

Maryland Department of Housing and Community Development
100 Community Place, Crownsville, MD 21032
NCSHA 2010 Awards
The Oliver Development Project

Category: Homeownership
Sub-Category: Encouraging New Production
Entry Name: The Oliver Development Project

"Informed and empowered homeowners who are stakeholders in their neighborhoods are the foundation of healthy communities."

- Governor Martin O'Malley

Transforming a Community Torn By Tragedy

Carnell and Angela Dawson and their five small children lived in a hardcore section of east Baltimore marked by extreme poverty, unemployment and crime; where empty lots and abandoned buildings pockmarked the neighborhoods and hardened criminals dealt illegal drugs openly and marked their territory with violence. Encouraged by a city campaign to combat the culture of silence that allowed the drug trade to flourish - and determined that her children grow up in a safe environment - Angela Dawson began reporting drug dealing activity to police. The drug dealers responded with a campaign of intimidation that climaxed late one evening in October 2000 when a drug dealer firebombed the Dawson home, killing Mr. and Mrs. Dawson and their five children.

The sheer brazenness of the crime and the magnitude of the tragedy galvanized efforts to revitalize that community and reclaim it from violence and crime.

The Oliver Development Project is a large scale, long range effort to reclaim that community by literally putting housing to work. Working with a broad coalition of community organizations, private sector developers and local government, the Maryland Department of Housing and Community Development helped finance an ambitious effort to produce quality, affordable housing that would attract the kind of hardworking families that are the backbone of any thriving neighborhood. The project represents one of the agency's largest, multi-faceted investments in memory and has produced tangible results – from the demolition of abandoned properties to the creation of new, energy efficient townhomes bringing families that are invested in the schools, the churches and small local businesses that provide jobs. The state's total investment will surpass \$10 million.

A Landmark Commitment

Moved by the entire state's determination that the drug dealers not be allowed to prevail, DHCD made an unprecedented commitment to helping transform the Oliver community. First, DHCD infused \$750,000 in capital to help seed a \$10 million equity fund raised by The Reinvestment Fund. This investment came from DHCD's own general funds (General Bond Reserve Fund) and was made in lieu of DHCD's traditional types of investment of these critical reserve funds. This marked the first time the agency invested its own general funds into an equity fund. This was done in order to encourage new homeownership production and was essential to getting the project jump-started financially. These equity funds were needed to start the demolition of vacant properties and construction of new homes. Second, DHCD committed \$10 million from the Maryland Mortgage Program to help first-time homebuyers obtain a mortgage. Finally, the agency committed \$720,000 from its Downpayment and Settlement Expense Loan Program to help families with downpayment and closing costs.

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Buoyed by these resources, The Oliver Project was able to start the development of 72 units over a two year period. Sixty-two of the units will be newly constructed single family homes; the remaining ten units will be existing units that are rehabilitated.

DHCD's landmark funding commitments made possible the new production of homes for low and moderate income families that might not otherwise have been possible in that community.

Building Strong Partnerships

The Oliver Development Project is the culmination of strong partnerships between DHCD, the private sector, Baltimore City, and community organizations. It began shortly after the tragedy with local churches passing the collection plate every Sunday. Those coins – literally widow's mite – began to accumulate to the point that a church-based organization known as Baltimoreans United In Leadership Development, or BUILD, eventually had enough money to begin buying derelict properties. BUILD brought in TRF Development Partners, a Philadelphia-based nonprofit developer, specializing in revitalizing urban communities, to begin articulating a vision for the community. Those organizations approached the City of Baltimore and DHCD for help launching what became known as the Reinvestment Fund. The Reinvestment Fund was able to leverage significant private investment. Today, vacant lots that once served as open air drug markets are humming with new construction.

Increasing Opportunities for Homeownership

The homes will be developed and soled in three stages, with prices of \$135,000 in the first stage, \$155,000 in the second stage, and \$175,000 in the final stage. The ten lower priced rehab units will carry an average mortgage of \$113,000. Research shows that the staggered pricing will ensure both strong project affordability as well as support sustainable upward movement in the real estate market. The first phase of this new development, known as Preston Place, is now for sale and consists of newly constructed three-story three-bedroom homes. To date, 13 families have purchased homes, as a result of more than \$1.5 million through the Maryland Mortgage Program and \$148,000 from the Downpayment and Settlement Expense Loan Program. The average household income of the borrowers is \$42,210.

Through the Maryland Mortgage Program, homebuyers receive a wide variety of mortgage options to choose from, all with the lowest interest rates and most favorable fixed rate terms in Maryland. The downpayment assistance is in the form of a no-interest deferred loan, repayable at the time of sale or transfer of the property. The combination of these two funding sources makes homeownership affordable for low and moderate income homebuyers.

The Oliver Development Project illustrates how the production of quality, affordable housing is an essential ingredient to creating the kind of sustainable community that families want to be part of. Though spurred by a tragedy, the project is truly transformational, ensuring that a troubled east Baltimore neighborhood will become a model that revitalizing communities across the country can emulate.

While east Baltimore has high rates of poverty, unemployment, and crime, it is poised for a successful transformation. The community's strongest asset is its location near fast-developing downtown Baltimore and its close proximity to transportation corridors linking it to Washington, DC. The Oliver community is just four blocks north of the Johns Hopkins Medical Institution and just a mile north of the popular and prosperous Fells Point neighborhood. It has essential access to employment and recreation activities, and

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the elementary school education in the community is considered one of the finest in the city. In addition, there are strong redevelopment initiatives taking place in the area, including the **East Baltimore Biotech Park**, which will provide mixed use development and up to 8,000 new jobs for workers with a diverse range of skill sets; and **Broadway Overlook**, a successful new HOPE VI development located nearby that includes 166 new mixed-income housing units.