

State of Maryland

2007 Bond Bill Fact Sheet

1. Senate		House		2. Name of Project
LR #	Bill #	LR #	Bill #	
2380	SB350		HB1338	East Baltimore Housing Community
3. Senate Bill Sponsors			House Bill Sponsors	
McFadden			Glenn	
4. Jurisdiction (County or Baltimore City)			5. Requested Amount	
Baltimore City			\$250,000	
6. Purpose of Bill				
Grant to the Board of Directors of the Baltimore Regional Initiative Developing Genuine Equality, Inc. for the acquisition of vacant properties for an affordable housing community, located in Baltimore City.				
7. Matching Fund Requirements				
Grantee shall provide and expend a matching fund. No part of the grantee's matching fund may be provided, either directly or indirectly, from funds of the State, whether appropriated or unappropriated. The fund may consist of real property, in kind contributions, or funds expended prior to the effective date of this Act.				
8. Special Provisions				
Prohibiting the use of the loan proceeds or matching fund for sectarian religious purposes.				
9. Contact Name and Title			Contact Phone	Email Address
Karen Brau			410-276-5674	agelc7@hotmail.com

10. Description and Purpose of Grantee Organization (3000 characters maximum)

The Grantee Organization is the Baltimore Regional Initiative Developing Genuine Equality, Inc. (BRIDGE). But this project is a collaboration of three faith-based organizations: BRIDGE, Holy Ground (Amazing Grace Lutheran Church's local coalition) and Chesapeake Habitat for Humanity. Holy Ground is the local coalition of residents and organizations (see more under comments #28), which has been organizing local residents around their housing concerns and issues. Chesapeake Habitat for Humanity will do the actual development of up to 25 houses (see #10 for details), while BRIDGE will continue to raise financial resources from faith-based sources and government sources for the Holy Ground housing goals.

BRIDGE is a vehicle for change and social justice in the Baltimore metropolitan region. It is a non-profit, interfaith organization of geographically, racially, and economically diverse congregations from Baltimore City and Baltimore, Anne Arundel, Howard, Harford, and Carroll counties. Members of BRIDGE, currently representing over 30 congregations and faith-based organizations with over 20,000 people, have come together in a new understanding of the challenges facing their communities. They recognize that sprawl development; investment and disinvestment patterns; stark concentrations of poverty and racial segregation in the urban core; and deep regional disparities in tax base, educational quality, housing choices, employment, economic opportunity, and transportation access that they are witnessing have been driven and subsidized by 50 years of public policies and allocations of public resources.

Since 2003, BRIDGE's major efforts have been to "BRIDGE, the Gap" and promote mixed income inclusionary housing in the Baltimore region, such as Holy Ground Homes. BRIDGE has raised over \$270,000 in 2007 for this project and other related work.

BRIDGE's Executive Director, Rev. David Casey has over 15 years of affordable housing experience. From 1990 to 1998, Rev. Casey worked for Jubilee Jobs. Activities and accomplishments during this time period include: converting three religious properties into senior housing, developing the Southeast Teen Center, coordinating the Southeast Community Plan, developing the Moving Up Career Advancement program, the Southeast Baltimore Catholic School project, the Amazing Grace Lutheran Parish Consolidation project, and established the United Methodist Mission House of Baltimore. In 1998, he won a U.S. Department of Housing and Urban Development Community Building Fellowship. He provided faith-based outreach for the Maryland State Office of HUD. In 2002, Rev. Casey was hired as the Director of BRIDGE.

11. Description and Purpose of Project (3000 characters maximum)

This Project is called “Holy Ground Homes.” It is a joint project of three faith-based organizations: BRIDGE, Holy Ground Campaign (Amazing Grace Lutheran Church), and Chesapeake Habitat for Humanity. This project links together Resident Organizing, Enhanced Fundraising, and Sweat Equity Housing Development. The State Bond money will be used for acquisition of vacant housing for this project.

Funds will be used by Chesapeake Habitat for Humanity, a partner of BRIDGE and the Holy Ground Campaign to acquire up to 25 vacant properties in east Baltimore over the course of one year. Once acquired, homes will be gutted and completely rehabilitated per Chesapeake Habitat’s standard model in order to create safe, decent and affordable home-ownership opportunities in partnership with low-income families. Houses will be completed and sold to qualified homebuyers at a rate of at least 15 units per year. Houses will be completed, on a rolling basis, approximately 18 months from the point of official acquisition/disposition.

Chesapeake Habitat for Humanity, in partnership with BRIDGE and the Holy Ground Campaign, will simultaneously pursue two strategies for property acquisition:

1. Acquire up to 25 vacant houses from Baltimore City.
2. Acquire five vacant houses from private owners, at an estimated average cost of \$50,000 per unit (based on current market data). More units would be acquired if lower sale prices could be negotiated.

Based on property availability and cost, we may also pursue a combination of the two above strategies.

Chesapeake Habitat for Humanity is a non-profit housing developer that has completed and sold 113 homes to low-income families since 1982. Homebuyer applicants complete 300 hours of “sweat equity,” helping to build their own future home and others in the area alongside community volunteers. Applicants must also live in a current condition of housing need, and must earn between 25% and 50% of the area median income as determined by the U.S. Department of Housing and Community Development. Once all of these qualifications have been met and the house is complete, Chesapeake Habitat sells the property to the homebuyer with a no-interest mortgage loan. In addition to being the builder, Chesapeake Habitat is also the mortgage lender, and incoming mortgage payments help to support the construction of more homes.

Round all amounts to the nearest \$1,000. The totals in Items 11 (Estimated Capital Costs) and 12 (Proposed Funding Sources) must match. The proposed funding sources must not include the value of real property unless an equivalent value is shown under Estimated Capital Costs.

12. Estimated Capital Costs

Acquisition	\$250,000 (25 units from city and/or private owners @ average \$10,000 ea)
Design	\$25,000 (25 units @ avg. \$1,000 ea.)
Construction	\$2,500,000 (gut-rehab of 5 units @ avg. \$100,000 ea.)
Equipment	n/a
Total	\$2,775,000

13. Proposed Funding Sources – (List all funding sources and amounts.)

Source	Amount
Requested State Grant (for acquisition)	\$250,000

Private fundraising ("housing sponsorship") (examples of past funders in this role have included Citigroup, Nationwide Insurance, Bank of America, The Park School, and others. We have a solid track record of funding 113 houses over 25 lyears with this model.)		\$2,200,000	
Foundation grants		\$325,000	
Total		\$2,750,000	
14. Project Schedule			
Begin Design	Complete Design	Begin Construction	Complete Construction
July 2007	December 2007	February 2008 (rolling basis)	December 2009
15. Total Private Funds and Pledges Raised as of January 2007		16. Current Number of People Served Annually at Project Site	17. Number of People to be Served Annually After the Project is Complete
\$105,000		None. Vacant houses will be acquired	Will directly benefit up to 70 new homebuyers' household members. Will also benefit entire area by reducing vacancy and strengthening the community.
18. Other State Capital Grants to Recipients in Past 15 Years			
Legislative Session	Amount	Purpose	
		BRIDGE has not received any State Capital Grants in the past 15 years. Chesapeake Habitat for Humanity has not received previous Bond funding, but has received support from the Maryland Affordable Housing Trust, Community Legacy, and Community Investment Tax Credit program in past years.	
19. Legal Name and Address of Grantee		Project Address (If Different)	
Baltimore Regional Initiative Developing Genuine Equality, Inc. 3200 Garrison Blvd., Baltimore, MD 21216		Holy Ground Homes c/o 2424 McElderry Street Baltimore, MD 21205	
20. Legislative District in Which Project is Located			District 45
21. Legal Status of Grantee (Please Check one)			
Local Govt.	For Profit	Non Profit	Federal
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

22. Grantee Legal Representative		23. If Match Includes Real Property:	
Name:	Joe McNeely	Has An Appraisal Been Done?	Yes/No
Phone:	410-534-8033		n/a
Address:		If Yes, List Appraisal Dates and Value	
Esq. McNeely Legal Services, PC 2353 Cambridge Walk, Suite 2 Baltimore, MD 21224			
24. Impact of Project on Staffing and Operating Cost at Project Site			
Current # of Employees	Projected # of Employees	Current Operating Budget	Projected Operating Budget
16	18	\$2.5 million	\$3.5 million
25. Ownership of Property (Info Requested by Treasurer's Office for bond issuance purposes)			
A. Will the grantee <u>own</u> or <u>lease</u> (pick one) the property to be improved?			owned until sell
B. If owned, does the grantee plan to sell within 15 years?			yes to qualified buyers
C. Does the grantee intend to lease any portion of the property to others?			No
D. If property is owned by grantee and any space is to be leased, provide the following:			
Lessee	Terms of Lease	Cost Covered by Lease	Square Footage Leased
E. If property is leased by grantee – Provide the following:			
Name of Leaser	Length of Lease	Options to Renew	
26. Building Square Footage:			
Current Space GSF	27,500 square feet (25 houses @ approx. 1,100 sf per house)		
Space to Be Renovated GSF			
New GSF			
27. Year of Construction of Any Structures Proposed for Renovation, Restoration or Conversion		Circa 1920	
28. Comments: (3000 characters maximum)			

The Holy Ground Homes to be created by this project are part of a larger ongoing campaign. The Holy Ground Campaign began in 2005 when Amazing Grace Church and BRIDGE pulled together a community meeting of over 250 people to launch a campaign to prevent gentrification from displacing long-time community residents. The average household income in this area is \$22,000. There are 2,314 occupied units, but 859 vacant houses and lots. Various agencies of the City of Baltimore own over 200 houses/lots. Speculators are driving the price of housing upward and long-time residents are being displaced. These displaced residents will not share in the benefits that will occur as this community redevelops. Holy Ground is working to make a mixed income community in the East of Hopkins area.

The Holy Ground Campaign is the joining of forces of Amazing Grace Lutheran Church, Pilgrim Baptist Church, The Julie Community Center, members of the McElderry Park Community association, members of CARE, members of the Monument Street business community, the Family Support Project of Tench Tilghman Elementary School, and BRIDGE.

The Holy Ground Campaign Mission Statement is: We have been claimed by a holy God to be a holy people. God calls us to also claim the places where we serve as faith-filled people in our communities and in our neighborhoods, to partner with people and institutions in our communities and in our neighborhoods, to create environments that are justice-filled and where life will be honored and people can live free of violence and fear. Our community united is Holy Ground.

Holy Ground successes to date are:

1. Holy Ground leaders, along with BRIDGE and other allies, met with Baltimore City Council members, which led to the establishment of the Baltimore City Inclusionary Housing Taskforce. Rev. Karen Brau was one of the 13 Taskforce members. The Taskforce's recommendations were turned into a City Council Bill, which was introduced on December 4, 2006 with 13 co-sponsors.
2. Holy Ground sponsored two large community meetings of 100+ and 250+ people to establish and confirm the Holy Ground Principles (see testimony).
3. Holy Ground leaders met with Housing Commissioners Paul Graziano and got him to commit to holding all city-owned properties in the East of Hopkins area and have them used as part of a mixed-income housing plan for the area.
4. Holy ground and its' allies BRIDGE and Chesapeake Habitat for Humanity have raised \$75,000 for planning and \$30,000 for community leadership developing & organizing for 2007.

This effort is under consideration for a \$1,000,000 award from Thrivent Financial for Lutherans, a Lutheran financial services agency. A \$250,000 bond for this project will go a long way in attracting this \$1,000,000 award. This Bond will leverage over \$1,000,000 in other public and private investments.