to understand the needs and desires of the neighborhood
- Train, develop, and educate a team of neighborhood residents and key stakeholders to establish and drive a whole blocks redevelopment strategy in concert with public officials and development partners. This should:
 - Build trust between the project partners and neighborhood organizations and residents
 - Identify specific actions that to address concrete, quality of life neighborhood concerns
- Ensure that plans and projects are supported by facts. Aspirations that are not attainable frustrate people.

Implementing Whole Blocks Strategy (cont.)

Build from strength

- Start where there are readily understood and measurable strengths (a block with high owner-occupancy, fewer VBNS) and clear community assets—parks, schools, a local landmark, anchor institutions. This could also include proximity to a neighborhood with higher median sales prices or higher than average building permit activity.
- Use Baltimore City typologies to understand market characteristics

Plan with the existing built environment

- Look at existing physical assets that delineate the market, including train stations, cemeteries, commercial districts
- Use clear boundaries/edges and identifiable focal points and centers: a small park, a small commercial core, a landmark, a preeminent block

Implementing Whole Blocks Strategy (cont.)

Create contiguous clusters of whole blocks

- Create a sequence of whole blocks clusters
- Each cluster should be approximately 5 blocks by 5 blocks and be walkable (select an area large enough to matter and small enough to remain manageable)

Determine variables to measure

- Measure expected change over time: i.e., homeownership, vacancy rate, permit activity, population growth. The Baltimore City Neighborhood Typology has been tracking this data every few years since 2008, so there is an existing benchmark that is consistent across the city.

Implementing Whole Blocks Strategy (cont.)

Identify and concentrate redevelopment activities in each cluster

- Activities include code enforcement, pre-development, acquisition, disposition, renovation and infill construction, repair grants, cleaning and greening of vacant lots, and renewal of neighborhood infrastructure

Line up consistent public/private investment

- Consistent, sustained funding prevents delays in the implementation timeline and maintains productivity (neighbors and potential new buyers need to see consistent change to build confidence and be encouraged to stay in their neighborhoods)

**Constraints and
Obstacles to Achieving
Whole Block Outcomes**
Discussion

Constraints & Obstacles to Achieving Whole Block Outcomes

Private market speculation

- Site control and targeted property acquisition key need to prevent speculation, displacement
 - Speculative investors will raise acquisition costs after action by public actors
 - Private market acquisition will be more difficult due to high or unreasonable asking prices and unwillingness to sell
- Need to increase public sector capacity to accelerate legal tools (in rem, condemnation, LDAs, etc.) to gain site control of properties and lots in line with whole blocks strategy

Constraints & Obstacles

Lack of buyer demand

- Selling new and rehabbed homes will require effective marketing and promotion of homes and neighborhoods and access to down payment assistance and appropriate mortgage products

Constraints & Obstacles

Insufficient and/or inconsistent financial resources

- Development groups need access to upfront or working capital
- Substantial soft costs will be incurred for planning, marketing, and community outreach
- Integrating and scheduling funding from many different sources is complicated
- Need to identify additional affordable private financing, including construction financing, appraisal and affordability gap funding, and lines of credit

Constraints & Obstacles

Limited private sector organizational and industry capacity to implement vacancy reduction plan

- Need to bolster non-profit CDCs to handle large-scale redevelopment efforts and outreach and engagement efforts
- Need to identify and finance reliable small and large for-profit developers
- Need to grow relevant trades, including capable contractors and skilled construction workers

Working Groups



Working Group Membership

Financing

Michael Mocksten

Leslie McMillan

Mark A. Thomas

Councilman Bullock

Matt Gallagher

Delivery Chain

Senator McCray

Matt Gallagher

Economic Opportunity

Jasmin Torres

Jason Perkins Cohen

Data

Secretary Flora

Beth Blauer

Working Group Next Steps

- Select a chair among BVRC members of each Working Group
- MD DHCD will provide information of people who signed up to participate in a Working Group to the BVRC members
- BVRC members will decide who will be involved in their Working Groups
- Working Group Chairs will schedule the first Working Group meeting before the April 1st BVRC meeting (MD DHCD will help with scheduling)
- MD DHCD will provide a standard form for reporting Working Group updates to BVRC