

# Action Plan

**Grantee:** Baltimore, MD

**Grant:** B-08-MN-24-0010

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<b>Grant Amount:</b>	\$ 4,112,239.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL</b>	\$ 387,155.97
<b>Total Budget:</b>	\$ 4,499,394.97

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## Funding Sources

**No Funding Sources Found**

## Narratives

### Areas of Greatest Need:

#### I. DISASTER DAMAGE 1. AREAS OF GREATEST NEED

Mortgage foreclosure filings in Baltimore City fell for most of this decade, reaching their low point in 2006 with just over 3,000. They have risen steadily since then and will almost reach an annual total of over 6,000 by the end of 2009. Rates of foreclosure filings are likely to remain high due to a weakening job market, continued resetting of thousands of ARMs, a tight credit market and, for the first time in a decade, an actual decline in the mean sales value of single family residences. This will further increase the number of home homeowners and residential investors in jeopardy of foreclosure, diminish tax revenues associated with residential real estate and threaten the first significant and sustained revival in residential investment in the city in almost two generations. Foreclosures damage the wealth and well being of both individuals and neighborhoods. Consequently, their continued increase is extremely damaging and must be mitigated against so that many households and neighborhoods that otherwise would be irreparably hurt will remain viable and be able to move forward after the current crisis has passed.

As part of the process of identifying those areas most damaged, HUD has rated Census block groups according to the risk of foreclosures resulting in abandonment. Each block group's score is a composite of four variables – City unemployment rate in June 2008, decline in metropolitan house prices from the peak home value achieved since 2000 to the value in June 2008, percent of all loans made between 2004 and 2006 that are high-cost/subprime at the Census tract level, and June 2008 residential addresses identified as being vacant for ninety days or longer by the United States Postal Service at the Census tract level. There are eleven risk categories ranging from 0 to 10 with the former having a very low risk for foreclosure and 10 suggesting a very high risk.

For each of the 710 Census block groups in Baltimore City HUD has assigned one of the above eleven risk categories. Of these, 535, or 75% of the total, are in the three highest risk categories (8 – 10). Map 1, found on the Baltimore City Housing Department web site at [http://intranet.baltimorehousing.org/BH3/attachments/nsp\\_application\\_baltimore425723236.pdf](http://intranet.baltimorehousing.org/BH3/attachments/nsp_application_baltimore425723236.pdf)

shows these three high-risk categories overlaid with neighborhood boundaries. These block groups include approximately two-thirds of the city's area. Those that are not high-risk (and are not colored in) are mainly downtown, in the harbor area, and in the north central, northwestern and far western parts of the city. The remaining areas – in west, southwest, east, northeast and far southeast Baltimore – all have varying rates of the four risk factors that go into the HUD rating, but all have a high composite risk score. These are the areas where foreclosures are most likely to result in abandonment and also, City officials believe, the areas that are most likely to face a significant rise in the rate of home foreclosures over the next several years as adjustable rate mortgages, many of them subprime, adjust upward.

Map 1 also shows the location of the approximately 5,500 mortgage foreclosure filings that were initiated during 2007 and the first half of 2008. They overlie risk areas.

A notable exception to the congruence between risk factors and concentrations of foreclosure filings is the dense cluster of filings found in the Canton neighborhood of southeast Baltimore. While an obvious area of foreclosure activity, this neighborhood did not have a significant number of high cost/subprime mortgages. Map 3 displays the level of occurrence of high cost/subprime mortgages as a percent of all mortgages. In this regard, Canton's rate was in the lowest of four possible categories.

The areas of greatest need in the city are those that have had a high rate of foreclosure filings, have a subprime rate greater than 25% and where the HUD risk factor of abandonment is one of the three highest (8, 9 or 10) of the eleven possible factors. The colored areas found on Map 1 are congruent with these criteria and Baltimore City will use NSP funds within them.

#### 2. METHOD OF DISTRIBUTION

The decision to target specific neighborhoods emerged from discussions and analysis undertaken by a sub group of the Baltimore Housing



Preservation Coalition (BHPC) that was formed to consider ways to deal with the post foreclosure impact on neighborhoods. The sub group was composed of a wide range of foundations, non-profit housing providers, community organizations and City government staff and began meeting in early 2008.

The consensus of the group was that any resources made available to address the problem would be limited relative to the scale of the problem and therefore it was crucial that any approach taken should be in areas positioned to make effective use of funding and other resources. Therefore, it was decided, the program should focus on neighborhoods that have a reasonably viable housing market. Such neighborhoods are on the cusp — in a good economy they have the potential to improve, but in bad times conditions can deteriorate markedly.

In contrast, the group believed that putting resources into neighborhoods which are severely deteriorated and where the demand for housing is weak would not be an efficient use of funds as they would be insufficient to significantly assist these neighborhoods. Nor should these funds be used in those neighborhoods with a vital realty market commanding prices well above median values as they can generally be counted on to ride out changing circumstances and do not normally require non-market interventions.

The neighborhoods that were considered ideal for this program are basically those that in the Community Development section of the Baltimore City Consolidated Plan 2005 - 2010 are referred to as "neighborhoods in the middle." The Plan states, "While these neighborhoods have moderate real estate values and average home ownership rates, in many cases the real estate market is not quite strong enough to respond to scattered problems. Targeted interventions, such as intervention buying, code enforcement and selective demolition, have a tremendous impact in these neighborhoods."

To identify neighborhoods with viable housing markets but in need of assistance the BHPC subgroup examined all city neighborhoods using the following criteria:

- At least 50% of properties in Transitional or Stable Typology Census Block Groups — these are the Consolidated Plan's "neighborhoods in the middle";

A foreclosure rate over 3% with rate being measured as the total number of foreclosure filings occurring in the eighteen month period between January 2007 and June 2008 as a percentage of all residential properties in the neighborhood.

- A median sales price between \$75,000 and \$200,000.
- Fewer than 10% of houses with Vacant House Notices.
- The presence of a viable community organization to advise on site selection and assist in the marketing of properties

The presence of a viable community organization to advise on site selection and assist in the marketing of properties

This quantitative analysis yielded some sixty-five potential neighborhoods. This was too large a number to effectively target NSP funds and the list was eventually winnowed down to eight neighborhood areas. They are:

Belair-Edison  
Waverly/Better Waverly  
Brooklyn/Curtis Bay  
Cylburn  
Edmondson Village  
Garwyn Oaks/ Hanlon-Longwood  
Baltimore Linwood  
Reservoir Hill

These areas are shown on Map 2, found following Map 1 at the above listed website. This map also identifies the larger NSP target area. These eight targeted areas are all members of Healthy Neighborhoods Inc. whose presence was a major factor in choosing them. Healthy Neighborhoods was founded in 2000 to focus on the same kind of undervalued neighborhoods that the Homeownership Preservation Coalition believes are needed to be part of a viable NSP. The program attempts to increase home values by providing below-market financing for purchase and rehab by homeowners. It also provides professional advice for rehabbers, initiates/supports community projects and works to build connections between neighbors to further strengthen neighborhoods. Its strategy is to target properties and blocks within the area for improvement while marketing the entire community.

The City recognizes the desirability of having a strong neighborhood-based group already in place because of the need to get the Neighborhood Stabilization Program up and running relatively quickly. The involvement of Healthy Neighborhoods in this effort should significantly increase the likelihood of its success.

The City will implement the NSP by contracting with established affordable housing non-profit subrecipient partners experienced in carrying out acquisition and rehabilitation projects. Subrecipient partners that will be responsible for implementing significant portions of the NSP effort are described in section G8 of this application. It is probable that additional non-profit subrecipients will be involved in the Program and that for profit development entities, selected through a request-for-proposal process, will also participate.

One requirement of the NSP application is an examination of the incidence of subprime lending. These high-cost loans, often with onerous conditions attached to them, increase the risk of a neighborhood suffering widespread abandonment as a result of foreclosures. In Baltimore City, between 2004 and 2006, in 159 of 200 Census tracts at least one out of four mortgages was categorized in Home Mortgage Disclosure Act (HMDA) data as being subprime.

As seen on Map 3, three of the areas — Cylburn, Edmondson Village and Garwyn Oaks/Hanlon-Longwood - had a subprime lending level of at least 50%. Three other areas — Belair-Edison, Waverly/Better Waverly and Brooklyn/Curtis Bay - largely coincide with Census tracts that had a 50% level and partly with tracts that had a 25-50% level. Two neighborhoods — Baltimore-Linwood and Reservoir Hill - are predominantly in tracts that had a 25-50% level of subprime loans.

All of these neighborhoods are likely to face a significant rise in the rate of home foreclosures in the absence of intervention. They are, like all the area in greatest need shown in Map 2, vulnerable to an economic downturn. Inclusion in the Neighborhood Stabilization Program should improve their chances of weathering the impending recession and of coming out of it with increased potential for future strength.

Decisions governing what activities would be carried out in the areas of greatest need were also influenced by comments received from three from public interest law firms on the draft NSP substantial amendment. All three recommended that the amendment be changed to include funding for rental housing.

The City, in its application to the State of Maryland for NSP funds, had reserved the majority of funds for rental housing but agreed that it would be beneficial to use some of the Federal NSP allocation for rental purposes and amended its application to include funding for twelve rental units, 25% of all units contemplated in the application, for households earning less than 50% of AMI. The costs associated with producing these units would account for between 15% and 20% of the total NSP allocation. Based on conversation with non-profit entities that develop and manage such housing, the City believes that a commitment in this range will be sufficient to produce some rental units within the time



constraints prescribed by NSP regulation while leaving funds available to serve homeowners and help stabilize neighborhoods impacted by foreclosures, the primary emphasis of the NSP legislation. It is anticipated that the majority of these twelve units would be for persons with disabilities.

### 3. NSP ELIGIBLE USES/CDBG ELIGIBLE ACTIVITIES

NSP-Eligible Use: §2301(c)(3)(B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

Correlated Eligible Activities From the CDBG Entitlement Regulations:

24 CFR 570.201(a) Acquisition, (b) Disposition,

24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).

### 4. Project Dates and Duration of Assistance

Projected Start Date: March 1, 2009

Projected End Date: June 30, 2012

The acquisition and rehabilitation activities will, on a unit-by-unit basis, be of short duration and will generally involve one-time payments for purchase or construction costs. It is anticipated that all funds will be expended well within the required four-year time frame established in the NSP regulations. Projects receiving NSP funds must adhere to the affordability periods identified in the tables in Section 3C of the HUD approved NSP application. The application can be accessed by going to the website found in 1 above. For most rental housing projects it is anticipated that the affordability period will be twenty-five years. For homeowner housing it is anticipated that the affordability period will be fifteen or twenty years depending on the amount of NSP funds contributed to a project.

### 5. Locations

The locations in which NSP activities will occur is discussed at length in section 1 and 2 above. Section 1 also provides a link to maps displaying location areas. Section 6 immediately below also describes location areas by implementing entity.

### 6. RESPONSIBLE ORGANIZATIONS

The Baltimore City Department of Housing and Community Development (DHCD) will administer the NSP program and oversee subrecipient contracting and compliance functions relating to the use of funds. It will also be responsible for operating the Disaster Recovery Grant Reporting system. The Department has administered the City's CDBG program from the program's inception in 1974 and has expended over \$1,000,000,000 in CDBG funds since that date in support of a wide range of capital development and social service activities. Additionally, it administers millions of dollars in local, State and Federal housing funds annually.

As discussed in section G1 of the approved NSP application, a substantial portion of the NSP will be carried out by non-profit housing providers. It is anticipated that the four entities discussed below will participate in the implementation of NSP.

**Saint Andrews Housing Aid Center**

Founded in 1968, with a mission to create and maintain equal housing opportunities for low- and moderate-income people, primarily in Baltimore City, and to encourage and support strong and diverse neighborhoods. The Center's offices are in east central Baltimore. Its programs include:

- The Housing Development Program has renovated over 1,300 vacant houses and buildings, including 400 low-income rental units that St. Ambrose now manages.
- The Foreclosure Development Program counsels families who may be experiencing financial trouble with their mortgage or seeking a home equity conversion mortgage. Recently, Saint Ambrose has established a new partnership with Baltimore City's 311-call center. Baltimore homeowners facing foreclosure can now call 311, where operators will direct them to Saint Ambrose counselors.
- The Asset Control Program that acquires and rehabilitates FHA foreclosed upon properties for resale to homeowners earning 80% or less of area median income. It has developed well over 100 houses through this program.
- The Home Ownership Program offers first-time homebuyers individual counseling sessions and group homebuyer workshops.
- The Homesharing Program helps home owners stay in and maintain their homes who may be experiencing difficulty making ends meet because of age or some other life circumstance.
- The Rental Services Program provides decent, affordable housing to low to moderate-income individuals, seniors, and families. It also provides case management services to residents addressing a wide variety of needs.

It is anticipated that Saint Ambrose will develop much of the NSP homeowner housing produced for households earning over 50% of AMI. Its major areas of operation would be in many of the selected Healthy Neighborhoods identified on Map 2. Specific neighborhoods include: Belair-Edison, Waverly/Better Waverly, Cylburn, Edmondson Village and Garwyn Oaks/Hanlon-Longwood. It is also likely to acquire and rehabilitate several properties in the at-large area of greatest need, particularly in the central and north-east sectors of the city.

**Chesapeake Habitat and Arundel Habitat**

Local affiliates of Habitat for Humanity International, they are non-profit housing organizations that work in partnership with low-income households to develop affordable homes. Houses are sold to qualified homebuyers at no profit through no-interest mortgage loans.

Homebuyers must first meet the requirements of the Habitat program, including the completion of 350 "sweat equity" hours.

Homebuyers work alongside thousands of community volunteers to complete homes in several Baltimore City communities. The two organizations have developed well over 100 houses in Baltimore City for low-income homeowners. Arundel Habitat is based in Anne Arundel County Maryland and works in both the county and in southern Baltimore City. The city and county border one another along the city's southern edge.

Arundel Habitat's area of focus will be the Brooklyn/Curtis Bay neighborhoods of south Baltimore. Chesapeake Habitat's will generally be in the at-large areas of greatest need, particularly in east Baltimore.

(Note to reader: Arundel and Chesapeake Habitats will merge into one organization during the Federal program year 2009.)

**Healthy Neighborhoods Inc.**

Founded in Baltimore in 2000 it uses a block-by-block approach to neighborhood revitalization, focusing on the same kind of "neighborhoods in the middle" that the Homeownership Preservation Coalition (see B2 above) believes are needed to be part of a



viable NCI approach. (See Section B 2 above for more details about Healthy Neighborhoods.) It will primarily work in the Selected Healthy Neighborhood areas identified on Map 2.

#### Greater Baltimore Housing Consortium

A coalition of three non-profit housing providers that develops housing for persons with disabilities and the homeless. The three entities making up the consortium are: Empire Homes of Maryland, Community Housing Associates and People Encouraging People. Between them they have developed and managed hundreds units of rental housing for persons with special needs and homeless persons. The Consortium will focus on the at-large areas of greatest need in developing rental housing.

### Distribution and and Uses of Funds:

#### II.RECOVERY NEEDS

##### 1. Activity Descriptions

Baltimore City will use NSP funds to acquire and rehabilitate eligible properties that will be sold to eligible homeowners and to non-profit housing organizations that will provide rental housing for special needs populations. The majority of these funds will be spent in eight targeted sub-areas comprising eleven neighborhoods with the remainder allocated on an ad hoc basis in the larger area of greatest need. As concerns the latter, the committal of NSP resources will be made when their directed use enhances other community development efforts, the combination of which will spur effective demand for real estate investment and help stabilize at risk blocks. Thirty-five of the residential units acquired and rehabilitated will be sold to homeowners. Fifty will be rental units. NSP funds will also be used for downpayment and closing cost assistance to homebuyers purchasing NSP acquired or rehabilitated homes. The City will also undertake program administration activities in fulfilling oversight and management responsibilities associated with the NSP.

##### 2. Budget: (Includes NSP and private components)

Activity	NSP Funds	Other Sources	Totals
Acquisition	\$2,500,239	\$0	\$2,100,239
Rehabilitation	\$1,412,000	\$3,108,000	\$4,920,000
Program Administration	\$200,000	\$250,000	\$450,000
Financial Mechanisms	\$0	\$165,000*	\$165,000*
Totals	\$4,112,239	\$3,358,000	\$7,470,239

\* Downpayment Assistance wiled with program income, and not from original grant.

##### 3. PERFORMANCE MEASURES

Thirty-five units of foreclosed or abandoned housing will be acquired and/or rehabilitated with NSP assistance and sold to owner occupants. Fifty units will be sold to non-profit housing providers to provide special needs rental housing. This total of 85 units will be fund with the initial NSP allocation of \$4,112,239. Proceeds from the sale of homeownership housing for households earning in excess of 50% of AMI will be treated as program income to be returned to the NSP account and will be reused to fund acquisition/rehabilitation activities for an estimated additional forty units of housing by July 30, 2013.

By household income range the estimated unit distribution for the initial 48 units is as follows:

- 0% to 50% of AMI &ndash 63 Units
- 51% to 80% of AMI &ndash 6 Units
- 81% to 120% of AMI &ndash 6 Units

##### 4. APPLICATION AMENDMENT

In June of 2010 the City amended and adopted the following changes to the NSP approved application:

1. Adding as an eligible activity type the use of NSP funds for down payment and closing cost assistance to eligible home buyers. Such assistance would not exceed \$7,500 per household and would be paid with program income generated by the sale of NSP funded properties to owner occupants. This action is proposed to help insure the rapid re-occupancy of vacant and foreclosed properties acquired and/or rehabbed with NSP funds for homeownership
2. Allow for the purchase and/or rehabilitation of occupied rental property in foreclosure when the majority of the households living in the property have incomes less than 50% of area median income (AMI) and the majority of the units will, after becoming part of the NSP, continue to be occupied by persons with incomes below 50% of AMI. This change is being proposed so that NSP funds can help insure that properties serving low-income renters are not lost from the affordable housing inventory due to foreclosure and remain a viable affordable housing resource.
3. Expand on the types of renter households served to include, in addition to special needs households, other households whose incomes are below 50% of AMI. An exception would be made in cases where an occupied property is acquired and an existing renter's income is over 50% so that such renters can continue to reside in the property after it becomes part of the NSP. This change is proposed to insure that NSP resources can serve a wide range of low-income renters but also allow in place tenants with household incomes over 50% of AMI to remain in place.
4. Increase of NSP minimum contribution to homeowners to \$10,000 and adjust the repayment provisions for homeownership projects to be consistent with the loan terms currently used in the HOME and CDBG-R programs. This adjustment will cap the amount a homebuyer will have to repay at \$10,000 and will, per the required recorded regulatory agreement, decrease the repayment amount by \$1,000 for each year of occupancy such that after ten years of occupancy the buyer will have no repayment obligation. This change is proposed as it resolves the pronounced disinclination of first-position lenders operating in the current circumscribed mortgage lending market to make loans to low- and moderate-income homeowners where there is a second mortgage position.
5. Adjust the minimum NSP purchase discount from 10% to 1% below appraised market value. This change is proposed so that the application will conform with regulatory changes that HUD promulgated after the initial application was approved.
6. Allow for the use of non-NSP funds to pay for rehabilitation costs in houses being rehabilitated for homeowners. This change &ndash made possible because HUD modified regulatory requirements that, at the time the initial application was prepared, effectively limited the use of developer equity in certain homeownership projects that generated program income &ndash is proposed as it allows NSP developers to use



their local lines of credit and somewhat reduces program administrative costs charged to NSP.

7. Adjust both the number of units to be created with NSP funds and budget activity line items to reflect actual proposed program implementation. Specifically, these adjustments would increase the total number of units to be created from 48 to 67 including an increase in rental units created for households at less than 50% of AMI from 12 to 34 and decrease the number of homeownership units from 36 to 33. Increase the amount of NSP funds for acquisition by \$600,000 and decrease the amount for rehabilitation by \$600,000.

**Definitions and Descriptions:**

**Low Income Targeting:**

**Acquisition and Relocation:**

**Public Comment:**

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance		<i>No activities in this project</i>
NSP 1 - 1	Administration	Admin 1	Program Management
NSP 1 - 2	Acquisition and Rehabilitation	AR - 1	Empire - 3016 Dupont
		AR - 2	HO < 50% AMI - By Habitat
		AR - 3	HO < 120% AMI - By St. Ambrose
		AR - 4	Rental <50% AMI - GBAHC
		AR - 5	Empire Homes - 2423 Madison
		AR - 6	Empire Home - 1818 Madison

## Activities



**Grantee Activity Number:** Admin 1  
**Activity Title:** Program Management

**Activity Type:**

Administration

**Activity Status:**

Planned

**Project Number:**

NSP 1 - 1

**Project Title:**

Administration

**Projected Start Date:**

07/01/2009

**Projected End Date:**

06/30/2013

**National Objective:**

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

**Total Budget:**

\$ 270,981.01

**Other Funds Total:**

\$ 0.00

**Environmental Assessment:**

**Total Funds Amount:**

\$ 270,981.01

**Benefit Report Type:**

NA

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Baltimore City

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Baltimore City

**Organization Type**

Unknown

**Proposed**

\$ 200,000.00

**Location Description:**

The primary location at which this activity will be carried out is 417 E. Fayette Street.

**Activity Description:**

Management and oversight of NSP 1 activities.



**Grantee Activity Number:** AR - 1  
**Activity Title:** Empire - 3016 Dupont

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Completed

**Project Number:**

NSP 1 - 2

**Project Title:**

Acquisition and Rehabilitation

**Projected Start Date:**

09/01/2009

**Projected End Date:**

12/01/2010

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Total Budget:** \$ 951,402.57

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 951,402.57

**Environmental Assessment:**

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	11	11		100.00
# of Households	11	11		100.00

# of Households

**Proposed Accomplishments**

# of Housing Units

**Total**

11

# ELI Households (0-30% AMI)

# of Properties

1

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Greater Baltimore Housing Consortium

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Greater Baltimore Housing Consortium

**Organization Type**

Unknown

**Proposed**

\$ 951,402.57

**Location Description:**

The foreclosed and vacant property to be acquired will be located in the area of greatest need as described in the Disaster Damage section of the DRGR action plan narrative.

**Activity Description:**

The acquisition and rehabilitation of a multi-family residential structure by one of the three non-profit members of the Greater Baltimore Housing Consortium. The Consortium member will develop, own and manage the properties as rental housing for special needs households with incomes less than 50% of AMI. The properties will contain 11 units of housing. Baltimore Housing increased the budget for this activity by \$750,000 on June 1, 2010 to account for increased costs and unit count and to compensate for lost access to capital in the marketplace.







**Grantee Activity Number:** AR - 2  
**Activity Title:** HO < 50% AMI - By Habitat

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NSP 1 - 2

**Project Title:**

Acquisition and Rehabilitation

**Projected Start Date:**

09/01/2009

**Projected End Date:**

09/01/2011

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Total Budget:**

\$ 767,734.59

**Other Funds Total:**

\$ 0.00

**Environmental Assessment:**

**Total Funds Amount:**

\$ 767,734.59

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# of Households

**Total**

15

**Low**

15

**Mod**

**Low/Mod%**

100.00

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

15

# of Housing Units

15

# ELI Households (0-30% AMI)

# of Properties

15

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Chesapeake Habitat

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Chesapeake Habitat

**Organization Type**

Unknown

**Proposed**

\$ 1,000,000.00

**Location Description:**

The largest concentration of houses will be developed in the Brooklyn and Curtis Bay neighborhoods in southern Baltimore City. Additionally, several properties in and around the 2300 - 2500 blocks of Jefferson Street in the McElderry Park neighborhood of east Baltimore will also be developed.

**Activity Description:**

The acquisition and rehabilitatin of foreclosed single family residential properties to be sold to households that earn less than 50% of AMI.

Baltimore Housing adjusted the grant-funded portion of this activity from \$1,000,000 to \$800,000 to reflect needs in other activities and the local conditions affecting property acquisition. This activity will produce 15 units of single family housing.





**Grantee Activity Number:** AR - 3  
**Activity Title:** HO < 120% AMI - By St. Ambrose

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NSP 1 - 2

**Project Title:**

Acquisition and Rehabilitation

**Projected Start Date:**

09/01/2009

**Projected End Date:**

09/01/2011

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget:**

\$ 1,448,440.37

**Other Funds Total:**

\$ 0.00

**Environmental Assessment:**

**Total Funds Amount:**

\$ 1,448,440.37

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# of Households

Total	Low	Mod	Low/Mod%
28		28	100.00

**Proposed Accomplishments**

# of Housing Units

**Total**

28

# of Properties

11

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Greater Baltimore Housing Consortium

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Greater Baltimore Housing Consortium

**Organization Type**

Unknown

**Proposed**

\$ 600,000.00

**Location Description:**

These homeowner units will be developed primarily in the Healthy Neighborhoods, Inc Baltimore City neighborhoods of Belair-Edison, Waverly/Better Waverly, Cylburn, Baltimore Linwood, Garwyn Oaks/ Hanlon-Longwood, Edmondson Village, Reservoir Hill.

**Activity Description:**

The acquisition and rehabilitation of foreclosed single family residential properties to be sold to households that earn more than 50% of AMI but less than 120% of AMI.

Baltimore Housing adjusted the budget for this activity from \$1,650,000 to \$1,100,000 to reflect needs in other activities as well as local property acquisition conditions. This activity will produce 28 housing units.



**Grantee Activity Number:** AR - 4  
**Activity Title:** Rental <50% AMI - GBAHC

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Completed

**Project Number:**

NSP 1 - 2

**Project Title:**

Acquisition and Rehabilitation

**Projected Start Date:**

10/01/2009

**Projected End Date:**

10/01/2011

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Total Budget:**

\$ 662,239.00

**Other Funds Total:**

\$ 0.00

**Environmental Assessment:**

**Total Funds Amount:**

\$ 662,239.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# of Households

Total	Low	Mod	Low/Mod%
17	17		100.00

**Proposed Accomplishments**

# of Housing Units

**Total**

17

# ELI Households (0-30% AMI)

# of Properties

8

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Greater Baltimore AHC

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Greater Baltimore AHC

**Organization Type**

Non-Profit

**Proposed**

\$ 662,239.00

**Location Description:**

This project is at Franklin Square, and foreclosed 72 units HUD property for low income households. The developer has acquired the full project with a combination of funds. The proportionate share of the project acquired with NSP funds was 17 of the 72 total units, and at the instruction of HUD FO staff on 3/12/12 this plan was adjusted to reflect only 17 total units and 17 total beneficiaries.

**Activity Description:**

The activity will be the acquisition and rehabilitation of the Franklin Square property by Greater Baltimore AHC. The funds under this activity will support only the acquisition of the property with other financing being put in place to support the rehabilitation.



**Grantee Activity Number:** AR - 5  
**Activity Title:** Empire Homes - 2423 Madison

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NSP 1 - 2

**Project Title:**

Acquisition and Rehabilitation

**Projected Start Date:**

09/01/2009

**Projected End Date:**

03/31/2011

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Total Budget:** \$ 226,851.73

**Other Funds Total:** \$ 0.00

**Environmental Assessment:**

COMPLETED

**Total Funds Amount:** \$ 226,851.73

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	Total	Low	Mod	Low/Mod%
# Renter Households	3	3		100.00
# of Households	3	3		100.00

**Proposed Accomplishments**

	Total
# of Multifamily Units	3
# of Housing Units	3
# ELI Households (0-30% AMI)	

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Greater Baltimore Housing Consortium

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
Greater Baltimore Housing Consortium	Unknown	\$ 0.00

**Location Description:**

The foreclosed and vacant property to be acquired will be located in the area of greatest need as described in the Disaster Damage section of the DRGR action plan narrative. The property is at 2423 Madison Avenue.

**Activity Description:**

The acquisition and rehabilitation of a multi-family residential structure by one of the three non-profit members of the Greater Baltimore Housing Consortium. The Consortium member will develop, own and manage the properties as rental housing for special needs households with incomes less than 50% of AMI. The property at 2423 Madison Avenue will contain 3 units of housing.

Baltimore Housing increased the budget for this developr by \$750,000 on June 1, 2010 to account for increased costs and unit count and to compensate for lost access to capital in the marketplace.





**Grantee Activity Number:** AR - 6  
**Activity Title:** Empire Home - 1818 Madison

**Activity Type:**  
 Rehabilitation/reconstruction of residential structures

**Activity Status:**  
 Under Way

**Project Number:**  
 NSP 1 - 2

**Project Title:**  
 Acquisition and Rehabilitation

**Projected Start Date:**  
 09/01/2009

**Projected End Date:**  
 03/31/2011

**National Objective:**  
 LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Total Budget:** \$ 171,745.70

**Other Funds Total:** \$ 0.00

**Environmental Assessment:**  
 COMPLETED

**Total Funds Amount:** \$ 171,745.70

**Benefit Report Type:**  
 Direct (Households)

<b>Proposed Beneficiaries</b>	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	3	3		100.00
# of Households	3	3		100.00

<b>Proposed Accomplishments</b>	<b>Total</b>
# of Multifamily Units	3
# of Housing Units	3
# ELI Households (0-30% AMI)	

**Activity is being carried out by Grantee:** No  
**Activity is being carried out through:**

**Organization carrying out Activity:**  
 Greater Baltimore Housing Consortium

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
Greater Baltimore Housing Consortium	Unknown	\$ 0.00

**Location Description:**  
 Property is located at 1818 Madison.

**Activity Description:**  
 Same as AR - 5



## Action Plan Comments:

- Reviewer - Reviewer Evelyn J. Cartagena (1/15/2013) - AR-1 - The city amended the action plan in an effort to include the name of the 'Responsible Organization' associated with carrying out the Activity.
- Reviewer - Reviewer Evelyn Cartagena (12/11/2012): The Grantee has amended the Action Plan to include a budgetary increase that modifies the Admin 1 - administrative obligation from \$232,265.41 to \$270,981.01. (The addition fund is equal to 10% of the \$387,155.97 Program Income = \$38,715.60)  
Reviewer Evelyn Cartagena (12/11/2012): The Grantee has amended the Action Plan to include a budgetary increase that modifies the AR - 3 - St. Ambrose obligation from \$1,100,000 to \$1,448,440.37. (The addition fund is equal to 90% of the \$387,155.97 Program Income = \$348,440.37).
- Reviewer - Reviewer Evelyn J Cartagena (3/13/2012)Grantee has made the following amendment to the Action Plan: AR-1 activity - 11 Units to match current Dupont conditions and narrative has been adjusted to match; AR-2 Habitat for Humanity activity 15 properties listed and narrative has been adjusted to match; AR-3 St. Ambrose 28 properties listed and narrative has been adjusted to match; AR-4 GBAHC - 8 properties and 17 housing units/households and the narrative has been adjusted to match.
- Reviewer - Reviewer Evelyn Cartagena (04/11/2011): The Grantee has amended the Action Plan to include budgetary modifications for three activities, the Admin 1 - administrative obligation was reduced from \$285,511.75 to \$232,265.41, the AR - 1 - Empire-3016 Dupont activity budget was reduced from \$1,315.342.33 to \$951,402.57 and the AR ¿ 2 - Habitat for Humanity activity budget was increased from \$749,163.92 to \$767,734.59.
- Reviewer - Reviewer Evelyn J Cartagena (3/15/2011): Grantee has amended the activity status of AR-1, AR-5 and AR-6 from 'planned' to 'underway' and draws under these activities are still required.
- Reviewer - Reviewer Evelyn J Cartagena (3/8/2011): Grantee has modified the Action plans, program budgets and obligations to reflect separate activities for each multifamily building under the Empire Homes developer, per HUD September 30, 2010 on-site monitoring finding.
- Reviewer - Reviewer Evelyn Cartagena (11/15/2010): Per the Grantee, The Action Plan budgetary modification amending the administrative obligation downward from \$305,098.72 to \$285,511.75 and increasing the program activity budgets: Rehabilitation/reconstruction of residential structures - being carried out by Greater Baltimore Housing Consortium from \$1,310.899.33 to \$1,315.342.33; Rehabilitation/reconstruction of residential structures - being carried out by Chesapeake Habitat from \$742,166.01 to \$749,163.92; Rehabilitation/reconstruction of residential structures - being carried out by St. Ambrose Housing Aid Center from 1,091,835.94 to \$1,100,000.00.
- Reviewer - The action plan was modified to reflect the revised obligated amounts as of August and to adjust the administration line item to absorb the remaining amount in the grant. This change adjusted the Admin budget from \$200,000 to \$305,098.72. The Habitat for Humanity LH25 activity was adjusted from \$800,000 to \$742,166.01. St. Ambrose LMMI activity was adjusted from \$1,100,000 to \$1,091,835.94. Greater Baltimore Housing Consortium (Empire Homes) was adjusted from \$1,350,000 to \$1,310,899.33.
- Reviewer - Revisions were made to the project budget amounts for AR-1, AR-2, AR-3. The City moved \$750,000 from AR-2 and AR-3 to AR-1 to support the higher than expected rehabilitation costs associated with Empire Homes¿ activity. It¿s worth noting that this made an additional \$550,000 LH25 activity funds beyond the previous allocation.

In the body of the text there were no changes in part 1. Areas of Greatest Need. All the changes were to 2. Distribution and Uses of Funds. We amended the project budget chart and references to the total unit count for the program as well as reflected the change to include down payment and closing cost assistance. Additionally we added information and description about the content of our June 2010 adopted amendment to the program which supported the inclusion of the down payment assistance.



Reviewer - The Action Plan has been reviewed and approved.

## Action Plan History

Version	Date
B-08-MN-24-0010 AP#1	09/20/2011
B-08-MN-24-0010 AP#2	03/13/2012
B-08-MN-24-0010 AP#3	08/18/2010
B-08-MN-24-0010 AP#4	12/11/2012
B-08-MN-24-0010 AP#5	01/15/2013

