

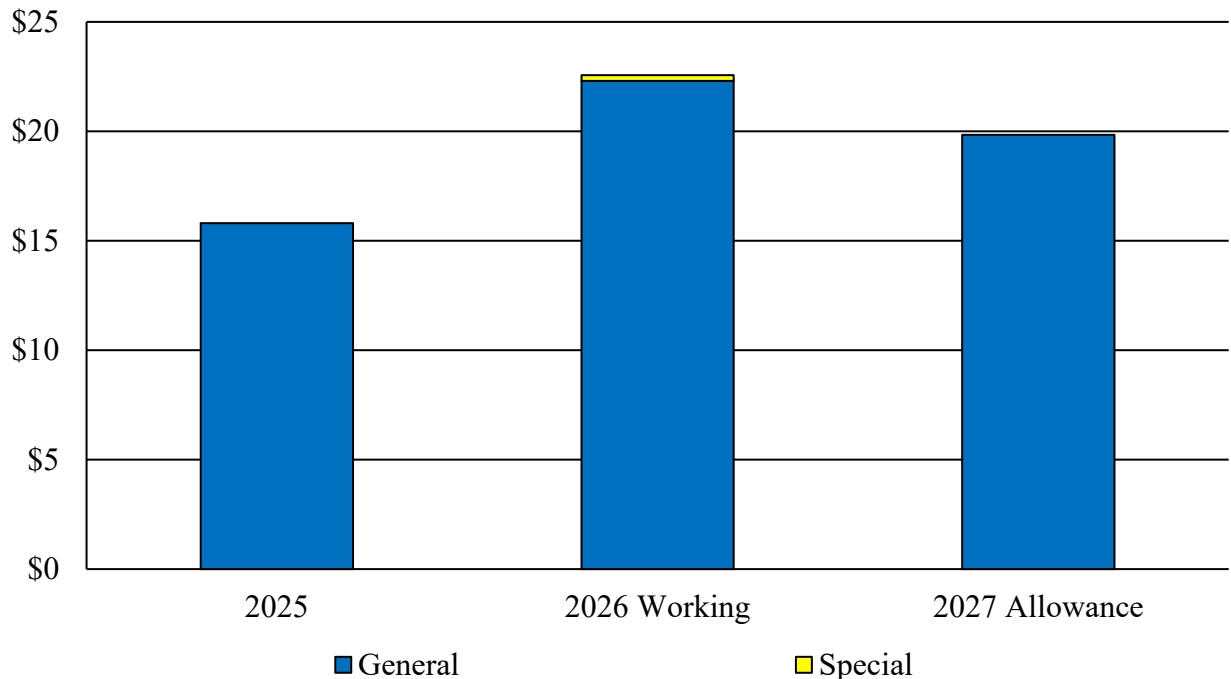
# D91 West North Avenue Development Authority

## 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. The comprehensive plan was completed and delivered to the General Assembly in January 2024. Chapters 215 and 216 of 2025 incorporated WNADA as an instrumentality of the State, established a WNADA special fund, and formally expanded its purpose and responsibilities to include overseeing and driving economic development in the West North Avenue corridor. Chapters 215 and 216 also extended the authority’s sunset date to September 30, 2029, and required it to be self-sustaining beginning in fiscal 2028.

## Operating Budget Summary

### Fiscal 2027 Budget Decreases \$2.7 Million, or 12.1%, to \$19.8 Million (\$ in Millions)



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

For further information contact: Elizabeth Waibel

[elizabeth.waibel@mga.maryland.gov](mailto:elizabeth.waibel@mga.maryland.gov)

## **Fiscal 2026**

The fiscal 2026 budget as enacted appropriated \$21.4 million for WNADA distributed among grants (\$19.0 million), personnel (\$2.2 million), and other costs (\$256,000). Chapters 215 and 216 of 2025, discussed further in Key Observation 1, required WNADA to be self-sustaining by fiscal 2028 and created a special fund for the authority, which allowed it to begin offering loans as well as grants. WNADA’s board adopted a working budget for fiscal 2026 that reallocated funding from grants to capitalize a new loan program and provide additional funding for contracts and personnel, as shown in **Exhibit 1**.

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**Exhibit 1**  
**Working Budget as Approved by WNADA Board**  
**Fiscal 2026**

	<u><b>Enacted Budget</b></u>	<u><b>Working Budget</b></u>	<u><b>Change</b></u>
Grants	\$19,000,000	\$7,050,000	-\$11,950,000
Loans	0	10,000,000	10,000,000
Personnel	2,187,210	2,482,000	294,790
Contracts	175,862	1,288,000	1,112,138
Administrative and Other Costs	80,029	250,000	169,971
<b>Total</b>	<b>\$21,443,101</b>	<b>\$21,070,000</b>	<b>-\$373,101</b>

Note: Does not include deficiencies.

WNADA: West North Avenue Development Authority

Source: West North Avenue Development Authority; Department of Legislative Services

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In the working budget, \$10.0 million in grant funds are reallocated for a new loan program, which is still in development, and contract and administrative costs increase from about \$256,000 to \$1.5 million. Funding for regular personnel increases by about \$295,000.

### **Proposed Deficiency**

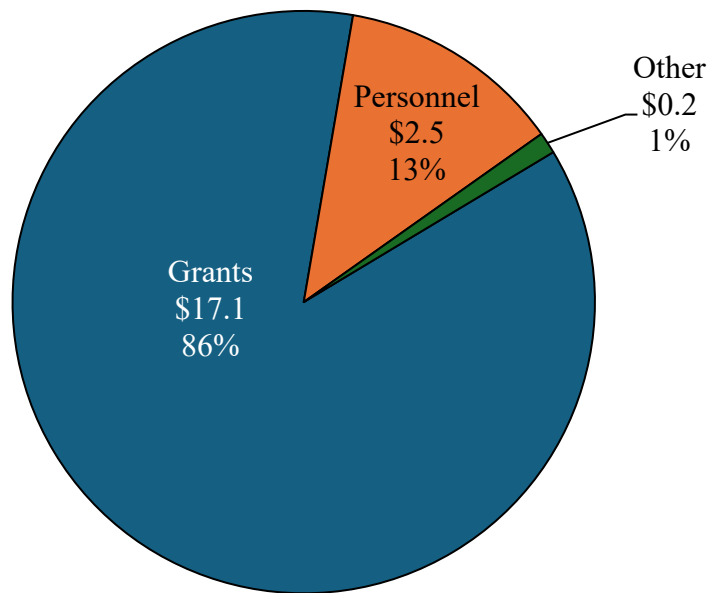
WNADA had \$1.2 million in funding for grants remaining at the end of fiscal 2025 due to the timing of issuing planned grant awards. The agency intended to keep the funds in the special fund created by Chapters 215 and 216 and had selected grantees to receive the funding, but the funds were inadvertently reverted to the General Fund at the end of the fiscal year. The budget as introduced includes a \$1.2 million deficiency appropriation to replace the reverted funds.

## Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance totals \$19.8 million, all in general funds. As shown in the fiscal 2027 budget books, \$17.1 million, or 86%, of the total is allocated to grants to nongovernmental entities. Regular personnel costs account for \$2.5 million, or 13%, as shown in **Exhibit 2**. Other costs total about \$236,000. As discussed further in the Proposed Budget Change section, this is substantially lower than the total for other costs in fiscal 2025 and in the working 2026 budget approved by the WNADA board, so it is possible that the agency will reallocate grant funds to cover other costs.

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**Exhibit 2**  
**Overview of Agency Spending**  
**Fiscal 2027 Allowance**  
**(\$ in Millions)**



Note: The fiscal 2027 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 2027 Budget Books

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## Proposed Budget Change

The fiscal 2027 allowance decreases \$2.7 million overall, with a \$1.6 million reduction in funding for grants to nongovernmental entities and a \$1.2 million reduction due to the deficiency

*D91 – West North Avenue Development Authority*

appropriation. Personnel costs, the largest area of growth, increase by about \$362,000. Special funds for grants decrease \$260,000 from fiscal 2026, when WNADA received one-time funding from Baltimore City. **Exhibit 3** shows the change in funding between the fiscal 2026 working appropriation as shown in the Governor’s Fiscal 2027 Budget Books and the fiscal 2027 allowance. The working appropriation as shown in the budget books differs from the working budget adopted by the WNADA board, which reallocated funding from grants to loans and other purposes, as previously discussed. Funds may be similarly reallocated in fiscal 2027.

**Exhibit 3  
Proposed Budget  
West North Avenue Development Authority  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Total</u></b>
<b>How Much It Grows:</b>			
Fiscal 2025 Actual	\$15,802	\$0	\$15,802
Fiscal 2026 Working	22,305	260	22,565
Fiscal 2027 Allowance	19,838	0	19,838
Fiscal 2026-2027 \$ Change	-\$2,467	-\$260	-2,727
Fiscal 2026-2027 % Change	-11.1%	-100.0%	-12.1%
 <b>Where It Goes:</b>			<b><u>Change</u></b>
<b>Personnel Expenses</b>			
Salary increases and associated fringe benefits .....			\$270
Employee and retiree health insurance .....			79
Deferred compensation match .....			2
Turnover rate adjustment from 4.99% to 4.43% .....			12
<b>Other Changes</b>			
Service allocations .....			-3
Contractual services.....			-5
One-time fiscal 2026 Baltimore City grant .....			-260
Fiscal 2026 deficiency appropriation to replace funds reverted in error.....			-1,201
Grant funding.....			-1,615
Other operational expenses.....			-5
<b>Total</b>			<b>-\$2,727</b>

Note: Numbers may not sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

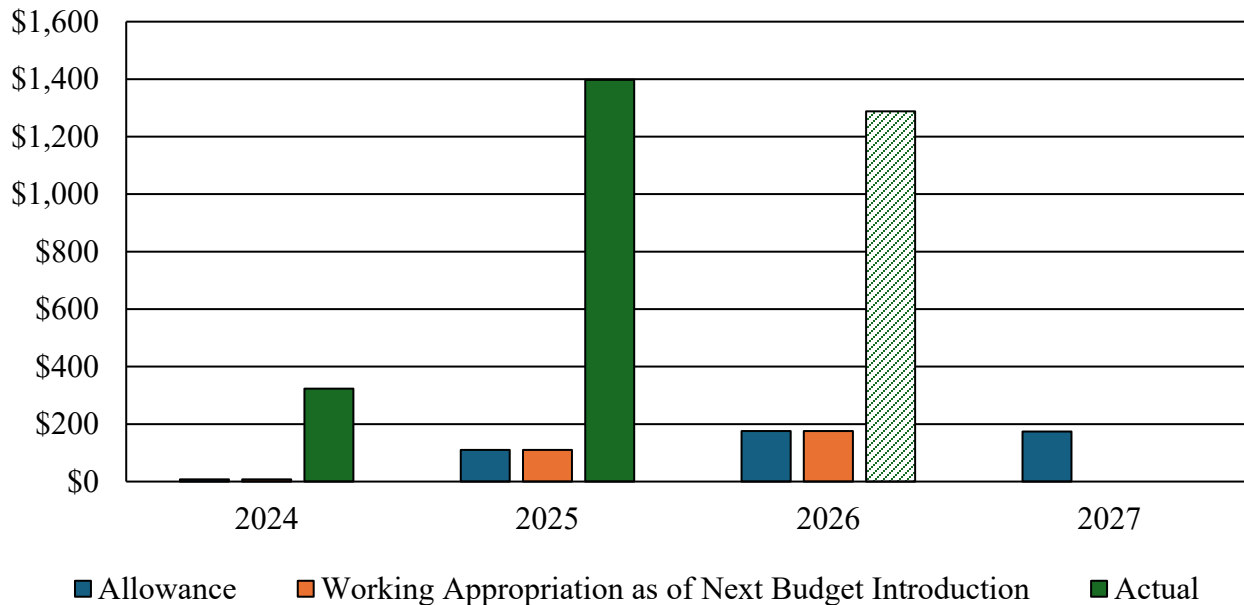
## Funding Reallocated from Grants to Operations

WNADA’s budget is structured under a single program, which allows the agency to reallocate funds among various purposes throughout the year without budget amendments, and the agency has in previous years reallocated funding budgeted for grants to cover shortages in other areas.

In fiscal 2025, excluding the grant funds inadvertently reverted at the end of the fiscal year, grant spending was about \$1.5 million lower than planned in the budget books, and spending on operational costs was \$1.2 million higher. The fiscal 2026 working budget approved by the WNADA board decreases grant spending by about \$2.0 million and reallocates \$10.0 million to loans, while operational costs are about \$1.7 million higher than shown in the budget books.

Contract costs, in particular, have been much higher than those programmed in the budget books, as shown in **Exhibit 4**.

**Exhibit 4**  
**Contract Costs**  
**Fiscal 2024-2027**  
**(\$ in Thousands)**



Note: The fiscal 2026 actual cost is predicted based on the agency’s board-approved working budget.

Source: Governor’s Fiscal 2024 through 2027 Budget Books

*D91 – West North Avenue Development Authority*

Contracts are budgeted at \$174,318 in the fiscal 2027 allowance, which is lower than actual spending on contracts in fiscal 2024 (\$315,780) or 2025 (\$1.4 million). While the fiscal 2027 allowance for contracts is level with the working 2026 appropriation as shown in the budget books, it is substantially lower than the fiscal 2026 working budget approved by the agency’s board (\$1.1 million). Contracts include allocations for statewide shared services, website design and maintenance, and interior design for WNADA’s offices.

WNADA reports that contract expenses are not expected to decrease from fiscal 2026 but are expected to increase by approximately \$500,000 in fiscal 2027 after the agency moves into a new annex office building in April and into a main office building in September. **WNADA should comment on major areas of contract expenses in fiscal 2026 and if the agency expects these contracts to continue to be needed in fiscal 2027.**

Given these reallocations in prior years, it is likely that grant funds will again be reallocated to cover operating expenses. **The Department of Legislative Services recommends that the committees adopt narrative requesting that WNADA and the Department of Budget and Management program anticipated spending to minimize the potential for reallocating large percentages of funds intended for grants to other purposes.**

***Personnel Data***

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	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 26-27</b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	14.00	15.00	15.00	0.00
Contractual FTEs	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	0.66	4.43%
Positions and Percentage Vacant as of 12/31/2025	6.00	40.00%
Vacancies Above Turnover	5.34	

- As of December 6, 2025, 6 of WNADA’s 15 regular positions, or 40%, were vacant. Of these, 2 positions have been vacant for more than six months, and none have been vacant for more than a year. These positions were affected by a hiring freeze, which was lifted October 15, 2025. WNADA reports that attracting and retaining qualified staff has also been challenging in part because of the agency’s sunset clause and the lack of long-term job security. Other factors include the fast-paced environment, required in-person work, high crime rates in the neighborhood where the office is located, and required late-night

work (often until 9 p.m. Monday through Thursday) and weekend work. **WNADA should comment on its efforts to fill vacant positions.**

## ***Key Observations***

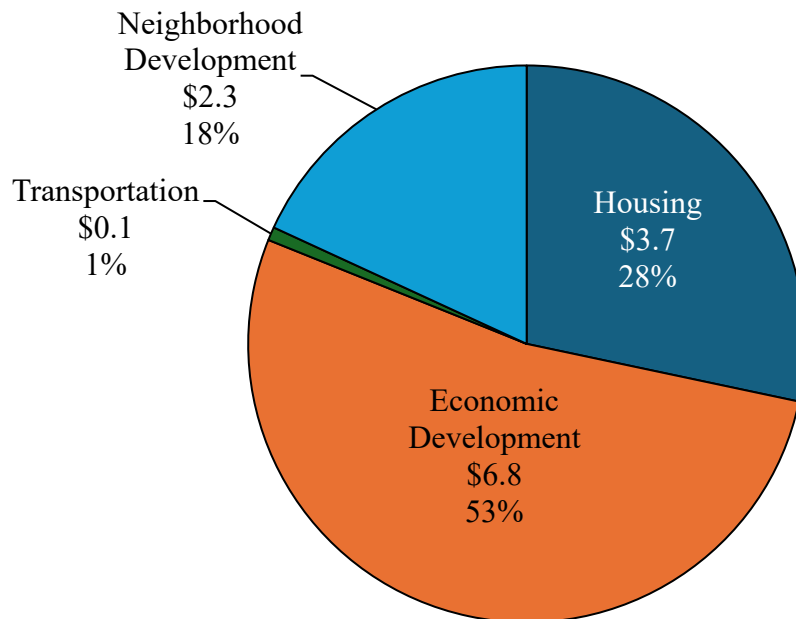
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### **1. Grant Funding Awarded**

Most of WNADA’s funding is for grants (79% of total funding in fiscal 2025). The agency made 33 grant awards in fiscal 2025 and awarded \$12.9 million. This total includes grants using funds that were inadvertently reverted at the end of fiscal 2025, which the agency intends to disburse using funds from a deficiency appropriation included in the budget as introduced. As shown in **Exhibit 5**, grants were awarded across four categories: economic development; housing; neighborhood development, which includes sponsorships of community events; and transportation.

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**Exhibit 5**  
**Grants by Category**  
**Fiscal 2025**  
**(\$ in Millions)**



Source: West North Avenue Development Authority

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*D91 – West North Avenue Development Authority*

About half of the funding awarded went to economic development projects, including \$2.7 million for Blank Slate to support the acquisition and development of a mixed-use, transit-oriented development; \$1.1 million for Innovation Works to provide grants or loans to startup businesses; and \$1 million to support Blank Slate’s acquisition and site preparation for a grocery store and retail space. Most of the grants for housing supported acquiring and developing row homes to be sold for no more than \$275,000. In the neighborhood development category, about \$1.2 million went to Frontline Management for unarmed public safety patrols and sidewalk and green space maintenance, and \$300,000 supported an in rem attorney, a code enforcement investigator, and a housing inspector assigned to the WNADA target area by the Baltimore City Department of Housing and Community Development. A full list of grantees is included in **Appendix 1**.

### **Managing for Results**

WNADA’s Managing for Results (MFR) performance measures track the number and overall amount of grants, loans, and other assistance provided for vacancy reduction, economic development, transportation improvement, and neighborhood development. In fiscal 2024 and 2025, its first two years of operating as a State agency, WNADA reported providing \$11.4 million to support commercial and retail development, \$6.4 million to support rehabilitating vacant or blighted homes, \$3.3 million for neighborhood development projects and sponsorships, and \$750,000 in down payment assistance for families in residential areas. **Exhibit 6** shows selected MFR performance metrics.

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**Exhibit 6**  
**Performance Metrics**  
**Fiscal 2024-2025**

	<u>2024</u>	<u>2025</u>	<u>Total</u> <u>Funding</u>
Families Receiving Down Payment Assistance	0	5	
Vacant/Blighted Single-Family Houses			
Acquired/Rebuilt	0	28	
Commercial and Retail Developers Supported	9	6	
Neighborhood Development Projects Funded	3	14	
Down Payment Assistance	\$500,000	\$250,000	\$750,000
Rehabilitation/Reconstruction of Vacant/Blighted			
Single-family Houses	2,750,000	3,650,000	6,400,000
Commercial and Retail Development	4,625,000	6,800,000	11,425,000
Neighborhood Development Projects	510,000	2,800,000	3,310,000

Note: Chart does not include all Managing for Results metrics. Due to differences in categorization, totals may not match the totals in Appendix 1.

Source: Managing for Results

The WNADA comprehensive planning process identified metrics that could indicate the agency's economic development activities are positively affecting the area's economic stability, such as decreases in the number of vacant residential and commercial buildings and vacant lots or increases in the area population and unemployment rate. **WNADA should comment on the feasibility of tracking these or similar outcome metrics in the MFR submission.**

## **2. Legislative Changes**

Chapters 215 and 216 of 2025 extended the agency's termination date from September 2026 to September 2029 and established it as an instrumentality of the State for the purpose of economic development and other public benefits in the West North Avenue corridor. The chapters created a special, nonlapsing fund for the authority and gave it new powers, including the ability to issue loans, acquire and manage properties, charge for services, set salaries outside the State personnel system, and generally act as an economic development engine for the area.

The Acts require WNADA to be self-sustaining by fiscal 2028, and the agency must report to the General Assembly on its progress toward becoming self-sustaining by January 1, 2027. The statute authorizing WNADA sunsets September 30, 2029.

In addition to the grants that it already issues, WNADA is developing a loan program with possible terms of 12 to 36 months and is considering charging application, processing, and initiation fees for grants and loans to generate revenue. **WNADA should provide an update on its plans for a loan program.**

### **Future of the Agency**

The comprehensive neighborhood revitalization plan completed by the authority in January 2024 envisions WNADA or a similar entity driving long-term implementation. Chapters 215 and 216 require the authority to be fully self-sustaining by fiscal 2028 and give it a variety of powers and tools to generate revenue, but they also establish a termination date for the agency in the first quarter of fiscal 2030. WNADA thus has less than five years to begin exercising the new powers granted to it by the legislature, including issuing loans and potentially purchasing property; generate enough non-State funding to become self-sufficient; and then shut down or reincorporate as a non-State entity. The fiscal note for Chapters 215 and 216 noted that some of the powers conferred by the Acts, such as financing various types of projects, may help WNADA generate revenue to become self-supporting, but the termination provision may have a countervailing impact and suppress further investment.

## ***Operating Budget Recommended Actions***

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1. Adopt the following narrative:

**Anticipated Spending in the Proposed Operating Budget:** The committees request that the West North Avenue Development Authority (WNADA) and the Department of Budget and Management (DBM) program anticipated spending in the proposed fiscal 2028 budget to minimize the potential for reallocating large percentages of funds intended for grants to other purposes. The proposed budget, as shown in the Governor’s Fiscal 2028 Budget Books, should include anticipated spending by budget object. The supporting budget data should include anticipated contracts, the purposes of contracts, and the entities expected to fulfill the contracts, where known. The committees recognize that these estimates may be subject to change based on unanticipated program needs.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Anticipated spending by budget object and anticipated contracts	WNADA DBM	With the submission of the fiscal 2028 operating budget

**Appendix 1  
Fiscal 2025 Grant Awards**

**Housing**

KIOBA Business Ventures, LLC	\$500,000
Kouture Enterprises LLC	500,000
OKET Development, LLC	500,000
Visionary Venture Partnership, LLC	500,000
Wall Street Partners, LLC	500,000
Baltimore Roots Development LLC	300,000
One Saint Home, LLC	300,000
Real Estate Farmers LLC dba The Real Estate Farmers	300,000
Rebirth Development	250,000
<b><i>Subtotal</i></b>	<b><i>\$3,650,000</i></b>

**Economic Development**

Blank Slate	\$2,700,000
Innovation Works, Inc.	1,100,000
Blank Slate	1,000,000
Za Gualay LLC d/b/a Habesha Flavor	500,000
Styled4You Boutique	500,000
Requity Foundation, Inc.	500,000
Urban Oasis	500,000
<b><i>Subtotal</i></b>	<b><i>\$6,800,000</i></b>

**Transportation**

Rize, Inc.	\$100,000
<b><i>Subtotal</i></b>	<b><i>\$100,000</i></b>

**Neighborhood Development**

Frontline Management	\$1,150,000
Baltimore City Housing and Community Development	300,000
Parity Baltimore Incorporated – The SOS Fund	200,000
Druid Heights Community Development Corporation	125,000
Druid Heights Community Development Corporation	100,000
DRUM Healthy Families, Inc.	100,000
Coppin Heights CDC	75,000
Baltimore Civic Fund – AFRAM	50,000
Greater Mondawmin Coordinating Council	50,000
OMEGA BALTIMORE FOUNDATION, INC	50,000
Reservoir Hill Community Association	50,000
Water Bottle/ RISING LLC	50,000
Pennsylvania Avenue Black Arts and Entertainment District – INC – AFRAM	22,050

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<b>Neighborhood Development</b>	
MBE Policy Alliance, Inc (MBE Night in Annapolis)	7,500
DMGlobal Marketing and Public Relations, LLC	5,000
Baltimore Banner	2,500
<b><i>Subtotal</i></b>	<b><i>\$2,337,050</i></b>
<b>Total</b>	<b>\$12,887,050</b>

Note: Includes grants for which recipients were selected but funds were not disbursed by the end of fiscal 2025; these are to be covered by the planned fiscal 2026 deficiency appropriation.

**Appendix 2**  
**Object/Fund Difference Report**  
**West North Avenue Development Authority**

<u>Object/Fund</u>	<u>FY 25</u> <u>Actual</u>	<u>FY 26</u> <u>Working</u> <u>Appropriation</u>	<u>FY 27</u> <u>Allowance</u>	<u>FY 26 - 27</u>	
				<u>\$ Change</u>	<u>% Change</u>
<b>Positions</b>					
01 Regular	14.00	15.00	15.00	0.00	0.0%
02 Contractual	1.00	0.00	0.00	0.00	N/A
<b>Total Positions</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Objects</b>					
01 Salaries, Wages, and Fringe Benefits	\$1,756,925	\$2,115,719	\$2,477,659	\$361,940	17.1%
02 Technical and Special Fees	62,598	0	0	0	N/A
03 Communications	7,483	5,400	5,400	0	0.0%
04 Travel	35,611	27,663	17,907	-9,756	-35.3%
08 Contractual Services	1,397,777	175,862	174,318	-1,544	-0.9%
09 Supplies and Materials	53,154	14,860	15,000	140	0.9%
10 Equipment – Replacement	0	5,570	6,000	430	7.7%
11 Equipment – Additional	0	13,000	12,000	-1,000	-7.7%
12 Grants, Subsidies, and Contributions	12,479,550	20,200,851	17,125,000	-3,075,851	-15.2%
13 Fixed Charges	8,643	6,199	5,131	-1,068	-17.2%
<b>Total Objects</b>	<b>\$15,801,741</b>	<b>\$22,565,124</b>	<b>\$19,838,415</b>	<b>-\$2,726,709</b>	<b>-12.1%</b>
<b>Funds</b>					
01 General Funds	\$15,801,741	\$22,305,124	\$19,838,415	-\$2,466,709	-11.1%
03 Special Funds	0	260,000	0	-260,000	-100.0%
<b>Total Funds</b>	<b>\$15,801,741</b>	<b>\$22,565,124</b>	<b>\$19,838,415</b>	<b>-\$2,726,709</b>	<b>-12.1%</b>

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.