

Advancing Racial Equity in Affordable Housing

# MOVING BEYOND MULTIFAMILY RENTAL IN PARK HEIGHTS



WEST BALTIMORE, MD

## BACKGROUND

After World War II, housing policy and practice systematically supported outmigration of white families from the cities to the suburbs. Excluded in policy and practice from those opportunities, households led by people of color were left in neighborhoods that were denied investment and subject to another fifty years of policies such as redlining that made it difficult for them to thrive. The work of reinvesting in these communities and repairing decades of harm is complex and must strike a careful balance of bringing investment without displacement and effecting change while preserving the people and community.

The West Baltimore neighborhood of Park Heights is one such neighborhood. Two decades in the making, a plan to increase the supply of quality affordable homes is guided by a community-driven comprehensive development strategy that creates homeownership and wealth-building opportunities alongside a range of high-quality rental options. The NHP Foundation's experience partnering with the Park Heights community offers several practical considerations for those seeking to advance equity in redevelopment initiatives.

## PROJECT SUMMARY

### LOCATION:

West Baltimore, MD

### OWNER:

The NHP Foundation and Henson Development

### KEY PARTNERS:

Park Heights Renaissance, City of Baltimore Department of Housing and Community Development, Maryland Department of Housing and Community Development.

### PROPERTY MANAGEMENT:

The Franklin Johnston Group

### PROJECT TYPE:

17 acre neighborhood redevelopment — Multifamily Rental and Single Family Homeownership

### SIZE:

2 phases, 211 rental homes, 78 homeownership units

### COMPLETION:

2025 and beyond

[www.sahfnet.org](http://www.sahfnet.org)



## THE COMMUNITY

Park Heights is a historic 1,500 acre neighborhood in Northwest Baltimore. Situated just south of the famed Pimlico Racetrack, it once had treelined streets and many hotels, restaurants and entertainment venues. Like much of the City of Baltimore, the Park Heights neighborhood experienced decades of outmigrations from the 1970- 2000s. After decades of disinvestment by city leaders it was time for change and in late 2003 a Master Planning process began.

When the Master Plan was presented in 2006, the median income in Park Heights was just \$7,000- 20% of the citywide median. The neighborhood has a higher concentration of children and single mother households than elsewhere in the city. The neighborhood also had more than 2,000 vacant lots.

Through a robust planning process, the community established its own vision that embraced physical and social well-being, community character and economic, employment and educational opportunities. The plan to invest in this community contemplates a mix of incomes and range of housing options to serve the present and future residents. A community development corporation, Park Heights Renaissance (PHR), was formed to manage the broader redevelopment.

Understanding the importance of making a critical mass of land available for new housing options and creating a healthier, safer neighborhood, the City of Baltimore began assembling vacant parcels. Over the next decade, through a recession and political shifts in the City, work continued to assemble the land. The City also identified funding for demolition of existing structures and created job opportunities for community members to do the work.

In 2018, the City issued a Request for Proposals for Development partners to redevelop the 17-acre parcel that reflects the needs and desires of the community. Through a competitive process, the City selected the partnership of The NHP Foundation and Henson Development Company for a multi-phase development plan that will include 200 new rental homes, 80 single-family detached for-sale homes, open green spaces, an urban plaza, and new public infrastructure. Other master plan activities around the site include a new library, creation of new 21st Century public schools and other economic development activities such as supporting local urban farming. The nearby racetrack is now undergoing a \$400M renovation.

## THE PLAN

To realize the community's vision for the future, The NHP Foundation (NHPF) and Henson's planned development in Park Heights includes two phases and several types of homes that will meet the needs of the community now and in the future. This commitment to the legacy and the future of Park Heights drives two key elements – homeownership and early creation of rental homes for all at varying median income levels.

Phase 1	Phase 2
<b>Senior Building</b> (100 unit)	<b>Apartments in Manor Homes</b> (36 units)
<b>Multi-family building</b> (53 units)	<b>Town Homes</b> (22 Units)
<b>Single Family For-Sale</b> (17 units)	<b>Single Family For-Sale</b> (61 Units)







While the Park Heights community has many young families, most of whom are renters, NHPF recognized that it is vital that the plan serve the community's long-term residents, including renters and homeowners. The first homes developed under the plan will be 100 rental homes affordable to older adults with incomes at or below 60% of the area median income. These homes will serve people with slightly higher incomes than nearby properties with project based Section 8 assistance, meeting the community's desire to create a mix of income options for new and existing residents. These affordable homes with services will offer older adults the opportunity to live in their neighborhoods with healthy homes and services that allow them to thrive and continue to serve as leaders and cornerstones of the Park Heights community. This may also allow older homeowners to pass their homes to the next generation of their family, allowing them to benefit from rising property values in the neighborhood.

Residents recognized the value of homeownership in creating economic opportunity and supporting the kind of healthy and engaged community they want. NHPF and Henson will implement the community's vision with two phases of homeownership options. These new homes will create opportunities for community members with lower and moderate incomes to build wealth through homeownership and benefit from the potential appreciation in value as the broader community investment strategy continues.

## STRUCTURING AND SPECIAL FEATURES

The redevelopment at Park Heights is enabled by the land awarded by the City and the City's investment in demolition costs. By assembling the land and providing for most demolition expenses, the City reduced costly predevelopment time for potential development partners and allowed partners to focus on the community vision.

### *Rental homes*

The first 100 rental homes for older adults will be financed with Low Income Housing Tax Credit (LIHTC) investment and include features that will allow residents to remain in their homes as they age such as a health station, community gardening, a fitness center and solar power with a battery back-up to help ensure safety and comfort in the event of a power failure. ARPA funds were used for significant infrastructure work that was also part of the LIHTC transaction. Leveraging these funds generated additional equity that helped close financing gaps created by escalating construction prices and interest rates.

## Homeownership

To deliver quality homeownership options at the most affordable price, NHPF and Henson will complete the infrastructure for the homes, but partner with a for sale developer for the design and construction. Funding from a community development fund in connection with the Pimlico Race Tract, American Rescue Plan funds will help keep costs affordable. However, these new homes are expected to attract buyers with household incomes of 80-150% AMI. Further, the state of Maryland Utilizing [Progressive Lending Investments to Finance Transformation \(UPLIFT\) Fund](#), will provide up to \$50K home for those homes. The UPLIFT program is designed to increase property values and provide wealth-building homeownership opportunities in targeted communities historically impacted by redlining.

In addition to the new construction homes, NHPF has encouraged the City to support local development firms that are restoring existing row homes in the neighborhood as these homes will create additional ownership opportunities and the firms doing the work are often local and black, indigenous and person of color (BiPOC) led firms, further advancing the equity goals of the project.

## LESSONS LEARNED

The work to create quality homes and a more equitable community in Park Heights is still underway, but the community driven effort already offers lessons learned.

### 1. [Take the time to Address Community Needs](#)

Building a comprehensive plan for Park Heights with the community and then having it adopted by the City took a great deal of time, but the resulting plan reflects the desires of the community AND harnesses economic development opportunities.

### 2. [Working Beyond One Parcel/Scope](#)

Creating a healthier, more equitable community and offering meaningful pathways for wealth building has required that NHPF look beyond the scope of a single project or even its own work to understand the full opportunities in the community – from rental to new construction homeownership AND the opportunities other groups can create by rehabbing existing units.

This comprehensive scope has also allowed the team to align a range of partners and funding sources such as APRA funds (infrastructure and vertical construction), Pimlico Community Development Authority (for sale homes) , solar and energy efficiency tax credits (panels, battery back up), City HOME/ARP (permanent supportive housing units). By working holistically, the team has been able to give various funders an opportunity to participate in the community's vision for itself, while advancing their own goals. While layers of financing bring complexity, this holistic approach is building broader support for the work and bringing the community's vision to life.

### 3. [Local Government Commitment and Targeted Action](#)

The City's commitment to this project, including assembling the parcels and providing resources for demolition was essential for realizing the community's vision. Without that unifying action, many developers may have worked on numerous parcels over time making it more difficult to build momentum and achieve the community vision. State funds through [UPLIFT](#) provide a responsive and tailored source of funding that will help unlock homeownership.

### 4. [Community Leadership and Partnership](#)

Park Heights Renaissance has played a pivotal role as a voice of action and accountability for the plan. PHR has provided valuable insights and data that have helped the development partners understand the neighborhood and answer questions that helped advance development, including around insurance and rents in the area. PHR has also led several events and activities that have allowed the community to continue to connect with and enjoy the site as development proceeds.

While going through the entitlement and financing structuring process, NHPF and Henson have partnered with the community to activate and take care of the 17-acre parcel while vacant. Annually, the site hosts multiple festivals and events that are led by the community, there is a temporary apiary and tree farm that provides trees to different communities. NHPF and Henson support Park Heights Renaissance's workforce development Clean and Green Team by employing them to perform landscaping and trash



removal, from illegal dumping, at the site. This aids in building the capacity of a new company focused on community beautification while providing workforce development opportunities for the residents of Park Heights, and ensure this vacant land isn't a blight on the community, but instead an asset regardless of whether buildings are upon it.

### 5. Multiple Paths to Wealth Building

NHPF's primary focus is creating new homes that are affordable to Baltimore residents and are an integral part of the Park Heights community. However, their work on wealth building doesn't stop there. By considering the needs of long-term homeowners and offering them rental options where they can remain in their community and potentially pass their home on to the next generation, they are considering multi-generational strategies. Sharing information and urging the City to support smaller groups working in the surrounding area also helps advance homeownership options for the community and wealth of small business owners.



## CONCLUSION

There are many examples of community revitalization. The emerging work in Park Heights illustrates the importance of community voice and leadership, local government support and targeted resources in redevelopment. With a focus on opportunities for residents to build wealth, not only in the homes they build but in the surrounding community and through the redevelopment process itself, the development partners seek to address the racial wealth gap and support the community's vibrant vision for itself.



### About Stewards of Affordable Housing for the Future

SAHF's mission is to advance the creation and preservation of healthy, sustainable, affordable rental homes that foster equity, opportunity, and wellness for people of limited economic resources.

### About The NHP Foundation

NHPF is dedicated to preserving and creating sustainable, service-enriched multifamily housing, and single-family homes that are both affordable to low and moderate income families and seniors, and beneficial to their communities. NHPF's Construction Management Group provides in-house resources dedicated to infrastructure review, infrastructure development and costs management. Through Family-Centered Coaching, NHPF's subsidiary Operation Pathways engages with, and assists, families experiencing poverty and other hardship, to problem-solve together. Through partnerships with major financial institutions, the public sector, faith-based initiatives, and other not-for-profit organizations, NHPF has over 10,000 units, in 16 states and the District of Columbia. For more information, please visit [www.nhpfoundation.org](http://www.nhpfoundation.org).

*This report was funded by the Robert Wood Johnson Foundation (RWJF). The views expressed here do not necessarily represent those of RWJF.*

