

# CENTRAL BALTIMORE PARTNERSHIP HOUSING STRATEGY MARCH 9, 2016

## EXECUTIVE SUMMARY

Central Baltimore today is the best place in Baltimore for work and investment in community development. Building off market momentum, a relatively small investment in development incentives - \$17.5 million in patient capital for development projects – can catalyze half a billion dollars of development and generate a billion dollars of increased property values. The ten neighborhoods of Central Baltimore can become major civic assets and delightful places for a wide range of people. The population can grow from 20,000 people today to 25,000 over the next seven years. The number of households can grow from 8,750 to 11,500. There will be more people, more jobs, more restaurants and shops, more vibrancy.

The redevelopment of Central Baltimore's ten neighborhoods is coordinated by the Central Baltimore Partnership, an alliance of more than 80 stakeholder organizations, including: community associations, anchor institutions, non-profits, developers, and City agencies. Now in its eighth year, the Partnership makes it possible for a large number of small companies and organizations to work together and achieve big results.

Since 2012, the Central Baltimore Partnership has worked to implement the recommendations of the Homewood Community Partners Initiative (HCPI). This Housing Strategy document is designed to provide a framework for attaining the housing goals set forth in the HCPI report:

1. Create strong, stable housing markets in all 10 Central Baltimore neighborhoods
2. Grow Central Baltimore by 3,000 net new households between 2012 and 2022
3. Maintain income diversity and improve current affordable housing units

In the past three years, much progress has been made. Developers have completed 777 net new units of housing, and good neighborhood marketing efforts have created demand for them. Neighborhoods that have declined for decades are becoming strong, stable housing markets.

We have had to work hard to make the progress that we have made, and we will need to work harder if we are to meet all of the HCPI goals. We will need:

1. Well-funded, professional work in neighborhood organizing and marketing
2. Dramatic traffic-calming on important residential streets, primarily Calvert and St. Paul
3. Safer and more beautiful streets, with a full tree canopy and pedestrian-scale lighting
4. Major efforts to preserve and improve our stock of affordable housing
5. Dramatic improvements in area schools

This report recommends an immediate investment of 17.5 million in development incentives for acquisition and development, including \$10 million that will need to remain in deals for a long time with little or no cash return. This will be a good investment: it will eliminate vacant property, stabilize ten important neighborhoods, and stimulate highly-visible good development. A large part of Baltimore will be transformed.

## ACKNOWLEDGEMENTS

This report was prepared by the Residential Development and Marketing Task Force of the Central Baltimore Partnership using conventional data (e.g., U.S. Census, MRIS) and input from on-the-ground practitioners (e.g., Baltimore City Housing, Realtors, developers, community organizers, economic development specialists). This on-the-ground capacity offers a deep insight into the housing market through a highly experienced team that validated existing data and other information, and provided additional perspectives, data and information that can only be gleaned from extensive local and national hands on engagement in the housing, real estate, regulatory, and financial sectors.

The following members of the Residential Development and Marketing Task Force participated in the creation of this document:

- Patricia Adams, Project Manager, Jubilee Baltimore
- Julia Day, Deputy Commissioner, Land Resources Baltimore Housing
- Charlie Duff, President, Jubilee Baltimore, *Task Force Co-chair*
- Peter Duvall, Community Revitalization Coordinator, Strong City Baltimore (formerly Greater Homewood Community Corporation)
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## VISION

### Central Baltimore in 2022

Imagine that you are visiting the ten neighborhoods of Central Baltimore in the year 2022. What will you see? What will you feel? What will you think?

First and foremost, you will be able to walk through all ten neighborhoods and feel that you are in a great city every step of the way. You will walk casually, without fear or worry. Wherever you look, you will see people, and you will be glad to see them. You will also see buildings. Some will be row houses, some will be apartment buildings. Some neighborhoods will have the calm grace of historic districts, others the vitality of creative and artistic hubs. Each will be a good example of what it is, and you will feel that each is loved by its people.

You will notice that most of the row houses are single-family houses. If you are there after school hours, or during the summer, you will see children playing on the sidewalks and streets in front of their houses, because row house streets will be quiet enough for children to play safely on them. People will tell you that there are more children than there used to be, because the streets are safer and the schools are better. Cars will move carefully, and pedestrians and bicyclists will look confident. As you walk at night, you will feel safe. You will not notice that the streets are well lighted, because good lighting is unobtrusive; but you will feel safe because they are. On hot days, you will be grateful for the trees that shade every sidewalk.

Many people will tell you how they started off in an apartment, then traded up to a house in the same neighborhood or a neighborhood nearby. They will say that there are more apartments than there used to be, and that most of them are in well-designed elevator buildings. You will notice three nodes of high-density multi-family buildings, most of them new:

- Charles North. There will be several tall new apartment buildings near Penn Station, and new elevator buildings will line Charles Street up to 21<sup>st</sup> Street
- Charles Village. This will be a major apartment concentration, and many of the big buildings will be historic. St. Paul Street, between 31<sup>st</sup> and 33<sup>rd</sup> Streets, will be a major node for retail, dining, gathering, and entertaining
- Remington. There will be 800 new units of housing on the former Anderson Automotive site on Maryland and Remington Avenues and Howard, 24<sup>th</sup>, and 25<sup>th</sup> Streets, providing impetus for reinvestment in Old Goucher and along 25<sup>th</sup> Street. And there will be several hundred units more on 28<sup>th</sup> and 29<sup>th</sup> Streets overlooking the Jones Falls Valley

You will notice more racial, economic, and ethnic diversity than you are used to seeing in Baltimore. You will shop at various specialty grocery stores, and you will have dozens of restaurant choices for lunch, dinner, and late-night gathering. People will tell you that there are thousands of subsidized apartments, but you will not be able to tell which ones they are.

## RECOMMENDATIONS

### GOAL 1 – CREATE STRONG, STABLE HOUSING MARKETS

- 1.1 **\$6.5 million for long-term investment in 160 row house rehab projects in Barclay, Charles Village (large, three-story houses), Harwood, Old Goucher, and Remington.**
- 1.2 **\$3 million for long-term investment in commercial projects on and near the Waverly Main Street.**
- 1.3 **\$400,000 for MGH neighborhood marketing. Continue to invest in marketing activities of many kinds: safety, schools, Live Near Your Work, retaining graduates.**
- 1.4 **Calm traffic – first on Calvert and St. Paul Streets, then on all residential streets and Greenmount Avenue**
- 1.5 **Reduce the number and impact of metropolitan-serving agencies and clinics.**
- 1.6 **Push for continual improvements to the pedestrian experience, particularly**
  - **pedestrian-level street lights**
  - **a full tree canopy**
  - **curb extensions at all heavily trafficked intersections.**
- 1.7 **Make all of Barclay eligible for historic tax credits by extending the boundaries of the Barclay historic district to include the whole neighborhood, including Midway.**
- 1.8 **Work with community leaders and developers to ensure that newly-developed housing improves neighborhoods and meets the full range of consumer demand.**
- 1.9 **Work to retain current Central Baltimore residents, whether in their current homes or in new homes.**

### GOAL 2 – GROW CENTRAL BALTIMORE BY 3,000 NET NEW HOUSEHOLDS

- 2.1 **\$3.5 million for acquisition and pre-development on commercial projects in Charles North, much of it free to remain in deals.**
- 2.2 **\$3 million for high-intensity residential and mixed-use projects in Remington.**
- 2.3 **\$1 million for acquisition, pre-development, and possibly long-term soft finance for high-density projects in Old Goucher.**
- 2.4 **Prioritize work with Baltimore City to bring about residential redevelopment of the two former Goucher dorms in the 2300 block of Maryland Avenue.**

- 2.5 Develop strategies to retain and attract people affiliated with colleges, hospitals, and universities through branding and promotions, incentives, and other components that make living in Central Baltimore an attractive option.**

### **GOAL 3 – MAINTAIN INCOME DIVERSITY**

- 3.1 Continue and expand current work with owners of affordable developments to improve housing conditions and housing management.**
- 3.2 Assist residents of Remington in creating a land trust for affordable housing.**
- 3.3 Continue to develop affordable housing and work space for artists, and begin now to work with the owners of the Copy Cat and other buildings to ensure their long-term availability for Baltimore’s arts community.**
- 3.4 Continue and expand current work with legacy residents in all neighborhoods.**
- 3.5 Support the City’s initiatives on employee homeownership and anchor institutions.**
- 3.6 Support neighborhoods in implementing the affordable housing provisions of their neighborhood plans and Small Area plans.**

## REACHING OUR THREE GOALS

### GOAL 1 – BUILD STRONG, STABLE HOUSING MARKETS IN ALL CENTRAL BALTIMORE NEIGHBORHOODS

Strong, stable housing markets are the foundation of good neighborhoods. All Central Baltimore partners have recognized this from the beginning and worked to strengthen neighborhood housing markets, often with help from Healthy Neighborhoods, Inc. and Baltimore Housing.

Our definition of “strong, stable housing markets” is simple: houses need to be worth at least as much as they cost to build. Stable neighborhoods have no gaps between what houses cost and what people are willing to pay for them. Three Central Baltimore neighborhoods – Abell, Oakenshawe, and Wyman Park - meet the basic test for neighborhood strength and stability now, as does the market for small houses in Charles Village.

Building strong, stable housing markets is the best way to get vacant houses rebuilt, vacant lots developed, and run-down buildings renovated. Strong, stable neighborhoods have vacancy rates of 10% or below. They do not have vacant lots and run-down buildings.

Most Central Baltimore neighborhoods have the potential to become vibrant. Vibrant neighborhoods do more than survive. They enliven the people who live and work in them, and they help to build entire cities. If we can make our neighborhoods strong and stable, we will get a huge bonus of vibrancy.

To achieve the potential of our neighborhoods, we need to do two kinds of work: to increase both the supply of good housing in Central Baltimore and the demand for it.

#### **Increasing Supply:**

##### **Plugging Financial Gaps for Row House Rehab - \$6.25 million**

Rehabbers and developers need enough money to turn vacant and run-down houses into good houses. In strong, stable neighborhoods, where houses are worth what they cost to build, ordinary mortgage lending is sufficient. In disinvested neighborhoods, however, where houses are worth less than they cost, there is a gap between development cost and the amount that prudent lenders will lend. Soft money of some kind is needed to plug the gap.

Baltimore has many examples of neighborhoods that began with gaps, found soft money for gap-plugging, and eventually passed a tipping point to become strong and stable. The best example of this is Otterbein. In the summer of 1975, when the City gave the name of “Otterbein” to 110 vacant houses that it wanted to sell, the neighborhood market was so weak that the price was set at \$1 per house. The City called it “Urban Homesteading”. Because every house needed more rehab than would be justified by an after-rehab appraisal, the City provided low-interest rehab loans equal to twice the after-rehab appraisal of each house. That was quite some gap-plugging venture: lending people twice as much as their house would be worth, and at low interest. Urban Homesteading was a huge success. Three thousand people competed to buy the 110 vacant houses. Rehab was complete by 1979, and the City installed the best streetscape infrastructure in Baltimore: brick sidewalks, pedestrian-scale streetlights, large trees. Otterbein passed its tipping

point within three years, and private developers built more than 400 new houses and condominiums on vacant Otterbein land by 1985.

More recently, Patterson Park and Mt. Vernon rebounded in the early 2000s thanks to the skilled application of soft money. In Mt. Vernon, which is closely comparable to most Central Baltimore neighborhoods today, Jubilee Baltimore raised about \$1 million in grant funds for acquiring and renovating buildings, then leveraged it with bank loans and historic tax credits, and revolved money as projects were completed. By the time the money was used up, Jubilee had used it to acquire 15 buildings and launch more than \$10 million in projects. This gap-plugging was an essential part of Jubilee’s Mt. Vernon strategy, which brought about the renovation of more than 50 Mt. Vernon buildings within five years, with an investment of approximately \$30 million, and “re-set” the Mt. Vernon market so that developers could afford to build large projects on parking lots for the first time in 40 years. After decades of decline, Mt. Vernon has grown by more than 1,000 households in the last decade.

Although Jubilee was careful enough to stretch \$1 million into \$10 million worth of projects, Jubilee was not afraid to lose grant money on plugging gaps in individual deals, and Jubilee eventually used up all of its \$1 million. Although Jubilee had much less soft money than had been available in Otterbein in the 1970s, there was less need for it, as row houses and downtown neighborhoods had much more market acceptance than had been the case 25 years earlier.

Most Central Baltimore neighborhoods need gap-plugging today. They need it on the scale of Patterson Park and Mt. Vernon, not on the scale of Otterbein. To find out how much, Jubilee Baltimore and Strong City Baltimore conducted an exhaustive analysis of every residential sale in Central Baltimore in 2014, with advice and “reality check” from Seawall Development. For each neighborhood, they compared the cost of a fully-rehabbed house with the average of the three highest sales in the neighborhood in 2014. All analyses were conducted on a per-square-foot basis, making it possible to compare small houses with large ones. Here are the results:

*Table 1. The Cost of Good-quality Houses vs. Their Selling Prices, 2014*

<b>Neighborhood</b>	<b>Current High Sale Price/sf</b>	<b>Rehab Cost per sf</b>	<b>Production Cost per House</b>	<b>97% Mtge</b>	<b>Tax Credits</b>	<b>Buyer Cash</b>	<b>Total</b>	<b>Gap per House</b>
Abell	134	177	278,957	188,218	18,475	8,369	215,062	63,895
Barclay	119	143	296,747	219,648	30,561	8,902	259,111	37,635
Charles North	128	171	364,113	242,500	35,000	10,923	288,423	75,690
Charles Village <3,000 sf	182	210	363,683	279,360	19,760	10,910	310,030	53,653
Charles Village >3,000 sf	119	169	608,580	381,695	35,000	18,257	434,952	173,628
Greenmount West – Rehab	151	170	374,000	362,780	45,104	7,846	415,730	-41,730
Greenmount West – New	151	162	264,502	219,705	0	6,795	226,500	38,002
Harwood	110	142	240,051	165,187	0	7,202	172,388	67,662
Oakenshawe	160	131	233,725	253,570	15,725	7,012	276,307	-42,582
Old Goucher	100	176	374,234	188,704	32,476	11,227	231,297	113,147
Remington	159	190	233,816	174,335	0	7,014	181,349	52,467
Wyman Park	161	195	319,905	234,204	17,258	9,597	261,060	58,846

This was a good start – an essential start, in fact. It was, however, unduly pessimistic in two ways:

- It overstated the gaps in neighborhoods that are already stable. Abell, Oakenshawe, and Wyman Park are already stable, as is the market for small houses in Charles Village (less than 3,000 square feet). The analysis above worked by starting with the purchase price of a house that needed rehab, then adding the cost of rehab. This method did not work in stable neighborhoods because they did not have any houses that were in bad enough condition to need full rehab.
- It showed a need for soft money in Charles North. Although the current row house market in Charles North is not stable, it cannot be stabilized through row house rehab. Only non-commercial projects and large multi-family projects can stabilize Charles North.

Subsidy will not be needed for every renovated house in every neighborhood. Central Baltimore is strong enough for small investments to catalyze neighborhood stability. Only a small number of houses will need subsidy in each neighborhood – just enough to bring the neighborhood up to its tipping point. The number will be different for each neighborhood. But when the right number of houses is built or renovated, a neighborhood housing market will “re-set” to the new, higher values, and gap-plugging soft money will no longer be needed.

The first house in each neighborhood will need the largest amount of soft money. The last house will need none.

How many houses need subsidy in each neighborhood? And how much will it cost to stabilize our unstable neighborhoods? Here again, Jubilee, Strong City, and Seawall studied neighborhood markets and agreed on a recommendation:

*Table 2. Cost of Stabilizing Central Baltimore Neighborhoods*

	<b><u>Number of Houses</u></b>	<b><u>Total Cost</u></b>	<b><u>Gap</u></b>
<b>Barclay</b>	50	13,612,231	940,879
<b>Charles North</b>	5	1,820,566	189,224
<b>Charles Village &gt;3,000 sf</b>	25	15,214,501	2,170,346
<b>Greenmount West - Rehab</b>	40	0	0
<b>Greenmount West - New</b>	30	7,935,050	559,602
<b>Harwood</b>	30	7,201,520	1,014,934
<b>Old Goucher</b>	10	3,444,435	565,733
<b>Remington</b>	30	7,014,483	787,001
<b>Total</b>	220	56,242,786	6,227,719

This is a good investment. For less than \$6.5 million we can strengthen and stabilize six entire neighborhoods with more than 8,000 existing housing units and more than 16,000 current residents. Gap-plugging money can take many forms: mortgages on beneficial terms (like Healthy Neighborhoods,) grants to homebuyers (like Live Near Your Work,) soft second mortgages. There are many proven techniques. All soft money should be available in the pre-development and development phases of projects.

Central Baltimore is an area where a small investment in neighborhood stabilization can bring a very large return. A \$6.5 million investment will renovate 160 houses and create almost \$60 million worth of value. But that is only a small part of the benefit. This \$6.5 million will also re-set the housing markets of entire neighborhoods. Every house, every apartment will increase in value. There are more than 8,000 housing units in the neighborhoods that need this kind of investment. Each of these will rise substantially in value when the neighborhood re-sets. We estimate that our \$6.5 million investment will create more than \$300 million in value for the owners of these units and more than \$6 million each year in additional revenue to the City.

In cold financial terms, this is mind-boggling. In warm human terms, this means that more than 16,000 people will live in neighborhoods that are strong, stable, and increasingly vibrant.

There is a special urgency in Charles Village. The completion of 9 E. 33<sup>rd</sup> Street in the fall of 2016 will take almost 600 students out of the Charles Village rental market. Johns Hopkins University engaged the Sage Policy Group in 2014 to study the impact of this new student housing. Sage concluded that the neighborhood housing market would weaken, with potential adverse consequences, and recommended that there be a large-scale effort to acquire and renovate 25 of the larger three-story houses in Charles Village. Sage's recommendations agreed with those of Jubilee, Strong City, and Seawall in scale, cost, and urgency.

Note: the market for small houses in Charles Village is already adequately strong. The problem is larger, three-story houses, of which Charles Village has approximately 600. Many of these houses have served as student housing for generations and are in very poor condition. As shown in Table 6 above, current market conditions make it infeasible to buy and renovate large houses in Charles Village.

### **Increasing Supply:**

#### **Code Enforcement**

Neighborhood revitalization requires both carrots and sticks. Most of this document is about carrots, but sticks are equally important. The basic stick for neighborhood revitalization is code enforcement. This is particularly true in Baltimore today, because Baltimore's Vacant Building Receivership Law is a proven aid in neighborhood revitalization and is triggered by code enforcement.

Baltimore's code enforcement operation is exceptional. City staff is excellent, and community leaders in Central Baltimore act as "spotters" for City inspectors. Peter Duvall of Strong City Baltimore does a remarkable job of keeping track and riding herd. These efforts – both private and public – need to be maintained.

Baltimore City's unique Vacant Building Receivership Ordinance has brought about the transfer of hundreds of long-vacant houses to more responsible owners. In Barclay, Telesis has facilitated receivership actions by serving as a "developer of last resort," guaranteeing that someone will buy a Barclay vacant at a receivership auction. There should be a buyer of last resort in every neighborhood in Central Baltimore.

**Increasing Demand:  
Marketing Neighborhoods**

The marketing of Central Baltimore neighborhoods has improved dramatically in recent years and is about to improve dramatically again. Strong City Baltimore and Jubilee Baltimore have organized and marketed most neighborhoods with techniques and money from Healthy Neighborhoods, Inc. and Johns Hopkins University. The arts marketing of the Station North Arts & Entertainment District has helped to make Station North a "brand," with noticeable benefit to surrounding neighborhoods and a national reach. Remington is getting national recognition as a hot/cool neighborhood. Johns Hopkins grants through its homeownership incentive program *Live Near Your Work* have encouraged more than 47,000 Johns Hopkins University and Hospital employees to look at neighborhoods they would once have ignored. The Maryland Institute College of Art and the University of Baltimore are making investments to encourage students, faculty members, and employees to live in Central Baltimore. And a dynamic group of young realtors has seen the potential in Central Baltimore and worked hard to sell renovated houses to good buyers.

Central to all marketing efforts in Baltimore neighborhoods is the Live Baltimore Marketing Center. Live Baltimore works tirelessly and with great skill to attract new homeowners, and is now marketing Baltimore again in the Washington market. Live Baltimore has recently created a new initiative called Way to Stay, designed to encourage young renters to buy their first houses in the city. Four of Central Baltimore's ten neighborhoods have been designated "Five-star" family-friendly neighborhoods by Live Baltimore: Abell, Barclay, Charles Village, and Harwood. The North Calvert Green homes in the Barclay neighborhood have been marketed by Live Baltimore during their "City Living Starts Here" and "Buying into Baltimore" events.

Starting in the spring of 2016, with implementation over the following years, marketing efforts will take a leap forward through the work of MGH, a leading branding, marketing and promotions firm, retained by Johns Hopkins University to work in conjunction with Central Baltimore's stakeholders to prepare a highly professional branding, marketing and promotions program for the neighborhoods of Central Baltimore. Their assignment is primarily to grow the residential population, including driving demand for additional housing and promoting retail, dining, cultural opportunities, and public schools. We estimate that the implementation of the MGH marketing strategy will cost \$400,000 over three years.

**Increasing Demand:  
Improving Schools**

Many Central Baltimore neighborhoods have houses that are large enough to attract and retain families with children. Key to increasing demand for these large houses are strong, desirable public schools. HCPI partners have already invested in Margaret Brent and Barclay with \$3

million in facilities upgrades under the direction of a stakeholder-driven strategic plan for improving the schools and attracting and retaining in-zone families. The plan includes creation of flagship academic programs with a durable university partner, starting with the Barclay-Whiting School of Engineering partnership featuring a state of the art engineering lab and curriculum. Margaret Brent is incorporating the arts in every corner of the school with a flagship Arts Integration program. A coordinated marketing program – Great Schools Charles Village - to recruit in-zone parents has resulted in new diversity at Margaret Brent’s school population and an uptick in neighborhood interest in Barclay as it implements its new engineering curriculum. Dallas Nicholas has a strong principal and a partnership with Johns Hopkins’ STEM Achievement in Baltimore Elementary Schools (SABES,) a five- year project that improves STEM curriculum and delivery in grades 3 - 5.

The strategy moving forward needs to include activities, projects and funding to strengthen schools in tandem with marketing strategies that target neighborhood families. Expanding to other schools the successful Great Schools Charles Village marketing strategies will be important. It will also be important to have renovated houses that can attract families with children, and streets that are safe enough – both in crime and in traffic – for children to play on them.

**Increasing Demand:  
Building Community**

Essential to improving livability and a successful housing strategy is a community building strategy, and Central Baltimore is fortunate to have an exceptional group of non-profit organizations that specialize in various aspects of community-building. Funding for community organizers to work in target communities will build community voice and capacity to address priority issues of livability. Organized neighborhoods are strong neighborhoods and the strategic deployment of community organizers will help neighborhoods identify new leadership and volunteers, strengthen neighborhood association board and block captain networks that can address quality of life issues and plug in with HCPI partner activities such as marketing, Spruce Up and Healthy Neighborhoods grants, etc. Much of the work needs to be resident driven and that cannot happen without professional community organizing.

**Increasing Demand:  
Improving Livability**

During the meetings that led up to the HCPI strategy document, David Boehlke, a nationally-recognized community revitalization expert and the creator of Healthy Neighborhoods, said: “If Calvert and St. Paul Streets became two-way, the value of every house on them would immediately go up by \$25,000.” This is a reminder that the livability – traffic, sidewalks, lighting, trees, parks, safety – is an important part of any strategy that aims to strengthen neighborhood housing markets.

As it happens, a broad coalition of groups from Central Baltimore, Midtown, and Downtown have acted on Boehlke’s advice and mounted a campaign for traffic calming and two-way flow on Calvert and St. Paul Streets. Members of the traffic-calming coalition are motivated less by a concern for property values than by a desire to have a more livable residential environment.

National studies show that two-way streets have fewer accidents and less crime than one-way streets. One study even reports that people who live on two-way streets have more friends.

If this sounds like a big change - well, big traffic changes are possible. The rebuilding of Charles Street in Charles Village has recently been completed, a very expensive project that took a decade to plan and build. It has succeeded in improving the experience of pedestrians, cyclists and residents. Major greening efforts are now under way in Old Goucher, and Johns Hopkins University's plans for 33<sup>rd</sup> Street and the 3100 and 3200 blocks of St. Paul Street will create a streetscape both vibrant and pleasant.

Other neighborhoods understand the added benefits that traffic calming can bring to the quality of life, and thus welcome more residents. There is much interest to explore traffic calming on the main roadways crossing through Remington, 28th and 29th Streets. And every neighborhood that borders Greenmount Avenue is actively pushing the traffic-calming recommendations of LINCS. The traffic calming initiatives proposed in Central Baltimore can effectively create demand as they have safety and economic benefits for residents and businesses. It will be impossible to attract large numbers of middle-class families in the child-rearing years without traffic-calming.

Green spaces are an important element of livability. Central Baltimore has some good green spaces, ranging from the Wyman Park Dell to the new wealth of community gardens and community-managed public spaces, but more needs to be done. The community associations of Greenmount West and Old Goucher are particularly active in green space creation and improvement, and Amtrak is planning a vital open space near Penn Station. The most ambitious current open space work is in Barclay, where Telesis is creating a 28,000 acre Park at the corner of 20<sup>th</sup> and Barclay Streets. The Park is being designed by Oehme van Sweden and is scheduled to be completed when the new construction homes are built. HCPI Spruce Up has awarded \$25,000 in funds for art, lighting and signage; however more resources are needed to complete the Park.

Safety and security are also vital elements of livability. No matter how beautiful a street is, no one will walk on it voluntarily unless they feel safe. People do not feel safe enough on our streets now. Progress is, however, being made: in 2014 and 2015, while the City as a whole and the Northern Police District experienced *increases* in crime of 5.21% and 11% respectively, the Charles Village Community Benefits District and the North Charles Street corridor experienced *decreases* of 13.81% and 20.79% respectively. Central Baltimore, Johns Hopkins University, and the Charles Village Community Benefits District have an ongoing program of increasing public safety. Central Baltimore Partnership's task force on increasing access to metropolitan-serving agencies and opioid treatment programs in areas of need while limiting their concentration is important here; and eternal vigilance will always be the price of good bus stops, particularly on North and Greenmount Avenues. CBP's task force pursues good neighbor agreements with the existing clinics, is working with state officials on improving the regulatory environment for locating and evaluating clinics, and recently formed a city-wide coalition to support improved quality of care.

**Increasing Demand:  
Making Places Look Better**

Aesthetics in the public realm can be an element that also drives demand, and neighborhood efforts to make places look better are good for building community spirit and competence. Too many of our streets and public spaces still look bedraggled. While large-scale efforts like calming traffic and replacing “cobra” street lights with pedestrian-scale lights are necessary, grass-roots efforts are also important and are already making a difference. The HCPI Community Spruce-Up Grant Program, operating from the Central Baltimore Partnership, is a grassroots approach that generates projects that not only address aesthetics, but also promote security, safety, greening, and community building. Through generous support from Johns Hopkins University and Maryland Department of Housing and Community Development, the Grant Program has made awards to more than 20 projects in the public realm, with a total value of \$1.87 million, ranging from sign installations, playground improvements, to lighting, and tree planting. Through this Grant Program, the emphasis for community building allows for residents to become more directly involved in improving their surroundings, which ultimately increases the quality of life of the area.

**Increasing Demand:  
Improving Greenmount Avenue**

Greenmount Avenue is a street with a big influence on surrounding neighborhoods. At present, it has more problems than opportunities, and it weakens every neighborhood it touches. It does, however, have just enough stability to build on. The neighborhoods that touch it – Barclay, Greenmount West, Harwood, and Oakenshawe – cannot reach their potential until Greenmount Avenue reaches something like its own potential.

Greenmount Avenue is a commercial street, and Greenmount Avenue projects are likely to be commercial projects. Fortunately, Waverly Main Street, the organization that works to strengthen much of Greenmount Avenue, is a full Partner in the Central Baltimore Partnership and counts as an eleventh neighborhood in the Partnership’s calculations. Waverly Main Street has compiled a list of good potential projects. Central Baltimore should support Waverly Main Street by raising \$3 million for commercial projects in the Waverly Main Street area.

Greenmount Avenue is a priority of the Mayor’s LINCS program. Central Baltimore should monitor LINCS and work to bring about the recommendations of the ULI Greenmount Avenue Task Force. Of particular importance are the recommendations about traffic and parking.

**Increasing Demand:  
Giving Families What They Want and Need**

Baltimore has done an outstanding job of attracting young middle-class people to live in central neighborhoods. Most are renters. As they age, and particularly as they have children, most will want to become homeowners. Central Baltimore has great opportunities for them, but we need to improve our offerings. They will want a three-legged stool: family-sized houses with good schools and safe streets with calm traffic.

- Our *family-sized houses* are heavily concentrated in St. Paul and Calvert Streets and in Guilford Avenue. We must make sure that developers can create an adequate supply of ready-made houses in these streets.
- Two of those streets, St. Paul and Calvert, have more traffic than middle-class families will put up with in their child-rearing years. We must *calm traffic* on those streets.
  - Finally, we must ensure that our family-friendly streets have access to *public schools of middle-class quality*.

## **GOAL 1 - RECOMMENDATIONS**

- 1.1 \$6.5 million for long-term investment in 160 row house rehab projects in Barclay, Charles Village (large, three-story houses), Harwood, Old Goucher, and Remington.**
- 1.2 \$3 million for long-term investment in commercial projects on and near the Waverly Main Street.**
- 1.3 \$400,000 for MGH neighborhood marketing. Continue to invest in marketing activities of many kinds: safety, schools, Live Near Your Work, retaining graduates.**
- 1.4 Calm traffic – first on Calvert and St. Paul Streets, then on all residential streets and Greenmount Avenue**
- 1.5 Reduce the number and impact of metropolitan-serving agencies and clinics.**
- 1.6 Push for continual improvements to the pedestrian experience, particularly**
  - pedestrian-level street lights
  - a full tree canopy
  - curb extensions at all heavily trafficked intersections.
- 1.7 Make all of Barclay eligible for historic tax credits by extending the boundaries of the Barclay historic district to include the whole neighborhood, including Midway.**
- 1.8 Work with community leaders and developers to ensure that newly-developed housing improves neighborhoods and meets the full range of consumer demand.**
- 1.9 Work to retain current Central Baltimore residents, whether in their current homes or in new homes.**

## GOAL 2 - GROW CENTRAL BALTIMORE BY 3,000 NET NEW HOUSEHOLDS 2012 – 2022

The HCPI report set a data-driven, pragmatic goal of growing Central Baltimore by a net of 3,000 households between 2012 and 2022, an average of 300 households per year. We are now at the end of the third year of HCPI work, and results are encouraging. A total of “net new” 658 housing units have been created or are under construction, for an average of almost 225 units per year. We have 2235 units to go, and seven years to get them built, for an average of about 315 units per year. In short, we need to increase our annual housing production by about 50%. A further 139 units are in pre-development. This is a good start, but we need to do more.

There are two ways to gain units and households, putting vacant houses back into use and building new units.

### Putting vacant units back into use

By building strong, stable neighborhoods through the actions outlined under Goal 1, we will create conditions of supply and demand that will reduce the vacancy rate in every neighborhood to something like the citywide average, roughly 10%. This will add 851 households to the neighborhoods of Central Baltimore. Thus, by achieving our first goal, we will also achieve more than one quarter of our second.

*Table 3. Household Gain by Reducing Vacancy to 10%, relative to 2010 Census*

<u>Neighborhood</u>	<u>Total</u>	<u>Units</u>	<u>10% vacancy</u>	<u>Gain</u>
	<u>Units</u>	<u>Vacant</u>		
Abell	515	49	51	0
Barclay	1,490	535	149	386
Charles North	916	200	91.6	108
Charles Village	4,670	264	467	0
Greenmount West	854	284	85	199
Harwood	749	179	75	104
Remington	1,250	178	125	53
Oakenshawe	575	29	57	0
Wyman Park	679	34	70	1
<b>Total</b>	<b>11,698</b>	<b>2,191</b>	<b>1,170</b>	<b>851</b>

We have already made considerable progress towards putting these 851 units back into occupancy. Renovators have returned 265 vacant houses to use since 2012. These count towards the HCPI goal of creating 3,000 net new households. If we think of 851 houses and apartments as a reasonable target, we have already gained 265. We have 586 vacant units to go.

### Building New Units

In addition to renovating 851 vacant units, we must see to it that 2,149 new units are built. Of these, 459 are under construction and 139 in pre-development, a total of 598. This leaves

1,551 net new units that need to be built by 2022, an average of 220 units per year. This is almost exactly the annual production of our neighborhoods for the past three years, so we should be able to do this. Coupled with the renovation of vacant units, this will complete the task of bringing 3,000 net new households into our neighborhoods.

Most of these new units should be built in large, purpose-built, elevator buildings. Central Baltimore has one of the best locations for high-density housing in the city, and it is one of the few well-located places where neighborhood leaders welcome added density. This makes Central Baltimore an important part of Baltimore’s growth strategy. Baltimore is doing a remarkable job of attracting millennials and empty-nesters, two groups that like to live in apartment buildings; but Baltimore has too few good apartments and good apartment buildings to meet their needs. Considering that 78% of Baltimore City households were childless in 2010 – and 89.5% of households in Central Baltimore – there is a large potential market for units that offer security and require little or no maintenance. As of now, like the rest of Baltimore City, the neighborhoods of Central Baltimore have too many houses and too few well-designed apartment houses. This is an obvious opportunity.

Large new buildings require opportunity sites, i.e. pieces of undeveloped land that are big enough to build on with economic feasibility. Four of our neighborhoods have no opportunity sites and thus no opportunity for building new units: Abell, Harwood, Oakenshawe, and Wyman Park. Six neighborhoods have opportunity sites: Barclay, Charles North, Charles Village, Greenmount West, Old Goucher, and Remington. The opportunity sites in these neighborhoods are big enough to hold almost 5,500 new units of housing, more than enough for a goal of 1,551 new units.

*Table 4. Potential new construction by neighborhood*

<b>Neighborhood</b>	<b>Potential New Units</b>	<b>% of Total Potential</b>
Barclay	250	5%
Charles North	1,950	36%
Charles Village	750	14%
Greenmount West	230	4%
Old Goucher	405	8%
Remington	1,775	33%
<b>Total</b>	<b>5,360</b>	<b>100%</b>

If we can unlock the potential of our opportunity sites, and build 1,551 new units of housing, we can add something like 2,500 neighbors. These new neighbors will support restaurants and stores and bring new safety and vibrancy to our streets.

The new development projects will add approximately \$300 million to the City’s tax base. When tax incentives expire, they will add almost \$7 million/year to the City’s budget.

The specifics will be different in each neighborhood.

### ***Charles North – Building a Residential Market through Non-residential Projects***

Of all our neighborhoods, Charles North has the highest potential for new housing gain. If all possible projects build out, Charles North can add 1,950 new units of housing, almost as many new units as need to be built in all ten neighborhoods put together. There are major opportunity sites on Amtrak land and other parcels within easy walk of Penn Station. It is fortunate that only three property owners control most of the opportunity sites – and all of them are working well with the Central Baltimore Partnership or are actual active partners. Moreover, Amtrak, the owner of the best sites, is in the early stages of development planning. We should prioritize efforts to support high-density market-driven development on the various Amtrak sites.

The great strength of Charles North is that it is the most visible part of the Station North Arts & Entertainment District. Several dozen venues, bars, galleries, restaurants, and theatres have created awareness and demand. Thousands of potential residents now know where Charles North is, think it's cool, and feel comfortable in it at night. MICA and Joe Squared led the way a decade ago. Then came the Windup Space and other venues in the North Avenue Market. The last six months have seen two spectacular new projects come on line, the Centre and the Motor House, representing a total investment of almost \$30 million and bringing hundreds of people to the area every day. And construction has begun on the Parkway, the exciting \$18 million three-screen art cinema at the corner of Charles Street and North Avenue.

The best way to create a development climate for Charles North's potential residential projects is to bring about more non-residential projects like the Centre, the Motor House, and the Parkway. Charles North is primarily a commercial district. It does not have enough existing housing for housing efforts alone to lift the neighborhood real estate market. Only non-residential development projects can create an adequate development climate for large-scale residential development. Fortunately, there are enough non-residential opportunity sites, and enough proven successes, to make such a strategy feasible. And the excellent location of the area, with excellent connections by rail, bike, transit, and car, offer a strong ready-made customer base for businesses and commercial developments.

Projects of this kind need soft money in Charles North. The Centre, a \$19 million project, required more than \$1 million of pre-development money and more than \$1.5 million of permanent grant money. And Jubilee, the developer of the Centre, deferred its entire fee for seven years, something that no profit-motivated developer would do. If the Centre is a guide, we should be able to help a project with approximately 10% of its costs.

How much money is needed? At a guess, Charles North needs as much new investment in commercial projects as is represented by the Centre, the Motor House, and the Parkway just to prepare the way for larger projects with a residential component. This means total project costs of about \$45 million and gap-plugging incentives of \$3.5 million. We should be prepared to leave this money in projects for at least the seven-year compliance period of New Markets Tax Credits, a key financing mechanism for projects of this kind.

### ***Remington –Big Opportunities for High-density Development***

Remington has almost as much development potential as Charles North. We are lucky that Seawall Development, which is active in the Central Baltimore Partnership and shares our vision, owns a high percentage of Remington's opportunity sites and is actively at work on them. Seawall has already rehabbed ten long-term vacant houses and now has a major mixed-use project under construction.

Remington is an important gateway to Central Baltimore and to the Homewood campus of Johns Hopkins University. It has its own interchange with the Jones Falls Expressway, and most online mapping services direct people to 28<sup>th</sup> and 29<sup>th</sup> Streets if their destination is anywhere in the northern half of Central Baltimore. Remington is also the only Central Baltimore neighborhood that is not on the north-south grid of the Charles Street axis. It has its own street grid, set at an angle of about 45 degrees to the northwest, with a juncture at 25<sup>th</sup> Street. This 45-degree offset makes Remington the connection between the Charles Street corridor and the burgeoning neighborhoods of Hampden and Woodberry.

Remington's exceptional access makes it one of the best places in Baltimore for high-intensity mixed-use development. Two parts of the neighborhood have particular promise: a group of low-density parcels along Sisson Street and at the west end of 28<sup>th</sup> and 29<sup>th</sup> Streets and the former A.D. Anderson site at the intersection of 25<sup>th</sup> Street with Howard Street and Maryland Avenue.

The sites on Sisson Street and the west end of 28<sup>th</sup> and 29<sup>th</sup> Streets offer the opportunity to capitalize on access to the Jones Falls Expressway and to define a vital entrance to Central Baltimore. They have potential for a wide range of uses: office and retail as well as residential. The Anderson site, if properly developed, can connect the Remington, Hampden, and Woodberry to the Charles Street corridor. If improperly developed, it can divide them, as it has done for several generations.

These two areas have the potential for almost 2,000 units of housing, in addition to valuable office and retail uses. For reasons of access, development potential, and the ability to shape Central Baltimore, Remington should be one of our highest priorities. We recommend an investment of \$3 million in high-intensity residential and mixed-use projects in Remington.

### ***Barclay – 200 New Units to Complete a Successful Transformation***

Through an innovative partnership between Baltimore Housing and the Telesis Corporation, Barclay neighborhood has been growing and improving for several years and is now well on the way to being a strong, stable neighborhood with economic and racial diversity. Barclay still has room for approximately 200 new units. This total includes both single family homeownership on sites scattered throughout the neighborhood and mixed-use elevator buildings along Greenmount Avenue. Telesis Corporation is actively working on these opportunity projects as part of the comprehensive redevelopment of the Barclay/Midway and Old Goucher Neighborhoods. These projects include critical infill projects that will further stabilize the neighborhood and larger projects that will work to transform highly visible vacant property on Greenmount Avenue into

mixed-use, mixed-income developments with beautiful, environmentally friendly architecture and much needed community amenities and retail space.

Telesis is creating a 28,000 acre Park at the corner of 20<sup>th</sup> and Barclay Streets. The park effort has received \$25,000 in funds for art, lighting and signage; however more resources are needed to complete the park.

### ***Old Goucher – City Cooperation and \$1,000,000***

The beautiful neighborhood of Old Goucher has potential for 405 new units, partly on a portion of the Anderson site, partly on two other sites. The two other sites should be fairly easy to develop. The problem is acquiring them.

One site is at the corner of Calvert and 24<sup>th</sup> Streets. The current owners have set prices that are too high for the current market. The sites are not nuisances, but they are opportunities. Central Baltimore should create a plan for these sites and should provide financial assistance, if needed, to developers who agree to carry out the plan, whenever that may be.

The second site is the east side of the 2300 block of Maryland Avenue, where the City now owns a pair of former Goucher College dorms and the large open area between them. This is a more important site than the lots at Calvert and 24<sup>th</sup>, and it should be a very high priority of this effort. Central Baltimore should begin now to work with the City and the Old Goucher Neighborhood Association to ensure that the City sites will undergo high-quality residential development by 2022.

Central Baltimore should commit \$1,000,000 immediately for pre-development in Old Goucher. If necessary, we should be prepared to leave money in the deals that result.

### ***Charles Village – Long-term Planning***

The best opportunity site in Charles Village is the site of the now-vacant Dell House, a high-rise apartment building now owned by Johns Hopkins University, which also owns much surrounding property. This would be an excellent site for a student residence on the scale of Charles Commons or 9 E. 33<sup>rd</sup> Street.

The rest of the development potential of Charles Village will be hard to unlock. Almost all of its opportunity sites lie along Charles Street between 26<sup>th</sup> and 29<sup>th</sup> Streets, and they are not vacant. Although the existing buildings are too small for the width of the street in these blocks, and the neighborhood would benefit greatly from dense redevelopment with ground-floor retail, this is at best a long-term aspiration, with a high potential for controversy and delay.

### **Housing for University and Hospital Affiliates**

With the Maryland Institute of Art, University of Baltimore, and Johns Hopkins University situated within Central Baltimore, and ten other colleges and universities within commuting distance, there is an opportunity to house recent college graduates, incoming young faculty and researchers, and the wide range of employees who work at these institutions. Each of these institutions brings people to Baltimore every year, people who want and need a wide range of housing types.

Opportunities to increase the number of university and hospital affiliates include: improved marketing, collaboration among MICA, UB, Union Memorial Hospital, and JHU, adjusting incentives to homebuyers and possibly initiating incentives for renters, investigating partnerships with developers and financial institutions, and reviewing best practices used nationally by anchor institutions to increase residency among affiliates.

## **GOAL 2 - RECOMMENDATIONS**

**2.1 \$3.5 million for acquisition and pre-development on commercial projects in Charles North, much of it free to remain in deals.**

**2.2 \$3 million for high-intensity residential and mixed-use projects in Remington.**

**2.3 \$1 million for acquisition, pre-development, and possibly long-term soft finance for high-density projects in Old Goucher.**

**2.4 Prioritize work with Baltimore City to bring about residential redevelopment of the two former Goucher dorms in the 2300 block of Maryland Avenue.**

**2.5 Develop strategies to retain and attract people affiliated with colleges, hospitals, and universities through branding and promotions, incentives, and other components that make living in Central Baltimore an attractive option.**

### **GOAL 3 – MAINTAIN INCOME DIVERSITY AND IMPROVE CURRENT AFFORDABLE HOUSING UNITS**

Central Baltimore is and desires to be diverse and inclusive. As we improve housing markets and strengthen neighborhoods, we must take action to protect the income, ethnic, and racial diversity that give our neighborhoods the potential to be vibrant.

The HCPI Strategy, adopted in 2012, set a goal of maintaining the number of affordable housing units in the ten Central Baltimore neighborhoods, and, where necessary, improving their quality. In addition, many neighborhood plans and Small Area Plans contain plans for affordable housing. The Central Baltimore Partnership will support any Central Baltimore neighborhood in implementing its plans.

#### **Maintaining Long-term Affordable Housing**

Central Baltimore has 1,332 units of long-term subsidized housing. Some of these units are owned by the Housing Authority, some by non-profits. All offer low rents to people of low and moderate income, and all have long-term commitments to offer housing inexpensively. They are our first line of defense against the displacement of long-term residents.

Moreover, this number is not static. Since 2012, 151 units of affordable housing have been added to the Central Baltimore housing stock.

None of these 1,332 appear to be at risk of loss. Central Baltimore should prepare, however, to take action in case of any threat to affordable housing developments.

#### **Improving the Quality of Affordable Housing**

Efforts are now under way to improve the condition and livability of three key affordable housing developments:

***Van Story Branch Apartments in Charles North.*** This large high-rise, owned by the Housing Authority, has become a dangerous place to live in recent years, with numerous reported incidents of violence within the building. Good cooperation between the Housing Authority and the Central Baltimore Partnership has resulted in great improvement, which should be maintained and continued as the building transitions to private ownership.

***Brentwood Apartments in Barclay.*** Telesis has partnered with HABC a major renovation of The Brentwood, The Brentwood is a 150 unit, mixed population public housing development located at 401 E 25<sup>th</sup> Street in Baltimore. The 13-story high-rise was built in 1977 and has not had a significant renovation since that time. The \$13M phased renovation began in December 2015 and will involve modernization of the building including the replacement of exterior windows and doors, roof insulation, interior finishes, plumbing fixtures and risers, as well as mechanical and electrical systems. In addition, accessible units and common areas will be reconfigured as required to meet the uniform federal accessibility standards.

**AHC housing in Greenmount West.** AHC is working with the New Greenmount West Community Association and the Central Baltimore Partnership to assure that both AHC residents and their neighbors have improved quality of life. These efforts should continue and deepen.

### **Maintaining Affordability within the Private Housing Market**

The private, unsubsidized market provides 89% of the housing in Central Baltimore, including hundreds of units with affordable rent. These are a valuable resource. The Central Baltimore Partnership should work on the following three initiatives:

#### **A Land Trust in Remington**

Residents of Remington are concerned that rapid increases in property values will erode the income diversity that makes Remington vibrant. They are beginning now to investigate the creation of a land trust for affordable housing. Central Baltimore and its partners should assist in this effort and help to raise money if necessary.

#### **Support for Two Major City Initiatives**

Baltimore City has long encouraged City employees to live in the City, and financial assistance programs are in place to help City employees who wish to become City homeowners. Central Baltimore is home to the City's most dramatic success in turning employees into residents and homeowners. This is the work of Seawall Development with Baltimore City Public School teachers in Remington. Seawall began by developing Miller's Court, an affordable apartment building for City School teachers. Several years later, when a number of Miller's Court residents wanted to become homeowners in Remington, Seawall renovated thirty Remington row houses for sale to them. We should work closely with City government to find more such opportunities.

More recently, City government has encouraged the City's anchor institutions – colleges, universities, hospitals – to work collaboratively to improve the neighborhoods that surround their campuses. Here again, Central Baltimore is home to the City's most dramatic success, the Central Baltimore Partnership itself. Anchor institutions are full partners, together with developers, City agencies, and community organizations. Like City government, anchor institutions have large workforces of potential City residents. Faculty members at MICA have long taken advantage of Live Near Your Work, and our neighborhoods will gain if we can expand our ability to attract anchor institution employees at all levels. We should, and do, work closely with our anchor institutions on planning and marketing.

#### **Housing for Artists**

Many low-income people in Central Baltimore are working artists, and the arts are central to the business strategy of Charles North and Greenmount West, which constitute the Station North Arts & Entertainment District. Nationwide, artists are among the first people to be priced out of reviving neighborhoods.

Jubilee Baltimore has already taken steps to support the artist community by developing 129 apartments for artists in the two City Arts buildings, but more needs to be done. In particular, the preservation of affordable artist housing in the Copy Cat and Copy Cat Annex should be a priority of the Central Baltimore Partnership. Approximately 300 people live in the two Copy

Cat buildings, and they are responsible for much of Baltimore's arts scene. It is a priority to engage the current owner to make sure that these buildings will remain affordable for years to come.

### **Housing for Legacy Residents**

Many low-income residents of Central Baltimore do not live in formal affordable housing. Many of them have trouble with the expense of maintaining, heating, and insuring their housing. If they are renters, they often have trouble paying rent, or pay rent too low to support good landlords and good maintenance. Several organizations are already helping them:

- Strong City Baltimore, through a HUBS grant, has committed to helping 65 senior families to upgrade their houses through existing City programs.
- Jubilee Baltimore has committed to extend the same service to non-senior residents of Greenmount West, and has raised BRNI money to do so.

There should be a professional effort to ensure that all residents make use of existing tax credits:

- Homestead Tax Credit for all homeowners
- Maryland Property Tax Credit for Low-income Renters
- Maryland Property Tax Credit for Low-income Homeowners

Property insurance is a major problem for low-income homeowners. Insurance is particularly expensive for buildings that are next to vacant houses.

## **GOAL 3 - RECOMMENDATIONS**

- 3.1 Continue and expand current work with owners of affordable developments to improve housing conditions and housing management.**
- 3.2 Assist residents of Remington in creating a land trust for affordable housing.**
- 3.3 Continue to develop affordable housing and work space for artists, and begin now to work with the owners of the Copy Cat and other buildings to ensure their long-term availability for Baltimore's arts community.**
- 3.4 Continue and expand current work with legacy residents in all neighborhoods.**
- 3.5 Support the City's initiatives on employee homeownership and anchor institutions.**
- 3.6 Support neighborhoods in implementing the affordable housing provisions of their neighborhood plans and Small Area plans.**

## BACKGROUND INFORMATION

### Demographics

#### Population

The population of the ten neighborhoods of Central Baltimore was extremely stable between 2000 and 2010. Although there was a decline of 2.5%, or 571 people, almost all of this loss (507 people) occurred in Barclay, where several hundred housing units were vacated in the early stages of the Barclay redevelopment project. Many of these units have already been replaced, and we expect the Barclay population in 2020 to equal or surpass its 2000 totals.

*Table 5. Population 2000 – 2010*

<b>Neighborhood</b>	<b>2000</b>	<b>2010</b>	<b>Change</b>	<b>% Change</b>
Abell	996	889	-107	-10.7%
Barclay	2,718	2,181	-537	-19.8%
Charles Village	7,927	9,301	1,374	17.3%
Charles North	1,136	1,059	-77	-6.8%
Greenmount West	1,195	1,339	144	12.1%
Harwood	1,783	1,575	-208	-11.7%
JHU Homewood	1,971	669	-1,302	-66.1%
Oakenshawe	1,079	1,144	65	6.0%
Remington	2,301	2,458	157	6.8%
Wyman Park	1,221	1,141	-80	-6.6%
<b>Total</b>	<b>22,237</b>	<b>21,756</b>	<b>-571</b>	<b>-2.5%</b>

Please note that the Baltimore City Planning Department, in its analysis of the 2010 Census, moved most residents of Johns Hopkins University Homewood and all residents of Old Goucher into Charles Village.

#### Age

An overwhelming proportion of Central Baltimore residents - 84% - are people of working age. Both the number and the percentage of working-age people rose substantially in the decade between 2000 and 2010. Gains in working-age people were particularly strong in Old Goucher and Greenmount West (where, again, they may result from undercounting in 2010.)

As of 2010, only 10.5% of households included children, roughly half of the Baltimore City percentage. Fewer than 9% of residents were under the age of 18. Harwood had the highest percentage of households with children (23.8%), while Charles North had 4.7% and Charles Village 3.9%. The population of children, moreover, declined by 34% between 2000 and 2010, far more than the city average of approximately 20%. The biggest decline, as might be expected, was in Barclay (403 children). Other neighborhoods with big declines were: Harwood (decline of 211), Charles Village (decline of 110), and Greenmount West (decline of 103). Only Old Goucher gained children, and the gain there was small (28).

Table 6. Age Change 2000-2010

<b><u>Neighborhood</u></b>	<b><u>Under 18</u></b>	<b><u>Over 65</u></b>	<b><u>18-64</u></b>
Abell	-18	-5	-84
Barclay	-403	-170	36
Charles North	-26	155	-206
Charles Village	-110	-79	-209
Greenmount West	-103	-19	266
Harwood	-211	-42	45
Oakenshawe	-16	0	81
Old Goucher	28	63	379
Wyman Park	-23	-43	-14
Total	-882	-140	294
%Gain/-Loss	-34.04%	-8.94%	1.84%

The number of senior citizens is even smaller than the number of children. Only 7.4% of Central Baltimore's residents were over the age of 65 on Census Day, 2010, a decline of roughly 9% since 2000.

### **Race**

Central Baltimore neighborhoods were broadly stable in terms of race.

<b><u>Race</u></b>	<b><u>White</u></b>	<b><u>Black</u></b>	<b><u>Asian</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
<b><u>Neighborhood</u></b>					
Abell	606	213	33	37	889
Barclay	302	1,764	23	92	2,181
Charles North	216	666	100	77	1,059
Charles Village	5,187	1,313	1,883	583	8,966
Greenmount West	331	960	20	28	1,339
Harwood	324	1,174	25	52	1,575
Oakenshawe	823	130	134	57	1,144
Old Goucher	235	711	38	102	1,086
Wyman Park	1,016	25	74	26	1,141
Total	9,040	6,956	2,330	1,054	19,380
%	46.6%	35.9%	12.0%	5.4%	100%

The number of whites was virtually unchanged. The number of blacks declined by about 20%. This will probably prove to be temporary, as most of the decline was attributable to the Barclay redevelopment project and will be reversed in this decade when the project is complete.

The Asian population grew by 12% and is now 12% of the total. Asians are heavily concentrated in Charles Village, but they made gains in every neighborhood except Charles North and Wyman Park.

The small Hispanic population grew slightly.

**Housing**

Central Baltimore had 11,698 units of housing in 2010, of which 9,507 were occupied on Census Day. Almost three-quarters (73%) of households were renters. Average household size was 2.3, roughly the City average.

The Baltimore City Housing Typology Map shows that Central Baltimore has large areas of strength, small areas of weakness, and fairly large areas in between. The strongest areas, in general, are those closest to the Homewood campus. The weakest areas, in general, are those south of North Avenue and those near Greenmount Avenue. Central Baltimore forms a kind of bridge between strong neighborhoods to the south (Mt. Vernon and Downtown) and very strong neighborhoods to the north (Guilford and Tuscany-Canterbury).

**Housing Values**

In general, houses in stable middle-class neighborhoods in Baltimore City and Baltimore County sell for \$150-200/square foot. This is true for row-house neighborhoods and detached-house neighborhoods. In the nearby neighborhoods of Mt. Vernon and Bolton Hill, large houses sell for about \$150/square foot, while small houses and condominiums can sell for as much as \$300/square foot. According to a survey of all single-family sales in Central Baltimore in 2014, good houses in most Central Baltimore neighborhoods sell for a little bit less than the Baltimore middle-class norm. Exceptions are small houses in Charles Village and the leafy neighborhoods of Oakenshawe and Wyman Park. Here, for each of the neighborhoods in Central Baltimore, is the price per square foot of the three best sales in 2014:

*Table 2. Housing Values by Neighborhood, 2014*

<u>Neighborhood</u>	<u>Current High Sale Price/sf</u>
Abell	134
Barclay	119
Charles North	128
Charles Village <3,000 sf	182
Charles Village >3,000 sf	119
Greenmount West – Rehab	151
Greenmount West – New	124
Harwood	110
Oakenshawe	160
Old Goucher	78
Remington	159
Wyman Park	161

## Vacant Housing

On any given day, approximately 1,600 houses and apartments are unoccupied in the ten neighborhoods of Central Baltimore. This is roughly 15% of the total. Because the maximum vacancy rate for stable neighborhoods is 10%, this may look like a serious problem. In fact, most of Central Baltimore – four neighborhoods with more than 7,000 housing units between them - has vacancy rates below 10%. The problem of vacancy is highly concentrated in a relatively small area.

There are three things to note about vacancy in Central Baltimore:

- Long-term vacancy is not a major problem in most Central Baltimore neighborhoods.
- Long-term vacancy is a major problem in three neighborhoods - Barclay, Greenmount West, and Harwood – where vacancy has been a problem for a long time. Many houses and apartments in these neighborhoods were permanently vacant as of 2010, and vacancy was a serious enough problem to make good community life difficult. Fortunately, each of those neighborhoods has seen a large-scale redevelopment effort in the past six years.
- Many of the unoccupied units on Census Day in Central Baltimore were “frictionally” empty –that is, the last people had moved out, but the next people had not yet moved in.

Overall, vacancy is less of a problem than it was on Census Day, and we should be able to eliminate long-term vacancy altogether within the seven-year timeframe of HCPI housing work.

Our basic count of vacant units is the 2010 Census. According to the Census, 2,194 dwelling units were vacant on Census Day. The Census was not, however, equally accurate in all neighborhoods. In Abell, Charles Village, Oakenshawe, and Wyman Park - neighborhoods with high percentages of students - the 2010 Census conducted its follow-up counts in July, when many students were away. We believe that the 2010 Census overstated vacancy by about 5% of the total housing stock in these neighborhoods.

*Table 3. Vacant Units by Neighborhood, 2010*

<u>Neighborhood</u>	<u>Occupied Units</u>	<u>Vacant Units</u>	<u>Total Units</u>	<u>Correction</u>	<u>Actual Vacant</u>	<u>% Vacant</u>
Abell	440	75	515	26	49	9.56%
Barclay	955	535	1490		535	35.91%
Charles North	716	200	916		200	21.83%
Charles Village	4670	601	5271	264	337	6.40%
Greenmount West	570	284	854		284	33.26%
Harwood	570	179	749		179	23.90%
Oakenshawe	505	73	578	29	44	7.63%
Remington	1072	178	1250		178	14.24%
Wyman Park	610	69	679	34	35	5.16%
<b>Total</b>	<b>10108</b>	<b>2194</b>	<b>12302</b>	352	1842	14.97%

Since 2010, renovators have returned a net of 265 vacant units to occupancy. In all probability, the number of vacant units in Central Baltimore is now 1,600, and the vacancy percentage is 13%.

The 2010 vacancy findings are roughly consistent with those of the 2000 Census:

*Table 4. Vacant Units 2000 and 2010*

<b><u>Neighborhood</u></b>	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>Change</u></b>
Abell	57	75	18
Barclay	405	535	130
Charles North	253	200	-53
Charles Village	915	601	-314
Greenmount West	275	284	9
Harwood	152	179	27
Remington	202	178	-24
Oakenshawe	33	70	37
Wyman Park	38	69	31
<b>Total</b>	<b>2,330</b>	<b>2,191</b>	<b>-139</b>

Correcting for the effects of the Great Recession, Central Baltimore certainly strengthened in the decade between 2000 and 2010, but nowhere near enough. In particular, the amount of vacancy in Barclay, Charles North, Greenmount West, and Harwood was bad enough to call for drastic action – a call that, fortunately, has been heeded.

### **Affordable Housing**

The HCPI plan calls for Central Baltimore to become a place of permanent diversity in income. Central Baltimore has 1,332 units of long-term affordable housing, enough to constitute 11% of the total housing stock. In addition, the private housing market provides affordable housing for hundreds of legacy residents and artists. Legacy residents are long-term residents with limited or fixed incomes. The Central Baltimore Partnership has accepted the challenge of building strong, stable neighborhoods without displacing legacy residents and artists.

### **Projects under Construction/Development Housing Gains since 2012**

The HCPI recommendations were published and adopted in 2012, setting a 10-year goal of adding 3,000 net new housing units to the neighborhoods of Central Baltimore via a market-driven approach. Since 2012, the Central Baltimore neighborhoods have launched projects that have created, or are creating, a total of 777 net new units of housing, most of them in new apartment buildings:

Table 5. Progress since 2012

Vacant houses rehabbed - net	265
Remington Row	105
9 E. 33 <sup>rd</sup> Street	157
City Arts 2	60
City Arts 2 Townhouses	5
Station Arts Homes	11
Telesis	111
Whitridge Row	10
Total	724

We have 2,276 units to go by the end of 2022.

### Neighborhood Stability

A stable neighborhood is a neighborhood in which housing is worth at least as much as its production cost. If housing is worth less than production cost, vacant buildings and lots remain vacant. If you can buy a vacant or dilapidated house, renovate it, and sell it or rent it for at least a small profit, the neighborhood is stable.

For each of the ten neighborhoods of Central Baltimore, we surveyed all house sales in 2014. We determined the top of each neighborhood housing market by taking the average of the three highest sales. We determined the bottom of each neighborhood housing market by taking the average of the three lowest sales. We then estimated renovation cost - the cost of turning a “bottom of the market” house into a “top of the market” house – by an intensive review of comparable projects in recent years. Finally, we added “bottom of the market” value to rehab cost. If the sum was less than the “top of the market” value, the neighborhood was determined to be stable. Otherwise, not. All values and costs were estimated on a per square foot basis.

The following table shows the stability, or lack of stability, of the ten Central Baltimore neighborhoods. Two neighborhoods, Charles Village and Greenmount West, contained very different sub-markets. The two sub-markets in Charles Village are differentiated by size of unit. Greenmount West has one sub-market for renovated houses and another for new houses on vacant land. Thus, the table below profiles twelve markets and sub-markets:

Table 6. The Cost of Good-quality Houses vs. their Selling Prices, 2014

<u>Neighborhood</u>	<u>Current</u>	<u>Rehab</u>	<u>Production</u>		<u>Tax</u>	<u>Buyer</u>	<u>Gap per</u>	
	<u>High</u>	<u>Cost</u>	<u>Cost per</u>	<u>97%</u>				
	<u>Sale</u>	<u>per</u>	<u>House</u>	<u>Mtge</u>	<u>Credits</u>	<u>Cash</u>	<u>House</u>	
	<u>Price/sf</u>	<u>sf</u>				<u>Total</u>		
Abell	134	177	278,957	188,218	18,475	8,369	215,062	63,895
Barclay	119	143	296,747	219,648	30,561	8,902	259,111	37,635
Charles North	128	171	364,113	242,500	35,000	10,923	288,423	75,690
Charles Village <3,000 sf	182	210	363,683	279,360	19,760	10,910	310,030	53,653
Charles Village >3,000 sf	119	169	608,580	381,695	35,000	18,257	434,952	173,628
Greenmount West – Rehab	151	170	374,000	362,780	45,104	7,846	415,730	-41,730
Greenmount West – New	151	162	264,502	219,705	0	6,795	226,500	38,002

Harwood	110	142	240,051	165,187	0	7,202	172,388	67,662
Oakenshawe	160	131	233,725	253,570	15,725	7,012	276,307	-42,582
Old Goucher	100	176	374,234	188,704	32,476	11,227	231,297	113,147
Remington	159	190	233,816	174,335	0	7,014	181,349	52,467
Wyman Park	161	195	319,905	234,204	17,258	9,597	261,060	58,846

This table overstates the gaps in neighborhoods that are already stable. Abell, Oakenshawe, and Wyman Park are already stable, as is the market for small houses in Charles Village. The analysis above worked by starting with the purchase price of a house that needed rehab, then adding the cost of rehab. This method did not work in stable neighborhoods because they did not have any houses in needed rehab. No house was bad enough to need full rehab.

Nonetheless, most Central Baltimore neighborhoods still need financial incentives to assure stability. Fortunately, all Central Baltimore neighborhoods are close enough to stability for a relatively moderate amount of financial assistance to make them stable.

**Sage Policy Group Study of Impact of Student Housing on Charles Village Rental Market**

Between 2014 and 2017, developers will create new housing for approximately 900 students in two large projects near the Johns Hopkins University Homewood campus, the Varsity Northway (3700 North Charles Street) and 9 E. 33<sup>rd</sup> Street. Johns Hopkins and other neighborhood stakeholders were concerned that these two new buildings might draw enough students out of the Charles Village rental market to destabilize the neighborhood, as happened in 1991 when Hopkins brought new housing on line for 700 students at Ivy Hall. Hopkins engaged the Sage Policy Group to study the situation and, if necessary, make recommendations for action.

The Sage Policy Group report concludes that competition from the two new projects is likely to weaken the Charles Village housing market to a dangerous extent, and it recommends that there be a large-scale effort to buy and renovate 25 of the larger three-story rental houses in Charles Village as a way of stabilizing the neighborhood’s housing market.