



## Getting 'Value' out of 'Vacants to Value'

By: [Joe Nathanson](#) January 14, 2016

About a decade ago, before the collapse of the U.S. housing market and the global economic meltdown, I was given a challenging consulting assignment focused on Baltimore city's housing market. The Baltimore Efficiency and Economy Foundation (BEEF), the independent, nonprofit policy research group focused on city government operations, wanted to understand how what was then the city's prime initiative to deal with its stock of vacant houses was working and, more precisely, what was the economic impact of Project SCOPE.

I mention this examination of the city's Project SCOPE (Selling City-Owned Properties Efficiently) in light of Gov. Larry Hogan's recent announcement [of his proposal to deal with Baltimore's vacant housing and blighted neighborhoods](#). The Project SCOPE assignment afforded me the opportunity to examine in detail a wide range of the city's older neighborhoods, exhibiting various degrees of disinvestment. Project SCOPE had at its core the idea that private real estate professionals could sell properties to prospective homeowners and developers, who could acquire the properties for a modest fee. The buyers could then invest in renovating the properties, in the process increasing their personal equity while strengthening their surrounding neighborhood.

I saw that this model worked in certain neighborhoods with a strong housing stock (e.g. Reservoir Hill, with its stately Victorian row houses, many of which had been rehabilitated), but not so well in those areas of the city where there was no active housing market and demolition seemed to be the only viable solution. With the crash of the housing market, locally and nationally, the SCOPE model was, in most cases, no longer economically viable.

SCOPE was replaced by the current Vacants to Value initiative. But with both local and federal resources limited, the process of demolition and reinvestment has been moving very slowly. The ongoing process of housing abandonment has meant that the estimated total of 16,000 vacant housing units when Vacants to Value was started five years ago remains at just about that same level today.

So, one can welcome the governor's proposal to invest nearly \$700 million for demolition and redevelopment in some of the city's blighted neighborhoods. But one can also sound a cautionary note.

## ***Comprehensive planning***

I am troubled by the image of houses being demolished on the 100 block of North Stricker Street as the backdrop for the governor's rollout of his proposal. I am similarly troubled by Mayor Stephanie Rawlings-Blake referring to the program as "demolition dollars on steroids." Rather than the dramatic image of the wrecking crane, I would have much preferred to see the public officials gathered on a block, say, in Barclay, where they could have spotlighted new residences, constructed on formerly cleared blocks, fitting in with their older neighborhood houses.

It is too easy to see blocks cleared and turned into green space for years on end (with questions about how the space would be maintained) before any redevelopment might take place. There are a number of critical steps that have to take place before the wrecking ball is set in motion. Neighborhoods should be selected where communities have worked for years to create plans designed to improve their home turf.

And, of course, the redevelopment activity cannot take place independently of other major initiatives already underway. The first that comes to mind is the decade-long program of new construction and renovation of city schools, a program billed as a \$1 billion investment in the city's educational facilities. Also, how do the neighborhood redevelopment plans fit with efforts to revitalize commercial corridors? Similar questions can be raised relative to plans to realign transportation facilities. In short, we are talking about a comprehensive planning process for many of Baltimore's older neighborhoods.

Additional questions can be raised about the state agency, the Maryland Stadium Authority, tapped to manage the funding and contracting for the Baltimore redevelopment efforts. Significant amounts are being committed, over the next four years, assuming approval by the Maryland General Assembly and the city's Board of Estimates: \$94-million for demolition and \$600-million in the form of various grants and incentives for redevelopment by private developers.

It seems a heavy lift, given all of the authority's ongoing responsibilities. The key will be how well the stadium authority and the state's Department of Housing and Community Development can mesh with city agencies, including the housing department and Baltimore Development Corporation, which work with neighborhoods on development matters.

Let's applaud the new attention given to improving Baltimore's older neighborhoods. But let's be sure that the questions are raised and satisfactorily resolved before much more of Baltimore's housing stock is torn down.

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