

State Of Maryland 2020 Bond Initiative Fact Sheet

1. Name Of Project		
Blight Reduction and Homeownership Initiative		
2. Senate Sponsor		3. House Sponsor
Ferguson		Clippinger
4. Jurisdiction (County or Baltimore City)		5. Requested Amount
Baltimore City		\$270,000
6. Purpose of Bond Initiative		
the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of seven blighted homes for homeownership		
7. Matching Fund		
Requirements: Equal		Type: The matching fund may consist of in kind contributions.
8. Special Provisions		
<input type="checkbox"/> Historical Easement		<input checked="" type="checkbox"/> Non-Sectarian
9. Contact Name and Title		Contact Ph#
Michael Middleton		410-355-1145
		Email Address
		mmiddleton@chdcmd.org
10. Description and Purpose of Organization (Limit length to visible area)		
<p>CHDC is a longstanding member of Cherry Hill, who aims to serve the community by addressing the needs of the families that reside there. CHDC has consistently worked to promote economic development and investment in the areas of quality affordable housing. CHDC has been instrumental in organizing, engaging, and advocating on behalf of the community to improve the socio-economic conditions of Cherry Hill. CHDC represents the community on issues involving, land use and comprehensive planning, real estate development, public safety, and education. Since its inception, CHDC has established effective partnerships with Baltimore City government, elected officials, State agencies, neighboring community associations, philanthropic organizations, local non-profits and private developers as a means to affect positive change within the community.</p>		

11. Description and Purpose of Project (Limit length to visible area)

CHDCs BR&HI is a multi-phase real estate project that seeks to eradicate blight and address the lack of homeownership opportunities within Cherry Hill. Hyper-vacancy (the high concentration of blighted properties within an area) has had devastating affects on market conditions, property values, community perceptions, poverty, unemployment and health conditions of Cherry Hill. CHDC is acquiring 7 dilapidated homes in Cherry Hill; structures that have been vacant for more than a decade. These homes have lead paint, mold, structural deficiencies and other hazardous conditions. CHDC has engaged a licensed architect and general contractor to complete the substantial renovations of these homes. Upon completion, these newly renovated energy efficient homes will be ideal for first time homebuyers. Moreover, the homes will be target to families that earn 50% and below AMI for the Baltimore Area and will be included in the South Baltimore Community Land Trust.

Round all amounts to the nearest \$1,000. The totals in Items 12 (Estimated Capital Costs) and 13 (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	\$85,875
Design	\$214,025
Construction	\$575,100
Equipment	
Total	\$875,000

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

CHDC	\$200,000
Baltimore City DHCD	\$245,000
Weller Development	\$150,000
State Bond Funding	\$280,000
Total	\$875,000

14. Project Schedule (Enter a date or one of the following in each box. N/A, TBD or Complete)			
Begin Design	Complete Design	Begin Construction	Complete Construction
3/1/2020	4/15/2020	5/1/2020	2/1/2021
15. Total Private Funds and Pledges Raised	16. Current Number of People Served Annually at Project Site		17. Number of People to be Served Annually After the Project is Complete
595000.00	0		7 families
18. Other State Capital Grants to Recipients in the Past 15 Years			
Legislative Session	Amount	Purpose	
N/A			
19. Legal Name and Address of Grantee		Project Address (If Different)	
Cherry Hill Development Corporation 806 Cherry Hill Road Baltimore, MD 21225			
20. Legislative District in Which Project is Located	46 - Baltimore City		
21. Legal Status of Grantee (Please Check One)			
Local Govt.	For Profit	Non Profit	Federal
[]	[]	[X]	[]
22. Grantee Legal Representative		23. If Match Includes Real Property:	
Name:	Legal Aid Bureau, Inc Gregory Countess, Esq.	Has An Appraisal Been Done?	Yes/No
Phone:	410-951-7777		No
Address:		If Yes, List Appraisal Dates and Value	
500 E. Lexington Street Baltimore MD 21201			

24. Impact of Project on Staffing and Operating Cost at Project Site			
Current # of Employees	Projected # of Employees	Current Operating Budget	Projected Operating Budget
4	4	398188.00	410133.00
25. Ownership of Property (Info Requested by Treasurer's Office for bond purposes)			
A. Will the grantee own or lease (pick one) the property to be improved?			Own
B. If owned, does the grantee plan to sell within 15 years?			Yes
C. Does the grantee intend to lease any portion of the property to others?			Yes
D. If property is owned by grantee any space is to be leased, provide the following:			
Lessee	Terms of Lease	Cost Covered by Lease	Square Footage Leased
Applicant will sell the property to the South Baltimore Community Land Trust in fee	99		approximatel
The South Baltimore Community Land Trust ...			
retain interest in the property via a ground			
SBCLT will sell the vertical building to the			
buyer.			
E. If property is leased by grantee - Provide the following:			
Name of Leaser	Length of Lease	Options to Renew	
The South Baltimore Community Land Trust	99	TBD	
will be the lesser, holding an interest in the			
home via a ground lease. The homebuyer			
will own the vertical structure in fee simple.			
26. Building Square Footage:			
Current Space GSF	5250		
Space to be Renovated GSF	5250		
New GSF	0		

27. Year of Construction of Any Structures Proposed for Renovation, Restoration or Conversion

2020

28. Comments

CHDC is one of several community based non-profits that have partnered to create the South Baltimore Community Land Trust (SB-CLT) as a means of ensuring affordable homeownership options remain in their communities as economic investment takes place with the impending Port Covington development. The SB-CLT is non-profits, 501(c)(3) organized to help create or preserve affordable housing long term, build equity and reduce the displacement that can accompany rapidly falling or rising property values. SB-CLT will acquire the affordable homes from CHDC. These homes will then be sold to low-income families earning 50% or less of the area median income (AMI) at affordable rates. SB-CLT will maintain ownership of the land for a minimum 99 years to preserve long-term affordability. Families will benefit from earning equity and paying below-market mortgage rates. The Cherry Hill community will benefit from increased homeownership rates which are connected to greater community economic stability.

Quality affordable housing options, particularly homeownership in South Baltimore are extremely limited. This is particularly evident in the Cherry Hill community, the most populous community in South Baltimore. A disproportionate amount of the housing stock in Cherry Hill is subsidized rental housing for extremely low-income residents. Only 16% of the housing stock in Cherry Hill is owner-occupied and this percentage continues to decline, because of the pervasive presence of vacant and abandoned properties within the community. According to official reports one in every 10 properties in Cherry Hill is vacant but the actual number of vacant properties is likely much higher. Moreover, the limited supply of private homes available for rent has driven up rental prices. Today, a 750 square foot, two-bedroom home in Cherry Hill rents for \$1,100/month. Homes in the SBCLT will have an average mortgage of \$750/month generating \$4,200 in annual savings for low-income families. Coupled with the equity a home will generate over time, this saving will help to close the gap of wealth disparity in Cherry Hill, a predominantly African American community.

The median income in these South Baltimore communities is \$34,498 26% less than Baltimore City's median income of \$46,641 and a third of the AMI of \$101,000. However, in Cherry Hill the median income is \$24,251. Nearly half of South Baltimore's children (47.5%) live below the poverty line compared to 33% across Baltimore City.

CHDC BR&HI looks to symmetrically eliminate neighborhood blight, dispel fears involving gentrification, and increasing new homeownership opportunities in a community that lack an adequate supply of homeowners.