

FINAL BUILD Written Testimony for Project CORE Ext

Uploaded by: Leslie McMillan

Position: FAV



WRITTEN TESTIMONY
**THE IMPORTANCE OF EXTENDING AND SUSTAINING
PROJECT C.O.R.E. INVESTMENT IN BALTIMORE CITY**

Submitted by: BUILD (Baltimoreans United in Leadership Development)

Leslie McMillan, BUILD Co-Chair

HB 1334

BUILD supports the passage of HB 1334 which extends Project C.O.R.E. and solidifies an annual appropriation of at least \$50 million to this fund. We strongly encourage the Senate Budget and Taxation Committee to provide a favorable report.

Baltimore City is facing a crisis of vacant and abandoned homes. Not only are there more than 13,000 vacant and abandoned buildings. There are 21,000 vacant lots and tens of thousands of houses at significant risk of vacancy because of their proximity to other vacant properties.

This is not a new crisis for Baltimore City. It is a crisis rooted in our city's long history of destructive and racially discriminatory housing policies and practices, including redlining that was pioneered in Baltimore more than a century ago.

In this context, HB 1334 is crucial. When paired with Gov. Moore's investment in this year's budget with the changes included in Gov. Moore's Housing & Community Development Finance Act, Project C.O.R.E. can be used a crucial revenue source to end the crisis of abandoned housing in Baltimore once and for all.

This is particularly important now.

Over the last year, BUILD has worked in close partnership with Baltimore City and with the Greater Baltimore Committee to develop a focused and vetted plan to end this crisis. Consistent, at-scale Project C.O.R.E. investment is crucial to this plan.

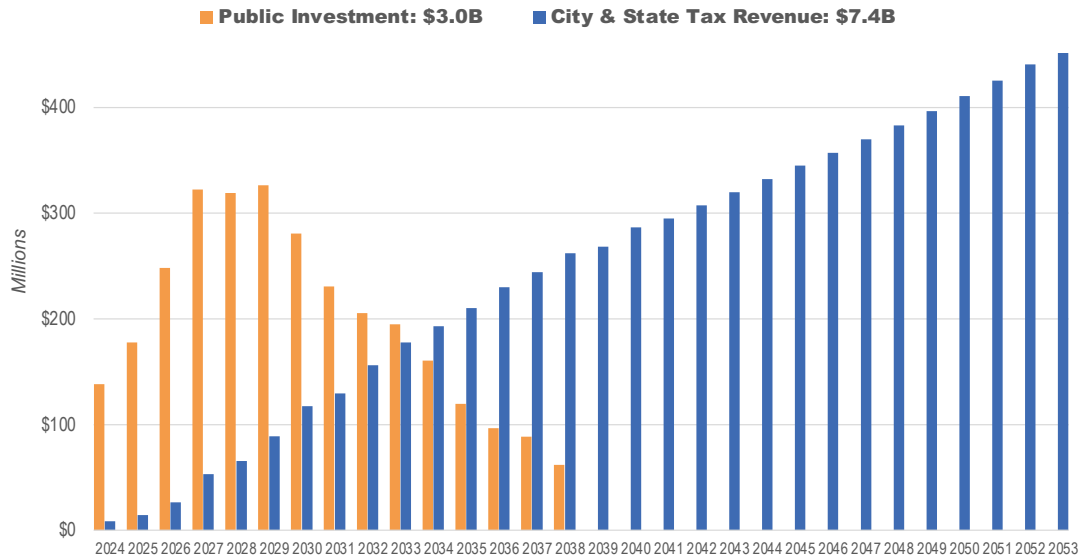
As our plan and vetted analysis conducted by Public Financial Management (PFM) shows, these dollars could be leveraged significantly to create a return on public investment that pays for itself over time. These dollars can be leveraged even further.

By acting at scale with consistent investment over time, more strategic investments can be made to rebuild neighborhood housing markets. This is exactly what BUILD has done with our partners in East Baltimore in recent years. Our work has increased population in these neighborhoods and more than doubled property tax income for the city.

A [recent study from Johns Hopkins' 21st Century Cities Initiative by Mary Miller and Mac McComas](#) laid out both the scope and the financial cost of our status quo – more than \$100 million per year in lost tax revenue. [Similar studies](#) have identified \$170 million in potential new, annual revenue to the state if this issue is addressed. Our own non-partisan and conservative analysis with PFM estimates \$7.4 billion in new tax revenues to the state and city if we act intentionally to end this crisis in the coming years.



30-Year Return on Investment



BUILD’s History and Track Record on this issue

BUILD – Baltimoreans United In Leadership Development – is a broad-based, non-partisan coalition of more than 35 religious congregations, non-profits, and schools in Baltimore. Founded in 1977, BUILD has a long, productive track record acting on issues related to housing, jobs, schools, safety, and more. This has included the creation of the nation’s first living wage ordinance in Baltimore City and working with the state legislature to invest \$1 billion in rebuilding Baltimore City’s aging school infrastructure in recent years. We are part of the Industrial Areas Foundation (IAF), the nation’s oldest and largest multi-faith organizing network in the United States.

For 15 years, BUILD has worked in East Baltimore to address vacant and abandoned properties. As part of that work, we created – with other national partners – a non-profit developer called ReBUILD Metro. [ReBUILD Metro has transformed 450 properties into homes in four neighborhoods in East Baltimore](#), representing a collective investment of more than \$120 million – without displacing a single resident.¹ This investment has also helped reduce the murder rate in the areas where we work by more than half. It has created mixed-income communities with affordable housing at scale.

Our work in East Baltimore has utilized Project CORE funds. And we have seen what could be possible if these funds were sustained over time and made more flexible as proposed in other legislation proposed before the legislature this year.

¹ In the two neighborhoods where ReBUILD Metro has worked for the longest period of time, we have reduced the vacancy rate to only 7.8%, down from 48%, a decrease of 85%. The population has increased by 45%, compared to a decrease in population citywide. Our work has increased the wealth of nearby homeowners by more than \$50 million, all while the neighborhoods themselves have remained more than 90% Black. We have done this without displacing a single family and ensuring that community-driven, mixed income development is central to that work.

HB1334 3-25-24 GBC.pdf

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POSITION STATEMENT

Written Testimony to the Budget and Taxation Committee

HB.1334 – Housing and Community Development – Continuing the CORE Partnership Fund – Extension

Sponsors:

Delegate Smith

March 25, 2024

Position: Support

Dear Members of the Budget and Taxation Committee,

On behalf of the Greater Baltimore Committee, I am writing to urge a favorable report for HB 1334 (Continuing the C.O.R.E. Partnership Fund – Extension). This act would extend Project C.O.R.E. and solidify an annual appropriation of at least \$50 million to the fund.

Baltimore City is facing a crisis of vacant and abandoned homes, with nearly 70,000 properties vacant or at risk of vacancy. This crisis is rooted in our city's long history of racially discriminatory housing policies, including redlining, that kept Black Americans from owning homes and building wealth. When paired with Gov. Moore's investment of \$50 million for Project C.O.R.E. in the FY2025 budget, and the changes included in the Moore-Miller Administration 2024 Housing Package, this fund can become a crucial revenue source to end the crisis of abandoned housing in Baltimore once and for all.

Over the last year, GBC has worked in close partnership with Baltimore City and Baltimoreans United in Leadership Development (BUILD) to develop a focused and vetted plan to end this crisis. GBC's engagement includes our full board of directors, and our partners in banking, housing, philanthropy, and development. Consistent, at-scale Project C.O.R.E. investment is crucial to this plan. As our vetted analysis conducted by Public Financial Management (PFM) shows, these dollars could be leveraged significantly to create a return on public investment that pays for itself over time.

GBC will continue to be an active voice in these discussions as we work to heal the broken market underlying Baltimore's vacant home crisis in a way which is sustainable and scalable. Only a coordinated, cross-sectoral approach will be able to turn the vacant housing crisis into an opportunity for community wealth building, foster conditions in historically underserved communities for greater economic investment and entrepreneurship, and in doing so, help to stabilize Baltimore City's fiscal outlook for decades to come.

I urge your support for HB 1334 and ask for a favorable recommendation from the Budget and Taxation Committee.

Sincerely,

Mark Anthony Thomas
President & Chief Executive Officer

GREATER BALTIMORE COMMITTEE

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Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB 1334

March 26, 2024

TO: Members of the Budget and Taxation Committee

FROM: Brandon M. Scott, Mayor of City of Baltimore

RE: House Bill 1334 – Housing and Community Development – Continuing the CORE Partnership Fund – Extension

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 1334.

HB1334 would extend the Continuing C.O.R.E. Partnership Fund which is set to expire on June 30, 2024. This bill is in line with the State Department of Housing and Community Development’s Fiscal Year 2025 Operating Budget which allocates funding for Strategic Demolition/Project C.O.R.E Funds. These funds are critical to the work of the City’s community development partners, supporting homeownership in the Penn North Neighborhood, Upton Neighborhood, West North Avenue Corridor, infrastructure to support new homeownership units, mixed-use residential, retail, and commercial units in various locations across the City, all of which are historically redlined neighborhoods.

In Baltimore, there is a movement building a renaissance for our city and it includes people everywhere from City Hall to downtown to every single neighborhood across the city. This renaissance would not be possible, in part, without the success of Project CORE, which since 2016 has helped eliminate more than 5000 blighted properties in Baltimore City. Right now, we have achieved the lowest number of vacant properties we've seen in Baltimore in more than 20 years - and Project CORE’s work has been a critical piece of those efforts.

In December of last year, I announced an unprecedented vision to inject \$3 Billion into our neighborhoods over the next 15 years to solve Baltimore’s vacant housing crisis once and for all. It is specifically designed to overcome decades of intentional disinvestment that far too many of our neighborhoods have endured.

This bill will be particularly impactful in Baltimore’s long disinvested neighborhoods that are the focus of current revitalization efforts. By extending the Fund we will be able to increase our efforts to reduce the number of vacant properties in the City of Baltimore through enhanced acquisition, demolition and stabilization efforts. The City is prepared to do our part, too. I’ve committed an unprecedented \$300M in local public dollars through non-contiguous TIF bonds and the Industrial Development Authority. Together, we will continue our all hands on deck approach to eliminating blight and build thriving communities in Baltimore.

The BCA would like to thank the sponsor, Delegate Stephanie Smith, for introducing this meaningful piece of legislation.

For the above reasons, the BCA respectfully requests a **favorable** report on HB 1334.