



LARRY HOGAN Governor BOYD K. RUTHERFORD Lt. Governor KENNETH C. HOLT Secretary OWEN MCEVOY Deputy Secretary

Division of

Neighborhood Revitalization

Fiscal Year State Revitalization Programs Application

Community Legacy Strategic Demolition Fund - Statewide Strategic Demolition Fund – Project C.O.R.E. Baltimore Regional Neighborhood Initiative National Capital Strategic Economic Dev. Fund Seed Community Development Anchor Institution Fund

DEADLINE FOR SUBMISSION:

WEDNESDAY, JULY 13, 2022 AT 3 P.M.

MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Division of

Neighborhood Revitalization

STATE REVITALIZATION PROGRAMSs Fiscal Year 2023 Application

DEADLINE FOR SUBMISSION:

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Guidelines updated May 2022

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AVAILABLE FUNDING

Community Legacy	\$8 Million Capital	
Strategic Demolition Fund - Statewide	\$9 Million Capital	
Strategic Demolition Fund – Project C.O.R.E.	\$21 Million Capital	
Baltimore Regional Neighborhood Initiative	\$12 Million Capital, TBD Operating	
National Capital Strategic Economic Development Fund	\$7 Million Capital, TBD Operating	
Seed Community Development Anchor Institution Program	\$10 Million Capital	



• Baltimore Regional Neighborhood Initiative applicants are required to resubmit their current BRNI action plan.

INTRODUCTION

Through funding and technical assistance, the Maryland Department of Housing and Community Development works with local partners to revitalize cities, towns and neighborhoods across Maryland. Our community development programs enhance existing neighborhood resources, support economic development, provide public services and infrastructure, and improve the quality of life for residents. Assistance from the Department is designed to serve as a tool for communities and organizations to leverage additional funding from public, private and nonprofit sources.

The Department's State Revitalization Programs (SRP) offer a range of funding to further the revitalization goals of communities across Maryland. The funding programs are primarily used to support expenses associated with capital projects – in other words, something that will result in "bricks and mortar" with at least a 15-year shelf life. The most competitive applications for funding explicitly connect a project to the revitalization strategies and goals for their community's Sustainable Community Action Plans.

APPLICATION PROCESS

Eligible Target Areas

Projects must be in one of Maryland's designated Sustainable Communities. Sustainable Communities are areas that are located within Priority Funding Areas (PFAs) and are targeted for revitalization. To see your jurisdiction's Sustainable Community boundaries, please use the online revitalization mapping tool found at this website: https://portal.dhcd.state.md.us/GIS/revitalize/index.html.

Some programs have other geographic eligibility requirements – see program pages below for more information.

In addition to being located inside a Sustainable Community, projects should help achieve the strategies outlined in a local government's Sustainable Communities plan. All Sustainable Community plans can be found online: https://dhcd.maryland.gov/Communities/Pages/dn/communities.aspx.

Application Threshold Requirements

Current awardees of the Maryland Department of Housing and Community Development (the "Department")'s State Revitalization Programs are required to be in compliance with terms and conditions of their current award agreements. If you have received past State Revitalization Program funding, you must have achieved sufficient progress and be in good standing with all reporting requirements. This threshold requirement also includes any missing final reports and/or expense summaries from prior awards. Consult with your project manager to discuss the status of your existing project(s) before applying.

Eligible Applicant Definitions*

- Local government is a Maryland city, town, or county government entity.
- *Group of local governments* is more than one city, town or county applying jointly; application requires a resolution from each municipality.
- Community development organization (CDO) is a nonprofit organization which operates for the purpose of improving the physical, economic, or social environment of its geographic areas of operation; application requires local government resolution, corporate board resolution and charity certification.

- Hospital is a group of at least five physicians who are organized as a medical staff for the institution; maintains facilities to provide, under the supervision of the medical staff, diagnostic and treatment services for two or more unrelated individuals; and admits and retains the individuals for overnight care.
- *Higher Education Institution* is any educational institution that provides certifications or degrees beyond 12th grade.

*Applicant eligibility varies by program. See program guidelines on the following pages for more details.

Eligible Capital Expenses and Activities

Generally, State Revitalization Programs fund capital, construction-related projects that have at least a 15-year shelf life and fall within the below basic categories:

Examples of Capital Projects		
Acquisition	Predevelopment	Development
Real property acquisition	 Construction-level architectural and engineering design related to a development project Demolition of an existing building, structure or site Infrastructure Building stabilization Environmental remediation 	 New construction Rehabilitation Park/playground construction

Eligible Operating Expenses and Activities

Two programs, the Baltimore Regional Neighborhood Initiative (BRNI) and the National Capital Strategic Economic Development Fund (NED), may have operating funds to award as part of their available funding. For these programs only, operating expenses and activities may be funded. Examples of eligible operating expense and activities include:

- Essential operational staffing and project administration that supports the capital BRNI and NED projects
- Feasibility and/or marketing studies that have the potential to support capital BRNI and NED projects

Expense eligibility varies by program. See program guidelines on the following pages for more details.

Application Training

Application training will be offered via webinar. See the <u>State Revitalization Programs website</u> to obtain more information. Additionally, training documents are available in the MDHCD Project Portal. These include a program overview and application step-by-step training. For more information about accessing and using the system, please contact your <u>regional project manager</u>.

Mandatory Online Submission of Your Application

The online grant management system – <u>DHCD Project Portal</u> – is a web-based application that allows municipalities and organizations to apply for funding. *If this is your first time applying to a State Revitalization Funding Program, contact your regional project manager to verify eligibility and authorize access to the system.*

REVIEW PROCESS

Department staff will lead a review team consisting of representatives from various State agencies that may include: Maryland Department of Planning, Maryland Historical Trust, Maryland Department of Transportation, Maryland Department of Natural Resources, Maryland Department of Commerce, and Maryland Department of

the Environment. The review team will make project recommendations for consideration by the Department of Housing and Community Development Secretary.

Award Criteria

Proposals are reviewed and scored on demonstration of community need for reinvestment and community input (20 points); clarity of project scope (20 points); timeline and readiness to proceed (15 points); project financing and committed financial resources (25 points); and capacity of project sponsors and partners (20 points). Requests for loans will be given greater priority than requests for grants. In addition, geographic diversity will be considered in the awarding of financial assistance.

Additional Considerations

Additional consideration will be given to projects that address the following issues:

- Project C.O.R.E. initiatives, such as those that eliminate blight and revitalize communities in Baltimore City.
- Activities in the 31 designated Main Street Maryland communities and the Main Street Affiliate communities, as well as the 9 Baltimore City Main Street communities that further their revitalization and have a positive effect on surrounding residential areas.
- Programs and projects that incorporate and align a full range of State and local revitalization programs and financing tools (grants, loans, credit enhancements and tax credits).
- Capital investments and business practices that incorporate hiring practices of a diverse workforce that result in increased local workforce development opportunities, generating both temporary construction and permanent jobs.

Site Visits and Follow-up Discussion

During the application review process, the review teams may make visits and/or hold meetings with applicants. In addition, applicants may be contacted by the Department for follow-up discussions prior to awards. See "Special Conditions during the COVID-19 Pandemic" on the next page for more information.

Reviews by Maryland Historical Trust

All capital projects receiving State financial assistance are subject to review by the Maryland Historical Trust. State Revitalization Program applicants are encouraged to consult with their regional project manager about the potential effect their project will have on historic properties prior to submitting their application for funding. To begin this consultation process, applicants should submit information regarding the project location, description of the scope of work, and photographs to their regional project manager (regional project manager contact list is included at the end of this document). Please also indicate if you anticipate that the project will be funded through any other state or federal funding sources. Work should not begin and funds will not be disbursed until the review is complete.

LOCAL GOVERNMENT AND CORPORATE RESOLUTIONS, REQUIRED ORGANIZATION DOCUMENTS

Local Government Resolutions/Support

On behalf of all applicants, the Department will provide notice and opportunity to comment to an authorized official in the county or municipal government in which the project is located.

A legally designated authorized official is a position or person that has been authorized by a local charter or resolution to execute legal documents on behalf of the county or municipal government.

If the Department does not receive any comments within sixty (60) days of notifying the local government of the projects within their jurisdiction, the Department will proceed to process the application.

Corporate Resolutions (for CDOs)

All CDO applicants are required to submit a corporate board resolution, evidence of nonprofit status, evidence of good standing (Md. State Department of Assessments and Taxation), and evidence of their charitable registration (Md. Secretary of State).

See checklists below for other organizational documents requested at time of application.

POST-AWARD REQUIREMENTS

Reporting

Applicants that receive funding will be required to submit quarterly reports and a final report on project progress to the State Revitalization Program. The Program will summarize these reports on behalf of the Program for the General Assembly annually. In addition, statistics such as reporting compliance, leverage, draw rates, addresses, and success indicators are also submitted as part of monthly reporting.

Requests for Payment

Award funds are generally reimbursable. Please consider this when applying for your project. Additionally, be prepared to extensively document project expenditures since evidence of spent funds are required for award disbursement.

CONTACT INFORMATION

For more information about the application process, please contact <u>your regional project manager</u>. The regional project manager map and contact list can be found below.

SPECIAL CONSIDERATIONS EMERGING FROM THE COVID PANDEMIC

We continue to take utmost care in balancing our work with the health and safety of you, our clients, and our DHCD project managers and staff.

Applications

As much as possible, we encourage that you include many, high quality pictures of your proposed project or program. Such pictures may be uploaded to the application individually or inserted into a word processing or other document for a single upload. It is helpful to provide pictures that are in focus and are zoomed in to the subject. Smart phones have made such documentation easier. In your application, you may also include links to videos that are published online, if you are inclined. Also, please provide renderings, conceptual drawings, etc., where available. Pictures continue to be important to the application process for DHCD staff to effectively evaluate project proposals.

Site visits and follow-up

Where applicable, follow up conversations with applicants will be conducted via a mix of virtual calls and conferences and physical site visits. Your regional project manager will be in contact if he or she deems a virtual meeting or visit appropriate.

Please contact your regional project manager with any questions or concerns.

PROGRAMMATIC APPLICATION CHECKLIST

Please review the checklist of information and attachments and provide all that is applicable via the online application:

	PROJECT	APPLICA	BILITY
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Unless requesting operating funds under BRNI or NED, **Is your project an eligible capital** construction project lasting at least 15 years?

□ If requesting operating funds under BRNI or NED, did you describe how the operating costs requested are necessary to implement a revitalization project? For example, staff support should help an organization implement BRNI or NED capital projects as may be described in the neighborhood action plan and/or Sustainable Community plan.

❑ Is your project located in a Sustainable Community and does it advance your area's Sustainable Communities revitalization goals? Check the project's location on the <u>Neighborhood Revitalization Mapper</u> and review the <u>Sustainable Community Action plan</u> to confirm. Geographic eligibility may depend on the funding program; please review the above program guidelines to determine eligibility.

Does the project address community revitalization needs? Does the project have sufficient community support?

Have you provided a scope of work for the proposed project that clearly describes specific project activities and how the award funds will be used? The project description should describe the requested funding for activities listed in the project budget.

APPLICANT ELIGIBILITY

Are you a local government, non-profit community development organization, or other eligible applicant? Applicant eligibility depends on the program; please review the above program guidelines to determine eligibility.

□ Can you demonstrate that your entity or organization is a good steward of State funds? Have you quickly spent down current award funds? Are you in compliance with current award requirements such as timely submission of reports?

Is your organization in "good standing" with the <u>State Department of Assessments and</u> <u>Taxation</u> and the <u>Maryland Secretary of State</u> under the Maryland Solicitations Act? Did you attach current documentation demonstration good standing?

Did you provide your Federal ID or DUNS information?

Did you complete and sign the Disclosure Authorization form? If a nonprofit community development organization, did you complete and sign a Corporate Resolution? Did you ensure that the signatory listed on the Disclosure Authorization also appears on the list of authorized signatories listed within the Corporate Resolution?

BUDGET

Is your financial request an appropriate cost related to the proposed activity? Did you provide appraisal documentation, construction budget or pro forma, and/or solicited cost estimates that justify the requested amount? Did you accurately represent your project request in the appropriate budget lines? Is the request appropriately in the capital or operating column (if BRNI or NED)? Is the request listed under the eligible capital request and activity line?

Did you provide match and match documentation? Some programs require a match; please review the above program guidelines to confirm requirements. If you did list project match, did you also upload the appropriate documentation explicitly describing matching funds? The Seed program requires non-State 1:1 match, please review the above program guidelines for more information.

CAPITAL PROJECTS

Did you submit documentation showing that you own the property where the project is
occurring?

□ If you do not own the property, did you submit a letter from the property owner giving permission to do the project on the property?

□ If this project is for acquisition, did you submit a letter from the property owner asserting that the sale will occur and at what sales price? Have you received any appraisals for the property and can you provide a copy of that documentation?

□ If this project is to occur in a right of way, did you provide permitting or other documentation showing that you are allowed to implement the project within the right of way?

□ For programs such as façade improvement programs, does your application and project guidelines ask for evidence of property ownership or lease, and permission from the property owner?

If you, the applicant, are acting as a pass-through entity and/or you have no intention of owning or having rights over the site where the project will occur, did you provide both a) documentation of the sub-recipient ownership or lease of the property, and b) a Memorandum of Understanding or executed letter between the two parties stating the contractual relationship between you, the sub-recipient, and the status of property ownership or lease?

□ For a program, such as façade improvement program or other, did you submit program guidelines, application documents, and documentation showing the decision-making process?

Are you aware that all capital projects must go through the Maryland Historical Trust preservation review process? If you have already initiated or undergone this process, you may upload this information to the application.

ORGANIZATIONAL DOCUMENTS

The following documents are stored on the applicant's "My Organization(s)" **Organization Profile/Organization Uploads page** of the DHCD Project Portal System and should be maintained at that location. These documents are shared by all funding programs managed within the system and are utilized by DHCD staff to review applications, process legal award agreements and amendments, and to issue payments.

Prior to the submission of a DHCD application, review these organizational documents and, where applicable, upload current documents and dates.

ORGANIZATION LEGAL DOCUMENTS – REQUIRED OF <u>ALL APPLICANTS</u> (Except where Noted)

- **1. IRS Taxpayer Identification and Certification W-9 Form** *New requirement beginning FY21 the W-9 Form must be provided by applicant and will be used by the Department to verify Federal Identification to be consistent with State and Federal reporting and award payment methods.*
- **2.** Operating Budget (Current Year)
- **3. Operating Budget (Prior Year) OPTIONAL**
- □ 4. Independent Financial Audit (Most Recent)
- **5. Independent Financial Audit (Prior) OPTIONAL**

ORGANIZATION LEGAL DOCUMENTS – REQUIRED OF NON-PROFIT ORGANIZATION APPLICANTS

- **6.** Articles of Incorporation
- □ 7. By-Laws

- **8.** Internal Revenue Service Letter of Determination
- 9. Board of Directors List/Certification (Current)

10. Charitable Registration Letter Under the Maryland Solicitations Act, charitable organizations soliciting in Maryland generally must file documents annually with the <u>Office of the Secretary of State</u>

PROGRAM/PROJECT REQUIRED DOCUMENTS - REQUIRED OF ALL APPLICANTS (Except where Noted)

The following program/project-related documents must be completed and attached to the online grant application. Prior to the submission of a DHCD application, confirm that these documents have been uploaded to the "Attachments and Authorization" page of the application in the "Required Documents and Legal Exhibits" section.

□ **11. Disclosure Authorization** – attach a completed and signed form to certify the application submission. Click here for the <u>Disclosure Authorization Form</u> (MS Word template)

12. Corporate Resolution – NON-PROFITS ONLY – attach a completed and signed form to certify the application submission. Click here for the <u>Corporate Resolution Form</u> (MS Word template)
13. Local Government Resolution(s) – OPTIONAL – where available, provide a local government resolution from the jurisdiction(s) where the program/project will take place. Programs/Projects occurring in multiple jurisdictions may provide Local Government Resolutions from each. If a Local Government resolution cannot be provided with the application due to scheduling, DHCD will pursue a resolution on the applicant's behalf. Click here for a Local Government Resolution (LG) (MS Word template) from Local Government applicants; or Click here for a Local Government Resolution (NPO) (MS Word template) from Non-Profit applicants
14. Evidence of Good Standing – NON-PROFITS ONLY – attach a printed (PDF) screen shot of the applicant organization's current status from the <u>Maryland State Department of Assessments and Taxation</u> (SDAT) website.
<u>Do not purchase an official Certificate of Status for the purpose of application. Unless explicitly instructed by DHCD Program Staff, an official (un-expired) Certificate of Status is not needed to submit the application.</u>
15. Site Photo – attach at least one photograph of the program/project site location as a "before" image of the current conditions. Name the file to include the street address and the (approximate) date when the photo was taken, i.e. "123CharlesSt09-01-2020.jpg". Additional photos may be inserted into a Word or PDF document and saved as a single upload in the "Additional Supporting Documents" section.

ADDITIONAL SUPPORTING DOCUMENTS

In addition to the Organizational and Legal Exhibits listed above, the application allows the attachment of any additional documentation that you have procured or developed related to the development of the program/project. These can be uploaded on the "Application Attachments and Authorization" page.

Examples include additional photographs, letters of support, program guidelines, marketing tools, vendor quotes and/or cost estimates.

If this is application is in support of a revolving loan fund, attach documentation of the underwriting criteria and the repayment terms.

DIVISION OF NEIGHBORHOOD REVITALIZATION STATE REVITALIZATION PROGRAMS REGIONAL PROJECT MANAGERS As of March 2022					
Baltimore Regions					
REGION 1:	REGION 2:	REGION 3:	REGION 4:		
 Northwest Baltimore City 	 Northeast Baltimore City 	 Southeast Baltimore City 	 Southwest Baltimore City 		
 Northwest Baltimore County 	 Northeast Baltimore County 	 Southeast Baltimore County 	 Southwest Baltimore County 		
			Anne Arundel County		
Larry Brown	Jamila Canty	Sarah Kim	Howard County		
Assistant Director, Baltimore Lead	Project Manager	Project Manager			
Phone: 410-209-5819	Phone: 410-209-5827	Phone: 410-209-5836	Jean Cannon		
Email: larry.brownjr@maryland.gov	Email: jamila.canty@maryland.gov	Email: sarahy.kim1@maryland.gov	Project Manager		
			Phone: 410-209-5806		
			Email: jean.cannon@maryland.gov		
Statewide Regions					
REGION 5:	REGION 6:	REGION 7:	REGION 8:		
Western Maryland	Central and Southern Maryland	Upper Eastern Shore	Lower Eastern Shore		
 Allegany 	Calvert	Cecil	Dorchester		
Carroll	Charles	Caroline	Somerset		
Frederick	Montgomery	Harford County	Wicomico		
Garrett	 Prince George's 	• Kent	Worcester		
 Washington 	 St. Mary's 	Queen Anne's			
		Talbot	Garland Thomas		
Sara Jackson	Ashlee Green		Assistant Director, Statewide Lead		
Project Coordinator	Program Officer	Garland Thomas	Phone: 410-209-5803		
Phone: 410-209-5812	Phone: 410-209-5815	Assistant Director, Statewide Lead	Email: garland.thomas@maryland.gov		
Email: sara.jackson@maryland.gov	Email: ashlee.green@maryland.gov	Phone: 410-209-5803			
		Email: garland.thomas@maryland.gov			

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COMMUNITY LEGACY PROGRAM

Fiscal Year 2023 Funding: \$8 Million Capital

Eligible Applicants: Local Governments Groups of Local Governments Community Development Organizations

DEADLINE FOR SUBMISSION: WEDNESDAY, JULY 13, 2022 AT 3 P.M.

General Description

Community Legacy, a program of the Maryland Department of Housing and Community Development (the "Department"), is implemented in close coordination with local community partners and other State agencies. Community Legacy is a tool that catalyzes new investment in older neighborhoods and business districts in support of local revitalization plans for designated Sustainable Community Areas. Community Legacy funds assist leaders from urban and suburban communities, and small towns that have a comprehensive approach to encourage community reinvestment, economic development, and resource conservation. Over time, these strategies achieve and maintain vibrant places for Marylanders to live, work and prosper.

Leaders are taking on revitalization opportunities throughout Maryland's traditional towns and older communities, and their projects clearly demonstrate the economic, civic, and cultural importance of reinvestment strategies. With new investment in housing and small businesses, Maryland's historic towns and cities can once again support vibrant centers of community, and better protect their surrounding farmland and open space from sprawl development. Such reinvestment also better utilizes existing infrastructure and reduces the burden on all State taxpayers for the cost of new and unsustainable growth.

Community Legacy provides resources to assist local governments and their nonprofit community development partners in realizing comprehensive community revitalization initiatives. It is intended as a flexible resource to fill key funding gaps not being met by other State or local financing and to position older communities for increased private investment.

Eligible Applicants and Projects:

Lead applicants will be local governments or community development organizations. Local government applications should be lead-sponsored by the Community and/or Economic Development agency, or, in the absence of such an agency or staff, the local agency designated by the jurisdiction's chief executive. Supporting applicant team members can and should include housing agencies, planning departments, local non-profits, civic institutions and private sector companies and lenders.

Projects must be within certain eligible areas:

- Sustainable Communities
- Opportunity Zones in Allegany, Garrett, Somerset, and Wicomico Counties

Community Legacy funds support a wide range of local initiatives aimed at both attracting new residents and businesses and encouraging existing residents and businesses to remain and reinvest in a community.

Examples of revitalization activities supported in the past include, but are not limited to:

- Establishment of a revolving fund to attract home buyers to purchase and rehabilitate homes
- Programs for existing homeowners and businesses to improve their properties
- Development of mixed-use projects that may combine housing, retail, office, public and open space.
- Development and/or ownership of open space.
- Development of public infrastructure that is related to a Community Legacy project, such as parking, lighting and improvements to pedestrian and bicycle circulation.
- Streetscape improvements along streets that are generally not State highways.
- Strategic demolition, including land banking, to stimulate redevelopment.
- Acquisition and/or improvement of vacant buildings or unimproved land.

Award Types

The Department awards both grant and loan funds. In some situations, the Department may require that future profits from a project be repaid back to the Department and the award secured by a Promissory Note and Deed of Trust.

Specific Examples of Activities

Examples of previously funded Community Legacy projects or activities:

- Bowie's Senior Citizen "Green" Housing Rehabilitation Program providing incentives to allow the seniors to age in place while creating a more affordable and sustainable housing stock.
- Ocean City Community Development Corporation's Façade Program which has leveraged funds as high as 10:1 in the traditional downtown business district.
- Central Baltimore Partnership's Baltimore Design School an adaptive re-use of an abandoned factory building that created a state-of-the-art facility delivering educational rigor and training in the areas of fashion design, graphic design, and architecture.
- Frederick's Carroll Creek Park new elements include brick pedestrian paths, water features, planters with shade trees and plantings, pedestrian bridges, and a 350-seat amphitheater for outdoor performances, which has been an economic development catalyst for private investment along the park in downtown Frederick.

STRATEGIC DEMOLITION FUND STATEWIDE

(all areas except Baltimore City)

Fiscal Year 2023 Funding: \$9 Million Capital

Eligible Applicants: Local Governments and Community Development Organizations (located outside of Baltimore City)

DEADLINE FOR SUBMISSION: WEDNESDAY, JULY 13, 2022 AT 3 P.M.

General Description

The Strategic Demolition Fund (SDF) is a program that invests in pre-development activities that accelerate economic development and job production in Maryland's Sustainable Communities. The program aims to improve the economic viability of "grey field development" which often faces more barriers than sprawling "green field development."

Eligible Applicants and Projects

Eligible applicants include local governments or community development organizations whose project is located outside of Baltimore City. Proposed projects should support strategies identified in a Sustainable Communities Action Plan.

Projects must be within certain eligible areas:

- Sustainable Communities
- Opportunity Zones in Allegany, Garrett, Somerset, and Wicomico Counties

Project awards are anticipated to average \$250,000. Funds from the SDF program can be used for, but are not limited to, the following pre-development activities:

- Demolition of derelict non-contributing structures.
- Site acquisition and assembly to create redevelopment-sized parcels for solicitation or planned development.
- Site development/infrastructure improvements.
- Construction-level architectural and engineering designs.
- Stabilization of buildings to stay further deterioration and prepare properties for rehabilitation and reuse.

Award Types

The Department awards both grant and loan funds. In some situations, the Department may require that future profits from a project be repaid back to the Department and the award secured by a Promissory Note and Deed of Trust.

Project Examples

Examples of previously funded SDF projects are:

Demolition Project:

The City of Cumberland used funds to demolish the long-time vacant Memorial Hospital. The demolition of this large building has created an opportunity for infill development.

Infrastructure Project:

The Town of Princess Anne partnered with an affordable housing developer to prepare a vacant site for an apartment complex that has more than 100 mixed income units which serves working individuals and families. The site was a grey field that sat vacant for over a decade. The site was previously the home and factory of the Procycle Feed Company, an animal feeds manufacturing company. Prior to the start of the project, the factory was demolished, leaving only a 1.6-acre concrete slab and its associated foundations. SDF funds were used to remove the slab and install stormwater management facilities to treat the new development's impervious cover.

Architecture and Engineering:

The City of Mount Rainier partnered with a developer to build the first net-zero townhomes in Prince George's County. SDF funds were used to cover some of the costs of architectural and engineering drawings. Four net-zero town homes were constructed on an in-fill development lot.

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STRATEGIC DEMOLITION FUND

Project C.O.R.E.

(Baltimore City only)

Fiscal Year 2023 Funding: \$21 Million Capital (Request for Application)

Eligible Applicants for Competitive Funding: City of Baltimore Community Development Organizations in Baltimore City

DEADLINE FOR SUBMISSION:

WEDNESDAY, JULY 13, 2022 AT 3 P.M.

Project C.O.R.E. General Description

Project C.O.R.E. – Creating Opportunities for Renewal and Enterprise – is a new State initiative to eliminate blight in Baltimore City and make the way for new green space, new affordable and mixed use housing, and new and greater opportunities for businesses to innovate and grow. The initiative will generate jobs, strengthen the partnership between the City of Baltimore and the State of Maryland and lead to safer, healthier and more attractive communities for families to live and put down roots.

Project C.O.R.E Goals

The goals of Project C.O.R.E. are to support community growth in Baltimore City, utilizing three overarching goals:

Goal 1: Eliminate blight through strategic building demolition and stabilization.

Goal 2: Improve economic opportunity and quality of life in Baltimore City neighborhoods.

Goal 3: Encourage new investment in Baltimore City communities through attractive financing and other incentives.

Eligible Applicants

Project C.O.R.E. funds are administered through two tracks: Maryland Stadium Authority and Competitive Application Process. The funds allocated to the Maryland Stadium Authority are administered by the Authority to hire contractors to demolish vacant properties in collaboration with Baltimore City. Competitive funds are administered through the annual State Revitalization Programs application process. Use this document as guidance to apply for competitive funds.

There are two types of eligible applicants for Project C.O.R.E. competitive funding: City of Baltimore agencies and nonprofit Community Development Organizations (CDOs) in Baltimore City.

The Department encourages eligible applicants to form partnerships with other organizations (for-profits, nonprofits, etc.) when applying for Project C.O.R.E. funding. The complexity of undertaking projects that involve the elimination of blight and redevelopment are a strong incentive for applicants to work with other entities with the experience and expertise to initiate, undertake and complete redevelopment activities.

Eligible Activities:

Project C.O.R.E. funds may be used for costs associated with eliminating blight within designated Sustainable Communities in the City of Baltimore.

Specific eligible activities are:

- 1. <u>Acquisition</u> cost associated with purchasing vacant buildings and/or land. Properties may be owned by private or public entities. Related-party acquisitions will be subject to additional review by DHCD.
- 2. <u>Demolition/deconstruction</u> cost to demolish blighted structures.
- 3. <u>Stabilization</u> cost to complete structural and other critical repairs necessary to stabilize an existing structure, remove any materials that will not be used in the completed project, remove hazardous materials (e.g. asbestos, lead paint, etc.) and other costs approved by DHCD that are associated with preparing a currently vacant structure for redevelopment.
- 4. <u>Site Development</u> cost to prepare a vacant site for new construction activities, including the removal of unsuitable soils/fill, hazardous materials, and the installation of new infrastructure (off-site and on-site).
- 5. <u>Architectural and Engineering</u> cost of architectural and engineering professional services directly associated with the project.

Budget requirement: For each project application, applicants must provide evidence of a matching fund that is equal to \$1 in non-State funding for every \$4 in State funding. Matching funds can include money from the Federal government, local government or other public or private source; real property; in-kind contributions; and funds expended before the date that the grant or loan is awarded but directly related to the project(s).

Project C.O.R.E. funds will be disbursed upon the receipt and review of adequate documentation as determined by the Department.

Project C.O.R.E. Priorities:

Projects that significantly build upon existing community strengths and assets will be a priority, including:

- Proximity to 21st Century School investments.
 - Proximity to Anchor Institutions (Universities and Hospitals).
 - Proximity to other major investments, such as major rental preservation projects such as RAD.
 - Proximity to transit and transit-oriented development, including MDOT's BaltimoreLink and CityLink corridors of focus.
 - Implementation of projects identified in local planning documents, such as Baltimore City's Green Network Plan.
 - Reuse of landmark historic buildings.
 - Projects that build upon and expand residential market strength, for instance through homeownership in designated historic districts.
 - Creating workforce development and job training opportunities for Baltimore City residents, especially those with barriers to employment
 - Projects aligned with investments being made in Opportunity Zones

Project C.O.R.E. Examples:

A range of development outcomes are possible using C.O.R.E and complementary state and other funding, including but not limited to:

- Preparation of lots for development, through land assemblage, demolition and/or site development.
- Stabilization leading to redevelopment, with a focus on specific blocks and neighborhoods. For example, stabilization of few vacant properties on a block of majority occupied housing, particularly in areas with a strong base of homeownership.
- Historic preservation, through stabilization of historic or contributing buildings, making them ready for rehabilitation.
- Expanded housing opportunities for people of all economic backgrounds.
- Site assemblage by land trust entity for permanent affordable housing development.
- Site assemblage by land trust entity for open space, recreation and/or habitat preservation.
- Opportunities for urban agriculture and community managed green space, or other potentially interim uses.
- Opportunities for small business owners.
- Inclusive retail mix that is appealing to community members.
- Create safe, clean and green spaces

Specific Examples:

<u>New Construction Example</u>: Developer A has long sought to redevelop a block of vacant buildings into a mixed-use complex including retail, open space, rental and homeownership units. The developer has demonstrated that the project has potential, but detailed financial analysis and underwriting indicates a \$1 million funding gap for a project with total development costs of \$25 million. As a result, the project has languished on the drawing boards. With total acquisition cost of \$1 million, it is determined that Project CORE funds could be the solution to get the project moving forward Through a DHCD RFP process, an award of \$1million in Project CORE funds is made to a local nonprofit CDO which enters into an agreement with the local developer to acquire and develop the site.

<u>Rehabilitation Example:</u> Developer B has a strong track record of renovating vacant rowhomes and selling the homes in a stable neighborhood. They are currently spending about \$190,000 to acquire, stabilize and renovate the homes, but need to secure about \$20,000 in subsidy for every unit because the sales price supported by the market is currently \$170,000. This funding gap is a major barrier to achieving the scale of activity necessary to transform the targeted neighborhood. Some of the properties are on the City's list, while others are not. With a total acquisition, stabilization and interior demolition budget of approximately \$20,000 per unit, it is determined that Project CORE funds could be the source of gap funding. With a total of \$1 million of Project CORE funding, the City/MSA completes the acquisition, stabilization and interior demolition demolition of 50 properties in the target neighborhood, which are then turned over to Developer B for final construction work and sale of the units.

BALTIMORE REGIONAL NEIGHBORHOOD INITIATIVE

Fiscal Year 2023 Funding: \$12 Million Capital TBD Operating

Eligible Applicants: Community Development Organizations

DEADLINE FOR SUBMISSION: WEDNESDAY, JULY 13, 2022 AT 3 P.M.

General Description

The overarching goal of Baltimore Regional Neighborhood Initiative (BRNI) is to increase the competitiveness of the target communities in the Baltimore metro area for new homeownership and private-sector business, residential and commercial investment, through such activities as strategic property acquisition, redevelopment, rehabilitation, and new infill development. Target communities are those that can build upon existing strengths and assets to accelerate their momentum in achieving healthy residential markets and economic growth. BRNI investments demonstrate how strategic and innovative approaches to local housing and economic development can lead to healthy, sustainable communities with a growing tax base and enhanced quality-of-life. The program is focused on areas where modest but sustained investment in a comprehensive strategy will have measurable neighborhood impact.

Eligible Applicants

Eligible applicants are locally based nonprofit community development corporations (CDCs, Coalitions or Partnerships) in Baltimore City, or the inner-beltway communities of Baltimore County or Anne Arundel County, that are implementing a clear revitalization strategy in a specific neighborhood or set of neighborhoods. Cross-jurisdictional partnerships are also eligible and encouraged, and projects may be in more than one political subdivision. The revitalization strategy should aim for the goal of growing the targeted community's population and workforce, and improving key quality-of-life features that establish the conditions for increasing market-rate investment, positioning the target communities to become competitive for residential and economic investment in the region.

In addition to other partners that the community development organization recruits, eligible applicants are encouraged to apply along with one or more nonprofit Community Development Financial Institution (CDFI) partners that have the capacity and experience to assist in the financing of complex real estate projects within the community. The goal of such partnerships is to expand the private-sector project financing for larger scale revitalization projects, including commercial, residential, small businesses and mixed-uses in the Baltimore Regional Neighborhood Initiative communities.

Eligible applicants are encouraged to apply for projects and programs that build on their community and partner strengths and that will have short- and long- term outcomes as part of their overall revitalization strategy. Applicants may apply for multiple projects with multiple partners.

The lead awardees are also encouraged to collaborate with one another on programs with complementary goals.

Neighborhood Revitalization Plan

Eligible Baltimore Regional Neighborhood Initiative (BRNI) applicants must submit a Neighborhood Revitalization Plan. The BRNI Neighborhood Revitalization Plan is a multi-year community revitalization strategy that focuses around six elements and is nested within the municipality's Sustainable Community Plan. Frequently this plan is an existing strategy pursued by the Community Development Organization and its partners. Project proposals should relate to the actionable items of the plan.

If a Community Development Organization is interested in applying to the program and does not have an approved BRNI Neighborhood Revitalization Plan, then it must submit a plan at the time of application along with its projects for which it is requesting funds. Prior to any funding awards, the BRNI Neighborhood Revitalization Plan must be approved by the Department.

For FY2023, all BRNI groups are requested to submit or resubmit the current plan. The plan does not need to be updated prior to submission.

If you DO NOT have an approved strategic neighborhood revitalization and are new to the BRNI program, please contact the Regional Project Manager.

Eligible Activities

Funds can support a wide range of community enhancement projects, including but not limited to:

- Down payment assistance to attract home buyers to purchase and rehabilitate homes.
- Programs to acquire or rehabilitate vacant or blighted properties.
- Programs to improve existing residential and business properties.
- Programs to achieve energy efficiency through weatherization and energy retrofits.
- Development of mixed-use projects that combine housing, retail, and office space.
- Development or enhancement of community open space or public infrastructure.
- Workforce and employment development programs.
- Strategic demolition.
- Operating costs necessary to implement a community enhancement project.

There may be additional consideration given to applications that include:

- Opportunities that promote compact redevelopment and connect housing and job opportunities with transportation options.
- Activities in specially designated districts that encourage residential reinvestment that reinforces the success of the businesses in the districts.
- Community enhancement projects that encourage or incorporate elements that address environmental responsibility and stewardship into the site and project development, design, and construction.
- Community enhancement projects that incorporate additional State and local revitalization programs and financing tools.
- Capital investments and business practices that incorporate inclusionary hiring practices that increase local workforce opportunities.
- Projects whose purpose is to identify for acquisition, acquire, develop, or promote the development of vacant or blighted properties.

Award Types

The Department awards both grant and loan funds. In some situations, the Department may require that future profits from a project be repaid back to the Department and the award secured by a Promissory Note and Deed of Trust.

Threshold Requirements

Eligible applicants and their projects must have a BRNI Neighborhood Revitalization Plan and must be located within an approved

Sustainable Community and in an approved Baltimore Regional Neighborhood Initiative target area in Baltimore City and/or the inner Baltimore Beltway communities of Anne Arundel and Baltimore Counties.

As previously stated, the BRNI Neighborhood Revitalization Plan application may be obtained from an SRP Project Manager and will be submitted at time of project proposal applications. Division of Neighborhood Revitalization staff will determine applicant eligibility, and the plan must be approved by the Department before projects can be awarded.

Budget requirement: Each organization may not apply for more than 40 percent of the total financial assistance from the Baltimore Regional Neighborhood Initiative program to be used for operating expenditures.

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NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT FUND

Fiscal Year 2023 Funding: \$7 Million Capital TBD Operating

Eligible Applicants: Local Governments and Community Development Organizations

DEADLINE FOR SUBMISSION: WEDNESDAY, JULY 13, 2022 AT 3 P.M.

General Description

The National Capital Strategic Economic Development Fund ("NED") is a program for the greater National Capital region of Maryland that provides competitive funding for strategic investment in local housing and businesses to encourage healthy, sustainable communities with a growing tax base and enhanced quality of life. The program focuses on areas within Prince George's and Montgomery counties where modest investment and coordinated strategies will have an appreciable neighborhood revitalization impact.

Program Goals

Funds from the NED program should support the goals and objectives outlined in a targeted area's <u>Sustainable Communities Action Plan</u>; however, should also support the following activities:

- Down payment assistance for homebuyers to purchase and rehabilitate homes
- Programs to acquire or rehabilitate vacant or blighted properties
- Programs to improve existing residential and business properties
- Programs to achieve energy efficiency through weatherization and energy retrofits
- Development of affordable housing
- Development of mixed-use projects that combine housing, retail, and office space
- Development or enhancement of community open space or public infrastructure
- Related workforce and employment development programs
- Related career and technical education and apprenticeship programs
- Strategic demolition
- Program funds may be used for operating costs necessary to implement a community enhancement project

Eligible Areas Targeted for Revitalization

For FY 2023, NED projects should be in Sustainable Communities located:

- In Prince George's County, at least in part, within the boundary created by Interstate 495 in the State and the District of Columbia; OR
- In Montgomery County, within an Enterprise Zone or the boundary created by:
 - Prince George's County;
 - Maryland Route 200;
 - Interstate 270;
 - o Interstate 495 to the Maryland state line; and
 - The District of Columbia.

If you have questions on eligibility, contact your Regional Project Manager at 410-209-5815.

Eligible Applicants

Eligible applicants include local governments and community development organizations.

Award Types

The Department awards both grant and loan funds. In some situations, the Department may require that future profits from a project be repaid back to the Department and the award secured by a Promissory Note and Deed of Trust.

Project Examples

Below are two examples of commercial and residential development projects that used State funds for predevelopment activities:

Construction-level architectural and engineering project:

The City of Mount Rainier (local government applicant) partnered with a developer to build the first net-zero townhomes in Prince George's County. State funds were used to cover some of the costs of architectural and engineering drawings. Four net-zero town homes were constructed on an in-fill development lot.

Site acquisition project:

Housing Initiative Partnership (non-profit community development organization applicant) acquired multiple vacant and distressed single-family homes in the Kentland/Palmer Park Sustainable Community. Homes were renovated and resold to low/moderate income homebuyers.

SEED Community Development Anchor Institution Program

Fiscal Year 2023 Funding: \$10 Million Capital

Eligible Applicants: Maryland Hospitals and Maryland Higher Education Institutions

DEADLINE FOR SUBMISSION: WEDNESDAY, JULY 13, 2022 AT 3 P.M.

General Description

The Seed Community Development Anchor Institution Fund (SEED) is a State of Maryland program to provide matching financial assistance through grants and loans to anchor institutions (e.g. hospitals and institutions of higher education in the State of Maryland) to support local community development projects with a focus of eliminating blight in targeted areas.

Program Goals

The program will generate jobs, strengthen the partnership between anchor institutions and the State of Maryland, and lead to safer, healthier and more attractive communities.

Eligible Use of Funds

Funds will be used for capital costs, such as, construction/rehabilitation, acquisition, architectural and engineering drawings, site development, public infrastructure improvements, other costs associated with capital neighborhood improvement projects.

Match Requirements

Applicant is required to provide evidence of matching funds. "Matching funds" means funds from a private source that are contributed to the project in an amount that equals the amount of financial assistance received from the Fund (50-50 match).

Eligible Applicants

Anchor Institutions - defined as an institution of higher education or a hospital. Specifically:

- An institution of higher education in the State; or
- Hospital institution in the State that:
 - 1. Has a group of at least five physicians who are organized as a medical staff for the institution;
 - 2. 2. Maintains facilities to provide, under the supervision of the medical staff, diagnostic and treatment services for two or more unrelated individuals; and
 - 3. Admits or retains the individuals for overnight care.

Additional Eligibility Requirements

Projects must be in an area of blight and support the improvement of a neighborhood that surrounds an anchor institution. Blighted areas are areas in which most buildings have declined in productivity by reason of obsolescence, depreciation, or other causes to an extent that they no longer justify fundamental repairs and adequate maintenance. Projects DO NOT need to be located inside of a Sustainable Community, but if located inside a Sustainable Community, will be given priority consideration for funding.

Award Types

The Department awards both grant and loan funds. In some situations, the Department may require that future profits from a project be repaid back to the Department and the award secured by a Promissory Note and Deed of Trust.