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Baltimore's next challenge: Vacant properties

With the kind of coalition that produced a historic school construction initiative, the city can eliminate blight on an unprecedented scale

By Matthew D. Gallagher

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Baltimore is on the cusp of making once unimaginable progress in modernizing its advertisement obsolete public school facilities with more than \$1 billion in investment over the next 10 years. Broad coalitions of supporters, feasible financing plans and the adoption of needed accountability systems, along with the alignment of civic and elected leadership sustained through the legislative process, helped achieve this potentially game-changing outcome.

Such a hard-won victory illustrates what is possible and should galvanize our community to act on another of the city's biggest challenges: Baltimore's 16,000 vacant properties.

Actually, "vacant" is too polite; the majority of these buildings are beyond rehabilitation. These seemingly permanent monuments to population loss destabilize neighborhoods by fostering criminal activity and inhibiting investment.

It's not that the problem has been ignored. The last 40 years brought Mayor William Donald Schaefer popularizing \$1 rowhouses, Mayor Kurt Schmoke removing blighted public housing high rises, Mayor Martin O'Malley launching Project 5,000, Mayor Sheila Dixon proposing a Land Bank, and now Mayor Stephanie Rawlings-Blake pursuing the Vacants to Value initiative. Baltimore's foundations and non-profit educational and health anchor institutions have supported these mayoral efforts and other initiatives like Healthy Neighborhoods and East Baltimore Development, Inc.

While there have been successes, the scale of these interventions is insufficient to solve the problem. Currently, one in eight Baltimore homes is vacant. While Baltimore has just recently begun to stem its population loss, vacant housing hampers the city's ability to grow. According to the Baltimore Neighborhood Indicators Alliance, not a single neighborhood with a vacancy rate above 4 percent gained population over the last decade.

But this issue isn't just about population growth. The large-scale elimination of Baltimore's vacant housing would impact neighborhood and community development, quality of life, public health and safety, competitiveness, even local hiring and employment.

Like school facility modernization, solving the problem of Baltimore's vacant buildings is possible if a realistic multi-year strategy is developed and championed by a broad coalition of united stakeholders.

Mayor Rawlings-Blake's plan to expand local demolition funding is a good start. The city's 10-year financial plan commits \$19 million in one-time "surge" funding and a more than quadrupling of annual demolition funding from \$2.3 million to \$10 million. When combined with committed and other potential sources, the city estimates it can clear 4,000 severely distressed structures during the next decade — but that's still less than 25 percent of Baltimore's vacant buildings.

What would it cost to eliminate the backlog? Whole-block demolitions generate savings through economies of scale, while costs can more than double with sidewall repairs of adjacent occupied rowhouses and can swell many times more if adjacent occupied properties need to be acquired and tenants relocated. Extrapolating from the city's 10-year plan and adding a contingency yields an estimated cost of more than \$700 million.

But the net cost to the city could be much lower. Ridding the city of its vacant buildings would reduce code enforcement, legal and maintenance costs. The city can place demolition liens on the 75 percent of vacant buildings not already owned by the public and recover some costs. It would also accrue financial benefits from one-time and recurring impacts associated with the sale, redevelopment and enhanced value of the cleared land and future improvements. There are also recycling-related revenues from the reuse of materials such as bricks, stone and piping.

Comprehensive action would demonstrate that Baltimore is serious about solving its vacant building problem, setting the stage for independent, market-driven demolition activity in response. City housing officials also believe that thousands of properties in private hands could potentially be spared from demolition via more targeted code enforcement and receivership efforts.

Finally, the estimated cost of large-scale demolition does not consider the multi-year employment benefits that would accompany such an ambitious undertaking. The effort would be a boon to construction firms small or large, union or non-union, majority- or minority- owned. It would also represent a tangible opportunity to move beyond problematic legislative efforts to mandate local hiring by creating new and sustained demand for Baltimore's low-skilled and chronically unemployed workers.

Over the last decade alone, the state has provided nearly \$1 billion in capital support (beyond public school construction funds) for Baltimore-based education, health and cultural anchor institutions such as Coppin State University, Johns Hopkins Hospital and University, Morgan State University, University of Maryland at Baltimore, the University of Maryland Medical System and Shock Trauma, as well as the [Baltimore Museum of Art](#), Maryland Zoo, [Maryland Science Center](#), National Aquarium and Walters Art Gallery. These and other local anchor institutions could be some of Baltimore's strongest advocates for expanded demolition efforts, given the potential of such an initiative to enable institutional growth and to stabilize surrounding communities.

When considered along with the state's other existing investments in revitalization, from historic tax credits to existing strategic demolition funds to the expanding uses of tax increment financing and payments in lieu of taxes resulting from House Speaker Michael E. Busch's Regional Revitalization Workgroup, the totality of the state efforts represents a deep pool of capital that could be aligned with a comprehensive initiative.

And in his last budget before returning home to Baltimore, Governor O'Malley might consider proposing a further multi-year capital commitment to a citywide demolition effort. It would enjoy strong prospects of winning passage if appropriately prioritized by the mayor, city legislative delegation and the broad coalitions of concerned citizens that mobilized to demand modern school

facilities. These same stakeholders would also be responsible for convening the broader civic conversation and sustaining public engagement throughout Baltimore's neighborhoods to ensure that action of this scale and scope produce changes communities want.

Together, Baltimore's citizens and elected leaders have recently demonstrated that what has otherwise been viewed as an intractable problem can actually be addressed within a realistic timeframe. Let's try and tackle one more. Baltimore can deal with its vacant property problem and set the stage for transformational growth, both in population and economic activity, in the next decade.

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