

# McElderry Park Homeownership Plan

October 2024

INTRODUCTION	PG. 1
HOMEOWNERSHIP ACTIVITIES TIMELINE	PG. 3
NEIGHBORHOOD DESCRIPTION	PG. 4
McELDERRY PARK HOUSING MARKET DATA	PG. 6
HOUSING SURVEY RESULTS	PG. 7
WAYS TO ACQUIRE PROPERTIES	PG. 11
LENDING OPTIONS FOR DEVELOPERS/INVESTORS	PG. 12
DOWNPAYMENT INCENTIVES FOR HOMEBUYERS	PG. 14
HOMEBUYER EDUCATION PROGRAMS	PG. 15
HOMEOWNER ESTATE PLANNING	PG. 16
HOME REPAIR SUPPORT FOR HOMEOWNERS	PG. 16
COMMUNITY IMPROVEMENTS	PG. 17
IMPROVING THE HOMEOWNERSHIP RATE IN McELDERRY PARK	PG. 18
APPENDICIES	PG. 19

## Introduction

The McElderry Park neighborhood is a community of 3,700 residents developed in the late 1800s for working class families. The neighborhood includes Northeast Market, East Monument Main Street District, and Johns Hopkins Broadway medical campuses as amenities. The neighborhood has an active community association, affordable housing, public art, community-managed green spaces, and two public schools.

Since 1990, McElderry Park has lost nearly 4,000 residents, resulting in declining homeownership and increasing vacancy. Just **25% of the households are owner occupied** (in 2023, according to SDAT), as compared to **52% on average for the city** (in 2022, according to the Federal Reserve Bank of St. Louis). However, the **homeownership rate was nearly 46% in 2000**, meaning that the neighborhood has lost a significant number of homeowners, and a majority of them Black homeowners. The average home price (for a mortgage) is rising slowly, from \$153,000 in 2016 to \$189,500 in 2023; residents are building equity in their homes. The **housing market remains dominated by landlords**, although at a decreasing rate each year. In **2020, 86% of all properties were sold in cash**, indicating an investor purchased the property. In 2023, **68% of all transactions were in cash**. In 2023, over **10% of residential parcels were vacant**.

The **Milton-McElderry-Fayette Area Plan** (MMF Plan), adopted in 2006, guides the revitalization of the McElderry Park neighborhood. The MMF Plan set a vision of creating “a mixed-income neighborhood, one that has a healthy mix of ownership and rental housing, and one that has enough affordable housing to accommodate current residents who wish to remain in the neighborhood over time,” and recommended the community develop a housing strategy. The planning process engaged a high level of resident participation, with over 380 residents attending nine community meetings held at Tench Tilghman Elementary/Middle School.

Community partners are deeply invested in taking action to address the declining homeownership rate, with the goal of creating homeownership opportunities for current residents. The three main community partners involved in this effort are **McElderry Park Community Association**, **Charm City Land Trusts**, and **Southeast Community Development Corporation**.

**McElderry Park Community Association** (MPCA) operates a community resource center, maintains several community greenspaces, manages resource distributions, and coordinates a community cleaning program.

**Charm City Land Trusts** (CCLT) was incorporated in 2000 to promote the long-term community control of land resources through preservation, acquisition, and development of land parcels. CCLT manages the Port Street Commons greenspace and develops permanently affordable housing. **Southeast Community Development Corporation** (Southeast CDC) was established in 1975. Southeast CDC stimulates private and public investment in housing, infrastructure, parks, employment and city services, supports existing residents to participate in the planning and implementation of community projects to improve their quality of life, and attracts residents to homeownership while preserving top quality affordable housing.



### **Monument-McElderry-Fayette Area Plan (MMF Plan) - 2006**

The MMF Plan called for housing development that:

- Creates new, affordable housing opportunities for current residents
- Preserves and improves existing green/open space
- Guarantees good management of any and all rental units to ensure good neighbor standards
- Does not create project-like buildings that warehouse low-income residents
- Avoids the forced relocation of any resident

This *Homeownership Plan* addresses the following recommendations of the MMF plan:

- **Recommendation #1:** Develop and pursue a strategy of rehabilitation of vacant properties, starting with disposition of city-owned properties to developers and current residents who will create an initial batch of affordable housing.
- **Recommendation #4:** Identify more ways to develop and deepen partnerships with various housing organizations in order to advocate for and garner funding to create affordable housing for this community.

### **Monument-McElderry-Fayette Plan Community Guiding Principles and Needs** relevant to homeownership:

**Principal 7:** We want a neighborhood that does not concentrate housing, either by type, income level, or ownership status.

**Principal 8:** Our vision is to create a mixed-income neighborhood, one that has a healthy mix of ownership and rental housing, and one that has enough affordable housing to accommodate current residents who wish to remain in the neighborhood over time.

**Need 1:** We want a program that helps renters to become homeowners.

**Need 2:** We want a plan to provide ways to help current homeowners repair/upgrade their property and be able to pay property taxes so that they can stay in the neighborhood.

**Need 3:** We want educational programs and better information to help residents avoid predatory lending.

**Need 4:** We want home-owner counseling and financial literacy programs to begin well in advance of any new housing development so residents (renters and homeowners) will be better prepared and financially capable of purchasing (or renting) these new homes.

**Need 5:** We want to maintain goals for a housing price mix that recognizes that in the MMF area of Baltimore City income levels are different than in the metropolitan area as reflected in the Area Median Income (AMI).

## McElderry Park Homeownership Activities Timeline

**2006:** MMF Plan published.

**2007:** Safe Streets comes to McElderry Park.

**2010-2015:** Habitat for Humanity rehabs and sells homes in McElderry Park.

**2013:** McElderry Park is awarded \$1,000,000 as a recipient of the Byrne Criminal Justice Innovation Program. The grant facilitates a series of stakeholder meetings that created a sustainable development plan, implemented new programming, and identified the need for the neighborhood to adopt an affordable housing model.

**2015:** Charm City Land Trusts acquires its first home in McElderry Park.

**2021:** Southeast CDC + MPCA begin Homebuyer Clubs led by HUD-Certified Housing Counselors for area residents to learn the steps to becoming a homebuyer. At the end of each club, participants are eligible to earn a Homebuyer Certificate which is required by the City to qualify for downpayment and closing costs financial assistance.

**2021:** Southeast CDC began sending mail annually directly to homeowners in McElderry Park to notify them about the deadlines to file for the Homestead Tax Credit, pay liens to avoid tax sale foreclosure, and enroll in the Homeowners Tax Credit.

**2021:** CCLT's first home sale in McElderry Park.

**2022:** CCLT acquires five vacant lots on the 400 block of N. Bradford with the plan to develop ground up, new construction land trust homes.

**2022:** Baltimore City's Department of Housing and Community Development (DHCD) provides Catalyst funding for resident outreach around housing. Organizers conducted door-to-door outreach to recruit residents into the Homebuyer Club, tracked vacant properties, and managed the housing survey.

**2023:** Southeast CDC raises \$600,000 in Congressional Earmarks for McElderry Park housing rehabs; funds become available in 2025.

**2023:** CCLT's second home sale in McElderry Park.

**2023:** MPCA works on developing a vision for the community, with a goal to leverage \$100,000,000 to "build an economic base for communities of color." Their goal is to ensure homes remain affordable and accessible to residents and legacy residents so they may remain in the neighborhood and acquire assets.

**2024:** Southeast CDC's first home purchase in McElderry Park.

**2024:** *McElderry Park Homeownership Plan* developed. Reviewers: Cheryl Bryant (Charm City Land Trusts), Pastor Gary Dittman (Amazing Grace Lutheran Church), David Harris (McElderry Park Community Association), Melissa Canady (McElderry Park Community Association), Ali Morris (Southeast CDC), Molly McCullagh (Southeast CDC), Solomon Simmons (resident), Harriet Alexander (resident), Audrey DeWitt (resident)



	1990	McElderry Park (2010)	% of neighborhood	McElderry Park (2020)	% of neighborhood	Baltimore City (2020)	
Total population	7,568	4,033	-	3,690	-	585,708	-
Race: Black	4,478	3,238	80%	2,281	63%	338,478	58%
Race: white	2,740	382	9%	379	10%	163,026	28%
Race: other	201	190	5%	600	16%	28,046	5%
Race: Two or more	-	142	4%	314	9%	29,306	5%
<i>Ethnicity: Latino</i>	149	473	12%	935	25%	45,927	8%

\* Source: 2020 Census, 2010 Census

	Baltimore Highlands	CARE	Ellwood Park	Highlandtown	McElderry Park	Milton-Montford
Total population (2020)	3,143	1,422	3,137	2,915	3,690	1,088
Ethnicity: Latino (2020)	2,147	176	1,108	851	935	55
% Latino (2020)	68%	12%	35%	29%	25%	5%
% Latino (2010)	41%	4%	14%	28%	12%	3%

\* Source: 2020 Census, 2010 Census

## Community Assets and Challenges

In the housing survey, residents shared the following community assets and challenges:

COMMUNITY ASSETS	COMMUNITY CHALLENGES
<ul style="list-style-type: none"> <li>- Monument Street shopping district</li> <li>- Northeast Market</li> <li>- Tench Tilghman EMS and playground</li> <li>- Library Square (park and library)</li> <li>- Port Street Commons</li> <li>- Johns Hopkins Hospital</li> <li>- McElderry Park Community Center</li> <li>- CASA Baltimore Welcome Center</li> <li>- The Men and Families Center</li> <li>- Housing affordability</li> <li>- Friendly neighbors, strong sense of community</li> </ul>	<ul style="list-style-type: none"> <li>- Trash, general neighborhood cleanliness, illegal dumping, rodents</li> <li>- Crime, drug trafficking and drug use</li> <li>- Gun violence, general community sense of safety</li> <li>- Squatters</li> <li>- Vacant properties</li> <li>- Home maintenance and ongoing maintenance needs for historic homes</li> <li>- Rising home prices that could make the neighborhood unaffordable</li> </ul>



## McElderry Park Housing Market Data

	2019	2020	2021	2022	2023
# of owner occupants	No data	No data	No data	No data	355
Homeownership rate	No data	No data	No data	No data	24%
Rental rate	No data	No data	No data	No data	76%
Median price of a home to an investor (cash sale)	\$38,000	\$55,000	\$78,350	\$98,404	\$87,750
Median owner occupant price	\$136,500	\$159,000	\$165,000	\$184,950	\$189,500
Median days on market (investor)	67	70	68	55	22
Median days on market (owner occupied)	89	70	68	52	21
# of transactions	108	99	122	109	124
% turnover (sales ratio)*	7%	6%	7.4%	7%	7.5%
# of investor transactions	85	55	88	79	84
% of investor transactions	79%	56%	72%	72%	68%
# of VBNs	270	238	204	213	187^
% vacant buildings**	14.5%	12.4%	12.9%	11.4%	10.4%
Rehab permits pulled (full year)	447	455	462	438	558

Sources: Multiple Listing Service, Open Baltimore (Baltimore City's Open Data Hub)

\*“...An annual volume of home sales in the range of 5% to 8% of the existing houses in a given neighborhood (the “**sales ratio**”) can be considered the “Goldilocks” range—not too cold, and not too hot. Ratios significantly below that level are likely to lead to property deterioration, and in many cases abandonment, as movers are unable to find buyers or renters to replace them.” (Source: *Abell Foundation: Drilling Down in Baltimore’s Neighborhoods: Changes in racial/ethnic composition and income from 2000 to 2017*. Alan Mallach, April 2020)

\*\***Vacant properties** remain a challenge, with more than 10% of all housing parcels in McElderry Park possessing a “Vacant Building Notice” (VBN) in 2024. As defined by DHCD, a VBN, is placed on a property that is “vacant, abandoned and uninhabitable.” The Baltimore Neighborhood Indicators Alliance advises neighborhoods to keep vacancy rates below 4%. Neighborhoods with vacancies greater than 4% are at risk for heightened crime, proliferation effects on surrounding properties, declining property values, and negative public health impacts. While the number of vacant houses in McElderry Park has decreased over the past five years (see Housing Market Data below), it is still more than double the recommended rate.

^ In 2024, Resident Leaders counted 300 observably vacant properties in McElderry Park during their block canvassing, suggesting that further monitoring and reporting of nuisance properties could lead to more VBNs being assigned in the neighborhood, which is the first step to processing a home for receivership and public auction.

### Homeownership Decline

Despite the 2006 MMF Plan’s stated intent to “have a healthy mix of ownership and rental housing,” McElderry Park remains predominately rentals. In 2023, 74% of all residents were renters and 26% were homeowners. A majority of the property sales in the neighborhood were purchased by investors, with 72% of all housing market transactions acquired by investors in 2021, 72% in 2022, and 68% in 2023. While some investors may be buying houses to redevelop and sell for homeownership, others are purchasing properties in declining conditions and renting them out with minimal or no repairs to generate a substantial cash flow – without investing back into the properties that, in many cases, are aging and substandard.

## Housing Survey Results

In 2024, **MPCA and Southeast CDC** administered a survey to residents to understand the housing experiences and perspectives of renters and homeowners in McElderry Park. Surveys were administered in English and Spanish. A total of 124 residents completed the survey (120 English, 4 Spanish). In the summary below, the number of respondents to a question is listed in parenthesis.

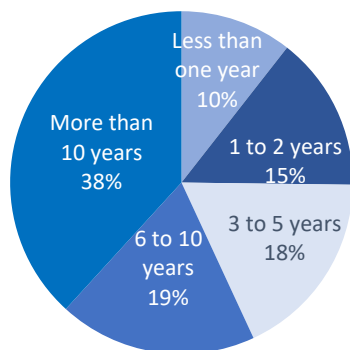
### Age of respondents

A total of 109 respondents (82%) indicated their age. Residents were 18 to 84 years old, with an average age of 51 and median age of 50. The most common age was 63 years (5).

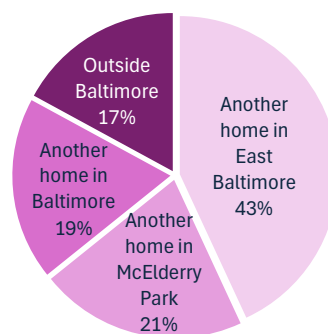
### What race and ethnicity do you identify as?

78 respondents identify as Black, 24 as white, and 3 American Indian. 16 identified as Latino.

### How many years have you lived in McElderry Park?

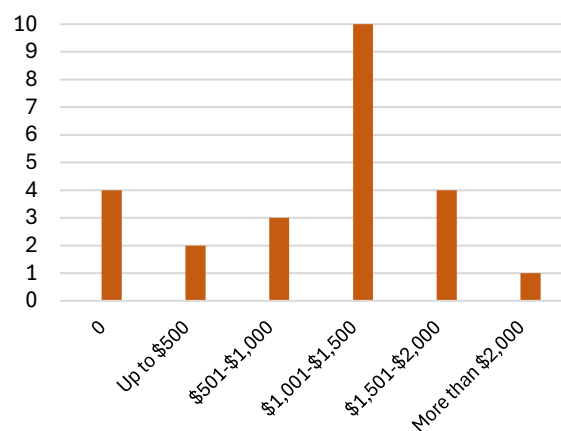


### Where did you live before moving to this home?



**Do you own or rent your home?** 33% of survey respondents own their home; 67% are renters

### HOMEOWNERS: How much do you pay for your mortgage each month?



### HOMEOWNERS: What kinds of home maintenance challenges are you experiencing?

- Roofing (9)
- External repairs and maintenance (i.e., yard, fence, railing) (6)
- Plumbing/water (e.g., leaks, water damage) (5)
- Maintenance (5)
- Basement (e.g., water issue) (4)
- Bathroom repairs (3)
- Personal (e.g., health, family) (3)
- Costs of repairs and maintenance (3)
- Flooring (3)
- Rodents/pests (3)
- Security/safety (3)
- Doors/windows (2)
- Electrical (2)
- Kitchen renovation/repair (2)
- None (4)

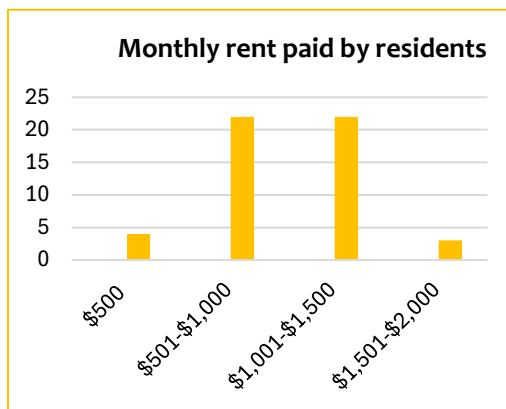
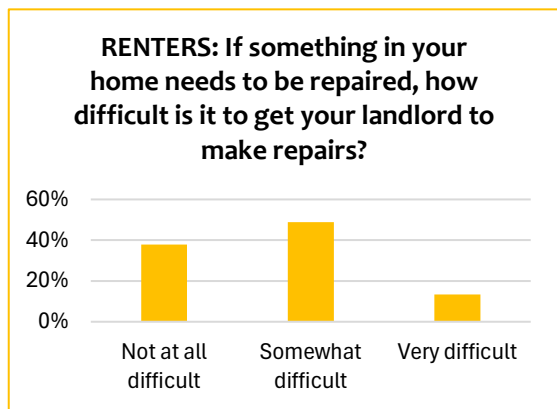


### HOMEOWNERS: Do you have any ideas of services or resources that you think could help with your maintenance challenges?

Most frequently, residents wanted more information and resources, including **recommended affordable and reputable contractors/repair services** (5), followed by **community maintenance and clean-up days, pest/rodent control services, and funding for home improvements** (3 respondents each).

### RENTERS: How much do you pay in rent each month?

Of the participants who responded (41%), the **average monthly rent was \$976**, with a range of \$160 to \$1,700. More than half of respondents (53%) paid up to \$1,000 in rent. Forty percent reported paying between \$1,050 and \$1,500 in rent, with \$1,200 and \$1,300 being most common.



### RENTERS: How do you feel about your landlord?

Residents were asked how they felt about their landlord. One-half of the residents responded (66). (The question was not applicable to or not answered by the remaining residents.) Most respondents (41%) had positive impressions of their landlord, with descriptions including *“great” “cool,” “caring,” “excellent,” “genuine person,” “nice and respectful,”* or said their landlord was *“ok” or “alright”* (36%). Ten residents (18%) had negative experiences with their landlord, describing them as *“lack[ing] compassion,” a “tyrant,” or “not doing [their] job.”* Four residents each did not express strong feelings about their landlord (*“fair,”* did not feel much) or had mixed feelings, and three residents expressed concern about their landlord’s responsiveness or efficiency (e.g., to repair requests).

### Should there be more rental options in the neighborhood, or are there enough?

More than twice as many respondents believed that additional rental options were needed (17% of the total sample) than those who believed the options were sufficient (8% of the total sample). Suggested options included **more apartments** and **rent-to-own properties**.

### Are the homes for sale in the neighborhood affordable to you?

Most residents felt that the homes for sale in the neighborhood were not affordable (67% of the total sample; 74% of residents who responded to the question). Nearly three times as many residents thought homes were unaffordable than residents who thought that the homes for sale in McElderry Park were affordable to them (23% of the total sample, 26% of residents who responded believed homes were affordable).

#### Are there vacant homes near you that bring you concern?

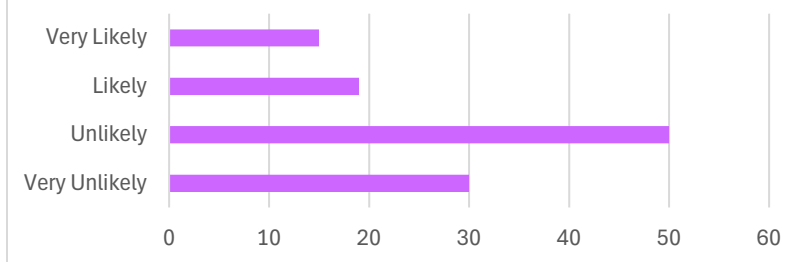
100% of residents responded that there were vacant homes near them that cause them concern.

#### Vacant Building Notice Analysis, 2024

Receivership	12
Under Permit	38
Newly Purchased (since 2023)	29
No Activity Seen	<u>95</u>
Total	174

Source: Open Baltimore

#### How likely are you to move out of the neighborhood in the next year or two?



### If you are likely to move, what are some of the reasons you expect to move away?

Residents were asked to share reasons they would move if they were considering relocating. More than half of residents surveyed responded (56%, 74). The most common reasons respondents would relocate were related to concerns about **safety and security** (36%, 27), the **cleanliness** of their neighborhood (22%, 16), **conditions of the homes** in their neighborhood and/or of the **state of the broader community** and city (14%, 10), and **improved quality of life** (11%, 8). Seven residents stated they were unlikely to leave McElderry Park.

### If you are likely to stay, what are some of the reasons you expect to stay?

Residents were asked to share reasons they would remain in their neighborhood. Half of the residents surveyed responded (50%, 67). Most commonly, residents would stay in the neighborhood they liked and valued their community (21%, 14), home (19%, 13), and neighbors (19%, 13). Residents also appreciated the resources (13%, 9), convenient location (12%, 8), and affordability (10%, 7) of their neighborhood. A summary of the reasons residents would stay in McElderry Park follows.

### Which block do you live on?

Location	#
Unit block Rose	1
200 block Rose	1
500 block Rose	3
600 block N. Potomac	1
100 block N. Port	2
200 block N. Port	1
400 block N. Port	1
500 block N. Port	2
800 block N. Port	1
200 block N. Patterson Park	1
400 block N. Patterson Park	1
500 block N. Patterson Park	3
2800 block Orleans	1
2500 block Monument	1
600 block N. Montford	3
700 block N. Montford	1
500 block N. Milton	5
600 block N. Milton	2
2400 block McElderry	7
2500 block McElderry	1
3000 block McElderry	1
200 block N. Luzerne	3
400 block N. Luzerne	1
500 block N. Luzerne	4
600 block N. Luzerne	2
900 block N. Luzerne	1

Location	#
400 block N. Linwood	1
800 block N. Linwood	1
200 block N. Lakewood	1
400 block N. Lakewood	1
500 block N. Lakewood	3
600 block N. Lakewood	2
200 block N. Kenwood	3
400 block N. Kenwood	1
500 block N. Kenwood	1
600 block N. Kenwood	1
700 block N. Kenwood	1
2300 block Jefferson	3
2400 block Jefferson	2
2500 block Jefferson	1
2600 block Jefferson	5
2700 block Jefferson	5
400 block Glover	4
500 block Glover	1
700 block Glover	2
400 block N. Bradford	2
500 block N. Bradford	2
600 block N. Bradford	1
200 block N. Belnord	1
400 block N. Belnord	1
500 block N. Belnord	1
400 block N. Clinton	1

## Ways to Acquire Properties

Below is a list of available methods and tools to acquire homes in the area.

### ***Private Acquisitions***

Private acquisitions occur through on- or off-market transactions. For a property to be “**on the market**,” it must be listed by a real estate agent on the Multiple Listing Service (MLS), which then circulates the listing for distribution to Zillow, Redfin, and other third-party listing sites. An **off-market purchase** results from directly contacting a property owner to make an offer without it being listed on the MLS.

***MMF Plan Recommendation #1:***  
*Develop and pursue a strategy of rehabilitation of vacant properties, starting with disposition of city-owned properties to developers and current residents who will create an initial batch of affordable housing.*

### ***Receivership***

If a property has a VBN and the owner has not abated the violation, the City can file a **receivership action** in court. The property owner(s) are served as Defendants. The court allows the owner, mortgage holder, or other person with an interest in the property to rehab it if they can prove to the Court that they have the funds and experience to do so. If not, the City will appoint the property to a “Receiver” to sell. The Receiver for Baltimore City is an organization called **One House At A Time (OHAAT)**. OHAAT will then auction off the property at a **public auction to the highest bidder**. All OHAAT bidders must show they have the funds and experience to renovate the property and place it back into productive use within 12 months.

### ***Tax Lien Certificate Sale***

The City of Baltimore holds an annual tax lien certificate sale to collect **delinquent real property taxes** and other unpaid charges that have been placed as liens against a property. It is a public, online auction where the **highest bidder pays the total amount of property liens** to the City and receives a tax sale certificate, giving the bidder the right to **obtain ownership of the property** by filing a tax sale foreclosure lawsuit. It can take between 24 and 36 months to obtain ownership.

### ***Judicial In Rem***

Judicial **In Rem** allows the Baltimore City Department of Housing and Community Development (DHCD) to **foreclose on the liens of a vacant house** when the **value of the municipal liens exceed the property’s assessed value**, thereby taking title to the property (liens include unpaid property taxes, environmental citations, water bills, etc). This **allows DHCD to acquire abandoned houses** and improve the pace of addressing blighted properties affecting the neighborhood. DHCD will collaborate with the community to determine the outcome of the properties; they often sell these properties to a community development corporation that has a plan for redeveloping the home. It can take between 12 to 18 months to obtain ownership through In Rem.

### ***BuyIntoBmore Fixed Pricing Program***

The BuyIntoBmore program allows aspiring **homeowners, family members with legacy ties, non-profits, and community land trust organizations to acquire specific City-owned vacant properties**. Vacant properties can be purchased by community land or residents intending to use the home as their primary residence for \$1; nonprofits with less than 50 staff members for \$1,000; and for-profit developers for \$3,000. Individuals with a familial or legacy connection to a vacant property that is not City-owned can

express interest in purchasing. DHCD will determine if the property is eligible for acquisition, and if so, will work with the individual to prepare them for homeownership while the property is acquired.

Anyone interested in participating in the BuyIntoBmore Fixed Pricing Program **must have \$90,000 available in either cash or financing** for property rehabilitation as most of the City's inventory will require significant rehabilitation to bring the property to code.

## Lending Options for Developers/Investors

### ***Conventional Loans***

A number of small-business loans are available for investor purchase/rehab loans, for example:

- A business term loan is a lump sum of capital that can be borrowed from a lender and repaid on a fixed schedule over a set period of time.
- A home equity line of credit, where the homeowner borrows money from a bank based on the "equity" in their home, or the value of their home minus the amount left to pay on their mortgage.
- Interest-only loans may also be available, in which the borrower only pays interest for the first several years of the loan.

### ***Line of Credit***

A line of credit allows a customer to borrow a pre-set amount of money from a financial institute as needed. It is a revolving account that can be used until the limit is reached. The limit is set by the issuing bank based on a customer's creditworthiness. As the money is repaid, it can be borrowed again if it is an open line of credit.

### ***Neighborhood Impact Investment Fund (NIIF)***

NIIF is a mission-driven investment fund dedicated to delivering capital and promoting inclusive, equitable growth in Baltimore's historically disinvested neighborhoods. They seek to support communities through loans and investments that can accelerate community revitalization, catalyze business activity, and provide greater economic opportunity for residents. This fund is intended for larger scale real estate related development or acquisition of multiple properties. McElderry Park is an eligible neighborhood.

### ***Baltimore Community Lending (BCL)***

BCL has a community development mission and makes loans to both non-profit and for-profit commercial real estate developers who may be unable to get a loan from a bank, are committed to revitalizing underserved neighborhoods, or need financing for projects that increase opportunities for affordable homeownership and rentals.

#### ***CHAP Incentive***

The McElderry Park neighborhood is within the East Monument Historic District and as such is eligible for Baltimore City's CHAP Historic Property Tax Credit Program. Property taxes are based on the assessed value of your home. The CHAP Tax Credit keeps your property taxes at the pre-improvement value for 10 years. For a house to qualify, a developer must spend 25% of the current assessed value on the rehab and not increase the footprint of the house by more than 20-30% depending on the current square footage. By passing this financial incentive on to the buyer, it allows more potential buyers to qualify for the house.

## Lending Options for Homebuyers

A number of mortgage loan programs are available for homebuyers looking to purchase a home in McElderry Park.

### ***Federal Housing Administration (FHA) Loan***

FHA loans have a **low minimum credit score and downpayment requirement**. A homebuyer can obtain an FHA loan with a credit score as low as 580 if 3.5% of the home's purchase price is placed towards the downpayment, or even a score of just 500 if 10% is put down as a downpayment. Depending on the borrower's credit score, FHA loans could have a higher interest rate and, as is the case with the majority of loan programs, if a buyer puts less than 20% as the downpayment, they are **required to pay Private Mortgage Insurance (PMI)** in addition to the principal, interest, taxes and homebuyer's insurance a homebuyer pays each month.

The FHA, which is part of the US Department of Housing and Urban Development, does not actually provide borrowers with money to buy a home. Instead, a bank loans the money to a borrower and the FHA guarantees the loan. This makes it easier for an individual to get bank approval since the bank does not bear the default risk.

### ***Conventional Mortgage***

A **conventional loan is more difficult to obtain than an FHA loan but typically costs less**. Buyers must meet stricter eligibility requirements, such as a higher credit score, a larger downpayment and a lower debt-to-income ratio. Some conventional loans allow a minimum credit score of 620 and a minimum down payment of 3%. Borrowers who put less than 20% down will also have to pay PMI. Unlike an FHA mortgage loan, a conventional mortgage loan is not guaranteed by the government.

### ***Healthy Neighborhoods***

As of 2024, McElderry Park homebuyers can now apply for a Healthy Neighborhoods mortgage loan! **Healthy Neighborhoods provides special below-market loans to homebuyers in targeted neighborhoods of Baltimore. No PMI is required.**

### ***ITIN Lenders***

The IRS created the **Individual Taxpayer Identification Number (ITIN) designation to allow individuals without a social security number to pay taxes**. Lending to ITIN holders is fully permitted by law but the credit available to ITIN borrowers is significantly lower than the credit available to those with a social security number, largely because these mortgages cannot be sold to government sponsored entities such as Fannie Mae or Freddie Mac nor insured by the FHA. However, **a small set of private lenders offer mortgage products to ITIN holders, often at higher interest rates, with larger downpayments and stricter lending restrictions.**

## Downpayment Incentives for Homebuyers

A downpayment is a non-refundable payment made when purchasing a high-priced item, like a house, to secure a loan. The remaining balance is paid through a mortgage loan from a bank or financial institution. The larger the down payment, the lower the mortgage loan. Baltimore City Department of Housing and Community Development's (DHCD) Office of Homeownership provides a variety of downpayment incentives to homebuyers purchasing a home in Baltimore. These incentives can make a home more affordable by lowering closing costs and the mortgage loan. Please note that **these incentives are only available to buyers who are purchasing a home as their primary residence and meet income limits**; they are not available for investors.

### ***Vacants to Value Booster (V2V)***

DHCD's V2V Booster forgivable loan provides \$10,000 in down payment and closing cost assistance to buyers of properties that were subject to a Vacant Building Notice for at least a year before 1) a developer rehabilitated the property, or 2) the property was sold to a homebuyer who intends to renovate the property using a rehabilitation loan. A homeowner must live in the house for five years before the loan will be forgiven.

### ***First-Time Homebuyers Incentives Program***

DHCD's First-Time Homebuyer Incentive Program provides \$10,000 in down payment and closing cost assistance to first-time homebuyers in Baltimore City who make 80% of the Area Median Income or below. (Please see the corresponding chart for the income limits.)

Household Size	30% Area Median Income Limits (2024)	50% Area Median Income Limits (2024)	80% Area Median Income Limits (2024)	100% Area Median Income Limits (2024)
1 person	\$25,700	\$42,800	\$68,450	\$85,600
2 people	\$29,350	\$48,900	\$78,200	\$97,800
3 people	\$33,000	\$55,000	\$88,000	\$110,000
4 people	\$36,650	\$61,100	\$97,750	\$122,200
5 people	\$39,600	\$66,000	\$105,600	\$132,000
6 people	\$42,550	\$70,900	\$113,400	\$141,800
7 people	\$45,450	\$75,800	\$121,250	\$151,600
8 people	\$48,400	\$80,700	\$129,050	\$161,400

### ***Buying Into Baltimore***

The Buying Into Baltimore incentive is a \$5,000 grant awarded by lottery to individuals who attend a Live Baltimore Trolley Tour. Live Baltimore is a non-profit that provides access to credible, timely and complete homebuying information in Baltimore City. Three times a year, Live Baltimore hosts a Trolley Tour – a chance to explore neighborhoods, connect with real estate professionals and community organizations, and a chance to win a down payment incentive. To learn when the next Trolley Tour will be, please visit [livebaltimore.com](https://livebaltimore.com).

### ***BRNI Boost (Southeast CDC)***

BRNI Boost is a \$15,000 downpayment loan with 0% interest from Southeast CDC targeted to homebuyers purchasing in Ellwood Park, McElderry Park, and Baltimore Highlands. To qualify for the incentive, homebuyers must earn less than 100% of the Area Median Income level (see corresponding chart). The BRNI Boost loan must be repaid when the home is re-sold. There are a limited number of these incentives available each year.



### ***Lender Incentives***

Many mortgage lenders offer first-time and income-restricted homebuyer downpayment incentives. Incentives vary from \$500 to \$5,000. It is recommended to comparison shop when choosing a lender so that you may find the best loan productive and financial incentives available to you.

## **Homebuyer Education Programs**

### ***Southeast CDC's Homebuyer Education Programs***

Southeast CDC offers monthly Zoom workshops with housing counselors who are certified by the U.S. Department of Housing and Urban Development (HUD), in-person Homebuyer Clubs based in McElderry Park, Ellwood Park, and Baltimore Highlands for English and Spanish speakers, and one-on-one counseling.

### ***Other HUD-certified agencies in Baltimore City***

Find all Baltimore City housing counseling agencies at <https://livebaltimore.com/buy/the-homebuying-process/homeownership-counseling/>

### **McElderry Park Homebuyer Club statistics, as of June 2024**

2021: 8 participants; 4 attended one-on-one with counselor; 3 received certificate so far

2022: 4 participants; 3 attended one-on-one with counselor; 1 received certificate so far

Spring 2023: 10 participants; 6 attended one-on-one with counselor; 5 received certificate so far

Summer 2023: 5 participants (3 from McElderry Park), 1 person from McElderry Park attended one-on-one with a counselor and received a certificate

Fall 2023: 4 participants (1 currently living in McElderry Park); that person attended one-on-one with a counselor and received their certificate

Spring 2024: 24 participants (3 from McElderry); 2 attended one-on-one with a counselor; 2 received certificates so far

**Summary: 68 total participants; 29% received certificate**

## **Homeowner Property Tax Credit Programs**

### ***Homestead Property Tax Credit***

To help homeowners handle large assessment increases on their principal residence, state law has established the Homestead Property Tax Credit. The Homestead Credit is available to all Baltimore City homeowners (must be your primary residence), no matter your income, and limits your increase in taxable property assessments to 4% or less each year. Southeast CDC Housing Counselors are available to assist homeowners in enrolling in the program.

### ***Homeowner's Property Tax Credit***

To qualify for the Homeowner's Credit, the homeowner's gross household income must not exceed \$60,000. The program allows credits against a homeowner's property tax bill if the taxes exceed a fixed percentage of your gross income. The deadline to apply each year is October 1st. Please contact Southeast CDC if assistance is needed to enroll in the program.

**MMF Plan Need 4:** *We want home-owner counseling and financial literacy programs to begin well in advance of any new housing development so residents (renters and homeowners) will be better prepared and financially*

## Homeowner Estate Planning

The best way to ensure a home stays in the family for future generations is through proper estate planning. Unfortunately, estate planning doesn't always happen. There are many instances where a homeowner has passed away without taking the needed steps to ensure the home can be retitled in the current occupant's name. This set of circumstances is referred to as "tangled title." A person has a tangled title issue when they are the occupant of a home, but their name is not on the property's deed. Without their name on the deed, housing assistance programs, tax credits and repair grants are often inaccessible, and the property becomes at risk of being lost through tax sale and mortgage foreclosure. Homeowners in this situation should contact Maryland Volunteer Lawyers Service and the Pro Bono Resource Center of Maryland to seek assistance.

## Home Repair Support for Homeowners

### **Healthy Neighborhoods**

A mortgage program that provides below-market loans to homeowners in Baltimore City to encourage investment and standard-setting renovation. In 2024, McElderry Park was designated as an eligible lending area for the loan program to help increase and encourage more homeowners in the neighborhood.

*MMF Plan Need 2: We want a plan to provide ways to help current homeowners repair/upgrade their property and be able to pay property taxes so that they can stay in the neighborhood.*

### **Banner Neighborhood HUBS program**

A city-funded program that provides free home maintenance repairs for income-eligible seniors over the age of 65.

### **Baltimore City DHCD Home Repair programs**

DHCD helps eligible low- and moderate-income applicants finance home improvements including the repair and replacement of roofing, heating, plumbing and electrical systems, and disability accessibility modifications. Assistance for repairs is mainly in the form of loans, some of which may be forgivable or deferred based on eligibility. Grants may be available for lead and disability accessibility, based on eligibility. Visit <https://dhcd.baltimorecity.gov/hho/rehabilitation-and-repairs> for more information.

## Community Improvements

Respondents to the housing survey shared a number of community conditions impacting their quality of life and limiting their desire to remain in the community. Below are strategies to address their concerns.

Community condition	Strategies	Partners
<b>Crime:</b> shootings, drug sales, drug use, gang activity	A. Outreach to dampen violence, interventions B. Increased youth support and programming as a substance use prevention measure	<ul style="list-style-type: none"> <li>- Safe Streets</li> <li>- McElderry Park Community Association</li> <li>- Mayor's Office of Neighborhood Safety and Engagement</li> </ul>
<b>Cleanliness:</b> trash, dumping, rats, pests	C. Request community dumpsters from DPW D. Organize community cleanups E. Hire residents to perform daily cleaning of blocks and alleys F. Train residents to use 311 to report illegal dumping or schedule bulk pickup (in English and Spanish) G. Train residents on proper garbage and bulk disposal (in English and Spanish) H. Maintain volunteers as greening stewards to manage Amazing Port Street Commons	<ul style="list-style-type: none"> <li>- McElderry Park Community Association</li> <li>- Department of Public Works</li> <li>- Southeast CDC</li> <li>- Charm City Land Trusts</li> <li>- Funders</li> </ul>
<b>Noise</b> from neighbors	I. (To be determined by committee)	
<b>Squatters</b>	J. Train residents to use 311 and 911 to report vacant properties K. Work with elected officials, police, and DHCD Code Enforcement	
<b>Lack of upkeep</b> in the community	L. Promote City resources for home repairs to residents M. Raise funds from the state to provide interior and exterior home repairs, façade improvements and block projects	<ul style="list-style-type: none"> <li>- McElderry Park Community Association</li> <li>- Southeast CDC</li> <li>- Funders</li> </ul>

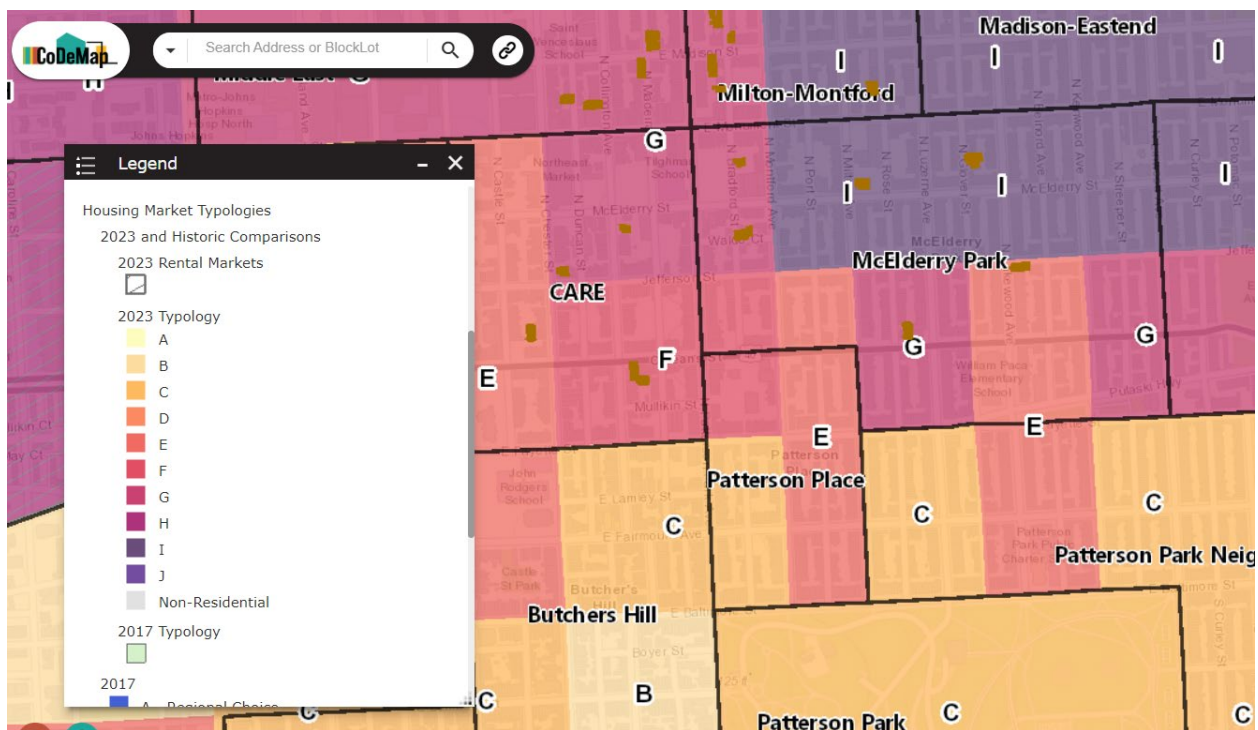
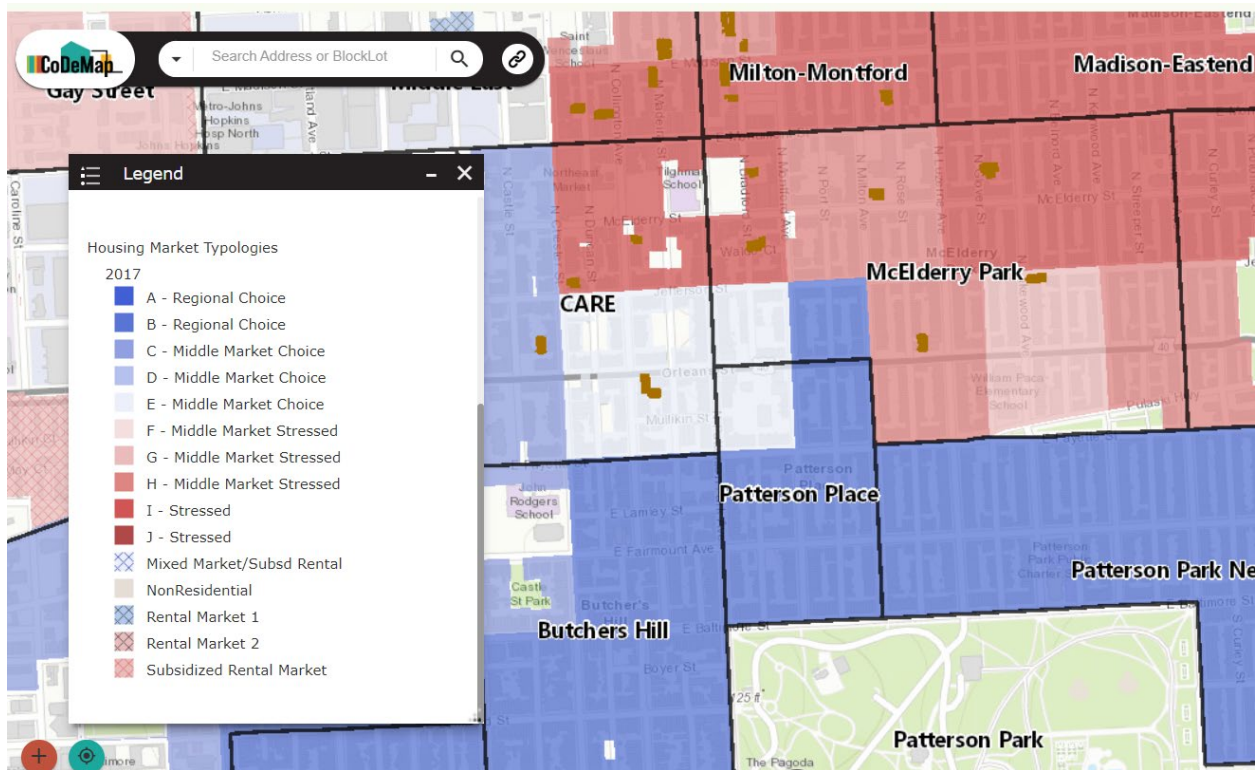
## Improving the Homeownership Rate in McElderry Park

Residents interviewed for this plan reported that they would like to see the conversion of abandoned homes to quality affordable homes and the development of absentee landlords' properties. Moreover, they discussed the need for community members to be sufficiently prepared and supported with needed resources for the home purchase process. This would include support with the improvement of credit scores, education about the homeownership process, and financing. Additionally, they expressed the need for longstanding owners to be aware of the property tax payment appeal process the city offers to avoid facing payments they cannot afford and falling behind on property tax payments.

### *Organizations focused on homeownership development*

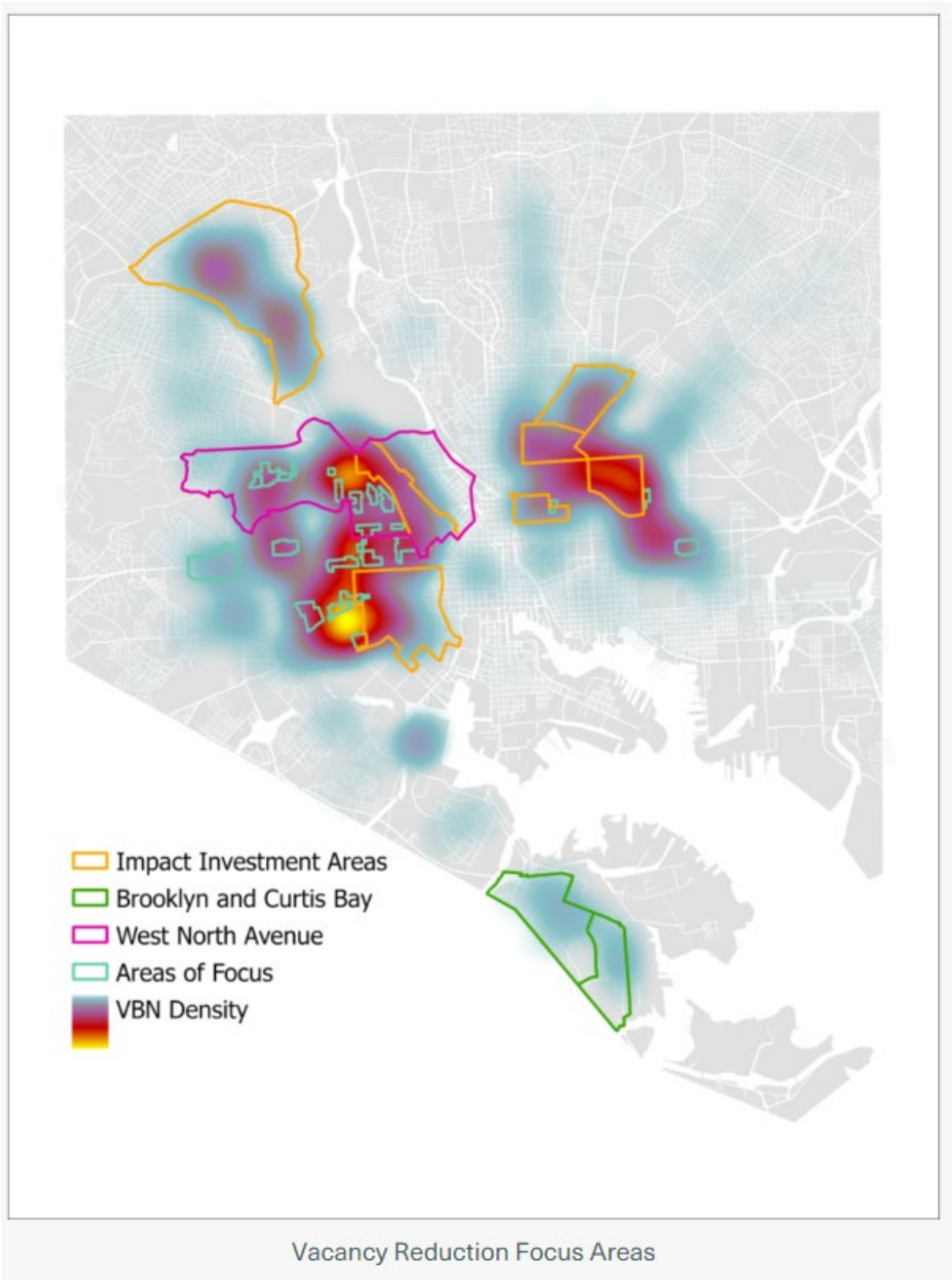
Group name	Description of homeownership activities 2024-2026
Charm City Land Trusts	<ul style="list-style-type: none"> <li>- Develop 4 new construction homes on (400 block of N. Bradford St.) and 1 rehab (522 N. Luzerne) to continue clustering CLT properties on the 500 block of N. Luzerne Ave.</li> <li>- Acquire and begin developing 5 to 7 new rehabs</li> <li>- Continuing hosting info sessions for residents on community land trusts and how to purchase a community land trust property</li> </ul>
Southeast CDC	<ul style="list-style-type: none"> <li>- Acquire and renovate vacant properties on target blocks, focusing on the homes in the worst condition</li> <li>- Sell rehabbed properties at affordable rates; hold open house for community members prior to listing home</li> <li>- Manage \$600,000 federal Congressional Earmarks (for acquisition and rehabilitation of homes in McElderry Park)</li> <li>- Solicit downpayment incentive grants from the state for low- and moderate-income homebuyers</li> <li>- Solicit home repair grants and manage home repairs for low- and moderate-income residents</li> <li>- Solicit block improvement grants and manage projects on target blocks</li> <li>- Host Homebuyer Clubs for McElderry Park residents</li> <li>- Provide homeownership counseling for future homebuyers and current homeowners in McElderry Park</li> </ul>

## Appendix A: Housing Typology





## Appendix B: DHCD Vacancy Reduction Focus Areas, 2024



## Appendix C: Stakeholder Interview Summary

### McElderry Park Stakeholder Interviews Summary

#### 1. Introduction

To understand the housing experiences and perspectives of renters and homeowners in McElderry Park, Southeast Community Development Corporation (SECDC) administered a survey to residents and included interviews with neighborhood stakeholders. The interviews pertained to stakeholders' engagement in housing issues in the neighborhood, observations of housing efforts and home sales in the community, and perspectives regarding the neighborhood's existing challenges and assets, affordable housing, suggestions for data to be contained in the homeownership plan, and how information about the plan and future home sales should be communicated with existing residents. Six residents were interviewed. All interviewees were English speakers.

#### 2. Participant Background

Of the six interviewees, three were affiliated with an organization working in the neighborhood to support residents and three were residents not affiliated with an area service provider. Of the five interviewees who shared how long they lived in McElderry Park, the average amount of time was 32 years (14 to 44 years). The organizations interviewees represented included Charm City Land Trusts and McElderry Park's Community Association. Most of the interviewees (67%) indicated they were involved in strengthening the McElderry Park community. One of two interviewees not presently involved expressed they would get involved if someone informed them of opportunities.

#### 3. Key Interview Findings

##### A. Housing and Other Related Efforts in McElderry Park

Interviewees affiliated with organizations operating in the neighborhood expressed some familiarity with the Monument-McElderry-Fayette Area Plan (MMF Plan). Residents not affiliated with an entity operating in the neighborhood were not familiar with the plan. Interviewees were not comfortable speaking to the details in the plan. One interviewee shared the observation that it seems as if processes related to the plan restart when turnover occurs in providers serving the neighborhood. Two interviewees spoke about the rehabilitating and selling of homes by Habitat for Humanity and Charm City Land Trusts over the years. Interviewees also mentioned cleaning and greening efforts and two greenspaces maintained in McElderry Park by Charm City Land Trusts.

Interviewees shared in greater depth the efforts their organizations have carried out in the community. They were asked to share their organization's goals for the community and shared the following:

- **McElderry Park Community Association** has been working on developing a vision for the community and landed on leveraging \$100 million to "build an economic base for communities of color." It has had discussions about implementing varying home equity models for the neighborhood by block to ensure homes remain affordable and accessible to residents and legacy residents may remain in the neighborhood and acquire assets. The Association is also



interested in small business development programming for residents to establish a thriving main street in McElderry Park with businesses that would then reinvest in the neighborhood.

The Association has engaged in the surveying of residents regarding their concerns, issues, and needs, including home prices and how homes might be rehabilitated. The Association is also working to engage residents in homebuyer classes so they may improve their credit and become prepared to purchase affordable homes; has placed community message boards around the community to broaden its communication reach; is focused on public safety, cleaning and greening, and other programming that assist residents with child (diaper hub) and pet needs (supplies and care) and employ youth to ensure the “neighborhood is up,” or visibly thriving.

- **Charm City Land Trusts** is a member of the SHARE Baltimore coalition which supports the creation and maintenance of community land trusts and shared equity ownership throughout the city. They are committed to building more affordable homes. Charm City Land Trusts’ goal is to increase its development of homes to 15 homes per year over the next couple of years and then work toward developing up to 30 homes per year. Over the years, Charm City Land Trusts has focused on advocacy to ensure that the infrastructure and resources to develop homes in the neighborhood became available, which included the creation of the city’s affordable housing trust fund. They have sold two homes to date and hope to leverage the city’s affordable housing trust fund to build/rehabilitate homes and reach its new goals. All their housing projects have taken place in McElderry Park. Currently, the organization is working on six (6) homes in partnership with SECDC and is acquiring a seventh. All of these homes are in Ellwood Park and Baltimore Highlands. Previously, the organization only rehabilitated homes but is now also engaging in building new homes. Charm City Land Trusts manages two greenspaces in McElderry Park and partners with the McElderry Park neighborhood association on community events and in providing a community garden for the neighborhood. When asked about the process through which the organization’s goals were developed, an interviewee shared that they believed the organization’s goals were informed by its board.

## **B. Hopes and Concerns for the McElderry Park Neighborhood**

Interviewees are generally concerned about the conditions of their neighborhood, the ability of their neighbors to become homeowners and more deeply invested in the neighborhood’s well-being, and the ability to develop and access affordable homes in the neighborhood.

- Interviewees most commonly expressed concern about illegal dumping, drug dealing and use, housing access, and decreasing homelessness. Three interviewees would like to see additional supports for substance use prevention and neighborhood cleaning efforts. One interviewee suggested increased youth support and/or development programming, particularly for female youth, as a substance use prevention measure. Interviewees expressed concerns about the illegal dumping and trash in the neighborhood and the need for additional maintenance, particularly of historic marble stairs on rowhomes, broken cement in walkways, and alleyways. These interviewees would like to see additional cleaning efforts and the engagement of residents

in these efforts to deter squatting, unhealthy living conditions stemming from rodent infestations, and the destruction of property.

- Interviewees discussed enhancing city processes and lessening bureaucracy for nonprofit community development corporations to be able to access and leverage the city's investments in its Affordable Housing Trust Fund. These efforts would facilitate the conversion of abandoned homes to quality affordable homes, enable the development of homes of absentee landlords, and strengthen the city's economy. Currently the Fund is reimbursement-based, which puts the burden on nonprofit developers to secure cash upfront to carry out development processes.
- Some interviewees spoke about the power of homeownership in facilitating engagement and commitment to a neighborhood and community. In addition to making housing available, interviewees would like to see residents sufficiently prepared and supported with needed resources for the home purchase process. This would include support with the improvement of credit scores, education about the homeownership process, and financing. One interviewee shared their inability to secure financing for a home valued below mainstream mortgage products.
- One interviewee discussed concern about the impact of surrounding homes being sold at increasingly higher values and its impact on property tax payments of longstanding, or legacy, owners. They believe it will be critical for longstanding owners to become aware of a process to appeal increased property tax payments the city offers to avoid facing payments they cannot afford and falling behind on property tax payments.

### **C. Housing Related Data Requested for Plan**

When asked about the data residents would like to see included in the homeownership plan, interviewees agreed with all the example data options provided. They would like to see:

- Number of vacant properties,
- Home sale prices,
- Demographics of residents,
- Homeownership rate,
- Percentage of rental housing,
- Condition of rental properties, and
- Illegal dumping hot spots.

### **4. Housing Affordability**

Interviewees were asked if they had concerns about the price at which homes have sold in McElderry Park and what they would consider an affordable price for a quality home in their neighborhood. All interviewees are concerned with ensuring homes in the neighborhood remain affordable. Four interviewees indicated they have seen homes sell from \$131,000 to \$259,000. One interviewee expressed concern about homes that sold for \$131,000 and \$135,000. Four interviewees spoke about seeing homes sell in the \$200,000 range or for hundreds of thousands of dollars and believe this is

unaffordable for existing or legacy residents. One interviewee discussed concerns regarding the impact of increased sale prices on property tax payments for longtime/legacy homeowners. The three interviewees affiliated with an organization operating in the neighborhood suggested that affordable sale prices would be capped in the range of \$110,000 to \$180,000.

## **5. Communications Suggestions for Homeownership Plan and Opportunities**

Interviewees believed that SECDC should use multiple methods to communicate progress related to the homeownership plan. One interviewee asked that SECDC considers that not all residents are computer literate. Interviewees affiliated with entities operating in McElderry Park agreed with all example communication methods provided:

- Community block events,
- Community association meetings,
- Social media,
- Newsletter, and
- Special events focused on housing.

Additionally, these interviewees recommended providing food at events (e.g., grill food in the library square); collaborating with other organizations that operate in the area and can help spread the word; posting information online/websites; and going door-to-door. SECDC may also want to consider leveraging community message boards the McElderry Community Center places around the neighborhood.

Three of the interviewees not affiliated with a service provider seemed to favor a newsletter mailed to their homes. One interviewee believed it would be effective to share information via social media and a newsletter made available via mail and email. Two of the three interviewees believed community association meetings would be an effective space to share this information.

In terms of how SECDC and Charm City Land Trusts should share the sale of the homes they are building and/or rehabilitating in the community, interviewees affiliated with an entity operating in the community recommended going door-to-door (door knocking) or gathering a list of existing renters and targeting them. However, the Charm City Land Trust representative shared that they have already engaged in promoting home sales and have found community events, meetings, and word-of-mouth to be the most effective methods given the small number of home sales they are able to provide the community. They believe community events create the opportunity to begin to build relationships with interested residents and walk them through the process, which requires time and commitment.

Three interviewees not affiliated with a service provider believed that newsletters, mailings, and spaces or entities where people congregate and seek information (churches, libraries). One believed McElderry Park Community Association meetings would be effective and another interviewee reflected on her home purchase process and the value of receiving the homeownership counseling she received. Another interviewee emphasized the importance of transparency regarding the homes that are put up for sale.