Abandoned Housing: Exploring Lessons from Baltimore

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Abstract

Population loss and economic decline have resulted in thousands of abandoned homes in major U.S. cities. Although abandoned homes are symptomatic of other problems, they also contribute to neighborhood decline and frustrate revitalization. This article provides an overview of the national scope of abandoned housing and profiles Baltimore’s strategy for addressing this problem.

Challenges in Baltimore’s revitalization planning include the necessity of and financial requirements for a comprehensive approach and the difficulty of reaching consensus. Widespread property “flipping” hampers prevention. Efforts to acquire and demolish units are constrained by difficulties in tracking ownership, felons’ ownership of derelict units, and a shortage of staffing to process takings. Challenges in rehabilitating and marketing row houses include the need for subsidies to make units affordable to the most likely buyers, the omnipresence of lead paint, and the lack of foreign immigration. The article proposes a more strategic approach to the city’s revitalization planning.

Keywords: Development/revitalization; Housing; Neighborhood

Introduction

Like many of the nation’s older industrial cities, Baltimore has been losing population in the past several decades. The city’s population of 651,154 in the 2000 census represents a 31.4 percent decline since 1950. The number of abandoned housing units in the city is between 12,700 and 42,480; the former is the city’s recent count of empty units unfit for habitation, and the latter is the number of vacant units from the 2000 census. The city’s Department of Housing and Community Development (DHCD), along with several community-based organizations, is resigned to the fact that a large portion of vacant, dilapidated units will never be rehabilitated and occupied. Accordingly, strategies for eliminating vacant structures are being planned and implemented, resulting in some cases in the demolition of entire blocks and the radical transformation of neighborhoods.

The housing problem besetting Baltimore, Detroit, St. Louis, and other cities has been given the label “undercrowding” by Douglas Rae, director of Yale University’s Changing Cities Research Group. Rae and Calsyn (1996) define undercrowding as a pattern of persistent population loss that leaves behind a large surplus of buildings and land. Over time, the
“unemployed” buildings and lots begin to take on negative economic and social value. In addition to Baltimore’s 12,700 empty derelict houses, the city has nearly 14,000 vacant lots (PlanBaltimore! 1999). For purposes of this article, the term abandoned housing problem will be used instead of undercrowding, which suggests that crowding is the norm.

This article identifies the kinds of problems cities face with abandoned housing and discusses the challenges facing Baltimore in addressing this problem. To do this, the article closely examines the fate of three Baltimore neighborhoods. Information was generated through telephone and personal interviews with Baltimore city planners and other city officials, an analysis of reports and plans prepared by public agencies and community development corporations (CDCs) involved in revitalization efforts in three case-study Baltimore neighborhoods, and structured interviews with the directors of CDCs leading the neighborhood revitalization initiatives in those neighborhoods.

The article begins with an overview of the problem of housing abandonment in the United States, followed by an examination of the despopulation that has occurred in Baltimore since 1950. The article then describes Baltimore’s evolving approach to abandoned housing, profiles three Baltimore neighborhoods with large numbers of abandoned homes—Sandtown-Winchester, Harlem Park, and Historic East Baltimore—and identifies some of the key challenges facing the city and these neighborhoods in their attempts to deal with the abandoned housing problem. The article concludes with a discussion of what Baltimore can, and cannot, teach us about policies and programs to deal with abandoned housing.

The problem of housing abandonment in the United States

There is no consistent definition of abandoned housing in U.S. cities, nor is there a periodic, systematic count and analysis of such housing. As noted by Accordino and Johnson (2000), there is a dearth of literature by researchers and policy makers on the problem of housing abandonment because it is viewed mainly as a symptom of urban decline rather than as a cause. Although it is true that abandoned homes are symptomatic of other problems, they also contribute to neighborhood decline and frustrate revitalization efforts by becoming eyesores, fire hazards, and sites for drug-related activity, vagrancy, and rodent infestation.

Cities often use the combination of structural condition and length of vacancy (past or projected) in their identification of abandoned units. However, as Pagano and Bowman (2000) discerned from their mail and telephone survey responses from 60 U.S. cities, there is great variation
in the ways cities that do attempt a count define an “abandoned” structure. For example, the authors found that the duration of vacancy deemed threatening to the public health and safety ranges from 60 days in some cities to 120 days (or much longer) in others, making intercity comparisons of the magnitude of abandoned housing problematic. Some cities, such as Baltimore, define abandoned housing largely in terms of the condition of the unit.

For the purposes of this article, an abandoned house is a chronically vacant and uninhabitable unit whose owner is taking no active steps to bring it back into the housing market (Keenan, Lowe, and Spencer 1999). This definition is consistent with Fielder and Smith’s (1996) distinction between “transactional vacants” and “problematic vacants,” the latter referring to units that are “often in poor condition and [for which] vacancy is likely to be prolonged” (quoted in Keenan, Lowe, and Spencer 1999, 706). This definition is also consistent with that used by Baltimore.

Abandoned housing is a later stage in what several urban analysts have described as the life-cycle theory of neighborhoods (Home Owners’ Loan Corporation 1940; Hoover and Vernon 1959; Real Estate Research Corporation 1975). In their analysis of the New York metropolitan region in the 1950s, for example, Hoover and Vernon (1959) identified six stages in the neighborhood life cycle: rural; development of single-family homes; full occupancy; downgrading; thinning out (characterized by building deterioration, population shrinkage, housing vacancy, and abandonment); and renewal.

Hoover and Vernon’s analysis preceded the profound impact of some factors that have affected current conditions in inner-city neighborhoods. In the past three decades, an extensive literature has developed on the demographic and socioeconomic changes occurring in U.S. metropolitan areas in the post–World War II era, focusing on causative factors of neighborhood change in cities. Such factors include the role played by global economic restructuring and deindustrialization of cities (Blue-stone and Harrison 1982; Galster, Mincy, and Tobin 1997; Wilson 1987, 1996), federal policies and spending programs that subsidized middle-class (mostly white) out-migration from cities (Gelfand 1975; Jackson 1985), and private lending and real estate practices that redlined certain areas and contributed to racial segregation and neighborhood decline (Massey and Denton 1993; Metzger 2000; South and Crowder 1997).

The combination of these factors has led to population loss and the out-migration of middle-class residents from many city neighborhoods, resulting in lower demand for homes. Declining revenues lead to a dynamic in which many landlords refrain from making nonessential repairs, fall behind or default on their mortgage payments, and stop paying property taxes. The result is often foreclosure or abandonment, the continued deterioration of the property, and negative impacts on the
neighborhood (Keenan, Lowe, and Spencer 1999; Scafidi et al. 1998; Sternlieb and Burchell 1973).

U.S. cities that have the most abandoned housing (using their own definitions) are those that have undergone the most drastic population declines during the past few decades. Of the nation’s 50 largest cities, 8 lost population between 1990 and 2000. Tables 1 through 4 provide demographic and socioeconomic data for the four U.S. cities that have undergone the largest absolute population loss since 1950—the same cities that experienced the largest losses from 1990 to 2000: Baltimore, Detroit, Philadelphia, and St. Louis.

Table 1 illustrates the population declines in these four cities since 1950. The greatest absolute loss over the past half-century was in Detroit, with a net decline of more than 898,000 people (or over 48 percent). The highest percentage decline over this period—59 percent—was in St. Louis. Baltimore experienced the highest absolute population loss from 1990 to 2000 (nearly 85,000), while St. Louis had the highest percentage loss over the past decade (12.2 percent). Vacant housing will be the inevitable result of such drastic declines in population.

Table 1. Population Change from 1950 to 2000 in Four U.S. Cities

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore</td>
<td>949,708</td>
<td>736,014</td>
<td>651,154</td>
<td>–84,860 (–11.5)</td>
<td>–298,554 (–31.4)</td>
</tr>
<tr>
<td>Detroit</td>
<td>1,849,568</td>
<td>965,084</td>
<td>951,270</td>
<td>–76,704 (–7.5)</td>
<td>–898,298 (–48.6)</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>2,071,605</td>
<td>1,585,577</td>
<td>1,517,550</td>
<td>–68,027 (–4.3)</td>
<td>–554,055 (–26.7)</td>
</tr>
<tr>
<td>St. Louis</td>
<td>856,796</td>
<td>396,685</td>
<td>348,189</td>
<td>–48,496 (–12.2)</td>
<td>–508,607 (–59.4)</td>
</tr>
</tbody>
</table>


In all four cities, the white population has declined dramatically since 1950, while the minority population has substantially increased, as shown in table 2. The largest racial transition was in Detroit, which went from being 16 percent black in 1950 to nearly 82 percent in 1990. Structural economic change hurt city residents over the past half-century, since manufacturing employment had provided middle-class wages to those with relatively low levels of education and job skills. Table 3 indicates the decline of manufacturing employment among residents of the four cities from 1950 to 1990, with declines ranging from 66 to 80 percent. The loss of manufacturing job opportunities has contributed to the cycle of decline in inner-city neighborhoods.

One impact of middle-class out-migration is illustrated in table 4, which shows city median household income as a proportion of standard metropolitan statistical area (SMSA) median income. The proportion of SMSA income for each of the four cities was at least 91 percent of its SMSA in
### Table 2. Change in Racial Composition from 1950 to 2000 in Four U.S. Cities

<table>
<thead>
<tr>
<th>City</th>
<th>1950 Number (%)</th>
<th>2000* Number (%)</th>
<th>Absolute and (%, Change, 1950–2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>723,655 (76.2)</td>
<td>205,982 (31.6)</td>
<td>–517,673 (–71.2)</td>
</tr>
<tr>
<td>Black</td>
<td>225,099 (23.7)</td>
<td>418,961 (64.3)</td>
<td>193,862 (+22.2)</td>
</tr>
<tr>
<td>Other</td>
<td>954 (0.1)</td>
<td>26,211 (4.1)</td>
<td>25,257 (+2,647.5)</td>
</tr>
<tr>
<td>Detroit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>1,545,847 (83.6)</td>
<td>116,599 (12.3)</td>
<td>–1,429,248 (–92.5)</td>
</tr>
<tr>
<td>Black</td>
<td>300,506 (16.2)</td>
<td>775,772 (81.5)</td>
<td>475,266 (+158.2)</td>
</tr>
<tr>
<td>Other</td>
<td>3,215 (0.2)</td>
<td>58,899 (6.2)</td>
<td>55,684 (+1,732.0)</td>
</tr>
<tr>
<td>Philadelphia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>1,692,637 (81.7)</td>
<td>683,267 (45.0)</td>
<td>–1,009,370 (–59.6)</td>
</tr>
<tr>
<td>Black</td>
<td>376,041 (18.2)</td>
<td>655,824 (43.2)</td>
<td>279,783 (+74.4)</td>
</tr>
<tr>
<td>Other</td>
<td>2,927 (0.1)</td>
<td>178,459 (11.8)</td>
<td>175,532 (+5,997.0)</td>
</tr>
<tr>
<td>St. Louis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>702,348 (82.0)</td>
<td>152,666 (43.8)</td>
<td>–549,682 (–78.3)</td>
</tr>
<tr>
<td>Black</td>
<td>153,766 (19.9)</td>
<td>178,266 (51.2)</td>
<td>24,500 (+15.9)</td>
</tr>
<tr>
<td>Other</td>
<td>682 (0.1)</td>
<td>17,257 (5.0)</td>
<td>16,575 (+2,430.4)</td>
</tr>
</tbody>
</table>

* White and black include persons who reported only one race. Other includes persons reporting other races or reporting more than one race.

### Table 3. Change in Manufacturing Jobs from 1950 to 1990 in Four U.S. Cities

<table>
<thead>
<tr>
<th>City</th>
<th>1950</th>
<th>1990</th>
<th>Absolute Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>113,618</td>
<td>38,602</td>
<td>–75,016</td>
<td>–66.0</td>
</tr>
<tr>
<td>All sectors</td>
<td>391,487</td>
<td>314,688</td>
<td>–76,799</td>
<td>–19.6</td>
</tr>
<tr>
<td>% manufacturing</td>
<td>29.0</td>
<td>12.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detroit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>348,986</td>
<td>68,830</td>
<td>–280,156</td>
<td>–80.3</td>
</tr>
<tr>
<td>All sectors</td>
<td>758,772</td>
<td>335,462</td>
<td>–423,310</td>
<td>–55.8</td>
</tr>
<tr>
<td>% manufacturing</td>
<td>46.0</td>
<td>20.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philadelphia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>291,312</td>
<td>88,466</td>
<td>–202,846</td>
<td>–69.6</td>
</tr>
<tr>
<td>All sectors</td>
<td>827,243</td>
<td>651,621</td>
<td>–175,622</td>
<td>–21.2</td>
</tr>
<tr>
<td>% manufacturing</td>
<td>35.2</td>
<td>13.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Louis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>124,432</td>
<td>24,393</td>
<td>–100,039</td>
<td>–80.4</td>
</tr>
<tr>
<td>All sectors</td>
<td>366,524</td>
<td>161,434</td>
<td>–205,090</td>
<td>–60.0</td>
</tr>
<tr>
<td>% manufacturing</td>
<td>33.9</td>
<td>15.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Median Household Income of Four U.S. Cities and Their SMSA, 1950 and 1990

<table>
<thead>
<tr>
<th>City</th>
<th>1950</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>$2,817</td>
<td>$24,045</td>
</tr>
<tr>
<td>SMSA</td>
<td>$2,925</td>
<td>$36,550</td>
</tr>
<tr>
<td>City/SMSA</td>
<td>96.3%</td>
<td>65.8%</td>
</tr>
<tr>
<td>Detroit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>$3,465</td>
<td>$18,742</td>
</tr>
<tr>
<td>SMSA</td>
<td>$3,564</td>
<td>$34,612</td>
</tr>
<tr>
<td>City/SMSA</td>
<td>97.2%</td>
<td>54.1%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>$2,869</td>
<td>$24,603</td>
</tr>
<tr>
<td>SMSA</td>
<td>$3,050</td>
<td>$35,437</td>
</tr>
<tr>
<td>City/SMSA</td>
<td>94.1%</td>
<td>69.4%</td>
</tr>
<tr>
<td>St. Louis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>$2,718</td>
<td>$19,458</td>
</tr>
<tr>
<td>SMSA</td>
<td>$2,966</td>
<td>$31,774</td>
</tr>
<tr>
<td>City/SMSA</td>
<td>91.6%</td>
<td>61.2%</td>
</tr>
</tbody>
</table>


1950. By 1990, none of the cities had a median income greater than 69 percent of its SMSA; Detroit’s income was only 54 percent of its SMSA, and Baltimore’s was only 66 percent.

Current federal and state responses to abandoned housing in cities are subsumed under urban community development and affordable housing programs. Addressing the depopulation problem is an incidental aspect of these initiatives and depends on the local use of available funds. In the main, these initiatives consist of federal empowerment/enterprise zone and state enterprise zone programs, U.S. Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG), HOME and HOPE VI programs, and housing tax credit programs. As will be shown, Baltimore city and local CDCs are relying on these and other resources to revitalize neighborhoods with the largest concentrations of abandoned homes.

**Baltimore’s plan for addressing abandoned housing**

Baltimore’s approach to its depopulation trend is outlined in *Plan-Baltimore!* (2000), a draft document outlining the city’s new master plan process. In a chapter titled “Strengthening Our Housing and Neighborhoods,” the document lists a number of goals and recommendations related to developing and implementing a strategic demolition and preservation plan for vacant houses, reducing drug abuse and crime in neighborhoods, improving schools, deconcentrating poverty, maintaining clean and attractive neighborhoods, retaining middle-income residents
and home buyers, and building strong community partnerships (with residents, businesses, CDCs, etc.).

The centerpiece of the PlanBaltimore! initiative is the Neighborhood Planning Program (NPP), through which the city says it will work with neighborhoods to devise neighborhood plans. Guiding the formulation of the planning process was an NPP Steering Committee, a group convened by Mayor Martin O’Malley in March 2000 and composed of representatives from city agencies, CDCs, community organizations, nonprofit civic associations, foundations, and businesses. The committee recommended that the neighborhood plans provide a framework for targeted investment of public, private, and nonprofit resources in city neighborhoods. According to PlanBaltimore! (2000):

The City should use the NPP to develop and implement criteria for neighborhood-based decision making about vacant houses. The new strategic demolition plan should give priority to demolition in areas with good opportunity for land assemblage and redevelopment. The NPP should be the primary vehicle to move demolition recommendations through the City approval process. (59)

According to the September 15, 2000, draft of the NPP Steering Committee’s final report, the city would be divided into approximately 40 planning areas, each with an average of 15,000 residents. The city would outline the elements to be included in each neighborhood plan (housing, public safety, sanitation, etc.), develop a database related to those elements, and provide technical assistance to the neighborhoods. Originally, the goal was to have all neighborhood plans completed by 2005.

Baltimore’s evolving policy on demolitions

Although PlanBaltimore! states that “a carefully planned demolition strategy is part of the city’s response to ‘undercrowding’” (1999, 59), in recent years this approach was widely criticized as unsystematic and counterproductive. About $5 million was spent annually on scattered demolitions, which were targeted to units the city had identified as unsafe (because of safety hazards or storm or fire damage) and properties about which the city received complaints from neighbors about health and safety hazards. Defenders of the city’s aggressive demolition policy point out that unsecured, vacant homes attracted drug-related activities and vagrancy.

In keeping with former Housing Commissioner Daniel P. Henson’s goal of eliminating 11,000 of the worst units by the year 2003 (Rozhon 1999), more than 4,000 row houses were demolished between mid-1996 and mid-1999, all in the city’s poorest neighborhoods. Critics point out that demolition sometimes left gaps in row house blocks, creating an unsightly, “snaggle-tooth” appearance. Some midblock demolitions led to
the collapse of adjacent units, and there was often no plan to reuse the parcels, so toppled buildings frequently became subject to trash dumping, drug-related activities, and rat infestation (Wittis 2000).

In February 2000, under new (and now former) Housing Commissioner Patricia Payne, the city declared a moratorium on demolitions except in emergency cases, such as houses severely damaged by fire. On July 27, 2000, the city’s DHCD held a public forum in which it revealed the city’s annual budget for demolitions for fiscal year (FY) 2001 and proposed a new strategy for spending the funds. During this period, only $2 million will be available to the city (from the State of Maryland) for demolitions, enough to demolish approximately 300 buildings. The city has asked the state for an additional $10 million for demolitions for FY 2002 (Thompson 2001).

At the July forum, DHCD proposed that the first priority for demolitions be units that pose imminent danger to residents. In other non-life-threatening situations, the city proposed to pursue demolition in areas (a) that have the highest concentrations of vacant and abandoned houses, (b) where overall block conditions are poor, (c) with abandoned and obsolete alley housing, and (d) where demolition will “protect development investments.” DHCD spokespersons stated that the city would pursue the demolition of whole blocks, avoid snaggle-tooth demolition whenever possible, and coordinate demolitions with neighborhood planning efforts.

In the short term, the city will face constraints in implementing this policy. There were 100 emergency demolitions in the city in 1999, many of them midblock units. Strategic demolition will therefore at best comprise around two-thirds of the cases. Since the city has funding for 300 demolitions a year, at current funding levels, it would take more than 40 years to bring down the approximately 12,700 units that are unfit for occupancy, and additional units will undoubtedly become vacant.

The PlanBaltimore! process, combined with the city’s evolving demolition strategy, will constitute a plan for addressing the impact of abandoned housing. Each planning area will develop its own revitalization plan that, like the three neighborhood plans profiled below, will presumably identify the blocks to be targeted for demolition and for rehabilitation. In some areas, the neighborhood plans that are developed will introduce hybrids of Baltimore’s traditional row house fabric.

### Abandoned housing strategies in three Baltimore neighborhoods

The three neighborhoods that served as the focus of the case studies of abandoned house strategies were Sandtown-Winchester, Harlem Park,
and East Baltimore (see figure 1). Details on these cases can be found in Cohen (2000). Following is a summary of the key features of the neighborhoods and of the efforts being taken to address the abandoned housing problem.

**Figure 1. The Case-Study Neighborhoods in Baltimore City**

Demographic, socioeconomic, and housing characteristics

Each of the three Baltimore neighborhoods was constructed in the mid-to late 1800s. Sandtown-Winchester and Harlem Park were built as white, middle-class suburbs, featuring three-story Italianate row houses on the main streets and two-story row houses on the narrow alley streets (Hayward and Belfoure 1999). Most of Historic East Baltimore was constructed during the Civil War to house workers in the city’s manufacturing, port, and railroad facilities. After World War I, all three neighborhoods began attracting blacks from the upper southern states. Because of a combination of factors—including racial zoning in the early
1900s that confined blacks to certain neighborhoods (Dewar 2000) and restrictive covenants in other neighborhoods until the early 1960s—the three neighborhoods became almost exclusively black by the early 1970s.

The loss of manufacturing jobs in Baltimore, through factory closings and structural change, along with fair housing laws that facilitated the flight of middle- and upper-income blacks from inner-city neighborhoods, contributed to the area’s physical and economic decline. For example, Sandtown-Winchester, once home to over 30,000 people, saw its population decline to 10,300 by 1990. Of Sandtown-Winchester’s 4,600 housing units, 3,000 needed either rehabilitation or demolition, and of these, 600 were boarded up (Goetz 1997). While 70 percent of the occupied units were single-family homes, only 20 percent were owner occupied. Nearly half of Sandtown-Winchester’s residents were living below the poverty line, half were unemployed or underemployed, 45 percent were receiving public assistance, and almost 40 percent reported no earnings at all (Gugliotta 1993).

Similar conditions existed in the other two study neighborhoods. For example, 65 percent of Harlem Park’s households earn less than $20,000 a year, and over 56 percent of adult residents do not have a high school diploma (Torti Gallas and Partners—CHK, Inc. 1999). In the East Baltimore neighborhoods, a survey conducted in 2000 by the Historic East Baltimore Community Action Coalition, Inc. (HEBCAC), counted 4,100 vacant, unoccupiable units, out of a total of 12,500 housing units (Ways, Howard, personal communication, July 13, 2000). In other words, nearly 32 percent of the area’s housing units are vacant and need rehabilitation. Other indicators of the HEBCAC neighborhoods’ troubles are the following: One of every six homeowners has stopped paying property taxes, one of every three households makes less than $15,000 per year, half of all adults are high school dropouts, half of all households do not own a car, and one of every four residents is addicted to drugs or alcohol (Haner 1999).

Partners and strategies in the case-study neighborhoods

Sandtown-Winchester. Of the three neighborhoods studied, the 72-block Sandtown-Winchester neighborhood has the longest experience and the most comprehensive approach. One of the major partners in the Sandtown-Winchester project is the Enterprise Foundation, a national non-profit organization that channels investment and funds to groups that develop or rehabilitate affordable housing. Enterprise was founded in 1982 by James Rouse, who created the planned community of Columbia, MD; developed suburban shopping malls; and was responsible for successful downtown commercial revitalization projects such as Harbor Place in Baltimore and Faneuil Hall in Boston.
When he committed the Enterprise Foundation to work in Sandtown-Winchester in the early 1990s, Rouse saw an opportunity to demonstrate that any inner-city neighborhood, no matter how distressed, could be transformed. Said Rouse: “We wanted a place that could be called a ‘bottom’ neighborhood, one with real human devastation, where people were really living in the worst possible conditions” (quoted in Gugliotta 1993, A1). The paradigm for the effort was “neighborhood transformation (NT),” the term Rouse used to describe an all-encompassing effort for inner-city neighborhood revitalization. See Cohen (2000) for components of NT and some of its accomplishments and limitations.

In 1993, Baltimore Mayor Kurt L. Schmoke had declared the goal of acquiring and rehabilitating all 600 of Sandtown-Winchester’s vacant units, a strategy that ignored the reality of the city’s depopulation. While hundreds of these homes have been fixed up and sold over the past few years, many other homes in the community had become vacant, with the pace of degradation exceeding that of rehabilitation (Batko, Bill, personal communication, July 24, 2000). In 2000, the Neighborhood Development Center (NDC), a nonprofit corporation created in 1993 to coordinate housing development and provide planning and technical assistance to the Sandtown-Winchester effort, proposed a revised set of priorities for renovation versus demolition. Rows of homes would be preserved whenever possible. There would be no selective demolition, which in the past had created snaggle-tooth blocks. If more than half of the homes on a block were debilitated, then the whole block would be torn down. If economically feasible, homes on “gateway” streets would be preserved (Batko, Bill, personal communication, July 24, 2000). In 2000, using these principles, the NDC produced a preliminary plan identifying which blocks should be rehabilitated, which homes should be refurbished and which demolished, and what uses could be made of open spaces.

Harlem Park. In a 19-block portion of the Harlem Park neighborhood, the Bank of America CDC and the community-based Harlem Park Revitalization Corporation are planning to jointly acquire and develop homes, although the number of units in the neighborhood will be reduced by nearly 60 percent. Since a high proportion of the buildings in the 19-block area are vacant, most of the participants in the revitalization planning process live or own property or businesses in Harlem Park, but outside of the 19-block focus area. The planning participants expressed concern over the high proportion of the occupied homes that were being rented and established a goal of 60 percent owner-occupancy. The large number of vacant units along certain streets in Harlem Park provides options for altering existing block and housing patterns and for introducing a different type of housing. Accordingly, the new construction plan for Harlem Park calls for replacing the existing row house pattern in an 8-block area. In its place will be a wider lot configuration
featuring a new type of duplex housing with larger ground-floor rooms than in the existing housing, along with off-street parking and bigger lots. In front of the new homes would be small semicircular parks or large setbacks. This new configuration would eliminate a series of inner-block parks that had been established as part of an urban renewal plan in the 1950s that leveled the neighborhood’s alley row houses.

The renovation strategy intends to group rehabilitated properties next to vacant land or homes needing demolition. Some existing row house groups in another part of the Harlem Park planning area will be transformed into a semidetached or triplex pattern. As the design consultant, Torti Gallas and Partners—CHK, Inc., describes it:

Using the side-yard “Charlestown house” as a prototype, the proposal creates side-yard houses by demolishing every third or fourth house and giving the vacant land over to the adjacent house. Rather than a vacant ownerless parcel, the new side yard becomes an integral part of the existing home. (1999, 22)

The design consultant believes that the most recent renovation work on Harlem Park’s larger (three-story) homes demonstrates the feasibility and desirability of this strategy. Among the alternative formats for the Charlestown house design are a one-bedroom unit on the lower floor suitable for elderly tenants, with a two- or three-bedroom rental unit above; 2 two-bedroom rental units; and a large house for two unrelated single mothers living together, with shared public rooms on the second floor and private spaces on the first and third floors (Torti Gallas and Partners—CHK, Inc. 1999).

According to Maria Johnson, senior vice-president of the Bank of America CDC (personal communication, July 9, 2000), 390 row houses in Harlem Park will be reduced to 160 through demolition and reconfiguration of the inner-block parks. The for-profit Bank of America CDC will take an equity position in new development, investing up to 25 percent of the $20 million needed for the eventual, slowly phased buildout. The city has committed $4.8 million in CDBG funds as second mortgages that need not be repaid until the borrower sells the house, resulting in subsidies averaging $30,000 per unit. Ninety percent of the new units will be targeted to households making 80 percent of the metropolitan area’s median income, while the remainder will be marketed to households with lower incomes. The CDBG median family income for the Baltimore metropolitan area is $63,100 (HUD 2001). Thus, 90 percent of the homes will be targeted to households making $51,000 annually, substantially higher than the household incomes of most current Harlem Park residents.

Historic East Baltimore. HEBCAC is a CDC that is managing the revitalization of a 218-block area that encompasses several Baltimore neighborhoods. HEBCAC grew out of a task force that was created in 1992
to discuss the area’s community redevelopment and included representatives from East Baltimore community organizations, churches, businesses, state and local governments, and the area’s three largest employers—Johns Hopkins Hospital, the Johns Hopkins School of Medicine, and the Kennedy Krieger Children’s Hospital (another Johns Hopkins University institution). Together, these three medical institutions have 9,100 employees (Baltimore Metropolitan Council 2000). Over time, HEBACAC boundaries expanded. Approximately 82 percent of the area is included in the city’s Empowerment Zone (EZ), and HEBACAC serves as one of the city’s EZ village centers.

As is the case in Sandtown-Winchester, any housing revitalization program in Historic East Baltimore would have to be part of a comprehensive strategy to improve residents’ economic, social, and physical well-being. Accordingly, for the past several years, HEBACAC has spearheaded planning and implementation efforts in economic development, education, open space, public safety, and housing revitalization.

In 1997, HEBACAC was awarded $34 million from the city’s HUD Section 108 loan funds to begin its housing revitalization activity. Work began on the acquisition, renovation, and resale of homes. However, by October 2000, only 47 row houses had been completed or were in the process of renovation (Siegel 2000). The Section 108 funds subsidize approximately 40 percent of the cost of development. It should be noted that $34 million will be enough to acquire and renovate about 1,500 units, or slightly more than one-third of the area’s vacant, dilapidated homes, and additional units will likely become vacant in the meanwhile.

Following receipt of the HUD funds and implementation of the EZ, HEBACAC initiated a planning process to solicit more public participation and announced that decisions on which homes to reconstruct and which to demolish would be based on the cost of renovation, the concentration of vacant units, the marketability of renovated units, and their proximity to employment centers and amenities. The NDC and Institute of Architecture and Planning at Morgan State University assisted with community design workshops. In particular, the NDC conducted an international design competition for remaking the Middle East neighborhood. The competition was titled “New Strategies for Undercrowded Baltimore Neighborhoods: Encouraging Neighborhoods of Choice and Diversity.” Winners were announced in May 1999. The winning entries in the “New Strategies” competition suggested redesign schemes for the neighborhood that would dramatically alter its row house character. Since that time, an organization called the Design Collective has been helping HEBACAC neighborhoods devise their housing revitalization plans.

However, these early neighborhood plans may never be implemented, at least not with Section 108 funds. In the fall of 2000, the HEBACAC
board decided on a new plan to acquire and raze adjacent blocks containing mostly deteriorated row houses, with the intention of selling the land to developers for residential and commercial construction (Siegel 2000). The clusters of new homes would be larger than the pre-1900 row houses (to increase their marketability) and would create visible change in the neighborhood in a shorter time than scattered rehabilitation. Although some renovation work on some blocks would continue, the new strategy called for demolition of at least 2,000 homes, more than double the number in the original Section 108 application. That strategy would concentrate the demolitions close to the Johns Hopkins medical institutions rather than spread them throughout the HEBCAC neighborhoods. The most recent articulation of the area strategy, announced by the mayor’s office in the spring of 2001, is to use HEBCAC-designated Section 108 funds as part of an effort to transform 20 blocks into a major biotechnology park and up to 1,000 subsidized and market-rate housing units in the area north of the Johns Hopkins medical complex (Siegel 2001).

Subsidies needed for reoccupancy of rehabilitated units

Table 5 summarizes the partners, strategies, and subsidies involved in the revitalization efforts in Sandtown-Winchester, Harlem Park, and Historic East Baltimore. As shown in the last column, the actual per-unit difference between the cost of acquisition and rehabilitation and the sales price to the new owner is between $37,000 in Historic East Baltimore and $65,000 for one of the projects in Sandtown-Winchester (Batko, Bill, personal communication, July 24, 2000). The subsidy has usually taken the form of a second mortgage that the buyer need not repay until the unit is sold and in some cases is forgivable after 15 years. If the Harlem Park strategy is implemented as planned, the subsidy would average $30,000 per unit.

Challenges in Baltimore’s abandoned housing strategy

Baltimore’s evolving abandoned-housing policies and programs and the three neighborhood case studies reveal that a number of factors are complicating the city’s efforts to address its abandoned housing problem. These challenges impact the following steps of the process:

1. Neighborhood revitalization planning
2. Abandoned housing prevention
3. Acquisition and demolition of derelict row houses
4. Row house rehabilitation and marketing
<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Key Players</th>
<th>Range of Strategies (Either Planned or Implemented)</th>
<th>Housing Strategies, Investments, and Subsidies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandtown-Winchester</td>
<td>Enterprise Foundation, City of Baltimore, Habitat for Humanity, Baltimoreans United in Leadership Development (BUILD), New Song Community Church</td>
<td>“Neighborhood Transformation” encompassing community-based planning, housing rehabilitation, job training and placement, school-based health and mental health services, food programs, and public safety programs</td>
<td>Over $100 million was raised from a variety of public and private sources. Among the projects: The city and BUILD raise $28 million in federal, state, local, and private funding to build 210 Nehemiah units at a cost of $83,000 each, with units sold for $37,000 each; Habitat for Humanity rehabilitates homes for resale for $30,000 via no-interest mortgages; Enterprise constructs or rehabilitates hundreds of homes at a cost of approximately $100,000 each, with units sold for no more than $60,000 each; $31 million in HUD Homeownership Zone funding to rehabilitate units, the most expensive units rehabilitated at a cost of approximately $140,000 each and sold for between $55,000 and $60,000 each.</td>
</tr>
<tr>
<td>Harlem Park</td>
<td>City of Baltimore, Harlem Park Revitalization Corp., Bank of America CDC</td>
<td>Community-based planning, housing rehabilitation, commercial development, middle-school enhancement focusing on at-risk children, and creation of a senior living facility</td>
<td>Still in the planning stages: Bank of America CDC will invest up to $4 million of the $20 million needed for a phased build-out of 160 row houses (through demolition and reconfiguration of 390 row houses and of inner-block parks). The city has committed $4.8 million in silent second mortgages, for an average subsidy of $30,000 each for units priced between $80,000 and $95,000.</td>
</tr>
<tr>
<td>Historic East Baltimore</td>
<td>City of Baltimore, Johns Hopkins University medical institutions, HEBCAC</td>
<td>Community-based planning, housing rehabilitation, job training and placement, reverse commuting services, health services, and commercial development</td>
<td>$34 million in HUD Section 108 loans. By October 2000, 47 row houses were completed or being renovated. HEBCAC’s cost for acquisition and rehabilitation is $93,700; units sold for approximately $56,000. A new strategy to create a major biotechnology park and housing was announced in May 2001.</td>
</tr>
</tbody>
</table>
The following discussion analyzes some major challenges in each of these steps in the neighborhood revitalization process.

**Challenges in planning neighborhood revitalization**

There are three major challenges related to Baltimore’s neighborhood revitalization planning effort: the need for a comprehensive approach to address the range of problems that contribute to, or are aggravated by, abandoned housing; the financial cost of taking a comprehensive approach; and the difficulty of reaching consensus on the optimal strategy in a given area.

*Need for a comprehensive planning approach.* Douglas Rae asserts that any strategy aimed at housing rehabilitation and new construction in a given neighborhood should appeal to “an upscale market of incomers and upwardly mobile locals” (Citizens Planning and Housing Association [CPHA] 1997, 2). However, unless a community is an attractive residential option for higher-income buyers (the gentrification solution), most Baltimore neighborhoods crafting abandoned housing strategies will need to plan for their current residents, a high proportion of whom have limited incomes. Because these neighborhoods have a range of poverty-related problems, their revitalization strategies will need to incorporate the kind of comprehensiveness being attempted in Sandtown-Winchester and, to a lesser extent, in the Harlem Park and HEBCAC neighborhoods. Housing renovation must be accompanied by employment, economic development, health, public safety, and school-reform initiatives.

For example, one highly publicized problem is drug abuse. A recent study by the Drug Enforcement Administration found that there are an estimated 60,000 drug addicts in Baltimore (nearly one-tenth of the city’s population) and that the city leads the nation in per capita heroin use (Craig 2000). About 80 percent of the city’s homicides are drug related. Drug abuse is a symptom of, and contributes to, many of the problems that beset neighborhoods experiencing the worst housing conditions. Even neighborhood complaints of inadequate trash pickup are related to drugs: In 2000, the city’s Department of Public Works stated that drug abuse contributes to the high rate of unexcused absences by employees (Thompson 2000).

The city and the neighborhood CDCs are clearly aware of the need for comprehensiveness and are attempting to address the full range of problems besetting neighborhoods with a high incidence of housing abandonment. As noted earlier, the city’s demolition strategy is contained in a chapter of *PlanBaltimore!* that also outlines goals and strategies for reducing drug abuse and crime, improving neighborhood schools, deconcentrating poverty, maintaining clean and attractive neighbor-
hoods, and retaining middle-income residents. In 2001, the city was able to obtain a state budget commitment for the $25 million that Mayor Martin O’Malley said is needed so that every drug addict who seeks treatment, voluntarily or under court order, is able to receive it within 24 hours (Thompson 2001). A number of school improvement efforts are ongoing, including some in the case-study neighborhoods (Plan-Baltimore! 2000; Urban Educator 2001).

Another reason why a comprehensive, place- and people-oriented approach is necessary to deal with Baltimore’s abandoned housing is that political obstacles are in the way of dispersing Baltimore’s low-income, black population to better-off parts of the city or to surrounding suburbs. David Rusk (1996, 1999) asserts that the task of deconcentrating minority poor is easier in what he calls “elastic cities,” those allowed by state law to annex neighboring areas. However, he observes that Baltimore is denied annexation opportunities by a 1948 state law prohibiting the city from expanding its borders without approval from the suburban neighborhoods proposed for annexation. Accordingly, Rusk believes that the Maryland state government must dictate a change and create a metropolitan-wide policy to improve Baltimore, to include the following: creation of an elected, metropolitan government that would encompass the city and its six surrounding counties and have authority for metropolitan planning, zoning, and fair-share housing; a uniform property tax and regional revenue sharing; and growth management programs.

However laudable Rusk’s recommendations, they are highly unlikely to be implemented in Maryland in the near future. In addition, attempts to deconcentrate the city’s poor in the past few years have met with strong resistance. In the 1990s, the federal Moving to Opportunity pilot program was fiercely and successfully opposed by Baltimore County. In 2000, a proposal to move 10 low-income families into a racially integrated Northeast Baltimore neighborhood met with such strong resistance that it was dropped and became a factor in the resignation of the city’s then housing commissioner (Shields and Thompson 2000). Any attempts to improve neighborhoods with a high incidence of abandoned housing will have to focus on improving the quality of life for current residents.

Financial cost of taking a comprehensive approach. It is unlikely that the city’s neighborhoods will get the same kind of comprehensive, multifaceted, and well-funded attention as Sandtown-Winchester has gotten to solve their abandoned housing problems. In March 1999, Enterprise Foundation staff calculated that nearly $70 million in public and private funds had been spent in the Sandtown-Winchester NT effort, and an additional $31 million of HUD Homeownership Zone funding will be spent as well. These funds do not include some of the resources invested by other organizations working to upgrade the neighborhood: For example, the New Song Community Church operates a private
elementary school, family health services, and an arts and media center. While Sandtown-Winchester may be regarded as model with regard to its comprehensiveness, it is not a true model unless it can be replicated and unless the neighborhood can sustain itself economically after the city and the Enterprise Foundation withdraw their funding and technical assistance. It is not likely that any substantial, new federal funding will be made available for urban revitalization programs in the near future.

The improbability of financing a comprehensive, Sandtown-Winchester-type approach in other Baltimore neighborhoods was dramatically underscored in a July 2000 press conference in which then City Housing Commissioner Patricia Payne announced that there would be severe cuts in the CDBG allocations to local nonprofit groups due to the fact that the previous administration had borrowed against future grants to pay back the Section 108 loans used largely to finance the demolition of high-rise public housing and for housing rehabilitation programs in Sandtown-Winchester and East Baltimore. The amount owed the federal government is $73 million, and Payne announced that, over the next 10 years, up to one-third of the city’s CDBG money will no longer be available to nonprofits providing a range of services to disadvantaged groups (Shields and Shatzkin 2000). Neighborhood organizations in Baltimore were already resentful over the amount of city funds earmarked for Sandtown-Winchester, and the CDBG funding cutbacks will make the abandoned housing strategies in Baltimore even more difficult to implement.

The difficulty of attaining consensus on neighborhood plans. There is an inherent tension between the city’s commitment to helping local neighborhoods develop their own revitalization plans and the need to have a citywide strategy for assembling and disposing of large parcels to serve redevelopment goals affecting an area larger than a single neighborhood. The draft PlanBaltimore! (2000) states that “where vacancies are especially pronounced or clustered, the appropriate response will likely involve complex land assemblage, relocation and clearance strategies to create large sites for immediate redevelopment or, in some locations, for land banking and later redevelopment” (59). However, this assumes either that residents of some neighborhoods will create plans calling for their own neighborhoods’ clearance to serve city ends or that the city will designate certain areas for clearance regardless of local preferences. The author’s conversations with planning staff in July 2001 indicate that the city is intent on moving to a more top-down approach to neighborhood planning than the grassroots approach favored by the community-based representatives on the NPP Steering Committee.

The HEBCAC case exemplifies this dilemma. Housing rehabilitation originally was to be spread evenly throughout the area’s seven neigh-
neighborhoods on the basis of priorities set by each neighborhood. However, the city and HEBCAC leaders have recently rejected that approach in favor of using available CDBG funds for massive demolition and land assembly near the Johns Hopkins medical institutions to leverage private investment for creation of an employment-generating biotechnology park.

Another challenge to the NPP is reaching consensus within neighborhoods. There are 260 neighborhoods and over 750 neighborhood associations in Baltimore. Obtaining consensus on a planning area’s strategy will not be easy. The question of who speaks for the community is ever present, particularly in the Sandtown-Winchester and HEBCAC cases. For example, in the fall of 1999, an EZ village center in West Baltimore went into voluntary receivership because of conflicts between board members. The Sandtown-Winchester case reveals contentiousness between owners and renters in decision making over vacant land. Should the city proceed with a grassroots approach to decision making on neighborhood revitalization, conflict resolution could become a continual responsibility for city planning staff working with the NPP.

Challenges in preventing abandoned housing

A comprehensive abandoned housing strategy should include a plan to prevent housing abandonment. In Baltimore, along with strategies to improve the city’s schools and reduce crime, such efforts range from larger-scale efforts to bolster the city’s economy and increase the efficiency of government (to help retain current residents and businesses and attract new ones), to highly publicized actions against perpetrators of “flipping”, to a Healthy Neighborhoods Initiative that is initially targeting areas beginning to show signs of decay. (Flipping refers to the fraudulent practice in which investors buy a home, make cosmetic improvements, and then quickly resell the property at an inflated price through the use of false appraisals.)

An example of the city’s attempt to spur the downtown economy is the plan to create a “Digital Harbor” along the city’s waterfront to house high-tech industries. In the spring of 2001, the city approved a contract for the installation of several miles of high speed, fiber-optic cable under city streets and was awarded $18 million from the Maryland State Legislature for improvements in the waterfront area designated for the high-tech businesses. An ongoing west downtown redevelopment project and the proposal to create a biotechnology park illustrate the city’s intent to reinvigorate the downtown area. While the biotechnology park, if it materializes, would certainly have an impact on part of the HEBCAC area, it remains to be seen whether the other projects, if successfully implemented, will attract new residents and stimulate the housing
market in other low-income black neighborhoods with a high incidence of abandoned housing.

The city realizes that an important component of a resident and business retention and recruitment strategy is to improve the efficiency of municipal government. In 2000, Mayor O’Malley implemented the Citi-Stat system, in which statistics are collected and electronically mapped on everything from the number of citizen complaints on trash pickup to the amount of overtime worked by Public Works crews to the number of houses for which lead paint abatement is completed. While other cities have used this type of computer mapping to track crime data, Baltimore appears to be the first city to apply it to other urban concerns (City of Baltimore 2001; Shields 2001; Swope 2001). All city department supervisors must meet with the mayor and his cabinet every two weeks to review the data summary and defend their work. Correctional measures are taken, if necessary, with followup and reassessment. While early reports on service efficiency have been positive (Shields 2001), more time must pass before the impact of the system can be fully evaluated.

Other challenges to preventing abandonment are the widespread instances of property flipping and the lack of an approach to “mothballing” vacant houses. Because of flipping, buyers are frequently unable to meet monthly payments or pay property taxes based on the inflated assessment. The result is often a vacant house that buyers abandon or lose to foreclosure. An assistant U.S. attorney prosecuting flipping cases in Baltimore has asked courts for heavy penalties for perpetrators “because of the destabilizing effect that property flipping has had on Baltimore city” (as quoted in O’Donnell 2000, 2B).

Mothballing is a short-term solution that lies between demolition and full rehabilitation. A real example is an owner who has been directed by the city to donate the property to a nonprofit, rehabilitate it, or tear it down. It would cost $60,000 to rehabilitate the building, which could then be sold for no more than $20,000. The owner has received an estimate of $42,000 for razing the property, because it is an interior unit that would require bricking the outside walls of the two adjoining units. The city needs to devise an interim solution for such owners, under which the unit could be stabilized at relatively low cost without being an eyesore. The property would essentially be mothballed, awaiting an upturn in the neighborhood’s fortunes.

To meet these challenges, in August of 2000, Mayor O’Malley announced a Healthy Neighborhoods Initiative designed to help stabilize selected neighborhoods before they decline. The program will provide low-interest loans to new and current residents for home purchase or improvement, training and technical assistance in neighborhood organizing and leadership development, and funding for community self-help projects (City of Baltimore 2001). The $3 million effort is being partially funded
by a $1 million appropriation from the state legislature, supplemented
by money from HUD that was granted in response to Baltimore’s flipp-
ing problem (which had resulted in Federal Housing Administration
foreclosures).

A preventive approach also needs to include measures to keep vacant
homes from deteriorating to the point of being beyond repair. Suggested
measures to avoid “demolition by neglect” include helping low-income
and elderly homeowners maintain home exteriors, particularly roofs, and
strategically protecting vacant houses for future rehabilitation by cre-
ating city standards for mothballing permits (Neighborhood Design Cen-
ter [NDC] 2000).1 Each of these efforts would require increased city
spending.

Challenges in acquiring and demolishing derelict units

Efforts to acquire and demolish derelict units in Baltimore face four
major challenges: tracking ownership of houses and ground rents, own-
ership of blighted properties by felons, limited city staffing for taking
problem properties, and limited city resources for demolition.

Tracking ownership of houses and ground rents. One of the obstacles in
acquiring and reusing vacant properties is the difficulty of identifying
and contacting the owners. The problem of acquiring properties is com-
pounded by the difficulty of contacting out-of-state corporations that
own sizable numbers of vacant units. Shields (2000) reports that the
president of a neighborhood association in northeast Baltimore recently
counted 55 vacant or abandoned homes in his neighborhood, excluding
those with for-sale signs. Of those 55, 6 are owned by the city, while the
remainder are owned by corporations, many of them located in Texas,
which use the units as tax write-offs.

Complicating efforts to track ownership and acquire properties is Bal-
timore’s system of ground rent, which is an annual payment made for
the privilege of using (or building on) another person’s land. The ground
rent system was imported into Pennsylvania and Maryland during the
pre–Revolutionary War era. Ground rents meant that new home buyers
did not have to pay for the land at the time they purchased a house. The
purchaser bought the house, then made a small annual payment to the

1 The NDC of Baltimore, a nonprofit organization that mobilizes pro bono work by ar-
chitects, landscape architects, and other planning, engineering, and design-related pro-
fessionals, has published a set of recommendations for policy and programming on
abandoned housing. The recommendations incorporate ideas produced by a committee
composed of representatives from a number of local community organizations, such as
the CHPA, the Neighborhood Congress, 1000 Friends of Maryland, and the Parks &
People Foundation. (The author was a member of the committee.)
ground rent owner. To carry out the revitalization program in western Harlem Park, for example, the Bank of America CDC and the Harlem Park Revitalization Corp. will have to identify the owners of 390 homes, as well as the owners of the ground rents for those same properties (who may be different from the homeowners).

Ownership of derelict homes by felons. Although not a reported problem in Sandtown-Winchester or Harlem Park, a major barrier to East Baltimore's revitalization is that many row houses are owned by drug dealers and other convicted felons who use illegal profits to acquire rental properties. Haner (1999) reports that drug dealers use their ownership of vacant or derelict homes to launder drug profits by reporting the income as rents. Within two blocks of the HEBCAC office, felons own at least seven of the most blighted homes in the neighborhood. A factor that prevents HEBCAC or the city from acquiring these properties is that there would be a public outcry if tax money (the CDBG funds) were used to purchase homes from felons. In one East Baltimore neighborhood, where police recently arrested 200 people on drug and weapons charges in a series of raids around an elementary school, felons have acquired 39 homes.

Since 1977, federal laws have made it possible for federal prosecutors to seize the belongings of certain defendants and auction off any assets acquired with profits from criminal activity. However, federal prosecutors have confiscated fewer than a dozen homes in the city since 1993 (Haner 1999). One reason is that, because of an overload of drug and insurance fraud cases in 1992, the U.S. Attorney's office disbanded and reassigned a team of lawyers who had specialized in reviewing property records to identify criminal assets that could be seized. As a result, already overburdened prosecutors and investors were forced to do their own property research.

Even though the U.S. Attorney's property research unit was reconstituted in October 1999, other factors have hindered the confiscation and disposition of felons' row houses. Federal prosecutors are supposed to seize only those properties that can be sold for a profit. However, not only are many of the row houses in terrible condition, they are often contaminated with lead paint (see the section on removing lead paint) and asbestos, in addition to having liens for back taxes. As a result, criminals have been left in possession of their rental properties while they serve their sentences.

Haner (1999) quotes a high-ranking federal prosecutor in Maryland as saying that the federal seizure laws also allow for property confiscation for the purpose of preventing owners from using the properties as sites for criminal activities. In such cases, prosecutors have sufficient discretion to give the properties away to the city or a nonprofit group if the
recipient is willing to assume responsibility for them. This situation could be fortuitous if the property in question is included in a block slated for demolition under a neighborhood revitalization plan and if liens and back taxes are minimal.

*Increasing staffing to process takings.* In 1999, Maryland passed legislation facilitating the city’s taking of property for revitalization. Under the law, the city may now take occupied houses that are in good repair if they are on a block that is more than 70 percent abandoned and in need of immediate demolition. Also, the city can declare any property officially abandoned if it is unoccupied and in tax arrears for more than two years or determined by the city’s DHCD to be uninhabitable. Further, city lawyers may file an immediate “quick take” request for any abandoned property in Housing Court, instead of in the greatly backlogged Circuit Court. Instead of requiring the city to track down and notify anyone with a potential claim or lien on a property—a process that can cost more than some properties are worth—the new legislation allows the city to satisfy the notice requirement by running a newspaper ad. City lawyers would need to appraise the property first, then place money in a fund to pay any owner who comes forward after the property is taken.

A major challenge faces the city with regard to takings and the new legislation, however. Until recently, the city employed only one lawyer to process all of the takings proceedings. The new legislation is irrelevant unless the city can capitalize on it. A recent report by the Greater Baltimore Committee (2000) asserted that bureaucratic inefficiency was undermining the city’s effort to acquire and dispose of vacant buildings. According to the report, the acquisition function was split among three departments, none of which was adequately staffed to address a backlog.

The city responded to this report by creating a new Office of Acquisitions and Relocation. By July of 2001, the city had two staff members working full time on acquisitions in the new office and was in the process of hiring two additional employees. According to Walter Horton, the city’s development administrator, the office must still deal with a backlog of more than 1,000 properties.

*Limited resources for demolition.* As noted in the discussion of the city’s evolving strategy, Baltimore has access to only $2 million during FY 2001 for demolitions. Because about one-third of those funds will likely be needed for emergency demolitions (to protect public safety), this leaves enough money for only about 200 of the demolitions targeted in neighborhood revitalization plans. As stated in *PlanBaltimore!* (2000), “Assembling the resources needed to carry out [demolition of abandoned structures and reuse of the land] remains a challenge that needs to be
addressed in combination with our State, Federal and non-profit partners” (59).²

The city also faces difficult choices in deciding where to deploy limited funds for demolition and renovation. Some neighborhoods are stable and need no help, while others are beginning to see housing deteriorate. A question that needs to be addressed is how much of the city’s redevelopment money should be targeted to neighborhoods at risk of decline versus those that are already troubled.

Challenges in rehabilitating and marketing row houses

Rehabilitating Baltimore’s row houses as part of neighborhood revitalization strategies faces three major challenges: the need for subsidies to make the new or renovated units affordable, the omnipresence of lead paint, and the need for countering the limited marketability of row house size and design.

Need for subsidies to make the new or renovated units affordable. The cost of rehabilitating a row house in the three case-study communities is several thousand dollars more than the market price for the renovated unit. In Sandtown-Winchester, the differential has usually been between $40,000 and $65,000 per unit, and it is only slightly less in East Baltimore. In Harlem Park, where the new and renovated units will be priced higher than in the other two case-study neighborhoods, the subsidy is projected to average $30,000 per unit. A challenge for housing renovation in these communities will be to obtain and maintain needed subsidies.

During the 1970s, the city operated an urban homesteading program in which individuals could acquire a vacant inner-city home for one dollar. Through sweat equity and with the assistance of an array of federal, state, and local programs, the new owner-occupants were able to restore hundreds of properties. Replicating that program today is complicated by the absence of two factors that made the original homesteading effort successful—a large inventory of city-owned properties (obtained for a highway project that never materialized) and the availability of government funds for restoration (PlanBaltimore! 2000).

Removing lead paint. A distressing characteristic of the city’s deteriorating older housing stock is the omnipresence of lead paint. Lead paint

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² The City of Philadelphia, which has twice as many abandoned units and vacant lots as Baltimore, has embarked on a program to demolish most of the units and reclaim the lots. The initial cost is estimated at $1.6 billion, beginning with a $250 million bond issue (City of Philadelphia 2001). Baltimore officials have not announced what a similar effort in their city would cost.
dust hovers in the air and clings to the walls of thousands of Baltimore row houses, creating particular risks for children. Once ingested, lead inhibits a child's ability to absorb iron, an element vital to proper brain, bone, and nerve development. The resulting physical damage leads to learning disabilities, hyperactivity, heightened aggression, and an increased proclivity toward criminal activity (Haner 2000; Wheeler and Haner 2000). Lead paint poisoning thus contributes to crime, poorly performing schools, and neighborhood decline. Maryland has 4 times the national average of lead-exposed children and over 15 times the nation’s rate of lead poisoning. Over 7,000 Baltimore children are exposed to lead paint and 1,200 are poisoned each year. The latter represents 85 percent of the state’s lead-poisoned children. Lead paint also adds to the cost of rehabilitation—an additional $10,000 for the typical Sandtown-Winchester unit (according to Bill Batko, personal communication, July 24, 2000).

Actually, Maryland has one of the strictest lead paint abatement laws in the nation; it requires landlords to register their properties with the Maryland Department of the Environment, eliminate lead-paint hazards, and submit to safety inspections before renting to families with children. However, prior efforts to prevent lead poisoning in Baltimore have been stymied by low levels of funding and staffing for home inspection and enforcement of the lead paint abatement law. Wheeler and Haner (2000) report that less than half of the rental units in the state are registered and that 80 percent of lead-poisoned children are living in uncertified houses. City staff have been “outmaneuvered by a cadre of mega landlords who control thousands of substandard rowhouses through shell corporations” (Haner 2000, 8A). Many of these offending landlords are convicted felons.

In reaction to a Baltimore Sun exposé on the lead paint epidemic, the state and city recently announced that they will spend $50 million between 2000 and 2003 to eliminate the lead paint hazards in dilapidated housing. This funding will allow for heightened inspection and enforcement. Homeowners and landlords will be eligible for up to $8,500 in grants for lead paint removal in three targeted city neighborhoods, two of which are Sandtown-Winchester and the HEBCAC Middle East neighborhood. Landlords will have to pay for 20 percent of the abatement cost, while homeowners will be eligible for the full grant (Wheeler and Haner 2000).

Mayor O'Malley asserts that the city will seek state legislation requiring that a notice be posted in every rental unit built before 1950 stating that the unit complies with the law. The city says that it will also introduce a bill targeted at landlords who attempt to evade cleanup orders by transferring their properties to corporations and denying personal responsibility for abatement (Wheeler and Haner 2000).
The city is also acting to reduce lead pollution and runoff resulting from housing demolitions. In response to criticism from neighborhood activists, at a July 2000 forum on vacant home demolitions the city provided a handout that outlined ways in which it would notify neighborhood residents of scheduled demolitions, and address environmental and health concerns by removing asbestos before demolition, baiting for rodents, erecting temporary perimeter fences, spraying sites while demolition is in progress (to prevent lead dust and other particles from blowing to adjacent sites), and controlling runoff. The city also pledged to remove building debris and grade and seed the lot within 30 days after each demolition is complete.

Marketing existing, new, and renovated units in the case-study neighborhoods. Baltimore has a distinctive neighborhood design and architecture, characterized by two- and three-story row houses on a hierarchy of streets that originally promoted socioeconomic heterogeneity. However, the size and design of the units limit their marketability. Typical small alley row houses built in the 1870s were 11 to 12 feet wide and 24 to 30 feet deep, with two rooms on each of the two stories, for a total of 480 to 720 square feet (Hayward and Belfoure 1999). Row houses for the middle class were usually between 13 and 18 feet wide and 30 feet long, sometimes with three stories or a back building. The largest row houses were up to 22 feet wide and 32 feet deep, three stories high, with a 16- by 32-foot back building. As a consequence, a narrow two- or three-story row house has trouble competing with more contemporary housing. As noted in PlanBaltimore! (2000):

Baltimore’s rowhouses are ideally suited to particular segments of today’s housing market, like singles or first-time homebuyers. However, many contemporary consumers want larger bedrooms and baths, more flexible space, larger yards, decks, recreation rooms, greater energy efficiency and other amenities that are missing from much of Baltimore’s housing. Adapting these elements to existing homes can make rehabilitation costly. (52)

One market response, described earlier in the Harlem Park case, is to eliminate the row house configuration in favor of duplexes with wider rooms and larger yards. Another response is to adapt the row house, as exemplified by the “twofer” being created as part of Sandtown-Winchester Square, a portion of the $31 million Homeownership Zone in the neighborhood. On one side of the 1100 block of Calhoun St., 24 two-story brick row houses were reconfigured to create a dozen homes, each one a combination of two units. Gunts (2000) quotes project architect David Gleason’s rationale for combining two 900-square-foot row houses: “Today, you have kitchens with a lot of counter space and cabinets, washers and dryers, closets, the first-floor powder rooms. The market place demands it. This was a way to make these narrow houses more efficient and saleable” (3E). Gunts asserts that these “twofers” also demonstrate
the capacity of Baltimore’s row houses to adapt to changing times and economic conditions.

Anecdotal information suggests that buyers for the already rehabilitated homes in Sandtown-Winchester have been primarily families (including those with children) who were already renting in the neighborhood (Batko, Bill, personal communication, July 24, 2000). Release of the complete 2000 census figures will help identify the types of households that have been buying into the neighborhood. Because the schools were not a selling point, marketing efforts stressed that the neighborhood offered the best housing choice for the price. In Harlem Park, with its redesigned blocks, there will be a concerted effort to recruit people who once lived there but left for the suburbs (Johnson, Maria, personal communication, July 9, 2001). Marketers will point to high-profile improvements being attempted in the neighborhood’s middle school and promote the potential for organized, intergenerational interaction between the students and the residents of a to-be-constructed senior living facility.

Normally, it would seem that an obvious market for newly rehabilitated homes—and even those row houses needing repair—would be foreign immigrants. However, while some older cities have been reinvigorated in the past decade by foreign immigration, Baltimore has not.

A final challenge with regard to marketing prerehabilitated row houses is the need to educate potential buyers/redevelopers about city, state, and federal historic rehabilitation tax credit programs that provide substantial subsidies for restoration. William Pencek, deputy director of the Maryland Historical Trust, states that community developers in Sandtown-Winchester and HEBCAC are not making use of the State Rehabilitation Tax Credit, which enables a home buyer or landlord (including a nonprofit developer) to claim 25 percent of the rehabilitation cost on a qualifying unit as a credit to offset state taxes. The credit can be sold to a bank in exchange for a mortgage reduction. Thus, if a row house requires $80,000 in qualifying rehabilitation costs, a tax credit of $20,000 can be claimed by the new homeowner or be purchased by a lender. In the latter case, the borrower’s mortgage can be reduced by the amount of the tax credit, decreasing the mortgage loan by $20,000. This credit can be combined with the federal income tax credit and city property tax credit programs. More aggressive use of these programs could reduce the amount of direct subsidy needed from Section 108 and other funds.

3 To qualify, the property must be within a city-designated or nationally registered district. However, Pencek states that older Baltimore neighborhoods could easily acquire that designation if they applied.

4 In the Baltimore City Tax Credit Program, owners of qualifying properties can have their property taxes frozen at prerehabilitation levels for 10 years afterward.
Conclusion: Lessons from the Baltimore cases

This discussion highlights key challenges faced by Baltimore and the case-study neighborhoods in revitalization planning, abandoned housing prevention, acquisition and demolition of derelict row houses, and rehabilitation and marketing. Several important lessons can be learned from these cases.

First, with regard to neighborhood revitalization planning, the type of grassroots, community-based planning envisioned in the *PlanBaltimore!* 2000 draft is not a reasonable way to devise revitalization strategies that include large-scale initiatives transcending individual neighborhoods. The obvious example here is the economic development potential of largely abandoned properties near the Johns Hopkins medical institutions in the HEBCAC neighborhoods. Potential for job creation and business development was ignored in the earlier version of the plan, which spread housing rehabilitation funds throughout the area’s neighborhoods.

An earlier, 1999 draft of *PlanBaltimore!* contained a more strategic approach to revitalization planning that proposed creating four types of subarea classifications: preservation areas, stabilization areas, reinvestment areas, and redevelopment areas. Classifications would be based on an area’s current characteristics, in terms of such factors as housing condition, vacancy rates and incidence of housing abandonment, rate of owner-occupancy, viability of traditional market forces in the land market, evidence of historical or architectural character, and potential reuse. Each subarea would have particular objectives for neighborhood planning. For example, stabilization areas would be the type targeted in the city’s Healthy Neighborhoods Initiative: those with generally well-maintained housing but showing signs of decline. The goal would be to focus public and private resources to reverse early stages of decline.

Based on definitional variables, other neighborhoods such as Harlem Park would fall into the “reinvestment areas” classification, in which the goal would be to “[b]uild on character and attributes so areas can realize their potential to become attractive living environments” (*PlanBaltimore!* 1999, 33). A large portion of the HEBCAC neighborhood would fit into a “redevelopment areas” classification because of the high rate of depopulation and housing abandonment. For such areas, the goal would be to “redevelop the urban fabric by removing surplus structures and creating new uses and amenities that could include job centers, open space, retail developments and mixed-income housing” (*PlanBaltimore!* 1999, 33).

If the city used the classification scheme, it could use housing-related and other indicators to make initial classifications for particular areas of the city. The NPP process, described earlier, would be used to produce
community-based plans in the preservation, stabilization, and reinvestment areas. In redevelopment areas, residents and neighborhood associations would negotiate with the city over the benefits to be received by current residents from public and private investment. For example, in the case of the proposed biotechnology and mixed-income housing project adjacent to the Johns Hopkins medical complex, HEBCAC could negotiate with the city and Johns Hopkins to secure formal commitments on the extent of housing, job training, and employment opportunities for neighborhood residents.

Second, it is clear from the case studies that a comprehensive people- and place-oriented strategy is needed to address the abandoned housing problem and that such a strategy will be expensive. The strategy must include sufficient funds to accomplish housing demolition and rehabilitation, to subsidize units to make a high proportion of them affordable to current residents, to address the range of poverty-related conditions in neighborhoods with a high incidence of housing abandonment, and to leverage private sources of investment. The comprehensive Sandtown-Winchester effort alone has already consumed more than $100 million in public, private, and foundation funds. To fully assist other communities, more funding than the city has obtained in federal and state aid thus far will be needed.

One Baltimore official (who did not want to be identified) indicated in July 2001 that the city is exploring the feasibility of adopting a funding approach being implemented in Philadelphia through that city’s Neighborhood Transformation Initiative (NTI). Part of the funding for this $1.6 billion effort will be generated from a $250 million bond issue (City of Philadelphia 2001). The bonds will be gradually repaid from Philadelphia’s annual operating budget. According to the Baltimore official, although Baltimore has a debt limit of $45 million, its housing authority does not, opening the possibility for using the NTI strategy.

Third, the case studies make it clear that to implement the state’s new lead paint laws effectively and facilitate acquisition of properties as part of revitalization plans, Baltimore needs to devise and implement regulations to make ownership more transparent and to streamline the property acquisition process. CDC directors in the case-study neighborhoods all reported that the process of tracking ownership of buildings and ground rents and acquiring properties creates lengthy delays in the redevelopment process. While the city is bolstering the size of its acquisitions staff, their progress in reducing the current backlog of 1,000 properties needs to be monitored so that adjustments can be made accordingly.

Once ownership is identified, parcel-specific information should be included with tax and other data and information in a user-friendly, central clearinghouse. Issues involving accessibility to some parcel-specific
data will need to be addressed, as they were in the establishment of Philadelphia’s Neighborhood Information System, which provides CDCs and city agencies with Web access to a geographic information system containing ownership, tax, vacancy, and other data on the city’s land parcels (Panaritis 2000). Baltimore’s system could include vacant land and buildings. The case studies demonstrate the need for the clearinghouse to contain information on city and other programs (such as the Historic Rehabilitation Tax Credit) that help people purchase and rehabilitate abandoned houses and vacant lots. The clearinghouse should also contain illustrations of how residents have creatively rehabilitated vacant houses and reclaimed vacant lots (NDC 2000).

Fourth, systematic evaluations of revitalization efforts need to be designed and implemented, beginning with the neighborhood improvement strategies in Sandtown-Winchester, Harlem Park, and the HEB-CAC neighborhoods. An additional study is needed on the degree to which the city is using the state’s smart growth initiatives and the impact of those initiatives on neighborhood revitalization.

With regard to smart growth, the State of Maryland in 1997 instituted several programs designed to prevent sprawl and revitalize existing communities. Maryland’s cities and inner suburbs, which house most of the state’s low-income and minority population, are favored under the Smart Growth Areas Act for state infrastructure, housing, and economic development spending and the targeting of job-creation tax credits. (Accordingly, a Baltimore land bank could assemble and market properties to be sold to a developer eligible for job-creation tax credits.) The Live Near Your Work Program is designed to entice workers to buy houses downtown rather than in the suburbs, thereby contributing to revitalization. Brownfield cleanup and incentive programs are intended to stimulate the reuse of contaminated, vacant/underused industrial sites. The state’s smart growth policy of targeting public school construction funds for the renovation of existing schools can result in the physical upgrading of previously neglected inner-city schools.

In principle, Maryland’s smart growth initiatives should help Baltimore improve its infrastructure and schools, increase employment, and attract new residents. However, although the smart growth program has received much favorable national publicity, very little is known about its effectiveness. The 1997 legislation did not establish benchmarks or indicators, and the core programs have not been in place long enough to evaluate their impact. The indicators were still in the formulation stage in July 2001.

Other analyses that need to be conducted include an evaluation of quality-of-life indicators in Sandtown-Winchester since 1990—to test the effectiveness of the NT process—and an analysis of the demographic characteristics and neighborhood of origin of recent buyers in Sand-
town-Winchester, especially in the Homeownership Zone. The latter would help identify the market for further renovation. Similar tracking should be done for housing resales in Harlem Park and HEBCAC.

In summary, participants in the struggle over future uses for abandoned housing will need to be resigned to a protracted process. There is very little likelihood of any major new federal initiatives for urban revitalization, and the impact of Maryland’s smart growth Initiatives may not be realized in the near future. As a result, depopulating cities like Baltimore need to look to each other for examples of promising municipal and community-based initiatives. They will also need to continue efforts for regional collaboration in addressing their myriad problems.

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