

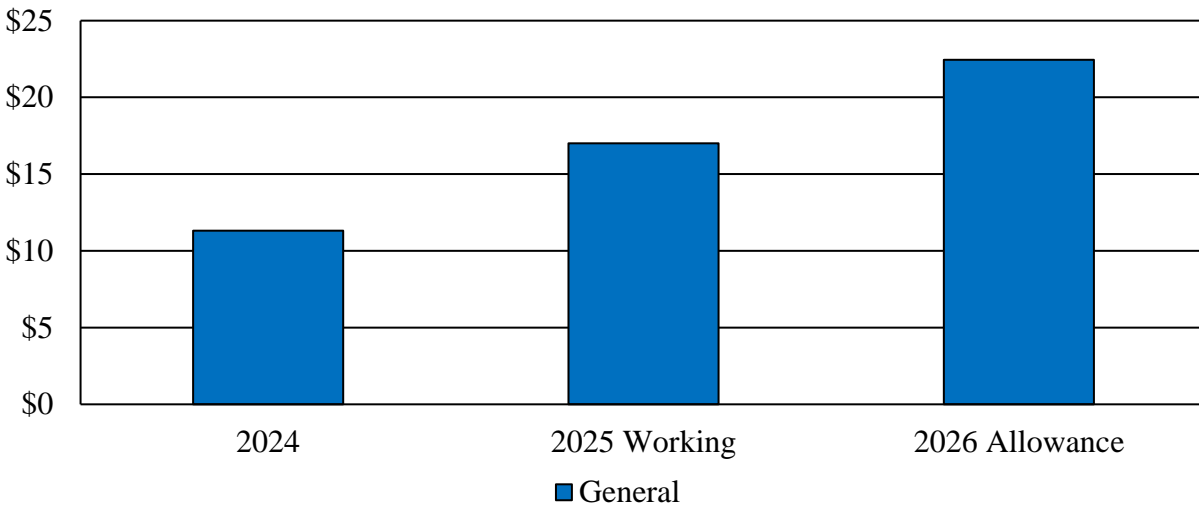
D91
West North Avenue Development Authority

Program Description

Chapters 80 and 81 of 2021 created the West North Avenue Development Authority (WNADA) to develop a comprehensive neighborhood revitalization plan for a portion of Baltimore City from approximately the 600 block to the 3200 block of West North Avenue. Chapters 80 and 81 require WNADA to develop a comprehensive plan that considers the area’s residents, housing, neighborhoods, economic development, and transportation. Chapters 80 and 81 also gave WNADA the authority to manage funds if the State appropriated them. Fiscal 2024 was the first year that WNADA was included in the State budget as a separate entity. The statute creating WNADA sunsets September 30, 2026. As introduced, SB 4/HB 258 of 2025 would significantly alter the powers and duties of the authority and make the authority permanent.

Operating Budget Summary

**Fiscal 2026 Budget Increases \$5.4 Million, or 32.0%, to \$22.4 Million
(\$ in Millions)**



Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

- WNADA’s allowance is all general funds. Expected special funds from Baltimore City in fiscal 2024 and 2025 were not provided, and a general fund deficiency to partially replace those funds is included in the budget bill.

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Fiscal 2024

A budget amendment approved in January 2024 increased the fiscal 2024 appropriation for WNADA by \$410,000 in special funds. However, WNADA reports that the funding was never received, and the \$410,000 in special funds was canceled at the end of fiscal 2024. The amendment provided:

- \$150,000 from the Baltimore City Department of Housing and Community Development (Baltimore DHCD) provided as a passthrough grant via Neighborhood Housing Services of Baltimore to support WNADA hiring an executive director and other operational infrastructure;¹ and
- \$260,000 from the Baltimore Mayor’s Office as outlined in an October 2023 letter from Baltimore Mayor Brandon M. Scott. WNADA reports that a grant agreement was executed in March 2024 but was not submitted by the Mayor’s Office to the city Board of Estimates for final approval.

The mayor’s letter also included \$40,000 for an additional grant for the Coppin Heights Community Development Corporation (CHCDC). Although this was not specified in the letter, WNADA understood the \$40,000 grant to CHCDC to be a passthrough grant for which the authority would be reimbursed. WNADA provided a \$40,000 grant to CHCDC but was not reimbursed by the city.

WNADA reports that \$488,000 in general funds for grants was transferred to operational costs in part to cover the loss of special funds.

Fiscal 2025

Implementation of Legislative Priorities

Section 21 of the fiscal 2025 Budget Bill included \$175,000 for a passthrough grant to the Baltimore Arts Realty Corporation (BARCO) to support its Smart Garments initiative. WNADA reports that this grant has been encumbered.

Proposed Deficiency

The budget bill includes a proposed \$250,000 general fund deficiency to partially cover \$500,000 in special funds that was expected from Baltimore City and included in the fiscal 2025 appropriation but has not been received and is no longer expected to be provided. The funding is to support regular personnel costs. **WNADA should provide an update on what efforts have**

¹ The grant agreement specified a total award amount of \$250,000 of which \$100,000 was received and spent by WNADA before it was a State agency.

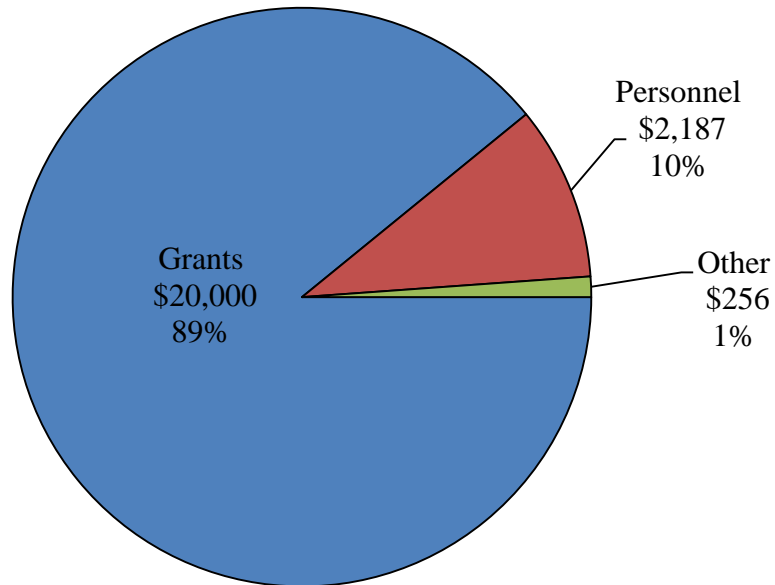
been taken to follow up on the funding pledged by Baltimore City for fiscal 2024 and 2025, including via Baltimore DHCD, Neighborhood Housing Services, and the Baltimore Mayor’s Office, and what reasons have been given for not providing the funds.

The loss of special funds from the city in both fiscal 2024 and 2025 would mean that WNADA is entirely funded by State general funds. **WNADA should comment on efforts it is taking or plans to take to secure non-State funding in the future.**

Fiscal 2026 Overview of Agency Spending

Funding for grants to external organizations makes up 89% of WNADA’s fiscal 2026 allowance. Regular personnel account for 10%, or about \$2.2 million, of the allowance, as shown in **Exhibit 1**.

Exhibit 1
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Thousands)



Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2026 Budget Books.

Proposed Budget Change

The fiscal 2026 allowance for WNADA increases by \$5.4 million (32%) from the prior year. This is primarily due to an increase in funding for WNADA’s grants program from \$15 million to \$20 million in fiscal 2026, as shown in **Exhibit 2**.

**Exhibit 2
Proposed Budget
West North Avenue Development Authority
(\$ in Thousands)**

How Much It Grows:	General Fund	Total
Fiscal 2024 Actual	\$11,312	\$11,312
Fiscal 2025 Working Appropriation	17,003	17,003
Fiscal 2026 Allowance	<u>22,443</u>	<u>22,443</u>
Fiscal 2025-2026 Amount Change	\$5,441	\$5,441
Fiscal 2025-2026 Percent Change	32.0%	32.0%
 Where It Goes:		<u>Change</u>
Personnel Expenses		
Salary increases and associated fringe benefits, including fiscal 2025 cost-of-living adjustment increments		\$330
Fiscal 2025 deficiency to remove \$500,000 in special funds and add \$250,000 in general funds		250
Costs associated with 1 new position		82
Turnover increases from 0.01% to 4.82%		-88
Other fringe benefit adjustments		-26
Other Changes		
Grants for organizations working on neighborhood redevelopment and revitalization.....		5,000
Contractual services.....		100
Cost allocations.....		-33
One-time legislative addition for Baltimore Arts Realty Corporation		-175
Total		\$5,441

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in DBM, and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Positions	9.00	14.00	15.00	1.00
Contractual FTEs	<u>3.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	12.00	14.00	15.00	1.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.67	4.82%
Positions and Percentage Vacant as of 1/23/25	2.00	14.29%
Vacancies Above Turnover	1.33	

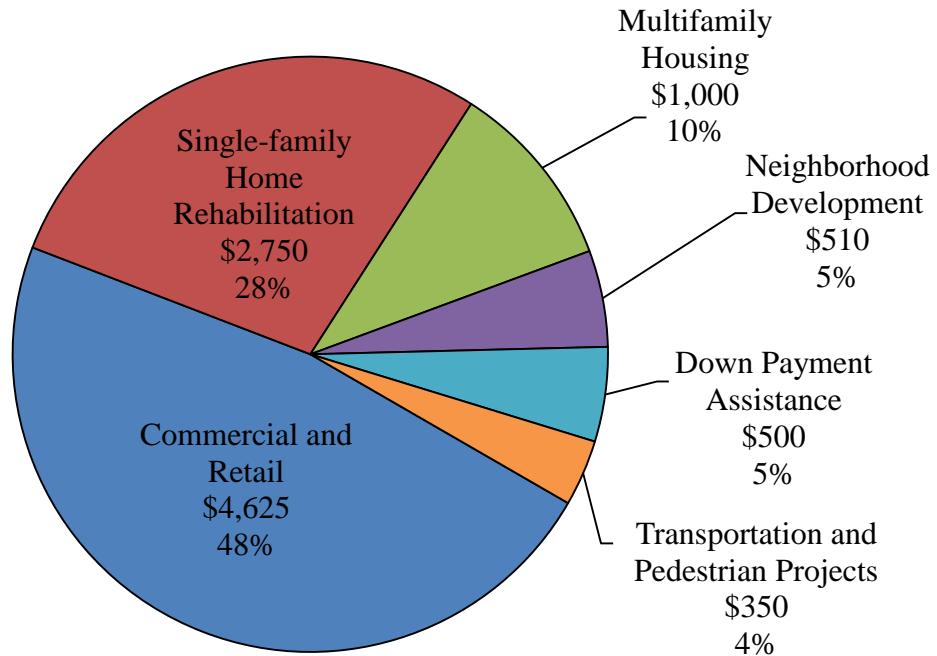
- WNADA had 2 vacancies at the time of writing. WNADA advises that it is in the process of hiring for these positions.
- The fiscal 2026 allowance includes 1 new regular position, a paralegal to support WNADA’s additional activities should the authority be altered under SB 4/HB 258. **The Department of Legislative Services (DLS) recommends that \$82,614 in general funds budgeted for the new position be made contingent on the enactment of SB 4 or HB 258.**
- There were 3.0 contractual positions, a transportation development officer, a green space development officer, and an executive administrative assistant, in fiscal 2024 that were converted to regular positions in fiscal 2025.

Key Observations

1. Funding for Grants Increases

Most of WNADA’s funding allowance is for grants. The agency awarded 31 grants worth a total of \$9.6 million in fiscal 2024, its first full year of State funding. As shown in **Exhibit 3**, the largest area of grant funding in fiscal 2024 was for commercial and retail development followed by funding for the rehabilitation of vacant or blighted single-family homes.

Exhibit 3
Grant Awards by Category
Fiscal 2024
(\$ in Thousands)



Source: Managing for Results

A list of grantees from fiscal 2024 is included in **Appendix 2**.

The agency’s fiscal 2025 grant application process was open June 27, 2024, through July 25, 2024. Recommendations are expected to be made to the authority’s governing board in spring 2025. In December 2024, WNADA released three additional requests for qualifications (RFQ):

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- a Minority Business Enterprise (MBE) and/or small business reserve (SBR) RFQ to develop a list of MBE and/or SBR program participants interested in becoming subcontractors to primary WNADA grant awardees in fiscal 2025;
- an acquisition and development RFQ to identify a developer to acquire and hold property on WNADA’s behalf with the assumption that WNADA will be able to take over that property if legislation to expand its statutory authority is enacted; and
- a technical assistance RFQ to inform businesses of the availability of a WNADA business development program that will provide workshops, seminars, and application assistance classes for small- and medium-sized businesses within Baltimore City.

The agency’s budget for grants increased by roughly half in the fiscal 2025 budget and by one-third in the fiscal 2026 allowance. The agency received \$15.2 million for grants in fiscal 2025, including a \$175,000 legislative addition for BARCO, and receives \$20.0 million in the fiscal 2026 allowance.

The budget committees requested in the 2023 *Joint Chairmen’s Report (JCR)* and 2024 JCR that WNADA develop a grants manual to provide transparency around how it distributes funds. The agency has submitted its grants manual, which includes grant program information, timelines, and application requirements and scoring. In the future, WNADA intends to release RFQs for its regular grant program in May with funding approved in October.

Comprehensive Plan and Future of WNADA

WNADA submitted a comprehensive revitalization plan, required by the statute establishing the authority, in January 2024. The plan includes block-by-block analyses of existing conditions and opportunities for improvement in the authority’s target development area drawn from prior planning documents, the authority’s own research, and community input. The plan concludes with goals, objectives, and strategies organized around the themes of economic development, neighborhood and community, transportation, housing, and greenspace and identifies agencies and organizations that could help achieve those goals.

SB 4/HB 258 would alter the authority’s powers and responsibilities and remove the authority’s sunset date of September 20, 2026. The Senate and House passed versions of similar legislation in 2024, but the legislation ultimately failed. **Should WNADA not be made permanent via legislation this year, the authority should develop a transition plan for how other agencies could take responsibility for carrying out the strategies and objectives in the revitalization plan.**

The fiscal 2025 budget bill restricted \$250,000 for WNADA’s grant funding pending receipt of the comprehensive plan and grants manual. DLS received this information, which was due on October 1, 2024, in January 2025 after the Governor introduced the budget, so DLS has not had time to adequately review the information. **Since the required documents were received,**

DLS recommends that the restricted funding be released assuming no objections are raised by the committees at the budget hearings.

WNADA has experienced rapid growth and a rapid increase in State funding. Although the comprehensive plan describes ambitious goals and the authority has had success in distributing grant awards, WNADA is still a young agency with only one full fiscal year's track record to evaluate how successful its strategies will be. The future of WNADA is also uncertain as current statute provides a September 2026 sunset date, but legislation is pending that could drastically alter the authority's operations.

Particularly given the difficult fiscal climate that the State faces, DLS recommends level funding WNADA's grant program in fiscal 2026 and waiting for additional metrics of success, beyond just distributing funding, to be available for evaluating WNADA's grantmaking strategy before considering increased funding. **DLS therefore recommends reducing general funds for grants to nongovernmental entities by \$5.0 million to a total of \$15.0 million, level with grant program funding for fiscal 2025, and \$5.4 million above fiscal 2024 expenditures. DLS also does not recommend any additional funding until WNADA can demonstrate how the current funding levels meet the comprehensive plan's goals using the anticipated metrics.**

Operating Budget Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that \$82,614 of this appropriation made for the purpose of personnel is contingent on the enactment of SB 4 or HB 258 to establish the West North Avenue Development Authority as an instrumentality of the State and to expand its statutory authority and responsibilities.

Explanation: This language makes funding intended to support a new position associated with pending legislation contingent on the enactment of that legislation.

	<u>Amount Change</u>	
2. Reduce funding for grants to nongovernmental entities. The fiscal 2026 allowance includes a \$5 million increase in funding for the West North Avenue Development Authority’s (WNADA) grants program. The agency is in its second fiscal year of funding as a State agency. A reduction is recommended to provide additional time to evaluate the outcomes of WNADA’s grantmaking strategy prior to increasing funding. Additional funding is not recommended until WNADA has demonstrated success in advancing the comprehensive plan using existing funding. The reduced funding level of \$15 million would be a \$5.4 million increase over fiscal 2024 grant expenditures.	-\$ 5,000,000	GF
Total General Fund Net Change	-\$ 5,000,000	

Appendix 1
2024 Joint Chairmen’s Report Responses from Agency

The 2024 JCR requested that WNADA prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Comprehensive Neighborhood Revitalization Plan and Grants Manual:*** The committees requested that WNADA submit a comprehensive neighborhood revitalization plan as required by the statute establishing the authority, and a grants manual to provide additional transparency around grantmaking activities. Discussion of these submissions can be found in Key Observation 1 of this analysis.

Appendix 2
West North Avenue Development Authority Grant Recipients
Fiscal 2024

<u>Grantee</u>	<u>Geographic or Programmatic Area</u>	<u>Amount</u>
Rebirth Development	2700 to 2900 Block of West North Avenue	\$500,000
Neighborhood Housing Services of Baltimore	2700 to 2900 Block of West North Avenue	250,000
CHCDC	2700 to 2900 Block of West North Avenue	250,000
Blank Slate Development	Walbrook Mill	1,750,000
BARCO	Walbrook Mill	1,000,000
Visionary Venture Partnership, LLC	Live at Coppin	500,000
Neighborhood Housing Services of Baltimore	Live at Coppin	250,000
Concrete Rose Unlimited, LLC dba Charm City Buyers	Live at Coppin	250,000
Citywide Youth Development	Retail Business Entrepreneur Incubator – Enterprise Zone	750,000
Druid Heights Community Development Corporation	West North Avenue and McCulloh Street	650,000
Frontline Property Management (Subrecipients: Black Knight, The Peace Team)	Public Safety and Violence Intervention (Neighborhood Development)	350,000
H&H Realty Group LLC	Multifamily Student Housing for Coppin State University	750,000
D&B Deli LLC	Food Desert (Economic Development)	25,000
Dream Street Cuisine LLC	Food Desert (Economic Development)	25,000
Sunday Morning Coffee Company	Food Desert (Economic Development)	25,000
3 Chefs LLC	Food Desert (Economic Development)	25,000
Next Phaze LLC	Food Desert (Economic Development)	25,000
Baltimore City DHCD	Neighborhood Preservation (Neighborhood Development)	1,000,000
Druid Hill Public Partnership	Neighborhood Preservation (Neighborhood Development)	250,000
Neighborhood Housing Services of Baltimore	Neighborhood Preservation (Neighborhood Development)	250,000

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<u>Grantee</u>	<u>Geographic or Programmatic Area</u>	<u>Amount</u>
Druid Heights Community Development Corporation	Neighborhood Preservation (Neighborhood Development)	100,000
Druid Hill Public Partnership	Neighborhood Preservation (Neighborhood Development)	50,000
Midtown Community Fund	Inefficient Public Transit Services (Transportation Development)	250,000
Graham Project	Inefficient Public Transit Services (Transportation Development)	100,000
Parks and People Foundation	Greenspace Development	25,000
Coppin Heights Community Development Corporation	Community Engagement Fund	40,000
Coppin State University Foundation	Community Engagement Fund	25,000
Innovation Works	Community Engagement Fund	10,000
Greater Mondowmin Coordinating Council	Community Engagement Fund	10,000
Baltimore City Procurement Office – Sponsorship of Mayor's Baltimore City Procurement Conference	Community Engagement Fund	2,000
BARCO Mandated Grant	Legislative Addition	150,000
Total		\$9,637,000

BARCO: Baltimore Arts Realty Corporation

Source: West North Avenue Development Authority

**Appendix 3
Object/Fund Difference Report
West North Avenue Development Authority**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	9.00	14.00	15.00	1.00	7.1%
02 Contractual	3.00	0.00	0.00	0.00	0.0%
Total Positions	12.00	14.00	15.00	1.00	7.1%
Objects					
01 Salaries and Wages	\$ 1,102,061	\$ 1,888,434	\$ 2,187,210	\$ 298,776	15.8%
02 Technical and Special Fees	147,224	0	0	0	0.0%
03 Communication	4,409	5,400	5,400	0	0%
04 Travel	34,889	35,000	35,000	0	0%
08 Contractual Services	323,380	110,328	175,862	65,534	59.4%
09 Supplies and Materials	1,661	14,860	14,860	0	0%
10 Equipment – Replacement	58,602	5,570	5,570	0	0%
11 Equipment – Additional	0	13,000	13,000	0	0%
12 Grants, Subsidies, and Contributions	9,637,000	15,175,000	20,000,000	4,825,000	31.8%
13 Fixed Charges	2,300	5,000	6,199	1,199	24.0%
Total Objects	\$ 11,311,526	\$ 17,252,592	\$ 22,443,101	\$ 5,190,509	30.1%
Funds					
01 General Fund	\$ 11,311,526	\$ 16,752,592	\$ 22,443,101	\$ 5,690,509	34.0%
03 Special Fund	0	500,000	0	-500,000	-100.0%
Total Funds	\$ 11,311,526	\$ 17,252,592	\$ 22,443,101	\$ 5,190,509	30.1%

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.