Fair Development, Race Equity and Baltimore’s Affordable Housing Trust Fund
Date: July 23, 2019

By: The Fair Development Roundtable. Formerly known as the Baltimore Housing Roundtable, the Fair Development Roundtable (FDR) was initiated by The United Workers in 2013 to bring together homeowners, renters and people who are homeless, non-profit developers, community associations, religious institutions, policy experts and university faculty, around the human rights values of universality, equity, participation, transparency, and accountability. FDR has developed into a membership coalition with a mission to realize a Baltimore City where all people and communities have a right to fair, equitable development, including housing that is affordable, habitable, secure and accessible. For more information about the Fair Development Roundtable see https://www.baltimorehousingroundtable.org/

Acknowledgements: FDR established a workgroup in November 2018 to deepen members’ knowledge of best practices around affordable housing and fair development. Over 10 policy experts in employment, environmental sustainability, fair housing, homeless services, affordable housing development, community land trusts, transportation and other areas presented to workgroup members. The intersection of best practices from these experts with FDR’s values and vision of a sustainable, inclusive Baltimore form the foundation of this report.
INTRODUCTION

Taxpayer resistance is the major cause of the peculiarly difficult local problem of creating expansion areas for Negros. ... Under the American idea, we can’t shoot or poison the slum dweller. ... We are being forced to either rehouse him or pay the cost of keeping him where he is.
— Cleveland R. Belmear, Chair, Housing Authority of Baltimore City, January 1944.

They want the ocean without the awful roar of its many waters. This struggle may be a moral one; or it may be a physical one; or it may be both moral and physical; but it must be a struggle. Power concedes nothing without a demand. It never did and it never will.
— Frederick Douglass

Now is the time to break from Baltimore’s long history of structural racism in housing and development. Community + Land + Trust: Tools for Development without Displacement, described the past: “The history of development in Baltimore has been separate and unequal, shaped by policies fueling racial segregation and deindustrialization that disproportionately affected Black households.”

Baltimore’s Affordable Housing Trust Fund (Trust Fund) provides the opportunity to move in a different direction – one that prioritizes human needs over profit. The Trust Fund was established in Baltimore City’s Charter through a citizen-generated ballot initiative by the Housing for All coalition that gathered more than 13,000 signed petitions from registered voters in less than six weeks. The Trust Fund was approved by 83% of voters in the November 2016 election. The same coalition worked closely with City Council leaders who introduced legislation to create a dedicated revenue source for the Trust Fund. As a result of this advocacy, in August of 2019, the Mayor and then-Council President Jack Young signed a historic agreement with members of the Fair Development Roundtable and Community Development Network committing a dedicated revenue source to the Trust Fund that will reach approximately $20 million annually by 2023.

Under the City Charter, the Trust Fund is administered by the Baltimore City Department of Housing and Community Development (DHCD) and overseen by a Commission of 12 appointed residents. The Commission shall, among other things, “make recommendations, advise, and consult with DHCD regarding the establishment of essential policies, rules, and regulations relating to the implementation, expenditures, and ongoing operation of the trust fund.” Trust Fund money is restricted by law to assisting households that have incomes less than 50% of Area Median Income (AMI) ($45,000 for a family of four); at least 50% of all funds must assist households with incomes less than 30% of AMI ($27,000 for a family of four). Only 30% of Trust Fund revenue may be allocated to affordable and fair-housing related services in a given fiscal year. The City Charter allows up to 5% of the fund’s resources to be utilized for administration and planning for the fund. At least 65% of the Trust Fund money must be used for affordable and fair housing development including:

- Providing assistance, by loan, grant, rental subsidy or otherwise, for the planning, production, maintenance, or expansion of affordable housing, including inclusionary housing;
- Providing predevelopment activities for the acquisition, development, new construction, rehabilitation, and/or restoration of affordable housing; and
- Providing capital and operating assistance for the creation of community land trusts that will develop, own or operate permanently affordable rental housing and assist low income residents to build a path to homeownership.

DHCD and the Commission overseeing the Trust Fund now have the opportunity to break from past efforts that have sought to displace, control, and warehouse low-income, primarily Black residents of Baltimore. To do so, the Fund should promote evidence-based development practices and adopt the fair development values of universality, equity, participation, transparency, and accountability as a guide. In practice, this means prioritizing development that:
● Creates permanently affordable housing (housing that stays affordable to residents for at least 99 years);
● Builds equity for low-income residents;
● Empowers residents to take control and ownership of their housing;
● Invests in redlined and disinvested communities as part of an ongoing, grassroots development campaign;
● Provides good jobs to local residents, especially returning-citizens and entry-level job seekers;
● Furthers environmental sustainability;
● Supports community-controlled development initiatives; and
● Holds developers and the City accountable to deliver on their promises.

The need for a course correction that centers equity in development has never been more urgent. Council President Brandon Scott’s recent legislation requires all City agencies and commissions, including the Trust Fund, to conduct an equity analysis and implement policies and procedures to remedy disparities. The City’s own New Era comprehensive planning document embraces many of the same principles around equity, development without displacement, and neighborhood participation. The policy proposals that follow are intended in part to assist the City in implementing many New Era goals as they relate to the Trust Fund.

The Fair Development Roundtable presents the following process recommendations, priorities and scoring criteria to be used by the Affordable Housing Trust Fund Commission and DHCD for the distribution of resources from the Fund, including the notice of funding availability (NOFA) expected in the Fall of 2019.
I. FAIR DEVELOPMENT PRIORITIES

The Fair Development Roundtable urges the Commission to adopt the priorities and scoring criteria described below for project proposals seeking AHTF funding. A “summary chart” of the criteria is followed by a more detailed description.

As a preliminary matter, the Roundtable recognizes that affordable housing development may take many forms such as new construction or rehabilitation, homeownership or rental. DHCD should issue one or more NOFAs that make funding available for a wide variety of uses. Some of the criteria described below may need to be adapted to certain types of projects. DHCD should also issue a NOFA for housing-related services. Such a NOFA should prioritize the same fair development values described below and be targeted to support the capital projects that receive awards from the Trust Fund. Some jurisdictions divide their trust funds into multiple sub-funds, one of which could include housing-related services and capacity-building grants to engage with capital funds.

As specified in the Charter, funding should be made available for pre-development activities (including acquisition, market study, etc.) when the proposed project meets other relevant threshold and scoring criteria and when the proposed project is sponsored by a non-profit, community-controlled development entity that may lack the capital for pre-development activities. DHCD should also consider whether other untapped funding sources may be available to a given proposal that could allow Trust Fund money to be used for other projects. For example, Pittsburgh recently noted that many affordable housing preservation projects have not accessed available 4% Low Income Housing Tax Credits (LIHTC) funds for preservation needs and should do so.

The following scoring criteria are preceded by descriptions of the fair development values (universality, equity, participation, transparency, and accountability) that the criteria are intended to implement. The categories include, at times, “threshold criteria” that the project must meet to qualify for funding. Proposals that meet all threshold criteria should be ranked based on the points-based scoring criteria. Generally, when a project meets any scoring criteria in part, the scoring committee should provide proportionate, partial points.
### SUMMARY CHART OF PROPOSED SCORING CRITERIA

#### UNIVERSALITY

All Needs for All People: public investments should maximize all residents’ access to resources to meet fundamental human needs including good jobs, education, health care, food, environmental sustainability, and housing. Universality recognizes the intersectionality of housing with the broader social and political economy and requires that housing projects advance other critical human rights. Universality also ensures that development benefits all residents and neighborhoods and encourages projects that involve collaboration across neighborhoods.

<table>
<thead>
<tr>
<th>Employment</th>
<th>Points</th>
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<tbody>
<tr>
<td>Full points will be awarded to project proposals that meet the following criteria:</td>
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<tr>
<td>A. 51% of new-hires in project construction shall be Baltimore City residents;</td>
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<td>B. In hiring for all new employees during the project development period, all members of the project development team will not discriminate against and will affirmatively seek out individuals with incarceration or criminal record histories within five years of hire and report on how many such hires have been made;</td>
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<tr>
<td>C. 51% of new hires in construction shall come from certified Baltimore City apprenticeship or job training programs;</td>
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<tr>
<td>D. Priority employment in construction for Baltimore City residents: 70% of total work hours in construction shall be completed by Baltimore City residents; and</td>
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<tr>
<td>E. MBE, WBE, or DBE goals:</td>
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<td>a. 35% construction services</td>
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<td>b. 25% professional services</td>
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<td>c. 10% purchasing</td>
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<th>Environmental Sustainability</th>
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<td>Full points will be awarded to proposals that meet the following criteria:</td>
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<tr>
<td>A. Project incorporates green/energy-efficient building requirements such as the Enterprise Green Communities 2015 standard for larger new construction or moderate rehab projects (as applicable) or a comparable LEED or other green standard for smaller projects. An additional three (3) bonus points may be awarded if the project meets passive home requirements for energy efficiency;</td>
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<tr>
<td>B. Project includes renewable energy, urban agriculture, site composting, and/or other similar environmentally sustainable component; and</td>
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<td>C. Project does not displace existing community parks or other intentional public greenspace.</td>
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<tr>
<th>Elimination of Blight/Vacants</th>
<th>Points</th>
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<td>Full points awarded to projects that eliminate vacant or blight in the community, preferably through deconstruction or rehabilitation and utilizing industry-leading safe demolition/deconstruction standards.</td>
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<tr>
<td>● Eliminates vacant or substantial blight through deconstruction or rehabilitates vacant property – 10 points</td>
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<tr>
<td>● Eliminates vacant or substantial blight while utilizing industry-leading safe demolition standards – 5 points</td>
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**Collaboration Across Multiple Neighborhoods**

Full points will be awarded to projects that involve a collaboration of community-based organizations that have substantial roles in the development and properties that extend across multiple neighborhoods.

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**EQUITY AND PARTICIPATION**

*Equality of opportunity and outcome -- development must prioritize people with greatest need and redress structural, social wrongs. Development must be controlled by the communities and residents affected by development.*

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<th>Race Equity in Geographic Area – Fair Housing</th>
<th>Points</th>
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<td>(threshold criteria for new construction; preference for preservation). Because of the importance of race equity to development in Baltimore City, as a threshold criteria any new construction must be located in one of the following three locations and any preservation project will be given a priority over other preservation projects in the following areas:</td>
<td>Threshold Criteria (New Construction) or Priority (Preservation)</td>
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<tr>
<td>A. Community of Opportunity as defined in the 2019 Maryland State QAP and at least 30% of the project units are affordable to and occupied by households with incomes less than 30% AMI. Additionally, the units must be affirmatively marketed to families with at least one minor child and 40% of such affordable units must be 3 bedrooms or larger.</td>
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<tr>
<td>B. Redlined or historically disinvested community with a project proposal led by a community-controlled development organization and development plan that includes at least one non-housing component such as education, neighborhood employment, transportation, safety, grocery store access, or similar comprehensive strategy.</td>
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<tr>
<td>C. Redlined or historically disinvested neighborhood with a major, comprehensive redevelopment plan as designated by DHCD.</td>
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Additionally, as a threshold criteria, all project proposals must agree to robust affirmative marketing requirements for new residents that focus on people of color, with a special emphasis on retaining residents of the surrounding neighborhood when such project is located in a historically redlined or disinvested community.

**Race Equity and Permanent Affordability**

As a threshold criteria, the proposed project must be legally restricted to remain permanently affordable. Additionally, any rehabilitation must not involuntarily displace current residents from the community (except for temporary relocation and unconditional right to return) and must provide one-for-one replacement of any affordable units subsidized through public programs.
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<tr>
<th>Race Equity And Building Equity</th>
<th>15</th>
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<tr>
<td>Full points awarded to proposed projects (homeownership or rental) that provide for shared equity including a sustainable opportunity for residents to build equity and close the racial wealth gap.</td>
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<tr>
<th>Deep Affordability</th>
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<tr>
<td>Full points will be awarded to project proposals in which AHTF funding is allocated to a substantial number of deeply affordable housing units, i.e., affordable at incomes less than 30% or 20% of AMI, and integrated into a community or project.</td>
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<tr>
<th>Meeting Needs of Persons Who are Homeless</th>
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<tr>
<td>Full points will be awarded to proposals that include a substantial number of units (e.g., 15% -- 20% in projects with over 60 units) for persons who are homeless for permanent supportive housing (PSH) using a “housing first” model. Twenty (20) percent of PSH units must meet UFAS (Uniform Federal Accessibility Standard) accessibility standards. Proposals should ensure that PSH units are integrated into the proposed project and/or community and should not be set aside as a segregated community in a particular project or neighborhood.</td>
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<th>Neighborhood Participation in Project Ownership and Control</th>
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<tr>
<td>Full points will be awarded when neighborhood residents have a meaningful role in the ownership and/or control of: A) the development project, B) a development entity that must approve major project decisions and may acquire the property, and C) an entity that provides ongoing stewardship of the development.</td>
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<th>Accessibility</th>
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<tr>
<td>Full points will be awarded to proposals that are accessible to persons with disabilities. For full points, rental projects receiving assistance must have 14% of all units comply with UFAS (10% for persons with mobility impairments and 4% for persons with hearing and visual impairments). Homeownership projects shall be required to make modifications, including structural modifications, at no expense to participants with disabilities when such modifications may be necessary to ensure a participant access and opportunity to the project.</td>
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**ACCOUNTABILITY AND TRANSPARENCY**

Development must be accountable to the public for the use of public subsidies including through efficient use of public subsidies, developer capacity, project feasibility, and allowing for effective monitoring and enforcement when commitments are not fulfilled. Development should be discussed, implemented and monitored in a manner that is open, easily accessible, and that maximizes examination and review.

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<th>Threshold Criteria: No Substitution.</th>
<th>Points</th>
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<tr>
<td>Funding requested will not be used as a substitute for other City funds (including pass through funds such as CDBG and HOME) appropriated in prior fiscal years.</td>
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**Threshold Criteria: Certifications, Monitoring and Compliance:** The developer must certify to compliance with all applicable federal, state, and city laws, and agree to robust monitoring and compliance through development and operational processes. Residents will be given standing to enforce all agreements. Baltimore City should review compliance procedures from other trust funds and adopt best practices including those specified in the proposed regulations above.

**Threshold Criteria: Zoning Compatibility:** Project is compatible with local zoning and other City site requirements or includes feasible plan for zoning modification.

**Threshold Criteria: Reasonable Developer Fee:** Projects will demonstrate that their developer fee is reasonable compared to similar projects. An additional developer fee reserve will be allowed when the reserve is designated to reduce rents for deeply affordable units or provide ongoing supportive services.

**Threshold Criteria: Previous Non-Compliance.** No project is eligible for funding in which the project developer or principal employee of the project development entity has been in significant non-compliance with covenants or restrictions for any other project funded in part by DHCD in the past 5 years.

**Developer Experience and Financial Capacity**

Full points will be awarded when the developer team (developer, general contractor, architect, engineer, etc.) demonstrates successful experience with similar previous projects and the financial capacity to successfully complete the proposed project.

10

**Sufficient Plans and Designs**

Full points will be awarded when the proposal presents sufficient site plans; architecture plans; construction specifications; compatible design with existing housing stock.

10

**Market Study or Equivalent Analysis**

Full points will be awarded when the proposal includes a sufficient market study or an equivalent analysis for smaller projects showing that there is a need for the proposed project with respect to income, bedroom size, and number of housing units. Projects that are unable to provide a market study or equivalent analysis may apply for funds to conduct a market study as well as other reasonable pre-development and acquisition costs when the proposed project meets threshold criteria and submits a competitive score based on other NOFA criteria herein.

10
### Reasonable Operating/Construction Costs
Full points will be awarded when operating and construction costs proposed are consistent with industry standards, comparable projects, and other DHCD guidance. Any consideration of cost reasonableness should provide an adjustment or allowance for proposals that provide special supportive services, deep affordability, and/or favored design elements such as passive housing.

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<th>Reasonable Acquisition Costs and Site Control</th>
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<tr>
<td>Full points will be awarded when the proposal demonstrates reasonable acquisition costs as well as site control (option to purchaser, sales contract, deed) or a specific plan to obtain site control for community-controlled, non-profit developers.</td>
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<th>Property Management Company</th>
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<td>(For rental projects only) Full points will be awarded when the proposed property manager demonstrates a satisfactory record of past performance in real estate transactions and public complaints in judicial and non-judicial records.</td>
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### PROPOSED SCORING CRITERIA EXPLANATION

#### UNIVERSALITY

*All Needs for All People:* public investments should maximize all residents’ access to resources to meet fundamental human needs including good jobs, education, health care, food, environmental sustainability, and housing. Universality recognizes the intersectionality of housing with the broader social and political economy and requires that housing projects advance other critical human rights. Universality also ensures that development benefits all residents and neighborhoods and encourages projects that involve collaboration across neighborhoods.

The City’s *New Era* plan recognizes the intersectionality of housing and human rights: “But holistic community development must also lead to improved education, public safety and healthcare; environmental and economic sustainability; and expanded economic opportunities.” These criteria provide a framework for the City to operationalize their commitment to integrated, sustainable affordable housing development.

#### Employment (10 Points)

Full points will be awarded to project proposals that meet the following criteria:

- A. 51% of new-hires in project construction shall be Baltimore City residents;
- B. In hiring for all new employees during the project development period, all members of the project development team will not discriminate against and will affirmatively seek out individuals with incarceration or criminal record histories within five years of hire and report on how many such hires have been made;
- C. 51% of new hires in construction shall come from certified Baltimore City apprenticeship or job training programs;
- D. Priority employment in construction for Baltimore City residents: 70% of total work hours in construction shall be completed by Baltimore City residents; and
- E. MBE, WBE, or DBE goals:
  - a. 35% construction services
  - b. 25% professional services
  - c. 10% purchasing
Explaination: There is little debate that Baltimore’s Black residents need access to more quality employment opportunities. Workers of color in Baltimore City experience three times the unemployment rate of white workers, and Baltimore’s Black residents are often denied employment opportunities due to the failed, racist policy of mass incarceration. Baltimore City’s median income is significantly lower than that of the region and its unemployment rate significantly higher. The Baltimore City Equity Assessment Program (City Code, Art 1, Sec. 39-1 et. seq.) requires the Commission and DHCD to develop policies, practices, and strategic investments to reverse disparities such as this racial disparity in employment and income. The Trust Fund should take all necessary steps in its allocation formula to address this disparity.

**Environmental Sustainability (10 Points)**
Full points will be awarded to proposals that meet the following criteria:

A. Project incorporates green/energy-efficient building requirements such as the Enterprise Green Communities 2015 standard for larger new construction or moderate rehab projects (as applicable) or a comparable LEED or other green standard for smaller projects. An additional three (3) bonus points may be awarded if the project meets passive home requirements for energy efficiency;[10]

B. Project includes renewable energy, urban agriculture, site composting, and/or other similar environmentally sustainable component; and

C. Project does not displace existing community parks or other intentional public greenspace.

Explaination: As DHCD has recognized, public investments play a critical role in directing environmentally sustainable development.[11] The provisions described above provide an incentive for developers to adopt green building standards, including maximum energy efficiency and renewable energy to combat climate change.[12] These criteria also incentivize developers to assist the City in reaching its “zero waste” goal: That is, moving away from landfills and pollution-causing incinerators like BRESCO toward more recycling, re-use, composting and other ways of sustainably managing solid waste.[13] An additional 3 bonus points may be awarded to proposals that incorporate passive house design thereby producing near net zero energy usage. Pennsylvania and other jurisdictions are adopting this kind of priority for energy efficiency to lead the way on climate change in affordable housing development.[14]

**Elimination of Blight/Vacants (10 Points)**
Full points awarded to projects that eliminate vacants or blight in the community, preferably through deconstruction or rehabilitation and utilizing industry-leading safe demolition/deconstruction standards.

- Eliminates vacants or substantial blight through deconstruction or rehabilitates vacant property – 10 points
- Eliminates vacants or substantial blight with industry-leading safe demolition standards – 5 points

Explaination: Estimates of the number of vacant properties in Baltimore City range from 16,000 to 31,000.[15] Vacant housing decreases equity for nearby homeowners and discourages developers and landlords from investing in rental properties. Baltimore’s abandoned vacants are estimated to cost the City approximately $17,050,000 in direct maintenance costs and $1,550,000 in tax revenue each year.[16] The elimination of vacants...
and blight is a significant priority for Baltimore City.\textsuperscript{17} Deconstruction involves taking those vacant apart brick-by-brick, recycling all materials that can be salvaged, and in the process employing a substantial number of entry-level workers. DETAILS, a division of Humanim in Baltimore City, deconstructs hundreds of vacants each year and provides job training and employment for City residents with barriers to employment.\textsuperscript{18} Projects that involve environmentally sustainable deconstruction should be given maximum points in this category.

**Collaboration Across Multiple Neighborhoods (10 Points)**

Full points will be awarded to projects that involve a collaboration of community-based organizations that have substantial roles in the development and properties that extend across multiple neighborhoods.

**Explanation:** One key tenet in DHCD’s *New Era* is to “Invest in All Neighborhoods.”\textsuperscript{19} This principle recognizes that housing and neighborhoods do not exist in isolation but form an ecosystem across issue areas and neighborhood boundary lines. Baltimore has 278 neighborhoods. Innovative neighborhood projects that may be too small to gain traction in isolation may join together, achieve economies of scale and leverage additional resources. Particularly in light of Baltimore’s long history of aggressive competition among neighborhoods for a shrinking pool of federal, state and city funding, the AHTF should prioritize those projects that stretch across community boundaries and cross-pollinate strengths from one neighborhood with another.

**EQUITY AND PARTICIPATION**

*Equality of opportunity and outcome -- development must prioritize people with greatest need and redress structural, social wrongs. Development must be controlled by the communities and residents affected by development.*

Baltimore City’s history of racial zoning, redlining neighborhoods, racially restrictive covenants, blockbusting, urban “renewal,” predatory lending, and disinvestment dictates that proposed projects further race equity by remedying this history of structural racism and white supremacy. Council President Scott’s recently enacted legislation requires the AHTF to incorporate a race equity analysis -- meaning to close the gaps in policy, practice and allocation of City resources so that race does not predict one’s success while also improving outcomes for all. Similarly, the AHTF plays a role in assisting the City in meeting its federal obligation to affirmatively further fair housing by taking proactive steps to identify and address structural barriers to fair housing opportunity for protected classes of people who have experienced discrimination.

Equity and participation are intertwined. Each alone is unsustainable. By placing the ownership, control and meaningful participation of those most affected by development (residents and communities) at the center of any project, the AHTF can ensure that both principles are achieved.
Race Equity in Geographic Area – Fair Housing (threshold criteria for new construction; preference for preservation)

DHCD has committed to “address[ing] long-standing race- and income-based barriers that have devastated neighborhoods and disadvantaged people living in them.”

Because of the importance of race equity to development, as a threshold criteria, any new construction must be located in one of the following three areas, and any preservation project will be given a priority over other preservation projects in the following areas:

A. **Community of Opportunity** as defined in the 2019 Maryland State QAP and at least 30% of the project units are affordable to and occupied by households with incomes less than 30% AMI. Additionally, the units must be affirmatively marketed to families with at least one minor child and 40% of such affordable units must be 3 bedrooms or larger. Baltimore City ranks last in a recent study of economic mobility for youth in America’s 100 largest counties. Baltimore City’s low-income Black youth should have access to the social and educational opportunities offered in “communities of opportunity” and break patterns of segregation.

B. **Redlined or historically disinvested community** with a project proposal led by a community-controlled development organization and development plan that includes at least one non-housing component such as education, neighborhood employment, transportation, safety, grocery store access, or similar comprehensive strategy. As described further below, neighborhood-controlled development organizations with development plans that extend beyond housing can lead distressed markets in comprehensive development without displacement of current residents. Dudley Street Neighborhood Initiative in Boston, MA; Durham CLT in Durham, NC; and the Cooper Square in NYC are good examples of neighborhood-controlled nonprofits that have capitalized on resident organizing to generate comprehensive development without displacing residents. Residents should not be required to wait for the same “market forces” that created the current system of segregation and disinvestment to take an interest in their neighborhood. Residents should be empowered to initiate comprehensive development in their own neighborhoods through a priority in available resources like the AHTF.

C. **Redlined or historically disinvested neighborhood with a major, comprehensive redevelopment plan as designated by DHCD.** Integrating affordable housing into “large-scale development” is featured in DHCD’s *New Era* as a means of leveraging other partnerships, anchor institutions, and other funding such as the Neighborhood Impact and Investment Fund (NIIF) to engage in inclusive, equitable neighborhood development. Such plans likely include those impact areas designated by NIIF and concerted community revitalization plans as defined by the State.

Additionally, as a threshold criteria, all project proposals must agree to robust affirmative marketing requirements for new residents that focus on people of color, with a special emphasis on retaining residents of the surrounding neighborhood when such project is located in a historically redlined or disinvested community.
Race Equity and Permanent Affordability (Threshold Criteria)

As a threshold criteria, the proposed project must be legally restricted to remain permanently affordable. Additionally, any rehabilitation must not involuntarily displace current residents from the community (except for temporary relocation and unconditional right to return) and must provide one-for-one replacement of any affordable units, subsidized through public programs.

Explanation: Baltimore’s development history is replete with the forced displacement of predominantly Black families for urban renewal projects – from the “Highway to Nowhere” to the more recent expired affordability restrictions at Chapel NDP apartments near Hopkins replaced by Jefferson Square where two-bedroom units rent for market rate. Even if communities are not uprooted by demolition or expiring affordability, comprehensive investment in market rate housing and upgrading infrastructure (e.g., transportation, parks) brings greater demand and increasing rents throughout the neighborhood – necessitating an anchor of permanently affordable housing as a bulwark against involuntary displacement from rising rents and property values.

Permanent, also known as “perpetual,” affordability requires that the project remain affordable for at least 99 years through a lease, deed restriction, or other legally enforceable means. Permanent affordability must be a key component of DHCD’s stated plan to “minimize displacement that can occur with rising property values.”

Community land trusts (CLTs) and deed-restricted housing are two ways of creating permanently affordable housing. A CLT is a nonprofit that is democratically-governed and community-rooted to steward land to address community needs such as parks, urban agriculture, affordable homes, and commercial space. The CLT’s Board is comprised of elected CLT residents, neighborhood residents, and developers/partners. In the homeownership model, the CLT owns the land and has a 99-year, renewable Affordable Housing Land Trust Agreement with the homeowner that restricts resale to keep the home affordable to the next resident. CLTs also steward rental property with a 99-year affordability commitment. CLTs pay property taxes and do not lower neighboring property values.

Deed-restricted housing similarly provides for permanently affordability by placing a restriction on the deed to the property limiting resale to an individual or entity that will keep affordability restrictions in place for 99 years. There are over 12,000 homeowners, 35,926 rental units, and 30,627 cooperative units in 250 CLTs in the United States today, with one CLT in Frederick, Maryland, and a number of start-up CLTs in Baltimore. There are also 55,000 deed-restricted affordable units in the United States today.

In an era of scarce public resources, permanent affordability contains long-term costs, retains public subsidies in the project, and ensures that the development serves the public interest for the foreseeable future.

Montgomery County learned the importance of permanent affordability the hard way. Montgomery County’s effective Moderately Priced Dwelling Unit (MPDU) program has suffered significantly from the expiration of affordability restrictions. While MPDU produced over 13,000 units since 1976, only 2,361 units remained affordable at the end of 2010. Accordingly, the County now requires a 99-year affordability period for all rental units and 30 years for ownership.
Pittsburgh adopted a priority for permanently affordable projects because of the long-term cost savings derived from subsidy retention. Pittsburgh’s conclusions were based in part on a 2006 Vermont study illustrating that a 336-unit building purchased and rehabbed by residents in 1989 for $12 million only cost Burlington an additional $340,000 in capital improvements when the LIHTC restrictions expired because the units were subject to a permanent affordability restriction. Had the units not been permanently restricted, new construction of such units in 2006 would have cost $53-$60 million. Pittsburgh’s Housing Opportunity Fund has adopted a goal that 50% of all affordable units produced or preserved through the fund will be affordable for 99 years. This is effectuated through a priority in funding for proposals that agree to a 99-year affordability agreement.

### Cost-Savings of Permanently Affordable vs. 20-year Affordability Expiration

Source: The Policy Basis Behind Permanently Affordable Housing: A Cornerstone of Vermont’s Housing Policy Since 1987

<table>
<thead>
<tr>
<th>Cost (in millions)</th>
<th>Cost of Unit Purchase and Improvements After 20 Years for Permanently Affordable</th>
<th>Cost of New Construction At Expiration of 20-Year Affordability Period</th>
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![Graph of Supply of Sale MPDUs Under Price Control (Owner Occupied and HOC/Non Profit Acquired Units)](image)

(Loss of Montgomery County affordable rental units over time)
Affordable housing trust funds in Washington, D.C., Philadelphia, PA, and Burlington, VT, among others have adopted or plan to adopt a preference or priority for permanent affordability. These jurisdictions recognize that subsidy retention and cost control are critical components of equity and accountability in the use of scarce public resources. Additionally, in Baltimore, permanent affordability breaks the cycle of urban renewal, demolition, and displacement that has defined development in many quarters and had a disparate impact on Black residents by ensuring that publicly funded projects continue in their public purpose.

**Race Equity And Building Equit**

**y (15 Points)**

Full points awarded to proposed projects (homeownership or rental) that provide for shared equity including a sustainable opportunity for residents to build equity and close the racial wealth gap.

**Explanation:** Because of the white supremacist policies described above, white families have nearly two times the income of Black families in Baltimore City. One-third of households of color in Baltimore have zero net worth, and there is an 18% gap between Black and white households in homeownership rates. Nationwide, Black wealth is about 7 percent that of whites.

To address this gap in part, DHCD recognizes that “[s]ustaining affordable housing includes preserving and creating homeownership opportunities to foster wealth building and stabilize households and neighborhoods.”

Yet, traditional homeownership is not as effective at building wealth for families at less than 50% AMI. Such families often experience less property value appreciation, financially disastrous repair bills, more predatory loans, and more foreclosures compared to higher income homeowners. In traditional homeownership, 55% of low-income homeowners revert to rental in 5 years. Shared equity addresses this deficit. For example, community land trust (CLT) homeownership has a successful track record of providing sustainable, asset-building opportunities for families with incomes below 50% AMI. The homeowner still builds equity by paying down the principal on a mortgage and still obtains part of the appreciation in home value upon resale – but shares in the appreciation with the CLT to keep the home affordable to the next purchaser. Roughly half of all shared equity homeowners are persons with incomes less than 50% AMI.

CLTs provide a more supportive model for the homeowner that assists in finding a non-predatory loan, budgeting for repairs, and connecting the owner to additional resources in the case of income fluctuations or threatened foreclosure. Due to resale restrictions, shared equity homeownership provides more stability in various housing markets – limiting appreciation in boom markets but also limiting any depreciation in housing busts – another important benefit to very-low income, vulnerable homeowners.
While in traditional homeownership, 55% of low-income homeowners revert to rental in 5 years, 90% of CLT homeowners stay homeowners after 5 years due to greater support from shared investment with the community.49

Overall, shared equity homeowners gain a median increase in wealth of $14,000 between appreciation and principal repayment50 with an average tenure of 6 years – compared to an average tenure of 7.5 years in traditional homeownership.51 Most shared equity owners who exit their homes move into traditional homeownership.52
CLTs in the United States began during the Civil Rights movement when Black farmers in Albany, GA formed the first CLT in the country. People of color currently represent 43% of homeowners in shared equity models. According to Professor, Katherine Franke, investment in CLTs address the racist roots of development: “Since speculative real estate markets were used to divest freed people of the land they had been promised as reparations from enslavement, it is fitting that we turn to [a] remedial measure today [in CLTs] that repudiate a market-based approach to land use.”

Thus, compared to traditional homeownership, shared equity homeownership is a unique opportunity to advance race equity in Baltimore by providing a measure of sustainable homeownership, support and wealth-building for families specifically targeted by the AHTF– less than 50% of AMI.

Shared equity is also well-established for renters. There are over 166,000 limited equity cooperative units nationwide. A limited equity cooperative (LEC) is a residential property owned and managed by a democratically governed, nonprofit corporation usually owned and controlled by residents of the building. Each member owns a share and pays the equivalent of rent for their unit/share each month. The LEC has one mortgage covering all units. The LEC limits the amount of equity a member can earn upon resale of their unit/share to preserve the cooperative’s affordability for future generations.

The vast majority of extremely low-income renters in Baltimore City are Black. In traditional rental units, Black residents are shut out from meaningful participation in ownership, equity, and control of their housing. Yet, LECs and similar cooperatively-owned developments called “mutual homes” have a successful history in Baltimore as at Washington Hill Mutual Homes, Waverly Terrace Cooperative, Reservoir Hill Mutual Homes, Red Clover Collective, Horizontal Housing Corp., and others. Limited equity cooperatives and mutual housing associations empower renters to invest in and take control of their housing and neighborhoods while preserving affordability. Shared equity thus furthers race, economic, and gender equity and should be an integral part of any development strategy that creates sustainable communities in which very low-income residents have an ownership stake or governance role in their communities.
Washington, D.C., has a longstanding policy of encouraging and funding LEC developments. Through its Tenant Opportunity to Purchase Act (TOPA), tenants in D.C. buildings have the right of first refusal whenever their landlord seeks to sell the building. D.C. provides technical and financial support to assist tenants in purchasing their buildings and turning them into LECs. D.C. also provides points for LECs in the scoring criteria for expenditures from its affordable housing trust fund. Baltimore City can and should revise and expand its own currently-limited version of TOPA and prioritize proposals in its AHTF and other funding sources to support LECs and similar forms of shared equity housing.

**Deep Affordability (15 Points)**

Full points will be awarded to project proposals in which AHTF funding is allocated to a substantial number of deeply affordable housing units, i.e., affordable at incomes less than 30% or 20% of AMI, and integrated into a community or project.

**Explanation:** The Baltimore City Charter mandates that all AHTF expenditures assist persons at or below 50% AMI. At least 50% of funds must be used to meet the needs of persons at or below 30% AMI. Accordingly, a project that assists persons below 30% AMI may receive funding even if such a project scores lower overall than a project meeting needs between 31% and 50% AMI.

Over 72,000 households in Baltimore City earning less than 50% of Area Median Income (AMI) ($45K for a family of four) live in “unaffordable” housing (paying more than 30% of income for housing). The greatest need is for families earning less than 30% of AMI ($27K for a family of 4). The Baltimore Metropolitan Council estimates that 51,000 new homes affordable to families below 30% of AMI are needed in the region. Most families at 30% AMI work full-time jobs ($12/hr. full-time is less than $25K per year) or rely on disability or Social Security benefits. There are over 70,000 eviction judgments each year in Baltimore City for failure to pay rent, driving families and individuals deeper into poverty. An Associated Black Charities report showed that the median wage of 83% of working Black households was under 37% AMI.

Development proposals in which at least 30% of the units are affordable to and occupied by persons with incomes below 30% AMI, particularly persons with even lower incomes at 20% and 15% AMI, should receive maximum points and may be given a super priority if the Fund needs to fulfill its legal mandate of using at least half of its funds to assist persons below 30% AMI. Development below 30% AMI, often requires pairing substantial capital subsidies with an ongoing operating subsidy. Innovative trust funds in Seattle, Washington D.C., New Jersey, North Carolina, and others have successfully leveraged deep capital subsidies with ongoing project-based operating subsidies. Further, by pairing the project-based operating subsidy with a permanently affordable, community-controlled housing development, the AHTF could limit any rent increases and/or the amount of the ongoing operating subsidy. Accordingly, the AHTF should make ongoing, project-based rent assistance available to those proposals that assist persons earning less than 30% AMI within the framework described here.
Meeting Needs of Persons Who are Homeless (10 Points)

Full points will be awarded to proposals that include a substantial number of units (e.g., 15% – 20% PSH in projects with over 60 units) for persons who are homeless for permanent supportive housing (PSH) using a “housing first” model. Twenty (20) percent of PSH units must meet UFAS (Uniform Federal Accessibility Standard) accessibility standards. Proposals should ensure that PSH units are integrated into the proposed project and/or community and should not be set aside as a segregated community in a particular project or neighborhood.

Explanation: The need is particularly acute in Baltimore City for people who are homeless, including the 2,669 individuals identified as homeless in Baltimore’s 2017 point-in-time undercount. Baltimore City’s Journey Home plan regarding homelessness has identified the development of new PSH units with a “housing first” approach as a priority. PSH units using a “housing first” approach include “wrap around” services to meet the medical, social, and other needs of individuals who are or were homeless without imposing additional barriers or conditions before placing those persons in housing.

With respect to meeting the proposed criteria, larger rental projects (over 60 units) should develop approximately 15-20% of all units in the project as PSH. Applications that propose PSH should include a complete supportive services/case management plan with an identified provider. D.C.’s housing trust fund requires that 5% of all new units produced within each rental project include PSH. D.C. provides maximum points when a project integrates 20% PSH units into the proposal.

Neighborhood Participation in Project Ownership and Control (10 Points)

Full points will be awarded when neighborhood residents have a meaningful role in the ownership and/or control of: A) the development project, B) a development entity that must approve major project decisions and may acquire the property, and C) an entity that provides ongoing stewardship of the development.

Explanation: Creation of the AHTF was driven by grassroots community groups seeking to develop their neighborhoods without displacing current residents through higher rents and property values that follow traditional development. This scoring criteria honors the centrality of organized neighbors to implementing development without displacement. It also furthers DHCD’s stated commitment to expanding capacity of neighborhood-based development and “emerging organizations” to ensure that development stays rooted in the needs and voices of the communities and people to whom these supports are directed thereby “[e]nsuring community voices are central to shaping neighborhood development.”

Community-controlled organizations are essential to sustainable, comprehensive development because they focus on developing people as well as property. Community-controlled nonprofits build social capital and community cohesion – helping reduce crime in neighborhoods, tackling quality of life issues, and addressing individual needs beyond housing. Prioritizing projects that involve community-controlled organizations promotes sustainability beyond any particular project and ensures that communities have a meaningful voice in determining their futures. Recognizing the important role of...
community-controlled non-profits in equity and sustainability, Pittsburgh’s Housing Opportunity Fund prioritizes funds to projects where a “Neighborhood-Based Non-Profit Organization” is a partner in the development with the ability to approve major project decisions and acquire the property. In that model, a Neighborhood-Based Nonprofit Organization is a partner with the ability to approve major project decisions and acquire the property.\(^7\)

**Accessibility (5 Points)**
Full points will be awarded to proposals that are accessible to persons with disabilities. Rental projects receiving assistance from the AHFT must have 14% of all units comply with UFAS (10% for persons with mobility impairments and 4% for persons with hearing and visual impairments). Homeownership projects shall be required to make modifications, including structural modifications, at no expense to participants with disabilities when such modifications may be necessary to ensure a participant access and opportunity to the project.

**ACCOUNTABILITY AND TRANSPARENCY**
Development must be accountable to the public for the use of public subsidies including through efficient use of public subsidies, developer capacity, project feasibility, and allowing for effective monitoring and enforcement when commitments are not fulfilled. Development should be discussed, implemented and monitored in a manner that is open, easily accessible, and that maximizes examination and review.

The AHTF should seek to balance the need for accountability and transparency for the efficient use of public funds with flexibility to support the critical policies outlined above. An overemphasis on developer financial capacity and the most efficient use of leverage may close off the potential for funding to community-controlled organizations and innovative solutions.

**Threshold Criteria: No Substitution**
Funding requested will not be used as a substitute for other City funds (including pass through funds such as CDBG and HOME) appropriated in prior fiscal years.

**Threshold Criteria: Certifications, Monitoring and Compliance**
The developer must certify to compliance with all applicable federal, state, and city laws, and agree to robust monitoring and compliance through development and operational processes. Residents will be given standing to enforce all agreements. Baltimore City should review compliance procedures from other trust funds and adopt best practices including those specified in the proposed regulations above.

**Threshold Criteria: Zoning Compatibility**
Project is compatible with local zoning and other City site requirements or includes feasible plan for zoning modification.

**Threshold Criteria: Reasonable Developer Fee**
Projects will demonstrate that their developer fee is reasonable compared to similar projects. An additional developer fee reserve will be allowed when the reserve is designated to reduce rents for deeply affordable units or provide ongoing supportive services.

**Threshold Criteria: Previous Non-Compliance**
No project is eligible for funding in which the project developer or principal employee of the project development entity has been in significant non-compliance with covenants or restrictions for any other project funded in part by DHCD in the past 5 years.
Developer Experience and Financial Capacity (10 Points)
Full points will be awarded when the developer team (developer, general contractor, architect, engineer, etc.) demonstrates successful experience with similar previous projects and the financial capacity to successfully complete the proposed project.

Sufficient Plans and Designs (10 Points)
Full points will be awarded when the proposal presents sufficient site plans; architecture plans; construction specifications; compatible design with existing housing stock.

Market Study or Equivalent Analysis (10 Points)
Full points will be awarded when the proposal includes a sufficient market study or an equivalent analysis for smaller projects showing that there is a need for the proposed project with respect to income, bedroom size, and number of housing units. Projects that are unable to provide a market study or equivalent analysis may apply for funds to conduct a market study as well as other reasonable pre-development and acquisition costs when the proposed project meets threshold criteria and submits a competitive score based on other NOFA criteria herein.

Reasonable Operating/Construction Costs (10 Points)
Full points will be awarded when operating and construction costs proposed are consistent with industry standards, comparable projects, and other DHCD guidance. Any consideration of cost reasonableness should provide an adjustment or allowance for proposals that provide special supportive services, deep affordability, and/or favored design elements such as passive housing.

Reasonable Acquisition Costs and Site Control (10 Points)
Full points will be awarded when the proposal demonstrates reasonable acquisition costs as well as site control (option to purchaser, sales contract, deed) or a specific plan to obtain site control for community-controlled, non-profit developers.

Acquisition costs should be reasonable as determined by an appraisal, market study, and/or comparable projects in the development pipeline. Projects should submit evidence of site control as defined above or, for a community-controlled, non-profit developer, a specific plan to obtain site control within a reasonable timeframe. Making AHTF money available for otherwise qualified proposals that have a specific plan to obtain site control is intended to allow smaller, community-controlled developers to acquire properties and build capacity without the upfront capital often needed for acquisition. Funding allocated to an applicant without present site control may be conditioned on obtaining site control within a specified time period or may be limited initially to acquisition and pre-development costs with the provision that the applicant may apply in a subsequent RFP for funding beyond acquisition.

Property Management Company (5 Points)
(For rental projects only) Full points will be awarded when the proposed property manager has a satisfactory record of past performance in transactions and public complaints in judicial and non-judicial records.
II. FAIR DEVELOPMENT PROCESSES

Pursuant to its duty under Baltimore City Charter Art. I § 14(d)(5)(i), the AHTF Commission should recommend that DHCD adopt the following regulations to operationalize fair development and human rights principles in the policies and practices of the Affordable Housing Trust Fund.

1.0. Background

These rules and regulations are issued pursuant to the authority granted to the Commissioner of the Department of Housing and Community Development (DHCD) by the Charter of the City of Baltimore, Art. I, Section 14 (d)(5)(i) and by Baltimore City Code, Art. 13, Section 2-7(w).

2.0. Goal

The goal of these regulations is to ensure the AHTF fulfills its legal responsibility under the dictates of the City Charter, promotes civic engagement and democracy, and achieves the equity sought by the Charter Amendment.

3.0. Annual Report

DHCD shall draft and submit an annual report on the activities and usage of the funds in the Trust Fund including tenure (rental and home ownership), income level served, unit size (number of bedrooms), affordability duration, and compliance with key scoring criteria in any NOFA (e.g., employment, environmental sustainability, etc.). The report shall be submitted to and approved by the Commission, and then provided to the Mayor and City Council.

3.0 Definitions

Permanently Affordable Housing (PAH) – PAH refers to all types of housing with lasting affordability of at least 99 years. These types include rental or homeownership units created by nonprofits (e.g. community land trusts and CDCs), or public entities (e.g. inclusionary housing programs) that utilize various legal mechanisms to ensure the unit remains permanently affordable for at least 99 years.

4.0 Revenue

The Commission with the assistance of DHCD shall determine and project annually any sources of revenue for the fund including:

1) the money appropriated to the fund in the annual Ordinance of Estimates;
2) grants or donations made to the fund;
3) mandatory or voluntary payments made pursuant to development policies established by ordinance;
4) a portion of the tax increment financing revenue from increased property tax receipts for the development of affordable housing inside the project area and special taxing district, or in other locations as permitted by law; and
5) other sources as established by ordinance.

5.0. Expenditures

1. The Commission with the assistance of DHCD shall develop an annual allocation plan with priorities that shall govern requests for proposals (RFPs) and other notices of funding availability (NOFA).
2. All Commission members shall be offered the opportunity to meaningfully participate in the consideration, scoring, ranking, and/or prioritizing of requests for and awards of AHTF funding. Any scoring of a proposal requesting funds or decision to award funds from the AHTF shall be made available to the public within 48 hours of such action.

3. Subject to Charter requirements, DHCD shall award funding to those projects that meet all threshold criteria and have the highest scores in any NOFA or RFP process. DHCD may only award funding to lower scoring projects based on compelling reasons. Any decision to award funding to lower scoring projects must be approved by a majority vote of Commission members who are participating in the scoring, ranking and/or prioritizing of requests for and awards of AHTF funding.

6.0. Public Input and Process

1. In developing an annual allocation plan, the Commission and DHCD must visit all four regions of the city (North, South, East and West) and hold public hearings, distribute surveys, and create multiple feedback methods or portals that reasonably accommodate the disabilities, impairments, and/or lack of English proficiency of potential participants.

2. The Commission shall provide at least one hour of public input and public testimony at the start of each of its meetings.

3. The Commission shall hold its public meetings in community centers or similar forums located in the four regions of the city and shall rotate locations so as to ensure each region has equal opportunity to observe Commission discussions and deliberations.

4. The Commission shall broadcast each of its meetings through the Baltimore City Cable access channel.

5. The Commission shall establish its agenda through the collaboration of all Commission members.

6. The Commission shall create and offer to members of the public an email and text notification system relative to AHTF meeting times, deliberations, and actions. Participation in this system shall be voluntary.

7. The Commission shall provide information of meeting times, deliberations, and actions via social media.

8. DHCD shall provide staff and other resources to enable the Commission to fulfill the duties described above.

7.0. “CLAW BACK” AND DEFAULT

1. All recipients of AHTF funds shall report to the City DHCD on job creation, environmental sustainability and any other benchmarks proposed under any RFP or NOFA.

2. Recipient reporting data shall be disclosed online at least annually as part of a DHCD-created disclosure system.

3. All reported information should be verified by DHCD using techniques such as auditing and cross-checking of company claims against separate reliable data sources.
4. DHCD shall recapture, recalibrate or rescind AHTF assistance if the recipient of funds is found to be out of compliance with proposed benchmarks or a provision of an AHTF agreement in which points or priorities were awarded in the NOFA process. The developer of the project shall be required to repay any funding received from DHCD in full if the project is found to be out of compliance with a benchmark or provision of an AHTF agreement in which points or priorities were awarded in a NOFA process.

5. DHCD shall not provide any exceptions or have any discretion in recapturing, recalibrating, or rescinding AHTF assistance.

6. DHCD shall publish detailed data on their enforcement activities, including the names of the recipients found to be non-compliant and those penalized, including the penalty amounts.
Endnotes

1 As quoted by Lawrence Lanahan, The Lines Between Us: Two Families and a Quest to Cross Baltimore’s Racial Divide at 64.
6 Pittsburgh is one example of a jurisdiction that makes funding available specifically for pre-development needs of non-profit, community-controlled developers. See Urban Redevelopment Authority of Pittsburgh, Housing Opportunity Fund Rental Gap Program Guidelines (Oct. 11, 2018), at 4, available at https://www.ura.org/media/W1siZiIsIjIwMTgvMTEvMDcvNDEyZW9ybGpjiaF9FeGhpYmloX0FISE9GX1JHUF9HdWlkZWxpbnVzLnBkZlIaXQ/Exhibit%20A%20HOF%20RGP%20Guidelines.pdf. (“Non-profit applicants may apply for predevelopment financing to acquire and/or stabilize vacant and abandoned property to be rehabbed/constructed to provide affordable housing in accordance with the program guidelines. The predevelopment loan will be secured by a lien on the project property. The funding may be used for costs including, but not limited to, acquisition, design development, geotechnical analysis, environmental analysis, engineering, and reasonable costs of obtaining additional sources of pre-development financing. The amount of the URA pre-development loan cannot exceed 50 percent of the total predevelopment funding and is capped at $200,000.”)
8 New Era, supra note 5, at 9.
10 Passive building comprises a set of design principles used to attain a near-net zero level of energy efficiency within a specific comfort level. Passive House Institute U.S., www.passivehouse.us (last visited June 6, 2019).
11 New Era, supra note 5, at 9 and 25.
14 PHFA, supra note 12, at 27.
16 Community + Land + Trust, supra note 1, at 21.
17 New Era, supra note 5, at 25, 26.
19 New Era, supra note 5, at 23.
20 New Era, supra note 5, at 8, 9.
21 Maryland Housing Designated Areas, Communities of Opportunity (Mar. 1, 2016), https://data.imap.maryland.gov/datasets/905e267f057149ef9f28413cf5a66582.
24 Udi Engelsman, Mike Rowe & Alan Southern, Community Land Trusts, Affordable Housing And Community Organising In Low-Income Neighbourhoods, 18 Int’l. J. Hous. Pol. 1 (2016); Jeffery S. Lowe & Emily Thaden, Deepening Stewardship: Resident
Engagement in Community Land Trust, 37 Urban Geography 4, 611 (2016).

25 New Era, supra note 5, at 24.
29 New Era, supra note 5, at 4.
31 Property taxes are paid either by the homeowner or the CLT according to their agreement. The state assesses the value of CLT homes by taking into account any limitation on resale prices. Where CLTs control land for conservation or preservation purposes, they can apply for an exemption from property taxes, if certified as environmental land trusts by the state. See Md. Code Ann. Tax. Prop. §§8-202(b), 7-304, 7-503, 7-504, and 7-506.2 (West 2019). CLTs do not affect neighboring property values. State law makes clear that any land trust-related sale will be marked as “non-arms length” so that the property will not be considered as a comparable in any appraisal – similar to a “non-arms length” sale between a parent and child. Md. Code Ann. Real Prop. §14-509(b), 14-501 et seq. (West 2019).
32 Frederick County Affordable Housing Land Trust operated by Habitat for Humanity has seven (7) homes in its portfolio. In Baltimore City, Share Baltimore members are working in six communities at this time: Charm City Land Trusts (near McElderry Park), North East Housing Initiative, The Trust: Curtis Bay, Remington Housing Work Group, Westport Community Economic Development Corporation and the Cherry Hill Development Corporation.
36 Affordable Housing Task Force, supra note 7, at 19.
37 Urban Redevelopment Authority of Pittsburgh, supra note 6, at 3.
42 New Era, supra note 3, at 20.
43 Wang et al., supra note 33, at 39.
45 Wang et al., supra note 33, at 35.
46 Davis, supra note 44, at 53-54.
47 Wang et al., supra note 33, at 42. Low-income shared-equity homeowners appreciated 0.6% during the 2007 to 2012 bust, while traditional homeownership depreciated 0.3%.
48 Davis, supra note 44, at 54. Id. at 53.
49 Id. at 47.
50 Wang et al., supra note 33, at 44.
51 Id. at 47.
52 Id. at 53.
53 Id. at 45.
54 Wang et al., supra note 33, at 27.
56 Wang et al., supra note 33, at 3.
stories/limited-equity-housing-cooperative.


66 Id. at 38.

67 New Era, supra note 3, at 8.


70 The term “Neighborhood-Based Non-Profit” means (1) a non-profit that has a substantial base of operations within the neighborhood where the housing to be funded by the HOF is located, or (2) a tenant association that represents the tenants in the housing to be funded by the HOF. 2018 Rental Gap Program Housing Opportunity Fund, Eligible Borrowers, https://www.ura.org/proposals/2018-rental-gap-program-housing-opportunity-fund-hof (last visited June 26, 2019).

71 See Government of the District of Columbia, supra note 12, at 34, 35 for sample additional guidance on proposed operating and construction costs in D.C.

72 Id. at 34.