



Building on Baltimore's History: The Partnership for Building Reuse

November 2014



National Trust *for* Historic Preservation
Preservation Green Lab



Urban Land
Institute

Baltimore

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About the Partnership

NATIONAL TRUST FOR HISTORIC PRESERVATION

(www.preservationnation.org)

The National Trust for Historic Preservation is a privately-funded nonprofit organization that works to save America's historic places for the next generation. We are committed to protecting America's rich cultural legacy and to helping build vibrant, sustainable communities that reflect our nation's diversity. We take direct action to save the places that matter while bringing the voices of the preservation movement to the forefront nationally.

The Preservation Green Lab strengthens the fabric of communities by leveraging the value of existing buildings to reduce resource waste, create jobs, and bolster a strong sense of community. The Preservation Green Lab integrates sustainability with historic preservation by developing research, demonstration projects, and policies that decrease demolition and promote building reuse. Guided by a belief that historic preservation is essential to sustainable development, the Preservation Green Lab works with partners to create new pathways to shared prosperity and to bring people together around a common vision for their neighborhoods, towns, and cities.

URBAN LAND INSTITUTE

(www.uli.org)

The Urban Land Institute provides leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is an independent global nonprofit supported by members representing the entire spectrum of real estate development and land use disciplines.

A district council of the Urban Land Institute, ULI Baltimore serves the Baltimore Metropolitan Area's public and private sectors with pragmatic land use expertise and education. Our members form a spectrum of land use and development disciplines, including developers, builders, investors, designers, public officials, planners, real estate brokers, attorneys, engineers, lenders, academics, and students.

THE PARTNERSHIP FOR BUILDING REUSE

The National Trust for Historic Preservation and ULI created the Partnership for Building Reuse in 2012 to enhance opportunities for building reuse in major U.S. cities. Recognizing the environmental, economic, and community benefits of reusing vacant and underused property, the Partnership for Building Reuse brings together community groups, real estate developers, and civic leaders around the common goal of making it easier to reuse and retrofit these valuable assets.

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Executive Summary

Baltimore is a city of diverse and distinctive neighborhoods. Most were developed before World War II and contain a mix of single-family rowhouses, apartments, commercial blocks, and industrial buildings. After decades of population loss, many of these areas are being rediscovered, attracting new residents and increased investment. Baltimore has become a nationally recognized leader in the creative reuse of older buildings. Private developers, public agencies, and nonprofit organizations are creatively retrofitting and repurposing Baltimore's remarkable architectural heritage to serve the needs of a 21st century city.

What can be done to extend the benefits of revitalization to more neighborhoods and citizens of Baltimore?

While building reuse has brought new life and opportunity to many areas of the city, other neighborhoods have not yet turned around. What can be done to extend the benefits of revitalization to more neighborhoods and citizens of Baltimore?

The Partnership for Building Reuse explores one aspect of this challenge – making it easier for property owners and investors to renew and repurpose older buildings. A joint effort between the National Trust for Historic Preservation and the Urban Land Institute, the Partnership fosters market-driven reuse of vacant and underused buildings in cities across the country. Baltimore is one of five cities participating in this initiative.

Led locally by the ULI Baltimore District Council, the Partnership engaged more than 90 real estate developers, historic preservation advocates, government agency staff, land use professionals, and community leaders. With the help of six volunteer working groups, these stakeholders identified opportunities and developed recommendations for how to increase building reuse and revitalization in Baltimore.

As part of this effort, the National Trust's Preservation Green Lab conducted research into the connections between the vitality of Baltimore neighborhoods and the character of the city's existing building stock. The Green Lab's findings show that Baltimore's older, smaller buildings contribute in key ways to the vitality of the city. For example:

- **Older neighborhoods provide space for Baltimore's local economy.** Areas of the city characterized by older, smaller buildings and mixed-vintage blocks average more than twice the number of jobs in small businesses found in areas of Baltimore with mostly newer, larger buildings.
- **Young people love old buildings.** People between the age of 18 and 34 make up at the majority of the population in twice as many parts of Baltimore with older, smaller buildings and mixed vintage blocks, compared to areas with mostly newer, larger buildings.
- **Old buildings attract good restaurants.** More than 83 percent of *The*

Baltimore Sun's 2014 “Top 50 Restaurants” and 2013 “Top 50 Bars” are located in buildings constructed before 1920, well above the citywide total of 50 percent of commercial businesses located in buildings of that vintage.

Working with local practitioners, the Green Lab also developed an analytical tool to identify areas of the city that have not yet benefitted from reuse and revitalization, but have high potential for near-term success (see map on following page).

To encourage building reuse in these areas and other neighborhoods city-wide, the Partnership identified major obstacles that make building reuse challenging — including market, financial, technical, and regulatory barriers. These include:

- Weak market demand due to oversupply of building inventory
- Acute social and economic challenges in many neighborhoods
- Conflicts between reuse of existing buildings and energy and building code requirements
- Difficulty in adapting certain building types for modern needs
- Complexity, unpredictability, and high cost associated with many reuse projects
- Difficulty in using tax credits and other incentives, especially for smaller projects

With these and other barriers in mind, the Partnership recommends key strategies to optimize building reuse in Baltimore, including:

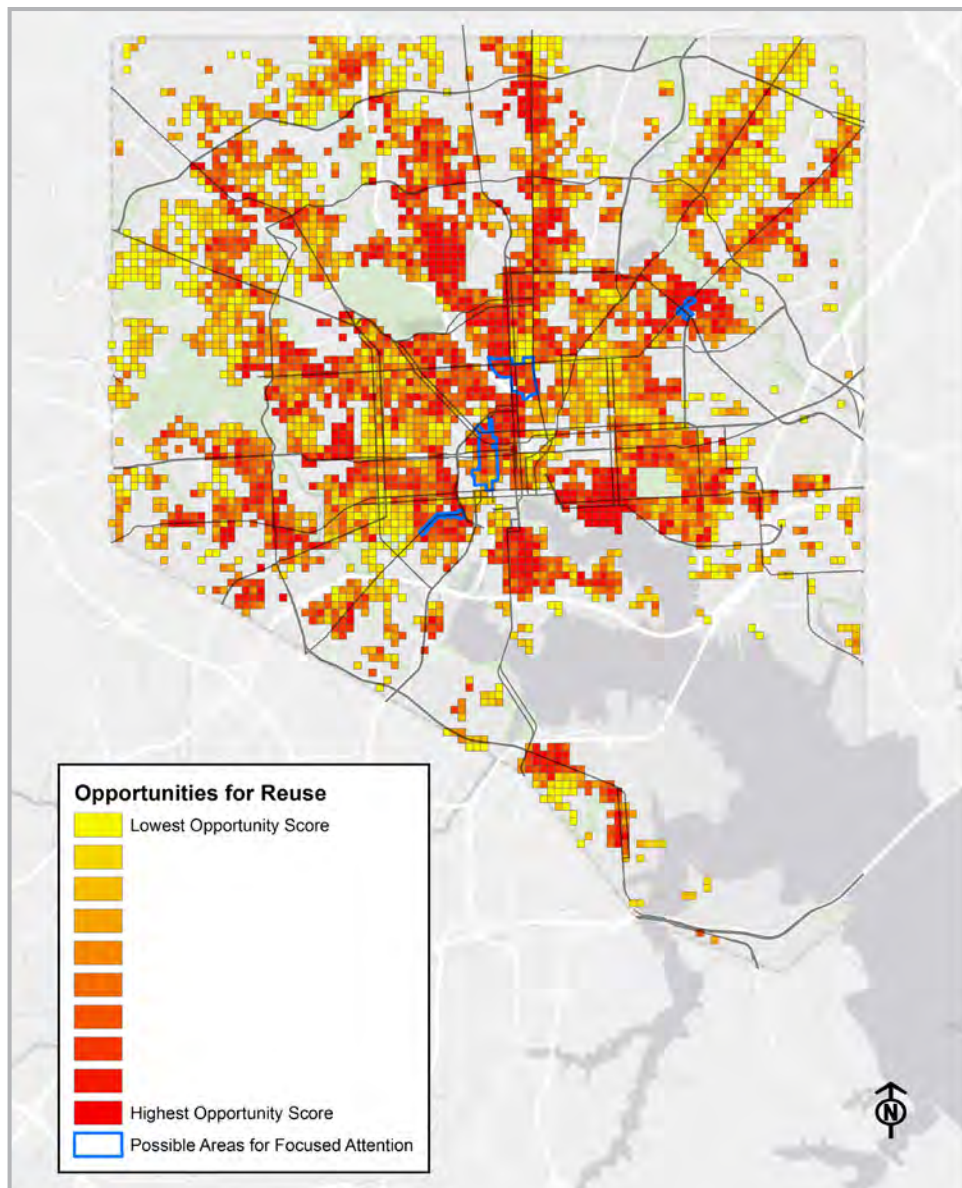
1. **Adopt key provisions of the city’s proposed new zoning code, *Transform Baltimore*.** Create neighborhood commercial districts that allow selected commercial and other non-residential uses that align with the existing character of older neighborhoods. Create new industrial mixed-use zone districts that make it easier to repurpose vacant industrial structures for residential, commercial, and light industrial use. Eliminate parking requirements for structures more than 50 years old. Streamline the process for conversion of non-conforming uses into specific commercial uses through a conditional use process.
2. **Promote creative building and energy code solutions.** Create a “Code Solutions Database” for common code compliance issues, based on lessons learned over the years by designers, contractors, and code officials. Create “Code Innovation Zones” to model creative building and energy code solutions and facilitate reuse of small commercial blocks and industrial buildings.
3. **Improve and promote incentive programs.** Increase funding for the Maryland Sustainable Communities Tax Credit (SCTC). Promote the use

of the recently-enacted, by-right SCTC for small commercial projects in designated historic districts, including Main Streets and older commercial corridors. Package local, state, and national incentives and promote greater use in areas of the city with high opportunity for successful revitalization. Develop a matrix of all existing reuse incentives to identify critical gaps and needs. Create a citywide map illustrating areas of reuse potential. Explore the use of federal demolition mitigation funding to support the creative re-use of older and historic properties.

4. **Focus attention in high-opportunity neighborhoods and districts.** Encourage building reuse and test innovative approaches in specific geographic areas. Focus policy, programs, and resources on areas that have both a concentration of older, smaller buildings as well as healthy social, economic, demographic, and real estate indicators. For example, efforts could build on existing Main Street or Arts and Entertainment Districts that suffer from vacancy and disinvestment but are well positioned for successful, near-term revitalization.

vacancy and disinvestment but are well positioned for successful, near-term revitalization.

In the coming months, ULI Baltimore and the National Trust will work with local partners and city leaders to advance these recommendations and bring the benefits of building reuse to more Baltimore neighborhoods and residents.



Areas to consider for focused efforts to promote and assist market-driven building reuse. The red grid squares shown on this map are areas of high opportunity for successful building reuse, according to a new methodology developed as part of the Partnership for Building Reuse. The map shows concentrations of high opportunity grid squares in diverse neighborhoods across the city. Areas outlined in blue are examples of Main Street and Arts and Entertainment Districts where vacancy and disinvestment could be addressed through targeted efforts from public officials and the development community.

Introduction

The Partnership for Building Reuse fosters the market-driven reuse of vacant and underused buildings. The project brings together two national organizations, as well as local partners and stakeholders, to identify opportunities and address challenges related to building reuse. The Partnership leverages the unique strengths and expertise of the National Trust for Historic Preservation and the Urban Land Institute. With a network of 51 District Councils across the country, ULI is the nation's leading real estate development organization. ULI District Councils bring together a broad range of land use and real estate professionals and provide opportunities for education, dialogue, and problem solving. The National Trust also works with a strong network of state and local partners to save historic places across the country. The Trust's Preservation Green Lab provides research and policy innovation to strengthen the connections between historic preservation and sustainable development.

A STRATEGY FOR SUSTAINABLE DEVELOPMENT

Many cities are looking for innovative ways to stimulate investment, reduce vacancy, increase employment, and decrease carbon emissions. Recent Preservation Green Lab research shows that reusing existing buildings is a powerful strategy for achieving these goals. For example, a 2012 Green Lab report, *The Greenest Building: Quantifying the environmental value of building reuse*, documents how building reuse conserves energy and natural resources. Using a life cycle assessment methodology, the study compares the relative environmental impacts of building reuse and renovation versus demolition and new construction. The results show that it takes between 10 and 80 years for a new building to overcome, through efficient operations, the negative climate change impacts related to the demolition and construction process.

Another Preservation Green Lab report, *Older, Smaller, Better: Measuring how the character of buildings and blocks influences urban vitality*, examines the relationship between the physical character of existing buildings and a range of social and economic performance data. Based upon statistical analysis of the built fabric of Seattle, San Francisco, and Washington, D.C., this research finds that established neighborhoods with a mix of older, smaller buildings outperform districts with larger, newer structures when tested against a range of economic, social, and environmental indicators. Taken together, these recent Preservation Green Lab reports document how conserving and retrofitting existing buildings and neighborhoods can help cities achieve sustainable development.

Many land use professionals, including ULI members, recognize that the reuse of existing buildings is a growing market opportunity. Demographic trends indicate that a historic shift back to cities is underway, with large numbers of immigrants, young professionals, baby boomers, and others



Shops and cafes on Thames Street, Fells Point, Baltimore. Older buildings in Fells Point house popular coffee shops, cafes, and other businesses. Fells Point is one of Baltimore's most vibrant neighborhoods, due in part to the reuse of its older and historic buildings.

PHOTO: POLOMEX (FLICKR). UNDER CC BY-NC-SA 2.0 LICENSE.

choosing to live and work in diverse urban neighborhoods. Many cities, including Baltimore, recently experienced their first population gains since the 1950s. This trend presents an opportunity to repurpose long-vacant structures, revitalize neighborhoods, and expand the tax base in cities that have suffered from decades of declining employment and population loss.

GOALS OF THE PARTNERSHIP

The Partnership for Building Reuse focuses on the places where older, vacant, and underused buildings are concentrated in the greatest numbers: our major cities. In some cities, including Baltimore, thousands of buildings

sit vacant and many others are only partially occupied. The Partnership seeks to realize the potential of these reservoirs of unused urban architecture. The overall goals of the Partnership are to:

- Identify and understand the common barriers to building reuse
- Accelerate rates of building reuse and rehabilitation
- Support community revitalization in diverse neighborhoods
- Decrease building demolition and resource waste
- Document best practices that encourage building reuse
- Create a methodology to advance building reuse in other cities

The Partnership for Building Reuse includes three phases:

- **2012-13: Develop the methodology.** Los Angeles served as the pilot city. A final report from this phase, *Learning from Los Angeles*, was released in 2013.
- **2013-15: Test the methodology in additional cities.** Baltimore and Philadelphia joined the Partnership in December, 2013. Chicago and Louisville are expected to join in 2015.
- **2016: Share lessons learned.** A national summit will bring together urban leaders from across the country, including practitioners from the five cities, to explore lessons learned and establish a common policy agenda. The results will be shared in a summary publication.

THE PROCESS IN BALTIMORE

Through a solicitation of competitive proposals from seven ULI district councils, ULI Baltimore was selected to participate in the 2013-14 round of the Partnership for Building Reuse. With its strong network of real estate and land use professionals from Baltimore and the surrounding region, ULI Baltimore is ideally positioned to provide local leadership for the project and to serve as the convener for dialogues among community stakeholders.

The Partnership for Building Reuse launched in Baltimore in December 2013 and has included participation from more than 90 community, business, and government leaders. This report includes the perspectives of many individuals who participated in interviews, stakeholder meetings, and working group discussions. Participants included representatives from real estate development, affordable housing and community development, finance, law, architecture, planning, historic preservation, sustainability, construction, neighborhood revitalization, commercial revitalization, state government, local government, and academia. The Partnership for Building Reuse in Baltimore involved the following steps:



Baltimore Design School, Station North, Baltimore. This former factory building in the Greenmount West / Station North area of Baltimore, abandoned for nearly 30 years, was recently adapted to a new use as a magnet school focused on arts and design.

PHOTO: SOUTHWAY BUILDERS.

- **Formation of a 33-member Reuse Advisory Committee** to develop the local process, engage interested partners, review documents and reports, and provide overall guidance to the project.
- **Analysis of development patterns** as well as social, economic, and demographic conditions.
- **Interviews with leading reuse development practitioners** to identify and understand barriers to reuse in Baltimore.
- **Three stakeholder meetings** to identify and discuss key obstacles to building reuse (February 21), review potential solutions (May 7), and prioritize recommended actions (June 11).
- **Creation of six working groups** to examine key barriers in greater depth, identify solutions, and create short- and long-term action plans to address the barriers.
- **Development of a summary of findings and recommendations** to be presented to elected officials, community leaders and the public (November 3).

Building Reuse in Baltimore

Baltimore is one of the nation’s most historic cities, with an extensive inventory of structures representing more than 200 years of urban development. The Partnership for Building Reuse addresses vacancy and reuse issues related to all existing structures, not just those designated as historic at the local, state, or national level. In Baltimore, as in most other large cities east of the Mississippi, the majority of existing buildings are more than 50 years old. More than 70 percent of the city’s nearly 200,000 primary buildings were constructed prior to 1945.

More than 11,000 of these properties (approximately five percent of all buildings in the city) have been designated as historic by the Commission for Historical and Architectural Preservation (CHAP), either as individual local landmarks or as contributing structures within one of the city’s 33 local historic districts. This is a slightly higher percentage of locally designated structures than is found in most large cities. In New York City, for example, less than four percent of the city’s existing buildings are designated at the local level. In San Francisco, designated buildings make up just over two percent of existing structures. Washington, D.C. has the highest local designation rate among major cities, with 18 percent listed. In addition, there are more National Register-listed properties in Baltimore than in any other city in the nation (over 65,000).

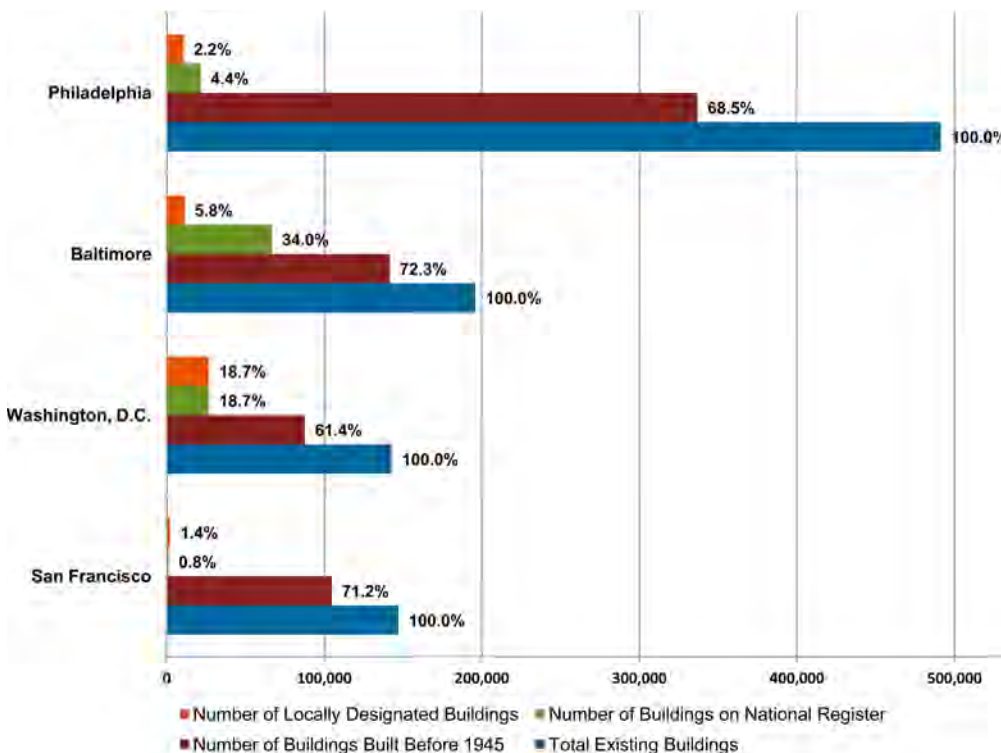


CHART Existing buildings, era of construction, and percent designated historic in selected US cities.

Baltimore has a long history of innovation to assist neighborhood revitalization and building reuse. In the 1980s, for example, the Dollar House program helped save hundreds of structures threatened by highway construction. Current programs managed by local government agencies, nonprofits, and universities include:

- **Vacants to Value**, an initiative of Baltimore Mayor Stephanie Rawlings-Blake, is aimed at marketing the city's vacant and abandoned building stock. Launched in 2010, the Vacants to Value program streamlines the sale of vacant property, strengthens code enforcement in transitioning areas, and provides incentives for homebuyers and developers investing in vacant homes. The initiative's goals also include large-scale redevelopment, demolition, and land banking in highly distressed areas.
- **Live Baltimore** is a non-profit organization that seeks to attract residents to the City of Baltimore by marketing the city's neighborhoods, providing information on financial incentives and housing options, and hosting events and neighborhoods tours targeted at prospective new homebuyers. Live Baltimore was initially launched in 1997 and became an independent nonprofit entity in 2002.
- **Come Home Baltimore** is a privately-funded organization that rebuilds Baltimore neighborhoods. The organization acquires and renovates neglected and abandoned housing and customizes its developments to the specifications of new homebuyers. Houses renovated by Come Home Baltimore are retrofitted for energy efficiency and sustainability. The organization aspires to be a "replicable, profitable homebuilding program that leads to low-crime, economically integrated neighborhoods with no displacement of longtime residents."
- **One House at a Time** is a nonprofit organization that aims to streamline the transfer of ownership of vacant properties to qualified buyers. The organization was formed in 2003 and is routinely appointed a vacant building receiver by the 5th District Court of Maryland. The organization has facilitated the transfer of more than 400 vacant properties to buyers. The properties are primarily single family homes, but One House at a Time has also been involved in the transfer of ownership of multifamily residential properties and commercial buildings.
- The **Baltimore Main Streets program** is an initiative of the Mayor's office and a special program of the Baltimore Development Corporation that serves the business community on ten commercial corridors in the City of Baltimore. Launched in 2000, Baltimore Main Streets is an approach to neighborhood revitalization that involves marketing, event planning, financial assistance, and design services.
- The **Baltimore Neighborhood Indicators Alliance**, based at the Jacob France Institute (BNIA-JFI) at the University of Baltimore, aims "to strengthen Baltimore neighborhoods by providing meaningful, accurate, and open data at the community level." BNIA-JFI developed a set of indicators that measure and track changes in the quality of life of neighborhoods throughout the city. The organization collects, analyzes, maps, and shares an array of data. BNIA-JFI was created in 2000 with support from the Annie E. Casey Foundation.

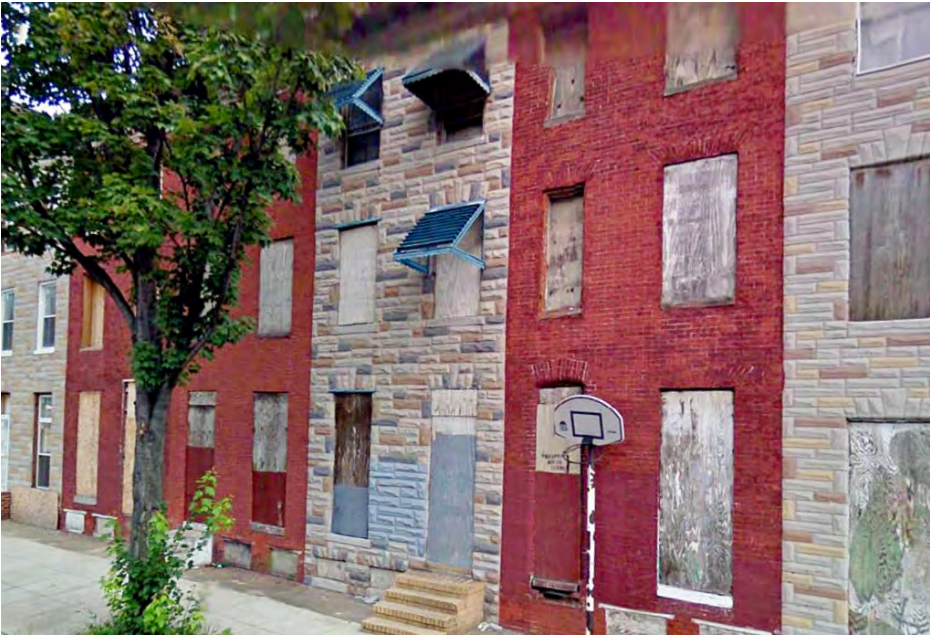
For decades, Baltimore, along with the state of Maryland, has been recognized as a national leader in historic preservation, adaptive use, and smart growth. Private developers, nonprofit organizations, and public agencies have creatively repurposed a remarkable number of formerly vacant Baltimore landmarks to serve new needs. Historic downtown office buildings are now boutique hotels and apartment buildings. Mills have become condominiums, offices, and galleries. Former industrial sites are repurposed as museums, shopping centers, and corporate headquarters. Local, state, and federal rehabilitation tax credits have made many of these projects financially feasible.

Baltimore offers an array of local tax incentives designed to encourage reuse and investment in older neighborhoods. The Baltimore Historic Restoration and Rehabilitation Tax Credit was established in 1996, with a particular focus

American Brewery. Built in 1887, this East Baltimore brewhouse closed in 1973 and sat vacant until 2009, when it reopened as the new home for Humanim, a nonprofit social and human services provider. Private developers used state and federal rehabilitation tax credits, as well as federal New Markets Tax Credits to finance the \$24 million project. Federal rehab tax credits assisted 270 projects totaling more than \$840 million of investment in Baltimore between 2001 and 2013.

PHOTO: BALTIMORE HERITAGE (FLICKR).
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on spurring investment in less affluent areas of the city. Administered by CHAP and available for properties in 80 local or national historic districts across the city, this 10-year property tax credit has resulted in over 2,000 rehabilitation projects and spurred more than \$700,000,000 of investment in Baltimore’s historic neighborhoods. A similar, 15-year tax credit on increased assessed values was introduced by Mayor Rawlings-Blake and passed by the City Council in 2013 to encourage adaptive use and infill projects that create multi-unit housing projects in the downtown area as well as eight other mixed use districts in the city. In June 2014, the City Council approved the Mayor’s legislation to create a new citywide, 10-year property tax credit for multi-unit housing projects involving either new construction or substantial rehabilitation of existing buildings.

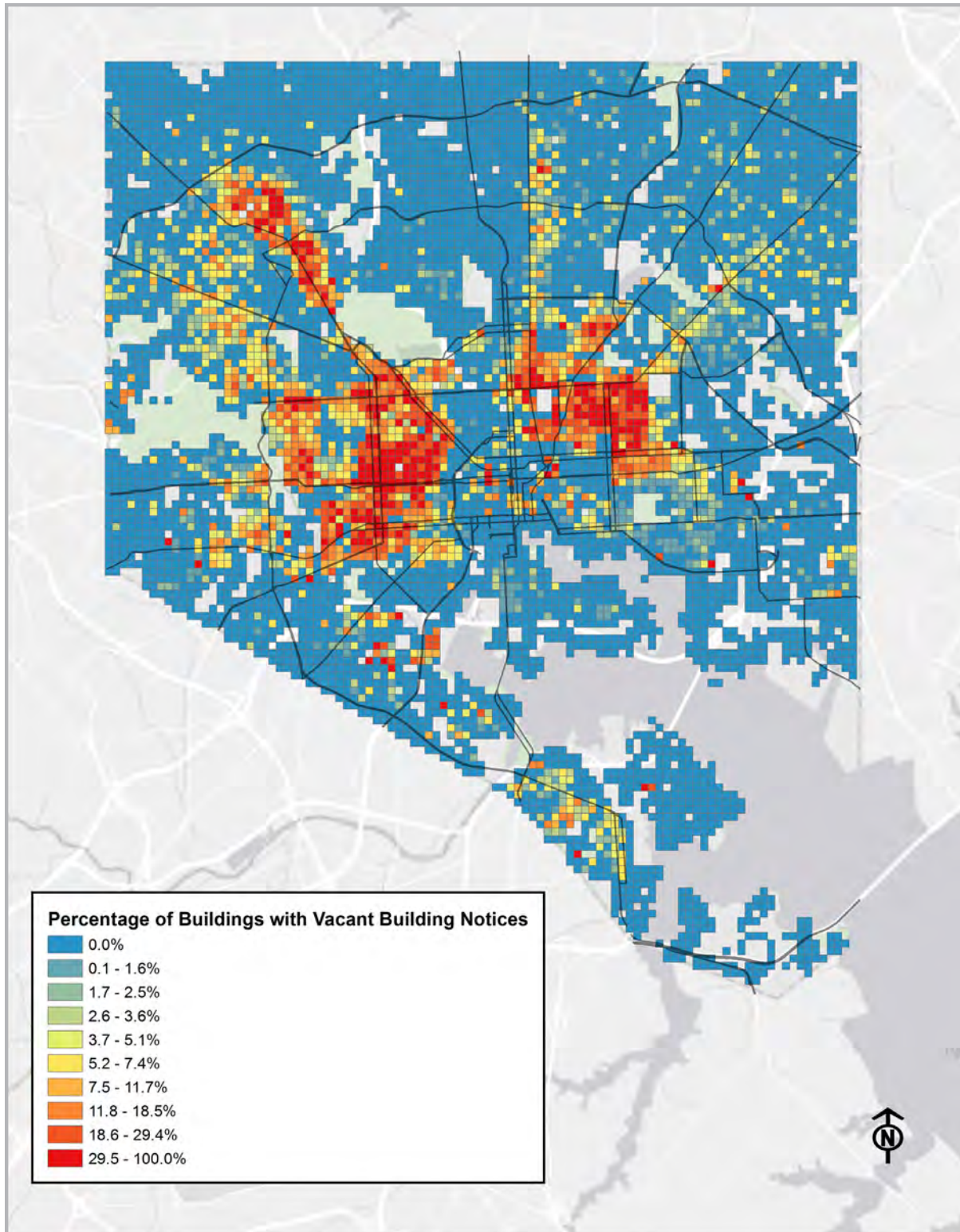
Transformed row houses, Oliver, Baltimore. The Vacants to Value initiative has had a powerful impact on many vacant and dilapidated buildings, including these row houses on North Bond Street in the Oliver neighborhood.

PHOTOS: CITY OF BALTIMORE.

Like other cities that grew quickly as the nation industrialized in the 19th and early 20th centuries, Baltimore has seen a significant loss of manufacturing employment in recent decades. This trend, combined with competition from new suburban areas, has left Baltimore with large numbers of vacant residential, commercial, industrial, and institutional buildings. More than 16,000 structures in Baltimore City are currently listed as vacant. The Housing Authority of Baltimore City and the Baltimore City Department of Housing and Community Development have recently restructured as Baltimore Housing to consolidate local community development efforts, including work to reduce the number of vacant buildings in the city. Through analysis of market conditions, Baltimore Housing and other local partners are focusing reuse efforts on the approximately 4,400 vacant buildings located on blocks where there is established or emerging development interest. A range of interventions are being used to spur market-driven investment in these prop-

erties, including streamlined disposition for city-owned properties, stepped up code enforcement, increased policing, and rehabilitation grants. In some cases, strategic demolition of vacant buildings is used to encourage rehabilitation of more viable properties nearby.

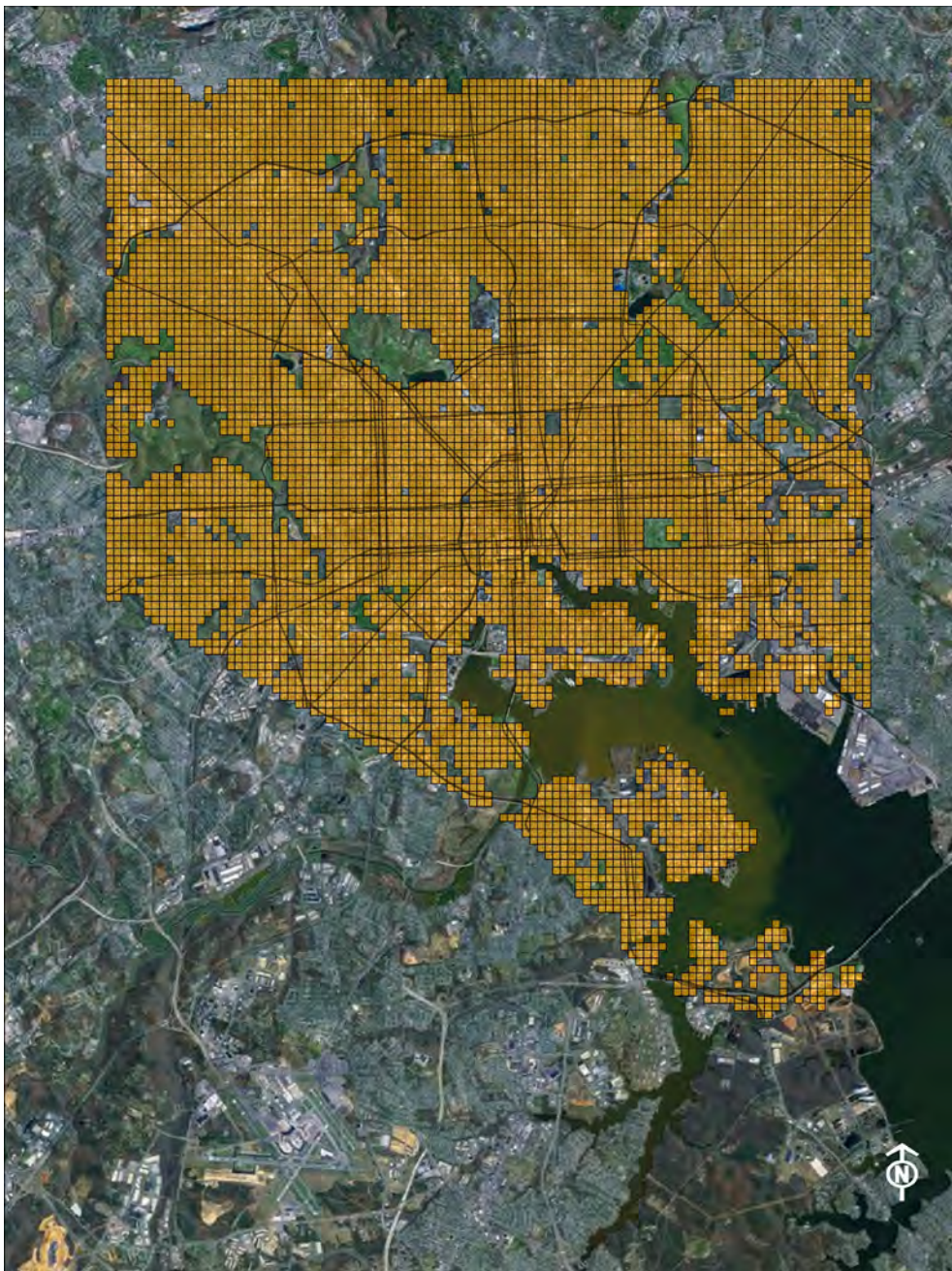
Baltimore's vacant properties. More than 16,000 structures in the city of Baltimore are currently listed as vacant. The largest concentrations are found in West Baltimore and East Baltimore.



Grid square map. To facilitate “apples-to-apples” statistical analysis of the entire city, Baltimore was divided into 7,485 grid squares. Each is 200 meters by 200 meters in size. Data on the size, age, and diversity of age of all existing buildings, as well as data on the economic, social, and cultural activity of each area, were computed and constructed into a database.

Development Patterns and Performance

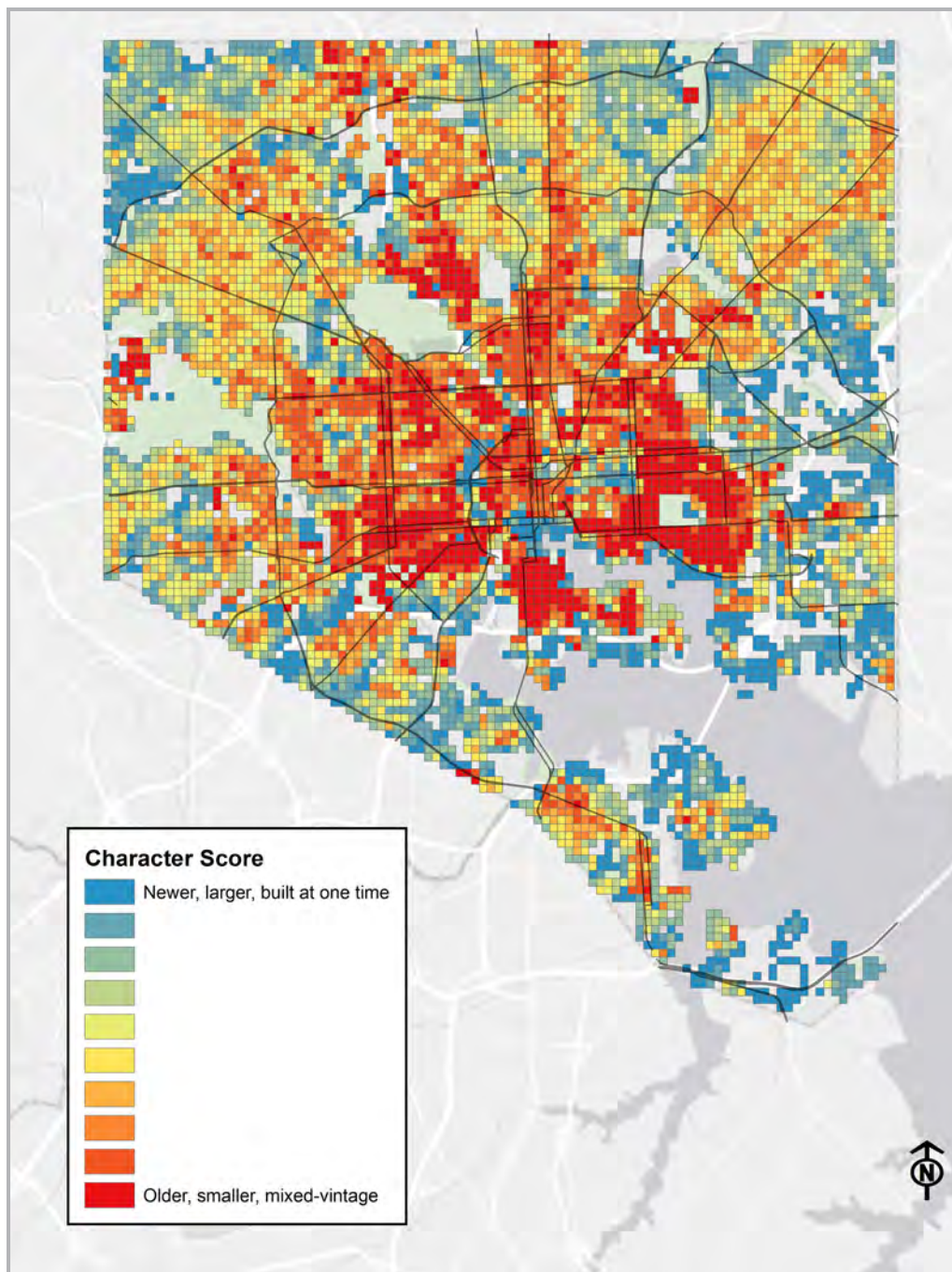
In May 2014, the Preservation Green Lab published a new report that explores the relationship between the physical character of existing buildings and the vitality of neighborhoods. The report, *Older, Smaller, Better: Measuring how the character of buildings and blocks influences urban vitality*, was based on analysis of data from Seattle, San Francisco, and Washington, D.C. Green Lab researchers found strong statistical connections between the presence of older, smaller buildings in these cities and measures of economic, social, and cultural vitality.



The Preservation Green Lab applied the methodology developed for the *Older, Smaller, Better* report to assess the performance of buildings and blocks across Baltimore City. This analysis uses a 200-meter-by-200-meter grid that is applied across the entire city to allow an “apples-to-apples” statistical analysis of the urban environment. The Green Lab analysis includes information from 7,485 of these squares across Baltimore. Each of the squares is about the size of one-and-a-half square blocks of the city. A range of data, mostly from public sources, was matched and statistically apportioned to the grid square geometry to facilitate the analysis.

The Green Lab’s model compares the physical character of Baltimore’s existing buildings and blocks against a range of social, economic, and

cultural performance measures. The physical “Character Score” for each grid square is determined by combining available data on the age of buildings, diversity of building age, and building size or granularity. These Character Score results are then compared against demographic information, measures of economic activity, social vitality indicators, and real estate performance metrics to assess relationships and trends. Although the analysis completed to date for Baltimore is based on fewer variables than were tested in San Francisco, Seattle, and Washington, D.C., the results show a correlation between stronger performance and the areas characterized by older, smaller, and mixed age buildings.

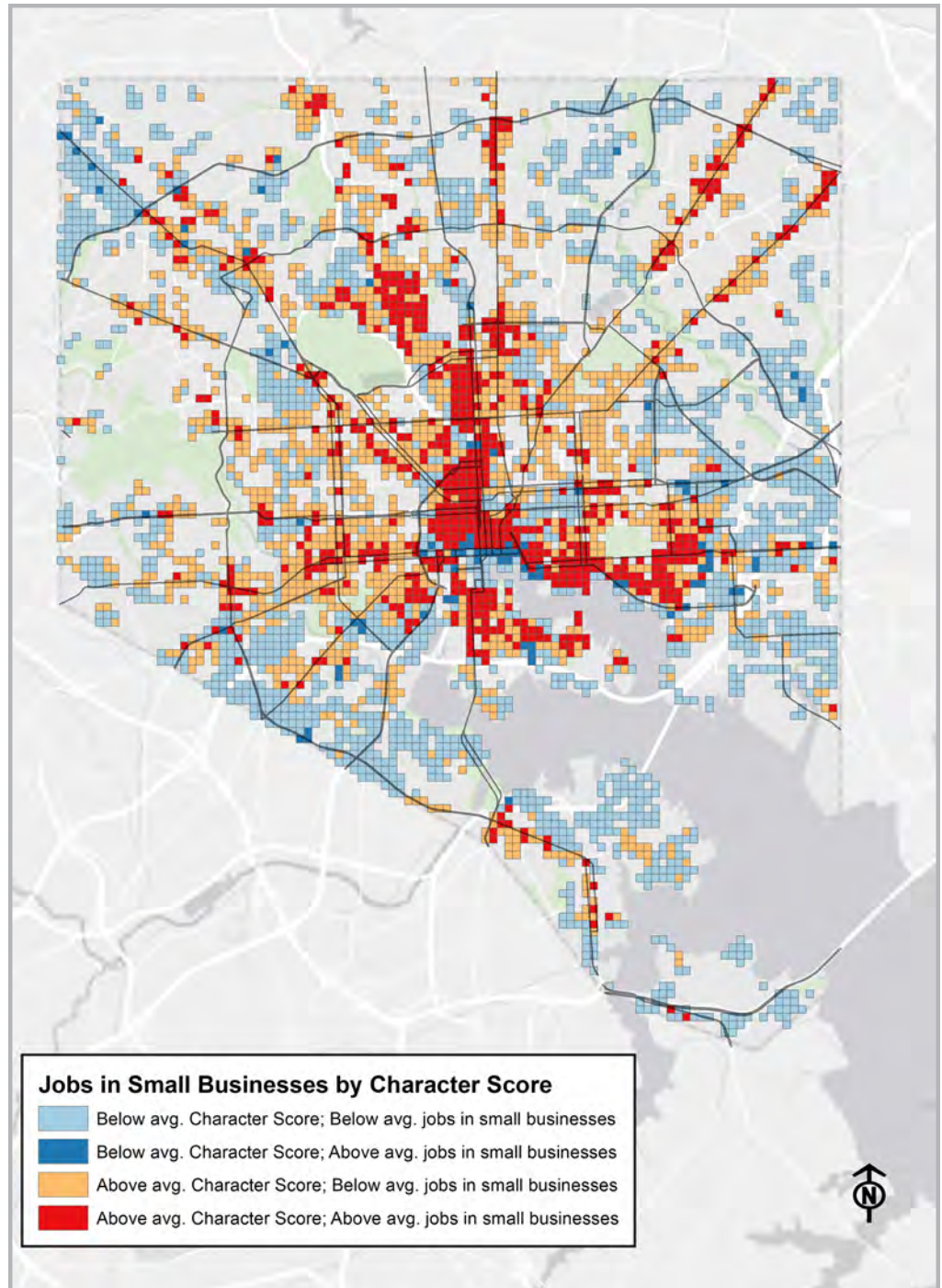


Character Score. Red squares on this map represent areas of the city where buildings are older and smaller and where the diversity of building age is greatest. These high “Character Score” areas are concentrated in neighborhoods such as Fells Point, Federal Hill, Washington Village/Pigtown, Hampden, and Patterson Park. Preservation Green Lab research finds correlations between areas with a high Character Score and measures of social, economic, and cultural vitality.

RESULTS FROM THE ANALYSIS

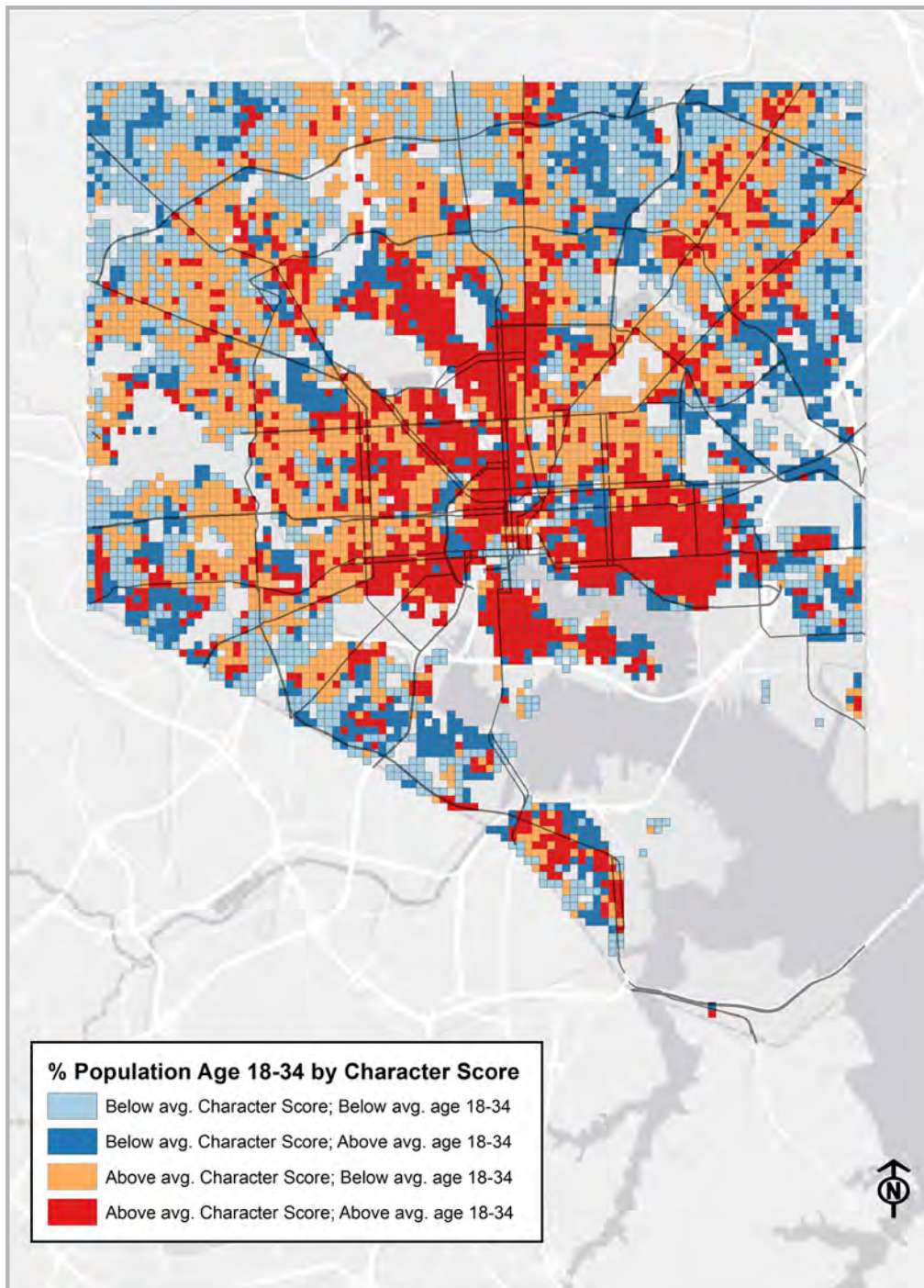
Analysis by the Preservation Green Lab suggests that Baltimore's older, smaller buildings and mixed-vintage blocks provide space for housing small businesses, startups, young residents, and people new to the city. Areas of Baltimore with older, smaller buildings have greater economic, social, and cultural vitality than areas with newer, larger buildings, according to several of the measures analyzed for this report. This analysis points to the opportunities associated with increased building reuse activity.

Social and economic performance of older, smaller buildings. These maps show concentrations of activity in small businesses (this page) and concentrations of residents age 18-34 (next page). Areas with more jobs in small businesses than the citywide average are found in high Character Score areas such as Mount Vernon, Charles Village, Fells Point, and Federal Hill. Areas with high concentrations of residents age 18-34 include areas with older, smaller buildings like Patterson Park, Fells Point, Remington, Riverside, and Washington Village/Pigtown.



Economic Activity

Areas of Baltimore comprised of a mix of small, old and new buildings include many of the city's small businesses and startups. High Character Score areas outperform areas with large, new buildings in small business activity. Grid squares with older, smaller buildings and mixed-vintage blocks have an average of 9.8 jobs in small businesses while grid squares with larger, newer buildings and less diversity of building age have an average of about 4.3 jobs in small businesses. Sections of the city with older fabric also have more jobs



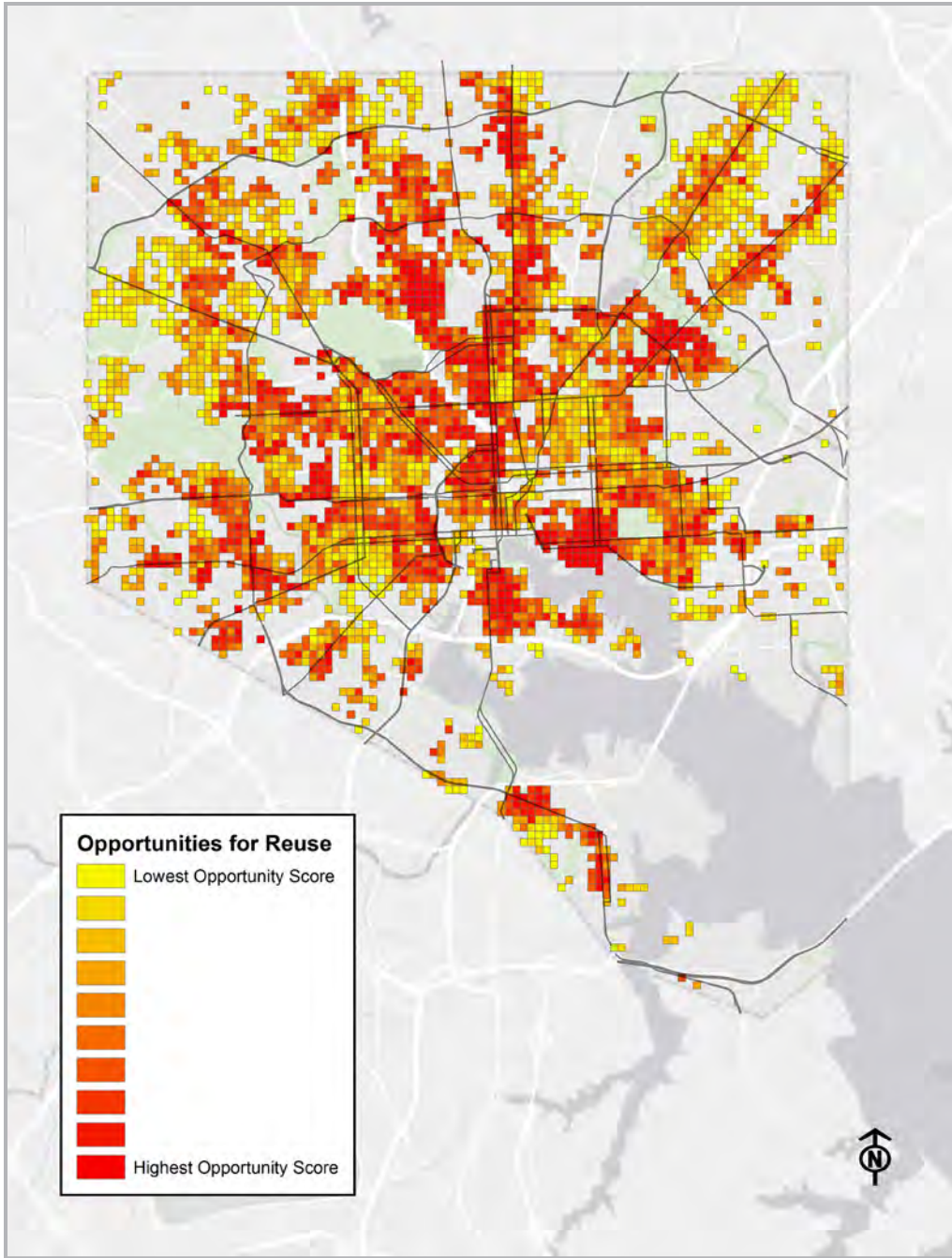
in new businesses than areas with larger, newer structures. High Character Score grid squares have an average of 2.8 jobs in new businesses while grid squares with predominantly large, new buildings have an average of 1.5 jobs in new businesses. Finally, while areas with office complexes and tall commercial structures host more jobs in the aggregate than areas with low-rise, historic commercial structures, the different areas actually have about the same number of jobs per commercial square foot. Areas with older, smaller buildings and a mix of old and new buildings have an average of 10.8 jobs per 1,000 commercial square feet. In comparison, areas with high-rise office buildings and full-block developments have an average of 11.0 jobs per 1,000 commercial square feet.

Social Activity

Older and historic areas of Baltimore have greater population density, younger residents, and more newcomers than areas with newer, larger buildings. Areas with older, smaller buildings have an average of 115.2 residents per grid square compared to an average of 63.7 residents per grid square in areas with newer, larger buildings. Baltimore residents between the age of 18 and 34 are gathered in more areas of the city with older, smaller buildings and mixed-vintage blocks. Residents in that age group make up at least half the population in 6.4 percent of high Character Score areas, compared to 3.2 percent of areas with predominantly newer, larger buildings. About 6.5 percent of the population of high Character Score areas moved to Baltimore during the previous year, compared to 5.9 percent in areas with newer, larger buildings. There is no statistical difference in the average racial and ethnic diversity of high and low Character Score areas; both areas have an average Racial and Ethnic Diversity Index of 32.3.

Cultural Activity

Areas of Baltimore with concentrations of mix of small, old and new buildings are thriving cultural hubs. The Preservation Green Lab analyzed lists of the city's 50 best restaurants of 2014 and 50 best bars of 2013, as identified by *The Baltimore Sun*, and mapped and analyzed the buildings and blocks that house the top-ranked businesses. Whereas 50 percent of Baltimore City's commercial buildings were built before 1920, just over 83 percent of the city's top restaurants and bars are located in buildings constructed before that time. Nearly 86 percent of the city's best food and drink establishments are located in areas that have above average diversity of building age, and just over 88 percent of the businesses are located in areas with a high Character Score. This data suggests that the city's older neighborhoods and buildings are a good fit for successful restaurants and bars.



Opportunity Score. The red grid squares shown on this map are areas of high opportunity for successful building reuse. The “Opportunity Score” metric was developed using an array of social, economic, demographic, and real estate data. The map shows concentrations of high opportunity grid squares in diverse neighborhoods across the city.

ANALYSIS OF OPPORTUNITIES FOR BUILDING REUSE

This analysis points to the important role that older, smaller buildings play in supporting active, healthy neighborhoods. As seen in the maps on pages 18 and 19, not all sections of the city with this type of building fabric currently perform well, but through thoughtful reinvestment and creative policy intervention, the older, smaller buildings may be leveraged to great effect in more neighborhoods and commercial districts.

OPPORTUNITY SCORE

As this project focuses on opportunities for the reuse of existing buildings, composite metrics were calculated only within areas that have high “Character Score” fabric (see page 17). Areas that had Character Score values below the citywide median were excluded from the model altogether. To place equal weight on the various measures included in each composite metric, each composite score was divided by the number of measures (i.e., the “Social Metrics” score combines data from four measures, so each total score was divided by four).

SOCIAL METRICS

- Top third performance in sub-20 minute commute times to work (Credit: U.S. Census Bureau, 2012 data)
- Within ¼ mile of a supermarket, small grocery, corner store, or city market
- Within ¼ mile of a public school rated in the top two tiers of the 2014 Maryland State Report Card’s School Progress Index
- Within ¼ mile of a water feature

ECONOMIC METRICS

- Middle third performance percentage of private sector jobs that are in small businesses (Credit: U.S. Census Bureau, 2011 data)
- Middle third performance percentage of private sector jobs that are in new businesses (Credit: U.S. Census Bureau, 2011 data)
- Middle third performance – percentage change in number of jobs (Credit: U.S. Census Bureau, 2002 and 2011 data)

REAL ESTATE METRICS

- Middle third value of buildings per square foot (Credit: City of Baltimore, 2014 data)
- Middle third percentage of residences that are permanent homes (Credit: City of Baltimore, 2013 data)
- Middle third percentage of vacant buildings (Credit: City of Baltimore, 2014 data)
- Middle third dollar value of permitted activity for additions, alterations, or repairs (Credit: City of Baltimore, 2006 – 2011 data)
- Majority of grid square falls within a CHAP (local) or National Register historic district

DEMOGRAPHIC METRICS

- Middle third change in percentage of population that is foreign born (Credit: U.S. Census Bureau, 2009 and 2012 data)
- Middle third change in percentage of population that is new to Baltimore (Credit: U.S. Census Bureau, 2009 and 2012)

In meetings for this project, participants suggested that attention and action should be focused on selected geographic areas of the city. Many believe that incentives, education programs, and technical assistance will be most effective if combined and concentrated in areas that are positioned to succeed and achieve the greatest lasting benefits.

“Location is the most important factor in the determination of whether a building will be redeveloped,” commented one of the practitioners interviewed for the project, adding, “Regardless of a building’s type, age, or de-

sign, the rehabilitation of a building that is isolated from other development will not be feasible because no one will want to live there.”

Several Baltimore organizations have deep expertise in gathering and analyzing data on the community vitality and economic strength of Baltimore’s neighborhoods. The Reinvestment Fund (TRF) has developed a market typology that characterizes the housing market conditions for each neighborhood in the city. Baltimore Housing uses this tool to help guide decisions about demolition of vacant properties and target public investments in neighborhood revitalization. The Neighborhood Indicators Alliance tracks a range of data and regularly updates a dashboard of demographic, social, economic, and cultural “vital signs” for all Baltimore neighborhoods.

Building on this wealth of existing data and analysis, the Preservation Green Lab worked with local partners to bring a new analytical tool to Baltimore. In an effort to better understand the connections between current neighborhood conditions and the potential for building reuse and revitalization, the Preservation Green Lab brought its experience with the *Older, Smaller, Better* research to an analysis of Baltimore’s urban landscape. Using data from Baltimore City’s Public Data Catalog, OpenBaltimore, and other publicly accessible websites, the Green Lab developed a model for identifying areas of the city that are well positioned to achieve successful building reuse and neighborhood revitalization in the near future, but have not yet experienced significant levels of reinvestment. These are the neighborhoods that could benefit most from focused programmatic and policy assistance to accelerate market-driven building reuse. This model was developed iteratively, through discussions with the Reuse Advisory Committee, and revised several times during the project.

The model uses the Character Score (see page 17) for each 200-meter-by-200-meter grid square in the city as the baseline for analysis. Grid squares with above average Character Score are included in the opportunity model, while areas with low Character Score are excluded. For the high Character Score areas of older, smaller buildings and mixed-vintage blocks, performance was assessed using a range of social, economic, real estate, and demographic measures. The final model included twelve different measures (listed below the map on the following page). The resulting “Opportunity Score” for each grid square shown on the map combines the social, economic, real estate, and demographic metrics and places equal weight on each of these four composites.

In developing the Opportunity Score, a decision was made to focus on areas with mid-range performance – those that scored in the middle third on select measures. The rationale for this approach is that areas of the city that are already performing strongly may not need additional programmatic or policy assistance to achieve market-driven building reuse. At the same time, some neighborhoods may be dealing with so many fundamental quality of

life issues (crime, high unemployment, very low property values, high levels of vacancy) that policies and programs focused on building reuse may have limited effect on the vitality of the area.

The map on the page 21 shows the Opportunity Score for each high Character Score grid square in the city. High opportunity areas are found across the city — radiating in multiple directions along historic transportation corridors. Additional maps compare the Opportunity Score map to key building reuse incentive and historic preservation programs. These maps help indicate where there is opportunity to extend the reach of existing incentive programs, such as the CHAP Historic Restoration and Rehabilitation Tax Credit, as well as Maryland Sustainable Communities Tax Credit. These areas may also be considered for focused policy and programmatic strategies recommended later in this report.

It should be noted that this model is preliminary and may be most useful as a tool for starting discussions about the opportunities to bring the benefits of building reuse to more areas of the city. Additional refinements could help sharpen the analysis of physical character and deepen the measures of social, economic, real estate, and demographic performance. This model is intended to help prioritize the development of new programs and tools to stimulate market responses in the near term. It is not intended to suggest that assistance is not also needed in other areas of the city.

Barriers to Building Reuse

The Baltimore Reuse Advisory Committee developed a list of more than two dozen local experts who were interviewed individually as a way of gaining a deeper understanding of building reuse issues in Baltimore. Professionals from all aspects of the building reuse process participated in the interviews, including developers, home builders, architects, contractors, community development leaders, government officials, planners, and researchers. These conversations included discussion of four types of barriers:

- **Market barriers** relating to the supply and demand for various building types and uses
- **Financial barriers** involving project costs, sources of equity, lending practices, and financial incentives
- **Technical barriers** that arise related to building location, site, design, construction, and materials
- **Regulatory barriers** such as zoning and development standards, building codes, energy codes, historic preservation standards, seismic codes, and other review processes, requirements, permits, and fees

Below is a summary of the insights from local stakeholders regarding key barriers to building reuse in Baltimore.

Market Barriers

Weak markets present an overwhelming barrier in many parts of the city, particularly areas of low employment and income on the east and west sides of the central city. Long-standing market challenges include high crime rates, poor quality schools and lack of housing diversity, particularly for families with children. Despite these significant challenges, most interviewees felt that market conditions for building reuse were improving.

Insufficient demand

- “We have shrunk from close to a million to 620,000 people,” said one respondent. “There is insufficient demand for the vast majority of our vacant single family dwellings.” Another added, “Reuse isn’t going to happen unless there is a market. It doesn’t differ in this respect from new construction. If the market is there, flexibility in design and cost increases.”
- Interviewees said that increased demand for the reuse of existing buildings would inspire greater “will to overcome the barriers, whether they are financial, design, code, or market.”
- One interviewee summarized how the market determines the economic viability of building reuse: “Baltimore is generally a weak-market city. In most parts of town, after-rehab appraisals are less than development costs.”

Socio-economic issues

- The social challenges and barriers facing Baltimore neighborhoods came up repeatedly. Crime and the perception of crime, the need for more high-quality schools, and racial and economic segregation were issues cited in interviews. “Socioeconomic and racial patterns and history are also contributing factors,” said one individual. “The healing of the American City (Baltimore) is critical to overcome these barriers and misimpressions.”



Abandoned row houses, West Baltimore. Baltimore City, once home to nearly a million residents, is now home to about 620,000 people. In some areas, stretches of row houses stand vacant, the victim of a weak real estate market and various social and economic challenges.

PHOTO: JIM LINDBERG.

- Respondents also said that some existing homes in Baltimore cannot house larger families and households and that greater diversity of housing stock is needed. “The issue is that most of the homes rehabbed are for a maximum three bedrooms, three baths, with one of the bedrooms and baths in the basement and the two others on the second floor,” said one participant. “These are good for singles and couples with one child. When a family has the second or third child, the house no longer works.”

Financial Barriers

Interviewees frequently cited the high cost of complex rehabilitation projects. Difficulty in financing projects was mentioned by a handful of interviewees. Several interviewees noted the importance of incentives to offset high project costs and bemoaned the reduction in funding for the Maryland Sustainable Communities Tax Credit. Several noted the difficulty of using tax credits for small projects.

Acquisition

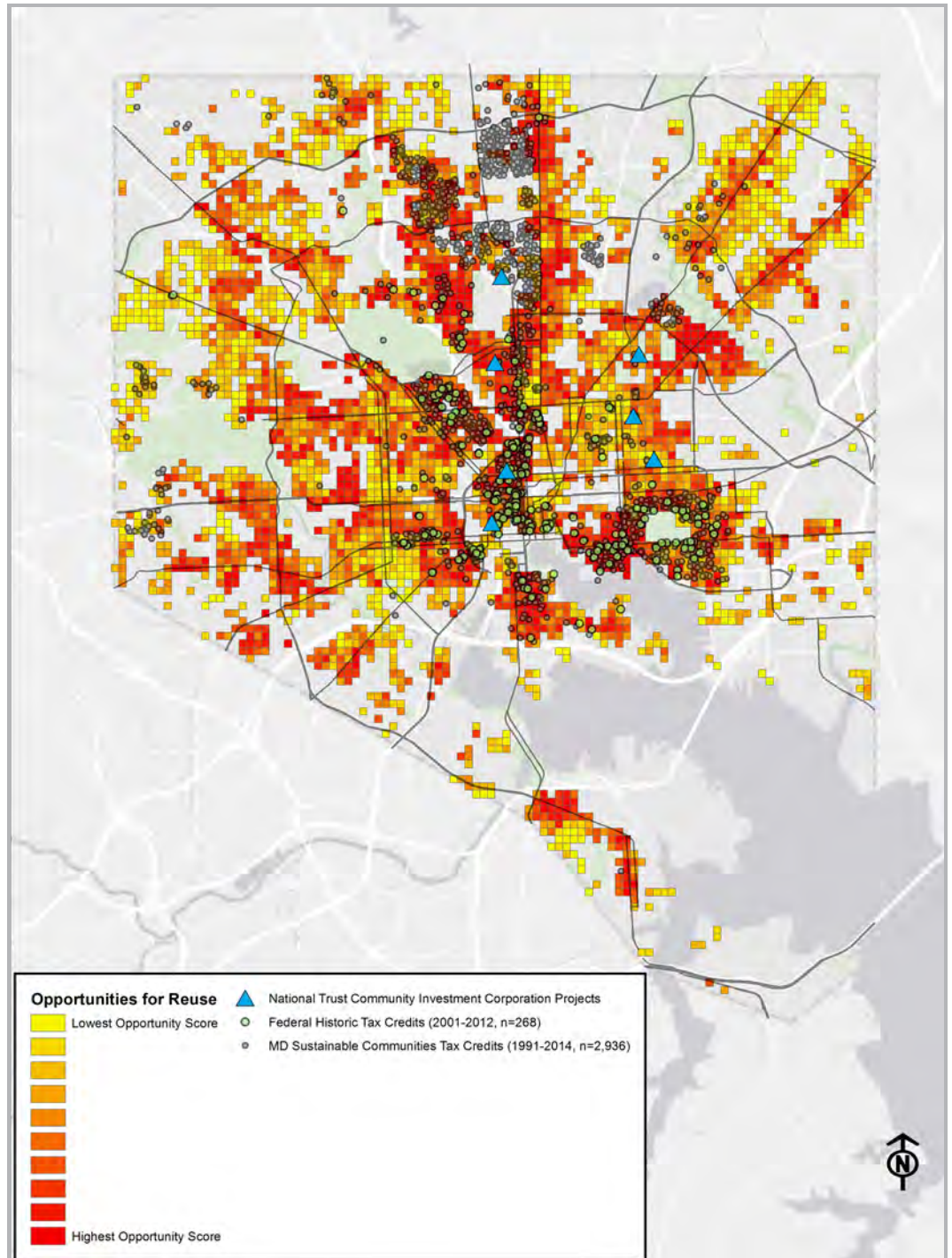
- One respondent suggested that the city consider streamlining the process of transferring ownership from the city's property rolls to those of a private developer: "Residentially, it seems to take an unreasonable, herculean effort to get a house off the city's vacant house rolls. It seems counterintuitive that the city has such longstanding interest in solving their vacant housing problem, yet they also provide some of the greatest roadblocks to getting them off their own rolls."

Costs and financing

- Building reuse projects are often more complex than new developments. Interviewees discussed the challenges of financing this work. Said one interviewee: "Budget increases due to unknown conditions discovered during construction are the biggest risk and require a larger contingency." Another respondent put it simply, "Lenders understandably want a degree of cost certainty and that can be hard to provide. New construction is simply much easier."
- Due in part to the complexity of building reuse projects, acquiring the necessary financing and lending can sometimes be easier for experienced developers. "Lenders are not really an issue," said one individual. "As long as the numbers work, the lender will be on board. Having a developer experienced with reuse projects and an experienced general contractor with a strong balance sheet helps with the lender. Inexperienced developers will be required to hold large contingencies which may blow up their budgets."
- Small residential and rental projects are often difficult to finance. According to one developer interviewee, market rate rehabilitation of vacant single family dwellings offers "more market demand and developer capacity than there is available financing. Traditional bank financing for these developers has all but dried up. Re-financing for rentals is now, for all intents and purposes, unavailable."
- In spite of the additional challenges posed by the reuse of existing buildings relative to new construction, respondents still pointed to the benefits of building reuse and the quality of the product of reuse efforts: "There is a regular misinterpretation by developers, who mistakenly pre-

Historic tax credit projects. This map shows the location of projects that received the 20 percent federal rehabilitation tax credit and the Maryland Sustainable Communities Tax Credit, as well as projects that received financing through the National Trust Community Investment Corporation (NTCIC). High opportunity areas (red grid squares) with relatively few tax credit projects might be candidates for focused education, marketing, and technical assistance to extend building reuse to more areas of the city.

sume that an historic restoration or adaptive reuse should be less expensive than new construction because the building foundation and skin are already in place. Ninety-nine percent of the time restoration and adaptive reuse projects are more expensive, but the end product represents a level of quality and appeal that cannot be replicated in new construction.”



Incentives

- Incentives for building reuse are needed to offset high costs, according to interviewees. One observed, “Incentives become a necessary part of the business model. Without them many projects will not be able to succeed.” Another added, “Projects without at least one major subsidy (historic credits, Enterprise Zone credits, New Markets Tax Credits, etc.) will not work unless they are ‘luxury’ projects in Canton, Federal Hill, and Harbor East.”
- Several individuals suggested that new incentives are needed and welcomed. “The recent [Baltimore City] 15-year tax credit for building reuse is a huge step in the right direction,” said one respondent.

Taxes

- Interviewees often mentioned high property taxes while discussing barriers to building reuse. Said one individual: “The most significant market factor hindering residential rehab is the high tax rate, which drives up rents.” Another interviewee said that Baltimore’s high tax rate is “the largest impediment to rowhouse rehabilitation. Without the 10-year property tax freeze, single family rehabs would not be feasible.”
- Some suggested that taxes could be better used to penalize vacancy and encourage development: “Consider a local property tax structure that penalizes vacant lots or buildings.” However, others voiced concerns that this would be counterproductive.

Historic tax credits

- Historic tax credits commonly came up during the interviews. Participants noted that the reduction in the state rehabilitation tax credit is a barrier. “Maryland’s historic credit for commercial properties needs to be expanded,” said one interviewee. “It is the most successful renovation program in Maryland’s history.” Another individual echoed this point, stating that “the best opportunity to stimulate growth in this sector is to lobby for significant increases in the state’s historic tax credit program.”
- Interviewees pointed out that historic tax credits are easier to use on large development projects and that credits for small projects are hard to obtain. One interviewee with a background in real estate development said that “small commercial projects are virtually shut out of the running.” Finally, respondents pointed to changes in the way historic tax credits can be used. “Maryland’s historic tax credit is the best in the nation for owner-occupants,” said one individual, “but it has become steadily more restrictive and slower. The complexity of tax credit deals can make financing difficult.” Another interviewee expressed pessimism about the future of the program: “Outside of renewed interest in the tax credit program by the legislature, or a willingness by the City to condemn and give away buildings, I do not know how we can expect to grow this market.”



American Ice Company building, Midtown-Edmonson, Baltimore.

Located near the West Baltimore MARC train station, the American Ice Company building sits unused. The building, which was constructed in 1911 and added to the National Register of Historic Places in 2013, has a hulking 69,704 square feet of space and 21 bays along West Franklin Street.

PHOTO: BALTIMORE HERITAGE (FLICKR), UNDER CC BY 2.0 LICENSE.

Technical Barriers

General technical barriers include a lack of on-site parking in many areas, limited access to safe and reliable transit alternatives, and environmental contamination issues. Lead paint presents a particularly thorny challenge for housing projects. Certain building types have layouts that are difficult to adapt to new uses, including industrial structures with deep floor plates, buildings with large interior volumes and small commercial buildings with upper floor offices or housing.

Environmental contamination

- Older buildings (especially industrial structures) may be located on sites with environmental contamination issues, such as underground storage tanks, ground contamination, and other hazardous materials. As one interviewee put it: “Environmental issues are always a factor in reuse in Baltimore.”
- Further, some existing buildings have building materials that are now recognized as hazardous to human health. Asbestos is still present in many building types, and lead paint is a particular concern with housing rehabilitations. “Recent changes in the Maryland lead paint case law have made the rehabilitation of historic rental properties more risky for developers,” said one respondent.

Comments about the Reuse of Common Baltimore Building Types

- **Rowhouses.** “Single family [rowhouse] dwellings are by orders of magnitude the largest class of underused structures in the city. Thousands of these structures offer potential for reuse.” Many interviewees observed that the challenge of reusing vacant rowhouses has more to do with oversupply and location in weak market neighborhoods, rather than overcoming specific technical issues.
- **Industrial buildings.** “Older industrial buildings offer the most potential. They typically have high ceilings and large floor plates, but these need to be in neighborhoods with market potential.”
- **Commercial buildings.** Small commercial buildings are “underused in the city’s designated Main Street areas, as well as in other places that are not designated, such as West Baltimore Street, Edmondson Avenue, and stretches of Harford and Belair roads. There are also a large number of commercial buildings with vacant storefronts and upper stories that could be used for either commercial or residential spaces.”
- **Single-purpose structures.** Banks, churches, and theaters in urban areas were also cited as particularly challenging properties to divide or re-imagine. These buildings “offer large volumes of space and often have elaborate and historically significant interiors.”

Parking and transportation

- Parking is often not available on-site in areas with older buildings, but interviewees had mixed opinions about whether this constitutes a significant barrier to building reuse. Some interviewees pointed to the need for safe parking near residential reuse projects and the frequent lack of parking in areas close to the harbor. Another interviewee disagreed, “Parking is an issue, but can be accommodated depending on use and location. We’re seeing the demand for residential parking go well below one space per unit.”
- Where public transit options are limited or unreliable, available parking can be an important amenity. “Parking is king in many areas with limited mass transit options,” said one interviewee.

Building layout and design

- Some building types are more difficult to reuse than others. Buildings with large, deep floor plates can be challenging to adapt to new uses, particularly housing, because it is difficult to provide natural light to interior spaces. Large volume interior spaces are also inefficient for energy use and expensive to renovate relative to the amount of leasable space created.
- Respondents pointed out that some two-story rowhouses (including some in Canton and Patterson Park, for example) are not large enough for families with more than one child, which limits the marketplace for their reuse. Conversely, other areas (including many west side neighborhoods) have large rowhouses with space for three or four bedrooms, but the cost of renovation exceeds future appraised values.

- Small commercial buildings are also difficult to repurpose. As one interviewee put it: “Large, national chain retailers seem unwilling to reuse historic commercial buildings and argue that the floor plates are not large enough for their model. They are generally uninterested in using the historic multi-level store format.”
- Wide hallways and common areas, such as corridors in old school buildings, affect building efficiency and the ability to achieve high utilization of leasable space.
- Multi-story mixed-use buildings are difficult to reuse as ground floor retail may not support upper-level secondary uses (i.e., offices or residences).

Regulatory Barriers

Codes were frequently cited as barriers to reuse, including building code requirements related to providing a secondary means of egress, as well as increasingly stringent energy codes and conflicts with historic preservation standards. Comments on zoning barriers focused on parking requirements and the need to adopt the new code provisions contained in *Transform Baltimore*, which would remove barriers to the reuse of small commercial structures in certain districts. The cumulative impact and sometimes conflicting nature of various reviews and regulations was also raised as a barrier.

Zoning

- Many interviewees expressed excitement about the new citywide zoning code, but some were frustrated by delays in the new code’s adoption. “The new Baltimore City Zoning Code has not been adopted and has been delayed many times,” one interviewee said. “There are good density increases and revised use ordinances, as well as parking reductions that need to get implemented.”
- Interviewees pointed to specific features of the new code that facilitate reuse of nonconforming properties. “The Zoning Code currently requires an ordinance in an R-8 [residential zone] to create two or more dwelling units within a building last authorized as a single family dwelling. This often acts a barrier to reuse.”
- Parking requirements in the current zoning code make some reuse projects difficult, particularly non-residential projects in residential neighborhoods. The proposed new zoning code includes a “neighborhood commercial” zone district that may help to alleviate the burden of some parking requirements, but for now, the current code makes conversion to a new use more challenging.

Building code

- The current building code can be a barrier to building reuse. Requirements for multiple means of egress pose one of the challenges for developers. As one interviewee put it, “Requirements for secondary egress by

means of a second internal stairway make all but the largest multi-family and commercial projects infeasible.” Similarly, the need to install sprinklers in large rehabilitation projects adds substantial costs.

- The International Building Code used by Baltimore City was seen as helpful for building reuse projects, but interviewees suggested that it could be enhanced locally: “The IBC existing building code has been good, but still could have further exceptions that could be adopted by Baltimore City as an addendum.” Additional exemptions would require careful analysis, however.

Energy code and historic buildings

- Interviewees suggested that the requirements of Baltimore’s energy code and standards for historic preservation were sometimes difficult to reconcile. Some pointed to the Baltimore’s use of the International Energy Conservation Code and noted that its newest revision removes important exemptions for historic buildings. “The energy code is becoming more and more stringent which is a mixed blessing and sometimes difficult in older structures, especially if they are historic or in historic districts.”
- Specific challenges with designated historic buildings vexed some interviewees. For instance, attempts to boost a historic building’s energy efficiency by adding insulation and replacing windows often conflicts with the Secretary of the Interior’s Standards.

Historic preservation review

- In order to receive historic tax credits, developers must undergo review processes and navigate different tax credit requirements that are presented at the local, state, and federal level. Several interviewees said that the review process was unpredictable and time consuming. The use of virtual meetings was suggested as one way to facilitate efficient project review among local, state, and federal entities.
- Several interviewees suggested that open assembly spaces and other large interior volumes can be particularly challenging to integrate into reuse designs.

Other regulations and requirements

- Requirements tied to floodplains, flood insurance, and storm water retention challenged some interviewees who worked on reuse developments. “The 2010 storm water regulations are problematic,” one interviewee commented. “They require even an adaptive reuse project to provide a certain percentage of [water] pervious area. This is not always possible.”
- Interviewees also said that it can be challenging to abide by the Americans with Disabilities Act (ADA), particularly with buildings that do not have entrances at grade or elevators. “The ADA is a barrier to public uses



and some other uses in most historic Baltimore buildings, very few of which were built with at-grade entrances,” said one respondent.

Impact of multiple regulations

- According to interviewees, the cumulative effect of multiple regulations can be burdensome. “We need to understand the incremental costs with increasing regulations,” said one individual. “We can look at a specific proposal and say that it makes sense, but when viewed along with all the other regulations that impact development, it may not.”



times conflicting or redundant, and often time-consuming and costly.”

Process issues

- The permitting process has been improved, but interviewees pointed to areas where further changes could be helpful. Said one respondent: “On the permitting side, there are many requirements that could be eliminated if a common sense approach were taken - [for example], load testing in Union Mill, where floors were historically used for manufacturing that accommodated much higher loads than are needed for residential units.”
- Some individuals suggested that delays in the permitting process could be improved further: “One-stop permitting has helped make the permitting process more efficient, but plans still get held up on individual’s desks.”

Union Mill, Hampden, Baltimore. The Union Mill, originally constructed in 1866 as the Druid Mill to produce cotton duck, today provides affordable housing for teachers and office space for nonprofit organizations.

PHOTO: MARKS, THOMAS ARCHITECTS.

- Another interviewee listed the multitude of regulations and requirements that they had faced in projects: “The lengthy and complex development requirements in the zoning code, urban renewal plans, design review, historic commission review, tax credit review, and memorandum of agreements [pose a challenge]. Although important, these requirements are unnecessarily complex, some-

Working Group Analysis and Solutions

Based on the interviews with expert practitioners and results from the first stakeholder meeting, the Reuse Advisory Committee identified six key issues for more in-depth analysis and review:

- Cost Differential
- Tax Assessment Policy (SDAT)
- Zoning (Transform Baltimore)
- Codes (building, energy, etc.)
- Incentives
- Historic Preservation Law and Policy

Working groups of local practitioners were organized to investigate each of these issues in further depth through in-person meetings, phone conferences, and consultation with additional subject matter experts. Each working group defined their specific topic area, described the barrier(s) in more detail, identified opportunities and potential solutions, and listed outstanding issues or questions needing further study.

The working groups volunteered substantial time and effort to their assignment, which also included drafting short briefing papers. Edited versions of these papers are included in this section. The members of each working group are included in the list of participants at the end of this report.

Working Group Report:

Cost Differential

TASK: Review and document the cost differential between new construction and historic rehabilitation or adaptive reuse.

It is difficult to make a clean comparison between new construction and rehabilitation project costs, as each circumstance is different. For example, a new construction townhome site will be burdened with far more substantive utility costs, while the rehabilitation of rowhouses will have existing utilities available. Similarly, newly-constructed commercial and multi-family projects can be designed to specific needs, while adapting buildings to the same use requires reverse engineering to maximize design to the existing floorplate. The Cost Differential Working Group attempted to create a logical form of parity to display a reasonable cost differential (see table on page 42).

Reuse barriers related to cost differential

General construction costs: There is a frequent misperception by inexperienced developers doing work on older buildings that rehabilitation should be less expensive, because there will typically be existing foundations, slabs, and building skin already in place. The harsh reality is that with rare exceptions, historic rehabilitation is almost more expensive, because designers are limited in their ability to maximize efficiencies, and must customize each space. Additionally, the retrofit or repair of existing building fabric can frequently cost more than a comparable new construction scenario.

Examples:

- A roof on new a multi-family project is clean and ready to install immediately after framing, while an existing building project budget will include demolition of the existing membrane, sheathing repairs, and custom installation of roofing details and profiles.
- New construction masonry is almost always one wythe of brick, while older buildings can have walls of three wythes or more. Repairs to the existing building envelope can equal or exceed the cost of constructing new.
- Unless an existing building has an at-grade entrance, retrofitting to accommodate for accessibility requirements can be costly.

Tax credit reviews and requirements to meet the Secretary of the Interior's Standards: There is a frequent conundrum in project financing: federal or state historic rehabilitation tax credits may be required to bridge a funding gap, yet the introduction of the regulatory requirements of those same credits increases the construction cost dramatically.

Examples:

- **Windows:** Vinyl windows can be installed in a building that is not in a CHAP district and on a project without tax credits. Those windows would cost about \$330 each for material and installation. If the same house is in a historic district and is receiving tax credits, the restoration or replacement in kind of historic windows will cost between \$800 - \$2,500 per opening.
- **Wood trim:** In many instances, it is cheaper to mill new wood trim to the exact same profile as existing historic trims, rather than restoring existing trims and abating lead paint. When using tax credits, the more expensive option of restoration and lead abatement is typically required.
- **Roofing :** When using tax credits, if a building has an existing slate roof that has reached the end of its useful life, then that slate roof usually must be repaired or replaced in kind. If tax credits are not used, the slate can be removed, and a new product with a similar appearance can be installed for one-third to one-quarter of the cost of the slate.
- **Rowhouse stairs:** While rehabilitation of a fairly intact rowhouse may include some cost savings through the reuse of an existing stair, in a severely damaged rowhouse using tax credits, the reconstruction of the stair in the old configuration will be required, including newel posts and other details, eliminating the possibility of using cheaper box stairs, carpet, and standard railings.

Environmental remediation: Remediation is particularly expensive in existing buildings. Many old buildings are contaminated with lead paint, asbestos, mold, buried oil tanks, pigeon guano, and other hazardous substances. Projects using historic tax credits may require the preservation of interior fabric, increasing the cost of remediation of these materials.

Examples:

- It can cost up to \$35,000 for the lead paint remediation of an ornamental stair tower in a three story row-home, when building a replica stair could cost half as much. Under any scenario abatement is expensive; however, the addition of credits can easily compound that expense. New construction is never burdened with this problem at any level.
- A former school campus includes buildings with historic tin ceilings coated with lead paint. The developer, who seeks historic tax credits, seeks to convert the school into market-rate apartments. Because of the historic significance of the tin ceilings, the developer received tax credit approval but cannot encapsulate the tin by dropping a new ceiling below the tin. Fearing the liabilities associated with lead paint, the only option is full remediation of the lead paint, which is such a significant expense that the project cannot proceed.

Location issues: Newly constructed single-family residential development projects have an obvious advantage in building all properties on one cleared site. While there are thousands of available vacant Baltimore row-homes,

it is almost impossible to collect a package of buildings all within the same block. Consequently, most residential rehabilitation packages end up being scattered site across several blocks, greatly diminishing the ability to maximize efficiencies.

- Rowhouses in historic districts are often larger than what would be designed and built new for the current market. While this makes for architecturally very attractive offerings, the additional cost may not always translate into higher asking prices on the market.
- A residential property in a highly valued community such as Bolton Hill or Mt. Vernon will have much greater success with restoration/reuse, because the higher values can support the added costs. The city has several depressed residential communities with many historic rehabilitation opportunities, but the final appraised value of the property will never approach the value of the cost of appropriate rehabilitation work. The same can be said for commercial properties.

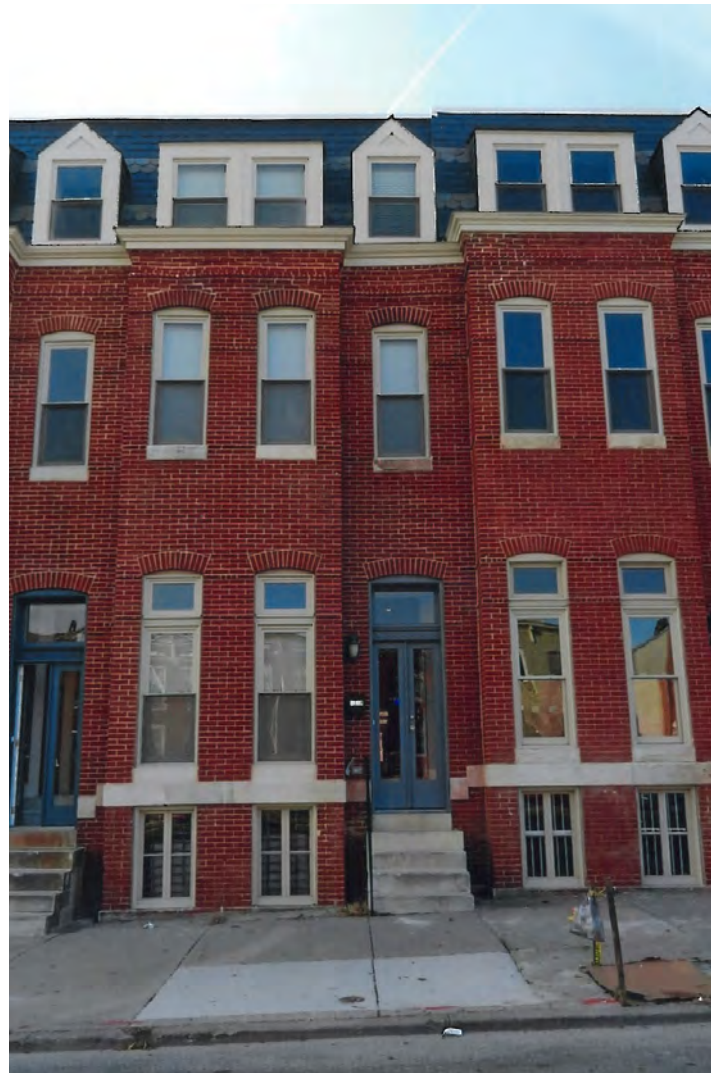
Benefits of rehabilitation

Notwithstanding the discussion above, the working group notes that there are many cost-related benefits that can be achieved through the thoughtful use of older and historic buildings, including:

- Unique, irreplaceable architectural character that can command a market premium
- Retention of quality of materials, including many items that would be very expensive to re-create, such as ornate entry double doors, pocket doors, very large windows, ornate newel posts and oak stairs, wood flooring in well-aged wood, and often unavailable trim cuts/profiles
- The generous height and space found in many older buildings provides flexibility for new uses and allows retrofits and insertion of mezzanines
- The opportunities for creative reuse that come from repurposing spaces historically used for dumbwaiters, coal storage, and the like
- Older buildings often contain passive green features like transom windows over doors, ventilations shafts, and skylights
- Good thermal mass from solid bearing wall construction
- Durable materials, such as slate roofs, marble steps, marble wainscoting, etc
- The energy savings that come from reusing a building that already exists

Proposed solutions

For the above reasons most historic properties require subsidy for rehabilitation. When tax credit programs are strong, historic development flourish-



Transformed Row Houses, Broadway East, Baltimore. Although building reuse is sometimes more expensive than new construction, the quality of original building materials and features of building design make reuse a desirable option in many cases.

PHOTOS: MARYLAND HISTORICAL TRUST.

es. As the pool of dollars decline, the volume of projects declines. Below are proposed solutions developed by the working group:

1. **Lobby for increases to the state tax credit.** Historic preservation groups in Maryland should band together under one umbrella to help solicit the legislature to help bring the state historic tax credit program back to its highest funding levels.
2. **Make vacant properties easier to acquire.** Baltimore City, through the Baltimore Development Corporation or other entities, should make more properties available at steep discounts, to provide the greatest amount of incentive to get the property off the vacancy rolls.
3. **Consider tiered federal rehabilitation credits.** Work with the National Park Service (NPS) to offer different levels of credits. While the current credits offers \$0.20 per dollar for the preservation of all historic components (interior and exterior), it might be advantageous to offer a secondary credit for \$0.15 per dollar that focuses exclusively on the building's primary facades. (Note that while a ten percent federal credit is available

for the preservation of exterior walls of buildings constructed before 1936, this credit cannot be used for residential projects or for properties listed or eligible for listing on the National Register.)

4. **ADA tax credit.** Consider a special tax credit that would be exclusively directed towards the costs of making historic buildings ADA accessible.
5. **Allow encapsulation.** The Maryland Department of the Environment allows for encapsulation as a suitable means for treatment of certain hazardous substances, such as lead paint. It would be helpful if the NPS had broader license to allow developers to encapsulate historic fabric without damaging it in cases where it is simply too costly to fully remediate. By preserving those details (although hidden), a project has a far greater chance of getting off the ground, and those hidden components are still available for future generations of building improvement or reuse.
6. **Create a citywide Master Plan for building reuse.** Consider preparing a master plan with special consideration for building reuse, and designate specific areas of the city where preference can be given for various subsidies. Twenty-five years ago, Barclay-Midway-Old Goucher was one of the most dangerous neighborhoods in the City. Over the last five years, there has been a focus on this community, allowing for partnerships with the City and private developers. The end result is a dramatic turnaround and increasing property values. A master plan could be instrumental in not only defining areas of interest for reuse, but could also prioritize those areas for subsidy. As individual communities become more successful and can more easily support themselves, the master plan can be adjusted to embrace more areas. Note that this solution aligns with suggestions offered by the working group focused on incentives and historic preservation, as well as the opportunity analysis maps developed by the Preservation Green Lab.

COMPARING REHABILITATION AND NEW CONSTRUCTION COSTS for typical project types in different locations

Scattered Site Rehabilitation

	Units	\$/sf	\$/Unit	Average sf	Location
Project #1	15	\$ 115.00	\$ 269,150	2,340	Baltimore City
Project #2	18	\$ 121.00	\$ 228,505	1,881	Baltimore City
Project #3	10	\$ 93.00	\$ 200,000	2,150	Baltimore City

New Townhome Construction:

	Units	\$/sf	\$/Unit	Average sf	Location
Project #1*	22	\$ 101.00	\$ 195,801	1,938	Aberdeen
Project #2*	48	\$ 107.00	\$ 172,500	1,612	Baltimore County
Project #3	36	\$ 95.00	\$ 157,000	1,652	Prince Georges Co.
Project #4	17	\$ 96.00	\$ 176,500	1,835	Baltimore City

* Includes a garage

Multi-Family Rehabilitation

	Units	\$/sf	\$/Unit	Average sf	Location
Project #1	5	\$ 159.00	\$ 226,843	1,426	Baltimore City
Project #2*	162	\$ 129.00	\$ 177,647	1,375	Baltimore City
Project #3	12	\$ 154.79	\$ 159,482	1,030	Baltimore City
Project #4	25	\$ 142.82	\$ 178,241	1,248	Baltimore City

*Does not include garage

Multi-Family New Construction

	Units	\$/sf	\$/Unit	Average sf	Location
Project #1	250	\$ 129.00	\$ 172,641	1,337	Baltimore City
Project #2	74	\$ 123.00	\$ 145,354	1,176	Baltimore City
Project #3	51	\$ 99.66	\$ 90,182	905	Baltimore City
Project #4	72	\$ 107.67	\$ 118,135	1,097	Baltimore City

Note: All average square foot numbers include requisite portion of public space.



Working Group Report: **Tax Assessment Policy**

TASK: Identify practices of the Maryland State Department of Assessment and Taxation (SDAT) and Baltimore City Department of Planning that may be hindering building reuse and identify potential solutions that will encourage building reuse.¹

Analysis of barriers related to tax assessment policy

The Tax Assessment Policy Working Group looked beyond the larger policy questions related to property tax rates and assessment valuation policy. Instead, the group examined two less well-known issues that may be affecting reuse and reinvestment in existing buildings.

¹ A statewide Department of Assessment and Taxation workgroup is currently exploring many of the concerns raised in this report. The anticipated outcomes associated with the statewide effort are unclear, but work is ongoing.

Vacant rowhouses, Midtown Edmondson Neighborhood, West Baltimore. The planned Baltimore Red Line light rail line may offer increased opportunities for building reuse and neighborhood revitalization.

PHOTO: ELI POUSSIN, BALTIMORE HERITAGE

Assessments incongruent with market values for distressed properties:

One issue is that many foreclosed properties were recently re-sold for much lower values than the values reflected in the SDAT property tax assessments. Although the owners of these properties had the opportunity to appeal the assessments based on resale prices, very few took this action. As a result, distressed properties often have assessed values that are not congruent with their current market value. This means either that: 1) lenders take a greater loss than they should because the new purchaser must “price in” the higher property taxes; or 2) buyers are not aware of the incongruent assessment at the time of purchase and are forced to pay higher property taxes. In either case, the net effect is that building reuse is discouraged by the lack of accuracy in the assessment values related to the transfer and potential reinvestment in distressed properties.

Transfer & Recordation Taxes on Transfers of Real Property between Closely Held Entities: Counties in Maryland impose both a *recordation tax* and a *transfer tax* on any business or person conveying real property. Baltimore City’s recordation tax is 1.0%, the State’s transfer tax is 0.5% and Baltimore City’s transfer tax is 1.5 percent. The aggregate transfer and recordation taxes charged to entities conveying real property in Baltimore City totals 3.0 percent of the consideration for the property.

Because of the distress in the most recent real estate downturn, many lenders now require that encumbered real estate be held in newly-formed, bankruptcy-remote entities. This requires that borrowers transfer real property into a new entity in order to satisfy lender requirements for financing. As a result, real property owners seeking to satisfy today’s lending requirements in Maryland, and particularly in Baltimore City, are faced with an *additional* 3.0% transfer and recordation cost—for a total of 6%. This lending requirement and the high transfer and recordation taxes effectively increase the cost of borrowing and reduce funds available for investment in building reuse projects.

Proposed solutions

1. **Refund over-collected property taxes based on acquisition purchase price.** Outside of the triennial appeal process, owners of real property may appeal the assessed value of their property within 60 days of acquisition. The successful appeal based on acquisition purchase price could be tied to a process that refunds over-collected property tax revenues, similar to other ordinary overpayments of governmental revenues. This would result in the purchaser of real property’s paying full market value

for the real estate, helping to mitigate lender losses. Such a revision to the assessment process would prevent unknowing purchasers from being overcharged for the distressed real property that they are planning to reuse and put back into service.

2. **Promote awareness of new legislation regarding transfer and recordation tax.** As part of the investigation of tax issues, the working group learned that legislation was passed in the 2013 legislative session to address the transfer and recordation tax issue. Senate Bill 452 exempts the transfer of real property between a parent entity and its wholly owned subsidiary from the recordation tax. The fact that experienced developers were unaware of this legislation suggests a need for better communication and marketing of this new provision and similar legislative initiatives.

Finally, the Tax Assessment Policy Working Group noted that many tax incentives exist to encourage reuse projects for homeowners, but that incentives for rental properties are more limited. Because many Baltimore neighborhoods do not currently support homeownership as the highest and best use, a tax incentive that could be effectively used in “rental neighborhoods” may be beneficial.



**The Tire Shop,
Remington, Baltimore.**

Evan Morville of Seawall Development explains how outdated zoning was among the hurdles that needed to be overcome to make possible Seawall's recent conversation of a former industrial building into a mixed-use development housing a butcher's shop, restaurant, and nonprofit arts education group.

PHOTO: JIM LINDBERG

Working Group Report:

Zoning

TASK: Identify the major issues within the City's proposed comprehensive zoning code revision (*Transform Baltimore*) that either promote or discourage building reuse and recommend solutions to address issues.

Transform Baltimore represents the first comprehensive rewrite of the city's zoning code since 1971, a time when economic conditions and urban design visions were very different than they are today. Because the new code is in the adoption stage at City Council, the consideration of *Transform Baltimore* from the perspective of building reuse is timely.

Analysis of barriers related to zoning

The Zoning Working Group discussed the importance of re-writing the current zoning code and how it could address three particularly important barriers to building:

1. **Non-conforming use provisions.** A non-conforming use is a use that does not conform to the current zoning, typically a commercial use such as a corner store on a residential-zoned rowhouse block or an industrial building in a residential or commercial district. Abandonment provisions that are too strict, such as current policies under which a non-conforming use is lost after one year of vacancy, make it more difficult to re-establish a similar use in the building and support compatible reinvestment in the neighborhood.
2. **Residential density conversions.** Many older neighborhoods contain buildings that were originally constructed for non-residential uses, including small commercial spaces and mixed-use structures, as well as former institutional buildings of various types. Adaptive use of these structures is difficult in districts that do not allow non-residential uses, even if they are compatible with historic development patterns.
3. **Parking.** Many older buildings were constructed before the automobile era and cannot meeting on-site parking requirements. Relief from these requirements is needed.

Opportunities to advance reuse through the new zoning code: The working group noted that *Transform Baltimore* contains many innovative ideas to promote building reuse. However, important elements of the proposed new code that could foster building reuse have recently been questioned by some City Council members who seek to balance redevelopment with public review. The following issues were identified as the positive features of the proposed new code that would benefit building reuse. For some provisions, the working group offered suggestions for improvements to the proposed new code as well. Key Elements of *Transform Baltimore* that would enhance building reuse include:

1. **New I-MU use category.** This new use category creates a new zoning classification designed for multilevel, former industrial buildings in transitional areas that have potential for adaptive reuse. Such properties may be adapted for residential or commercial uses that traditional industrial zones currently do not permit. The new I-MU zone would facilitate building reuse by allowing residential and commercial uses along with light industrial uses by right, without the need for a lengthy rezoning process.
2. **Increased residential densities for commercial districts.** The 1971 code did not anticipate the demand for the conversion of commercial zones to higher density mixed-use areas with greater levels of residential use. In some cases, the current code makes it impossible to fully convert existing buildings for residential use. This problem was corrected for the



Corner Store, Remington, Baltimore. Mixed use zone districts proposed in the new zoning code, *Transform Baltimore*, would make it easier to return neighborhood-serving businesses to vacant corner stores, which are found across the city.

PHOTO: JIM LINDBERG.

downtown area in 2009. *Transform Baltimore* increases potential residential densities for commercial districts across the city. The proposed new densities will be reevaluated periodically by the Baltimore City Planning Department to determine if adjustments are needed in the future.

3. **Rowhouse and detached mixed-use overlay districts.** The new overlay districts in *Transform Baltimore* are another innovative way to foster mixed use in existing neighborhoods by permitting limited commercial use of residential buildings under certain conditions. This provision could help maintain the existing architectural character of historically mixed-use buildings without requiring historic designation.
4. **Parking.** In the proposed new code, buildings over 50 years old would be exempt from meeting parking requirements if the building or site does not accommodate it. In addition, the distance allowed for meeting any

parking requirement off-site is double the current code.

5. **Conversion of “single family” buildings.** Under the current Code, City Council approval is required to convert a single-family building to multi-family use of two or more units. Further, the current code defines any vacant building as “single-family,” even if it is a church, school, or office building. This creates an unnecessary and lengthy hardship with substantial inequities, particularly affecting small developers and non-profit housing providers seeking to renovate historic multi-family properties. The proposed new code would eliminate the requirement for Council approval and allow these uses through a more streamlined process. Some Council members seek to balance redevelopment with public review and are resistant to relinquish their ability to approve these projects on a case-by-case basis.
6. **Neighborhood Commercial Category.** This proposed innovative provision would allow conversion of non-residential buildings (e.g., schools, churches, corner commercial spaces, etc.) in mid-to-high density residential districts for limited commercial uses. It would also allow institutional uses such as a school or church to use the same process to convert to a non-residential use without rezoning. The necessity for rezoning or imposition of strict termination standards for abandonment of non-conforming uses would be eliminated. The working group recommends that this provision be considered for expansion into all residential districts.
7. **Termination of abandoned non-conforming uses.** The existing code was recently amended to set a strict limit on what constitutes abandonment, potentially affecting the practical reuse of many buildings. Item 6 (above) was designed in part to address this, but, if not enacted, the non-conforming abandonment provisions will need to be addressed to promote building reuse.

ZONING REFORM IN OTHER CITIES...

- **Nashville, Miami, and Denver** were among the first large cities to adopt new codes that used a context-sensitive, form-based approach to zoning – similar to what is proposed in *Transform Baltimore*.
- To encourage retention and investment in existing structures **Denver’s code** re-defines many non-conforming uses and structures as “compliant.”
- Philadelphia’s recently-approved new zoning code integrates many ideas similar to *Transform Baltimore*, including new development standards that reinforce the patterns found in old rowhouse neighborhoods, as well as new zone districts that more closely **align with the scale** and character of older commercial districts and corridors. Philadelphia is also considering new **mixed-use industrial zone** districts to encourage adaptive use.
- Other cities, including Washington, D.C., Los Angeles, and Cincinnati, are also rewriting their codes. In every case, these new codes include provisions to foster the adaptive use of older structures as well as the conservation and revitalization of traditionally mixed-use, pedestrian-oriented neighborhoods.
- Through its 1999 **Adaptive Reuse Ordinance**, Los Angeles eliminated on-site parking requirements for pre-1974 buildings in the downtown area, and later in other mixed-use districts of the city. This provision is credited by many observers (including renowned parking policy expert **Donald Shoup**) as the key to unlocking more than 60 conversions of vacant older buildings to new housing and hotel uses.

7. **Comprehensive Zoning Map Updates.** Baltimore City is one of the few Maryland jurisdictions without a required comprehensive map adoption process. While *Transform Baltimore* is designed to address future trends affecting building reuse, over time there will be a continuing need to rely on piecemeal rezoning to address unforeseen building reuse needs.

Proposed solutions

In the view of the Zoning Working Group, the most important provisions in the proposed new code related to building reuse are:

1. **Neighborhood Commercial.** This provision would allow conversion of non-conforming uses independent of abandonment into specific commercial uses through a Zoning Board conditional use process. It would also allow institutional uses such as a school or church to use the same process to convert to a non-residential use without rezoning.
2. **New I-MU use category.** This new provision is designed for industrial buildings in transition areas with high potential for future conversion to residential or commercial uses typically not allowed under traditional industrial zoning.
3. **Rowhouse and detached mixed-use overlay districts.** This is another creative attempt to foster mixed use in certain existing neighborhoods to maintain architectural integrity without historic district designation.
4. **Parking.** Exempting buildings over 50 years old from new parking requirements if the building or site cannot accommodate it would facilitate redevelopment projects.
5. **Conversion of “single-family” buildings.** Under a recent amendment to the current code, a lengthy City Council process is required to convert abandoned residential buildings to two or more units. *Transform Baltimore* proposes to eliminate that requirement and substitute a more streamlined and equitable Zoning Board approval process.

Working Group Report:

Codes

TASK: Investigate whether the codes adopted and enforced by Baltimore City facilitate and encourage building reuse, and if not, what can be done to address these issues.

List of relevant codes:

1. International Building Code (IBC)
2. International Existing Building Code (IEBC)
3. International Energy Conservation Code (IECC)
4. Code of Maryland Regulations (COMAR)
5. Maryland Rehabilitation Code (MRC)
6. Building, Fire, and Related Codes of Baltimore City (BFRC)
7. Baltimore City Green Building Standards (BCGB)
8. MDE Stormwater Management (SWM)

The Codes Working Group noted that Maryland has been in the forefront of Smart Codes legislation for many years. The State of Maryland Department of Housing and Community Development, Baltimore City, and other supporting counties deserve credit for their pioneering efforts to create a new rehabilitation code in 2000. The Maryland Building Rehabilitation Code put Maryland in the forefront of states that have modified their building codes to help save older buildings. The creation of the International Existing Building Code 2012 is directly attributed to the early efforts put forth in the Smart Codes legislation. There may be ways to engage a similar group of professionals for more ideas about how to save older structures through continued code reform.

Analysis of barriers related to codes

The working group evaluated each code to determine where code requirements present barriers to building reuse and how the codes could be amended to lessen the barriers. In addition, the group looked at the process for working with city code officials and inspectors, noting how experienced design and development teams have been most successful. Finally, the working group considered how the net effect of code compliance affects the market for and viability of the reuse of older buildings.

Energy codes: Exterior envelope insulation requirements present the biggest conflicts and result in some of the most significant cost impacts for building reuse projects. Adding insulation to the exterior envelope of an existing building may involve replacing interior finishes and roofing systems. The current, 2012 version of the model International Energy Conservation Code (IECC) contains a blanket exemption for any building that is individually designated as historic, located in a historic district, or eligible for either at the federal, state, or local level. All other existing buildings are subject to the same code requirements as new construction, as long as the project constitutes an “alteration.” The 2015 version of IECC will eliminate the blanket exemption for historic buildings. In order to be considered exempt from a requirement of the new energy code, a project team will have to submit a report detailing why a provision is detrimental to the historic character of the building. This may add time and cost to the design schedule, with unpredictable results. Preparation of such reports could be onerous, and the review process could potentially be lengthy and subjective.

Building codes: With building codes, the most common impediment to building reuse is providing an adequate means of egress. Many existing buildings have an insufficient number of exits and exit stairs.

Conflicts with historic preservation requirements: For property owners seeking historic preservation tax incentives, state and federal reviewers will often not allow certain types of insulation that are “permanently” affixed to historic building fabric, such as spray foam insulation. Adding insulation to the exterior wall surfaces of an historic building is almost never an option, but even altering interior wall surfaces can be restricted. Tax credit reviewers often will not allow a historically-exposed interior wall surface to be covered or allow historic interior finishes to be covered.

Proposed solutions

1. **Amend the IECC** to consider embodied energy and demolition waste against performance requirements. If quantified and accounted for, this might provide more flexibility for upgrades to existing buildings.
2. **Use the Performance Analysis** conformance point system in Chapter 34 of the International Building Code. Chapter 34 can be helpful. However, it is less straightforward than the prescriptive method and requires additional analysis.
3. **Manage owner expectations.** Encourage development professionals to get owners involved in the preliminary code review process. Code officials are usually more receptive to hearing the issues of the owner than the consultant. Share with owners the benefits and improved marketability of many code improvements.
4. **Share resources.** Help brokers and real estate agents make better use

of available design professionals in early project assessment stages. Skilled interpretation and analysis by a design professional or fire protection consultant can help show ways to save older structures in creative ways. Both sides should look at continuing education credit programs to share information about market demands and how to make it more economically feasible to reuse older structures.

5. **Code Amendment Procedure.** Provide a method of review for code requirements that have consistently been a stumbling block for developers or design professionals trying to save older structures. This could involve creation of a group similar to the original Maryland Rehabilitation Code Advisory Council, which created the first Smart Code for Maryland. It may be Baltimore based, not statewide, unless a regional approach would have more effectiveness. Fire officials, developers, and designers would review recommendations for code amendments and decide if modifications or clarifications were warranted.
6. **Improve Communication with Code Officials.** Baltimore Housing could have a regular meeting with the design and development community and code enforcement officials. This could be an open dialog for improved communication and could be sponsored by the Downtown Partnership, Greater Baltimore Committee, or the AIA. Continuing education credits for professionals could be offered. Topics could include:
 - New Codes that are to be enacted or updated
 - Revisions to the Baltimore Code Supplement or Amendments
 - Sharing of resources available online for code enforcement and permitting
 - Clarification of the most frequently asked questions

BUILDING AND ENERGY CODE TRENDS...

- Buildings codes underwent a significant shift early in this century, as states including Maryland pioneered the creation of “existing building codes” that are more compatible with the reuse and retrofitting of older structures.
- Energy codes are currently in another period of change, with the **new International Energy Conservation Code** now on the horizon for 2015. This new model code removes the blanket exemption for designated historic buildings, but allows exemption on a case-by-case basis if a written explanation of how compliance for code standards would harm historic features is provided.
- While energy codes are becoming increasingly stringent, there is also a movement toward more “outcome-based” code compliance paths in the future. Outcome-based codes measure actual energy use over a one-year period, allowing flexibility in how savings are achieved. This approach is more compatible with older and historic buildings. With features such as generous daylighting and natural ventilation, many older buildings are able to achieve energy savings through restoration of passive design features, as well as new insulation and mechanical upgrades. Seattle is one of the few places where this approach is being tested. With guidance from the Preservation Green Lab, **Seattle has created an outcome-based option** for energy code compliance that is based on documented energy use, rather than prescriptive measures.
- The complexity of securing approvals and permits can be daunting to small entrepreneurs new to real estate development. Though willing to take risks on smaller projects in unproven neighborhoods, they may be discouraged by the complexities of code enforcement. Architect Andres Duany is promoting the concept of **Lean Urbanism** and “Pink Zones” that reduce red tape for development projects through pre-approved solutions to common issues.

- Questions for specific issues that relate to codes
 - Open question and answer session to better educate the public
7. **New Code Models and Incentive Zones.** Baltimore has become a regional hub for the arts. Artist housing has become a major element in areas like the Station North Arts District and in East Baltimore around Patterson Park and the Creative Alliance. Code compliance has been a major issue with artist live/work studio environments. Baltimore could become a national leader in providing guidance for development within the code using design guidelines for artists and neighborhoods attracting artists. A group like the Neighborhood Design Center, in conjunction with designers and the Baltimore City code officials, could work on guidelines for artist live/work housing. Similar information could be produced to foster mixed-use housing over retail projects along neighborhood Main Streets.
 8. **Align the requirements for historic preservation tax credits with code requirements, particularly energy requirements.** Covering and preserving a historic interior finish with new insulation should be permitted by the tax credit reviewers if the historic material is protected for future restoration. Set up a meeting between selected code officials and NPS staff to discuss appropriate solutions.

Questions for additional investigation

- **Code Interpretation questions.** What constitutes an “alteration?” Does “change of use” automatically require blanket conformance with IBC, IECC, etc.? Does that trump any code relaxation for historic status? Does moving a few sprinkler heads require bringing the whole sprinkler system up to present codes?
- **Learn more from experience of others.** Poll more brokers, design professionals, and code consultants about specific code impediments. The group found it difficult to ascertain which code requirements ultimately had the biggest impact on the viability of reuse projects.



Former Hebrew Orphan Asylum, Coppin Heights Neighborhood, West Baltimore. Vacant “white elephant” buildings like this 1876 landmark can be found in many Baltimore neighborhoods. After five years of advocacy by Baltimore Heritage and the Coppin Heights Community Development Corporation, a plan was recently announced to re-purpose this structure to create a new community health center. The Coppin Heights CDC will lead the \$12.4 million project.

PHOTO: ELI POUSSIN, BALTIMORE HERITAGE

CODES CASE STUDY

Background: Often, due to original construction features of the building, absolute compliance with prescriptive building code provisions is neither attainable, nor desirable, as stringent adherence often impacts the historic character of the building and increases construction costs. The introduction of the International Existing Building Code (IEBC) encourages the reuse of existing buildings by using both prescriptive and performance-based approaches without compromising life safety expectations. Nonetheless, there are still instances where the IEBC does not provide adequate consideration to the existing architectural elements and is often subject to the interpretation of the local Authority Having Jurisdiction (AHJ).

Example: The case study project is a locally-designated historic, single-family dwelling on university grounds that will be converted to a multi-use facility for study, research, offices, and exhibits, with potential future use of the attic as a residence for visiting scholars. An addition will be added to the ground and first floors. The following considerations common of many such adaptive use projects apply:

- The existing structure is historic, the IEBC applies;
- The addition is considered new work, the IBC applies;
- The project must meet the guidelines set forth by the local historic preservation commission;
- The nature of the work is further classified as a change of occupancy and alterations.

Issue: The house contains an open stair that connects all levels without separation. The use of the third floor as living space for a visiting scholar

would cause the space to be classified as an R-2 occupancy and would constitute a change in occupancy to a greater hazard for means of egress hazard categories as well as heights and areas hazard categories. The following points highlight the major code requirements that impact and potentially compromise historic features and increase costs:

- The means of egress would be required to be compliant with the requirements for new construction. An open stair connects four stories; it would be required to be enclosed with 2-hour fire-resistance rated construction.
- The addition of an R-2 occupancy will require an automatic sprinkler system in the entire building and single- and multiple-station smoke alarms within the R-2 space.
- An R-2 occupancy on the upper story of a building with a travel distance in excess of 50 feet requires a second exit.

The prescriptive code will not permit the unenclosed stair as the single means of egress from the upper floors of the house. An alternate method of code compliance is needed. Approval of an alternative approach in this case requires a solution that yields equivalent or increased level of life safety than that provided by a second exit.

One alternative approach would be the introduction of an automatic sprinkler system, limiting finishes and combustibles, along with a smoke detection system, to manage the risks to occupants during a fire. Implementation of these solutions requires discussion with the local AHJ, which can introduce a degree of subjectivity. Fire and occupant evacuation modeling can help inform discussions, but these tools can be cost prohibitive for smaller projects like the case study house.

Additionally, ADA provisions are problematic in historic buildings such as the case study house where the structure is a single-family dwelling that will be converted to a multi-use building. This change requires one accessible entrance and one accessible route in the building. Solutions to meet these requirements will be reviewed by the local historic preservation review board and may not be approved. The solution in this case was to add an elevator as part of the new addition

to the house that serves all levels except the attic. Elevators may not be financially feasible in many projects.

The intent of alternative approaches for the rehabilitation of existing buildings is to ensure current levels of code compliance are maintained or improved to meet basic safety levels, while respecting the historic features of the structure. Specific allowances are made with regard to life safety that are not universally shared between review agencies and are subject to the AHJ. To increase the impact of the AHJ on these projects – IBC Section 102.6 states, “The legal occupancy of any structure existing on the date of adoption of this code shall be permitted to continue without change except as specifically covered in this code, IPMC, IFC, or as is deemed necessary by the building official for the general safety and welfare of the occupants and the public.” An informed AHJ with willingness to recognize the benefits of the performance-based approach can be the difference between a successful project and the loss of an architectural treasure.



Vacant Commercial Spaces, West Baltimore. There are a variety of incentives for building reuse in Baltimore City. Mapping and analyzing usage of the various incentive programs could enable strategic decision making around strengthening incentives that work, creating new incentives, and consolidating existing incentives that overlap in function and aim.

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Working Group Report: **Incentives**

TASK: Evaluate and understand the incentives that can help overcome the financial challenges of building reuse and identify ways to improve their effectiveness through changes to existing programs or creation of new incentives.

Although one might believe that adaptively reusing an existing building is less expensive than constructing a new one, the subtle realities of adaptive reuse often require more money than new construction. Recognizing this reality, the Incentives Working Group analyzed existing incentive programs to understand the barriers and potential solutions to appropriately finance building reuse.

Analysis of barriers related to incentives

The working group identified several important issues related to the discussion of incentives, including:

1. **Consider the full range of incentives.** Incentives include grants, low-interest loans, tax rebates (both property and personal income), and regulatory approval efficiencies that will help “fill the financing gap” for a successful development. As one member aptly stated: “Explain where the financing gap is so we can deploy the best incentive possible to fill the gap. Don’t just ask for a tax rebate.”
2. **Better understand the costs and benefits of existing incentives (federal, state and local).** The Incentives Working Group began discussing the many programs that are offered by Baltimore City for reusing existing buildings. Unfortunately, the effectiveness of each incentive is not well documented. How many people use each incentive? What is the cost of each incentive? What is the return on that investment? Although the working group’s discussions were Baltimore City-oriented, every working group member understands that the scope of this effort extends throughout Maryland, from Oakland to Berlin. If the issues that are faced in Baltimore City can be addressed, then those in every other jurisdiction can be addressed as well.
3. **Strengthen outreach and marketing for core incentives:** It is important to evaluate how incentives are marketed to those who may be interested in using them. The working group estimates that there may be 30 to 40 incentives that could assist in reusing existing buildings. In addition, new programs were promoted during the working group’s deliberations (i.e., “Buy a home, get student loan help” *Daily Record* article, March 10, 2014). Most of the working group members were not aware of how many programs are available. It is unclear how these programs are marketed to the general public. The lack of effective marketing may inhibit the reuse of existing buildings.
4. **Identify the best set of incentives to accelerate private sector use (or redevelopment) of vacant rowhouses at the scale needed:** By far the building type most in need of reuse in Baltimore is the traditional rowhouse. More than 16,000 buildings are vacant, and concentrations of these vacant homes threaten the viability of large sections of the city. The Mayor’s Vacants to Values initiative has moved this by streamlining the disposition of properties and providing financial assistance to homebuyers. Maryland’s new Strategic Demolition Fund is another positive step. However, these programs are not sufficiently capitalized to remove many market barriers.

It is important to note that the Baltimore Development Corporation (BDC) is currently evaluating a variety of tax Incentives that are offered to both new construction and building reuse. The BDC process is expected to conclude in January 2015. The recommendations that come from the Partnership for Building Reuse Incentives Working Group will be provided to BDC to help inform their decisions, to the extent that they relate to building reuse.

With respect to investment in the reuse of vacant row-homes, the working

group discussed the importance of a “strategic framework” for determining which areas or blocks are prioritized for reuse and others for demolition. This city’s current framework uses an analysis of market strength and the presence of local institutional anchors. The group noted the importance of factoring in a full range of assets – such as the presence of schools identified for \$1 billion in new construction and rehabilitation – in determining which incentives for rowhouse reuse could be either limited or enhanced.

Reuse barriers related to incentives

Barriers to building reuse, from an incentives perspective, can be grouped into the following categories:

1. There are too many incentives for many developers, buildings, and homeowners to understand and know how to use effectively.
2. These incentives are not marketed effectively and little is known about how much they could be used if more people knew about the variety of incentives offered.
3. With the exception of a few incentives (Maryland Sustainable Communities Tax Credit, and Baltimore City Historic Tax Credit) the effectiveness of the incentives on building reuse is unclear – what is the return on the investment? In addition, this uncertainty can raise questions about incentive programs – i.e., are we giving away too much?

Proposed solutions

The Incentives Working Group discussed several possible solutions to overcome the barriers of using incentives to reuse existing buildings. These are categorized below into both short and long term solutions.

Short-term solutions

1. **Create an incentives map.** It will be helpful to prepare a map that illustrates building reuse potential in relation to other public and private investment. Ideally, this map will allow people who are interested in investing in Baltimore to understand where opportunities exist, or may exist in the near future. The map would include:
 - a. The limits of Baltimore City
 - b. Major transportation networks (road, transit, and transit stations)
 - c. Major public investment initiatives (i.e. City School initiative, strategic demolition areas)
 - d. City owned Vacants to Value properties
 - e. Privately owned vacants
 - f. Development projects that have been constructed in the last five

years (for residential projects that contain more than 15 homes and non-residential buildings (new and reused) that are larger than 5,000 square feet)

- g. Development projects (similar qualifications as f. above) that are in the pipeline
- h. Parks

This map could be used by economic development groups, non-profits, trade organizations, and others to help spur redevelopment and building reuse in areas that show significant public and private investment. The map could be prepared using existing data by Baltimore City Planning and Housing and the Maryland Department of Planning, updated annually, and available online to allow users to investigate explore specific areas.

2. **Create incentives spreadsheet.** All of the available building reuse incentives at the federal, state, and city level need to be identified and clearly evaluated (how often are they used, how much they cost, and what return on investment results.). The working group prepared a initial spreadsheet to identify all of the available incentives. Future versions of this spreadsheet could include all of the incentives that focus on building reuse (and possibly all of the incentives available for residential — both owner-occupied and rental housing as well as non-residential development). It should also include columns to track the number of applications, total cost of incentives, and total return on investment.

Using this spreadsheet to inform an analysis, those incentives that are not used or cost too much based on their return on investment should be eliminated or folded into other similar programs that are successful. In addition, those programs that are low cost and are used regularly or have a good return on investment, should be evaluated to see if they can be expanded to help reuse more existing buildings. In addition, the opportunity to combine various incentives needs to be eval-

INCENTIVES FOR REUSE...

- Baltimore's financial incentive offerings are among the strongest in the nation, particularly for work on designated historic buildings. Although the funding cap has dramatically decreased its impact in recent years, the **Maryland Sustainable Communities Tax Credit** (formerly the Maryland Heritage Structure Rehabilitation Tax Credit) has helped save hundreds of vacant and underused buildings and leveraged significant community and economic benefits for Baltimore. The CHAP property tax credit provides a significant financial incentive for thousands of homeowners and the new 15-year abatement for downtown residential projects has helped spark significant rehabilitation work.
- Among comparable cities, **Philadelphia** offers one of the most extensive arrays of local tax incentives, including a ten-year abatement for new construction projects and for improvements to existing residential, commercial, and industrial structures, including rental residential properties. Philadelphia also provides a home-stead exemption tax credit for owner-occupants in the city. Pennsylvania has only recently begun to offer a modest state tax credit.
- Cities including **Phoenix** and **Buffalo** have packaged financial and other incentives to encourage building reuse. The relatively new Phoenix program has resulted in dozens of reuse projects, primarily by providing regulatory relief and streamlined approval processes.
- In 2013, preservation groups helped secure passage of the **South Carolina Abandoned Building Revitalization Act**, which provides a tax credit of up to 25 percent for the rehabilitation of income-producing buildings that have been at least two-thirds vacant for five years or more. The credit applies to all buildings, not just those designated as historic.

**Miller's Court,
Remington, Baltimore.**

Many successful building reuse projects rely on historic tax credits and other incentives. The Miller's Court project in Remington used a combination of local, state, and federal historic tax credits, along with the federal New Markets Tax Credits. The project now includes housing and office space, and was completely leased six months before its completion in 2009.

PHOTO: MARKS, THOMAS ARCHITECTS.



uated to ensure that the total incentive package offered to a particular building reuse effort is reasonable in comparison to the size and nature of the reuse.

3. **Develop a focused approach to marketing incentives.** The working group discussed two possible categories for focused marketing – target populations or building types.
 - Targeted Populations. Are there specific people and/or businesses that we want to attract to reuse existing buildings? Examples might include teachers, police/fire/rescue workers, artists, or possibly tech businesses or small businesses. Can we use incentives to get these populations to reuse existing buildings? Consider combining Vacants to Values with a low-interest construction loan or, if applicable, the Baltimore City

Historic Tax Credit. There are policy issues that must be addressed before considering using incentives to target populations to reuse buildings, but it should be considered in the short term.

- **Building types.** The aforementioned spreadsheet begins to separate the incentives based on building types, with separate categories for owner-occupied, single-family and multi-family homes, as well as rental single-family and multi-family homes. There are separate non-residential categories, such as retail, office, industrial, mixed-use, and arts & entertainment. There could also be non-residential categories for quasi-public and nonprofit building types such as churches, health, and educational institutions. Once the incentives are separated by building type, the map discussed in #1 (above) and the complete targeted list discussed in #2 (above) can be distributed to trade organizations, such as the Maryland Chapter of the National Associate of Industrial and Office Parks (NAIOP), International Council of Shopping Centers (ICSC), Homebuilders Association of Maryland (HBAM), the Multi-family Builders Association, etc. These organizations can help deliver these materials to their membership, which will hopefully spur additional interest in building reuse.

Long-term solutions

1. **Gap analysis.** Once the short-term solutions have been accomplished, or are completely underway, the gaps in incentives need to be evaluated. What other opportunities are available? What are other states and local governments (such as Philadelphia) using that Baltimore is not? What trends are developing regarding building use that might lead to adapting or creating new incentives to reuse buildings?
2. **Non-financial incentives.** The working group focused on grants, loans, and tax incentives, but there are many other ways to fill the financing gap often associated with building reuse. Can the public sector address infrastructure problems (sewer, water, road, schools) that are inhibiting an adaptive reuse project from happening? Are there ways to differentiate reuse projects from a regulatory standpoint that may help fill the gap (e.g., shortening the approval process, waiving adequate public facilities regulations, waiving impact fee assessments, etc.)? Baltimore City's traffic mitigation fee provides one example. If the project is a redevelopment and there was a prior use occupying the building within the last year, the mitigation fee is reduced based on the delta of the old use versus the new use.

The Incentives Working Group should also engage in discussions with the Department of Business and Economic Development (DBED) and the Maryland Economic Development Corporation (MEDCo) to discuss the incentives evaluated, understand what we may be missing, and evaluate ways the State could be more engaged in this effort (promoting and financing).

Questions for additional investigation

- **How do Baltimore’s incentives compare with other cities?** Once the working group has an opportunity to pull together the complete list of incentives offered at the federal, state, and local level, the working group should work with the National Trust’s Preservation Green Lab to understand other incentive programs used around the country that focus on building reuse. It would also be helpful to understand how Baltimore City compares nationally with other similar cities from an incentives perspective. Do we offer too much or not enough?
- **How to involve federal, state, and local legislators?** The working group believes that the proposed recommendations should be discussed with federal, state, and local legislators. This approach could strengthen legislators’ knowledge about the value of incentives to building reuse while also fostering additional opportunities. Who should be involved in this discussion and what is the best approach to make this most effective?
- **How to improve management of incentives?** There is a dichotomy between economic development efforts and finance requirements in every county and municipality. Ideally the recommendations of this working group can help informing understanding of the benefits and costs associated with incentives relating to building reuse. How should this conversation be organized and who should be involved? How the incentives are managed is as important as the incentives themselves. If they are managed properly, programs will thrive and, if managed poorly, they will die. The management of these programs needs to be evaluated and recommendations for improvement should be made.
- **How to keep tax rates competitive with other municipalities?** Baltimore City’s property tax rate is an underlying issue that must be addressed in connection with incentive programs. Are incentives necessary if the City’s property tax rate is equal to its neighboring jurisdictions? It is important to note that many municipal property tax rates are higher than their neighboring jurisdictions. This is a common issue that must be addressed.

Working Group Report:

Historic Preservation Law and Policy

TASK: Examine elements of historic preservation law and policy that may inadvertently serve as barriers to building reuse and identify what legal, regulatory, or other changes might be made in order to remove those barriers.

As noted earlier in the report, approximately one in three buildings in Baltimore City is designated as historic at the local, state, or national level. Many more properties are eligible for listing, but designation has not been pursued due to lack of community interest or lack of resources. Notably, the vast majority of the city's vacant or under-utilized buildings are historic – regardless of whether or not they have been so designated.

Affirming the extraordinary density of historic properties that exist in Baltimore City is not the same as saying that all of these properties must be preserved according to the Secretary of Interior's Standards for the Treatment of Historic Properties. The Historic Preservation Law and Policy Working Group recognizes that different types of treatments are appropriate for different types of properties. Depending upon the situation, treatments employed may run the gamut from protection in perpetuity at one end of the spectrum to demolition at the other end.

Analysis of Barriers and Potential Solutions

In many cases, adaptive reuse – the act of rehabilitating a property for a use different than its historic purpose – can make adherence to the Secretary's Standards more difficult than rehabilitation for continued use. Those who seek to adaptively reuse historic buildings may find that achieving historic preservation outcomes, while generally desirable, is not always possible or practicable. In the course of its discussions, the working group explored those areas where existing historic preservation law, regulations, or policy were not sufficiently effective to support protection and rehabilitation of vacant or underutilized historic properties in Baltimore City. The working group also sought to identify those instances where preservation law, regulation, or policy comes into conflict with adaptive reuse goals.

Sustainable Communities Tax Credit

The Maryland state rehabilitation tax credit program, now known as the Sustainable Communities Tax Credit (SCTC), is administered by the Maryland Historical Trust. The program incentivizes both commercial and residential (i.e. owner-occupied) rehabilitation activities in designated sustainable communities and districts. Created during the 1996 legislative session, the tax

credit program has been the subject of frequent legislative changes. Many of these changes have reduced the power and influence of the credit for commercial rehabilitation projects in Baltimore City.

Barrier: Capped appropriation for decreases predictability for project developers The SCTC for commercial projects underwent major adjustments in 2004 to address several concerns about the program’s cost. The SCTC began to operate more like a grant program in that it began to require an annual appropriation of funds as well as the competitive rating and ranking of projects. At approximately the same time, a per-project cap of \$3 million for commercial projects and \$50,000 for residential projects was instituted.

As a result, there has been a corresponding drop in the volume of applications submitted for rehabilitation projects, particularly for projects in risky or blighted locations.

Solution: Changing the SCTC statute to return the program to a true tax credit would dramatically increase its impact in Baltimore and throughout Maryland.

Barrier: Jurisdictional cap limits access to credit for Baltimore City projects Also in 2004, changes were made to limit the total credits that can be awarded to any single county or Baltimore City to 50 percent. That percentage was raised to 75 percent during the 2007 legislative session and reduced to 60 percent in 2014. While this jurisdictional cap applies to any locality in the state, it was clearly intended to limit the percentage of funds awarded to Baltimore City. Importantly, the statute includes a provision that permits this percentage to be exceeded if all approvable tax credit applications from other jurisdictions have been funded. In practice, the City has not been significantly impacted by this provision because of the comparative lack of tax credit applications submitted by other jurisdictions around the state.

	FY2011	FY2012	FY2013	FY2014
Percent Non-Baltimore City Applications Approved	100% 5 of 5 projects	100% 2 of 2 projects	100% 3 of 3 projects	100% 5 of 5 projects
Total award to Non-Baltimore City projects	\$1,531,100	\$1,124,569	\$1,171,619	\$2,456,843
Percent Baltimore City Applications Approved	22.7% 5 of 22 projects	26.6% 4 of 15 projects	25% 2 of 8 projects	35.7% 5 of 14 projects
Total award to Baltimore City projects	\$9,648,900	\$5,833,430 40 projects	\$5,860,722	\$7,544,191 45 projects

As noted in the preceding table, all approvable tax credit applications from jurisdictions outside of Baltimore City have been funded over the past four years while a comparatively small percentage of projects in Baltimore have received funding. Nonetheless, the majority of commercial tax credit dollars are still allocated to Baltimore City.

Solution: Changes in the SCTC statute to lift the 60 percent jurisdictional cap may be desirable.

Barrier: **Small commercial projects can't compete in a rated and ranked system** Since the introduction of the competitive funding process, small commercial rehabilitation projects have suffered from the unpredictability and length of the award process. Most of these types of projects are sponsored by existing property owners rather than investors with options on property that would only be exercised if the award and financing are successful. These smaller project applicants often argue that they cannot delay work on a project for the six-to-nine month approval process (while continuing to meet debt service responsibilities) on the chance that they may be successful in the competitive process. The adjusted basis requirement of the commercial program is also a challenge for these property owners – especially if the property is already occupied. In such cases, the owner cannot afford to close their doors for a full-scale construction project, but must make incremental improvements over time while the building remains open for business.

Solution: During the 2014 session of the General Assembly, changes to the SCTC were sought that would encourage the rehabilitation of these types of small commercial projects with estimated costs under \$500,000. These changes were approved by the legislature and small commercial projects will now be processed under the same provisions as the homeowner program. This will allow these types of applicants to submit and proceed on a more timely basis and will remove them from the high bar of competing against the type of large, often signature or landmark properties, that tend to be more successful in the ranking process. The principal beneficiaries of this type of change are expected to be smaller commercial projects such as neighborhood corner stores/restaurants and Main Street commercial districts, provided that they are designated as historic. If these changes are implemented as envisioned and potential users are informed about the credit, this obstacle to use of the SCTC as a redevelopment tool for small commercial projects may be resolved for designated small commercial properties. However, many older, smaller commercial properties are not designated.

Barrier: Secretary of the Interior’s *Standards for Rehabilitation* lack

flexibility Projects seeking tax credits must be designed to meet the Secretary of the Interior’s *Standards for Rehabilitation* (codified in 36 CFR 67 for use in the Federal Historic Preservation Tax Incentives program). Published by the United States Department of the Interior in 1976, revised in 1983 and again in 1990, these ten *Standards* have become the accepted benchmark for evaluating the acceptability of proposed changes to historic properties. In this context, “rehabilitation” is defined as “the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values.”

The Standards are meant to manage, rather than prevent, change to historic buildings. They do not require that every feature of a historic property be preserved. Instead, they seek to preserve the most significant, character-defining features of a historic structure. By their very nature, the language of the Standards is subject to interpretation. In practice, because each historic property is unique, the Standards must be applied to buildings on a case-by-case basis. Differences in how the Standards are applied between buildings and between tax credit reviewers can be a source of frustration for developers.

In addition to the perceived inconsistency of Standards interpretation, developers have concerns about the inability of the Standards to respond to the needs of certain property types, including armories, churches, and schools. Buildings with assembly spaces that have become obsolete are a particular challenge.

Developers also have concerns about the growing conflict between the Standards and certain sustainability priorities and market demands. For example, the Standards generally require that exposed brick walls in industrial spaces be maintained when energy efficiency best practices recommend insulating and covering these walls on the interior. In contrast, developers rehabilitating rowhouses with historically-plastered brick walls where the market demands exposed brick have complained that the requirement that these walls may not be exposed depresses buyer interest in the units.

Solution: In 2013, the National Park Service announced that, in consultation with State Historic Preservation Offices, historic preservation partners, and other stakeholders, they will reexamine and revise as appropriate its interpretation of the Standards with the goal of identifying additional opportunities to provide greater clarification and/or flexibility in addressing especially challenging projects in the following areas:

- Differentiating between levels of significance in interior spaces and making changes to secondary spaces

- Making changes to certain types of assembly spaces as part of adaptive reuse projects
- Applying Standard 1 in cases of continuing historic use, where modern needs may necessitate specific interior changes
- Identifying changes to a historic building that have occurred over time and have acquired historic significance in their own right
- Applying Standard 2 to interior spaces, features and materials in highly deteriorated condition

The National Park Service expects to complete this work by 2016. Local and statewide preservation stakeholders and developers who have struggled with the *Standards* should take an active role in the consultation process that will take place over the next two years. In addition, City staff suggest that NPS review of tax credit projects could be more efficiently coordinated with state and local reviews through the use of virtual meeting technology.

Barrier: Moderate and low-income neighborhoods lack access to program

Residents and developers living and working in wealthier neighborhoods typically have the resources necessary to apply for the SCTC, as well as federal and local tax credits. People living or working in moderate-or lower-income neighborhoods are generally less familiar with the program and need more help determining how to make tax credits work for them and how to navigate the application process. In-person technical assistance could help make this tool accessible in these areas. Baltimore Housing already coordinates with CHAP as part of its Vacants to Values workshops to increase exposure for the SCTC and City tax credit program. This is a good model to build upon.

Solution: Support CHAP, Baltimore Heritage, and Live Baltimore in their efforts to provide education about and access to the SCTC program. Efforts could include expanding the number and location of tax credit workshops, increasing outreach efforts in moderate and low income neighborhoods, working with the Baltimore Main Street Program on an education and outreach program for the state's new small business historic tax credit, and funding an ombudsman position to specifically assist home buyers in targeted low-and moderate-income communities.

Barrier: Historic properties lack proper designation to qualify for tax credit

Only properties that have been designated as historic are eligible to apply for the SCTC. Examples of areas of the city that are eligible for designation

but unlisted include Garwyn Oaks, Midtown Edmondson, Edmondson Village, Morgan Park and Belair Edison. Although rehabilitation of historic properties in these communities could be stimulated by the SCTC, these areas do not currently have access to the program because they are not listed in the National Register or are not locally designated by CHAP.

The development of new National Register nominations is limited because state grant funds that previously supported this activity are no longer available. The designation of new locally designated districts is limited in part because CHAP has placed a moratorium on this activity due to their limited staff resources.² Community opposition to local designation is also a factor in some areas. Frequently, undesignated communities (at either the local or national level) are also lower or moderate income, compounding the issue of universal access to the SCTC program.

Solutions: Support the return of state Historic Preservation Grant Funds or earmark a small percentage of the annual SCTC appropriation to support the development of new National Register nominations.

- Encourage CHAP to apply for Certified Local Government Grant (CLG) funds to support the development of new National Register district nominations. These federal funds are available for survey, documentation, education, and planning activities through the Maryland Historical Trust. CHAP has not applied for CLG project funds since the 1990s.
- Provide CHAP with the staff and budgetary resources necessary to lift the moratorium on new local district designations to ensure that CHAP has sufficient capacity to manage any increase in local historic district permitting and oversight responsibilities.
- Explore extension of the SCTC to properties that have been determined eligible for listing on the National Register (statutory change required). Publicize the provision that properties that have been determined eligible for listing on the National Register and that are located within the boundary of the Baltimore National Heritage Area are eligible for the SCTC. All or portions of the neighborhoods of Garwyn Oaks, Midtown Edmondson and Edmondson Village are within the boundaries of the Baltimore National Heritage Area currently.

CITYWIDE PRESERVATION PLANS...

One of the desired outcomes identified by the Historic Preservation Working Group is a city-wide preservation plan. Citywide plans help prioritize local preservation goals and integrate them into other city departments and civic initiatives.

Recent examples of cities with stand-alone preservation plans include Washington, D.C. and Salt Lake City. A comprehensive survey of historic resources is included in some citywide plans, such as Los Angeles. Surveys can provide critical information in advance of discussions about demolition versus reuse.

² Note that CHAP staff resources are sufficient to develop local historic district overlay proposals; however, sufficient resources are not available to manage the permitting and oversight responsibilities for these districts once they have been established.

Baltimore City Property Tax Credit for Historic Restorations and Rehabilitations

The Baltimore City Property Tax Credit for Historic Restorations and Rehabilitations was established in 1996 to provide relief against increases in the property tax for those property owners who complete significant improvements to or the rehabilitation of historic properties. Over the life of the program, more than 2,000 projects have been completed and more than \$700,000,000 has been invested in these rehabilitation projects.

The credit is based on the difference in taxes between the pre-rehab and post-rehab assessment of a property. The current system requires that, once the rehabilitation on a historic property is complete, the property must be re-assessed by the State Department of Assessments and Taxation (SDAT) to take into account the value of the improvements. The City's Department of Finance then calculates the credit once it has received the new assessment from SDAT and determined the corresponding increase in the owner's property taxes. Beginning in October 1, 2014, for the purposes of calculating the property tax credit for properties receiving the credit, the full cash value of the property must be determined by an appraisal of the property before commencement and after completion of eligible improvements by a licensed professional appraiser selected by the Mayor and City Council of Baltimore City.

Barrier: Program is less frequently used in lower- and moderate-income neighborhoods As with the Maryland Sustainable Communities Tax Credit program, increased education and outreach could help bring the benefits of the Baltimore City Property Tax Credit for Historic Restorations and Rehabilitations program to more historic property owners in moderate- or lower-income neighborhoods.

Solution: Support CHAP, Baltimore Heritage, and Live Baltimore in their efforts to provide education about and access to the local tax credit program. Efforts could include expanding the number and location of tax credit workshops; increasing outreach efforts in moderate- and low-income neighborhoods, working directly with realtors and CDCs; work with the Baltimore Main Street Program on an education and outreach program for the state's new small business historic tax credit and funding an incentives matchmaker position to specifically assist home buyers in targeted low and moderate income communities.

Use of state and federal funds for blight removal

State and federal laws, including the Maryland Historical Trust Act and Section 106 of the National Historic Preservation Act, require government agencies to consider the impact of their projects on historic resources, including

many older and vacant buildings in Baltimore neighborhoods. Over the last few years, Baltimore Housing³ (HCD) and the Maryland Historical Trust (MHT) have worked closely together to address the City's implementation of its historic preservation responsibilities under existing agreement documents and for its housing programs in general.

Barrier: Need for additional preservation community participation in discussions about use of state and federal funds for blight removal

Collaboration between the agencies greatly improved in 2012 when HCD hired a Historic Preservation Officer. However, more could be done to ensure that HCD and preservation interests at both the state and local level are consulting effectively, resolving issues, and charting new ways to use federal funds to assist efforts to reuse existing buildings.

Section 106 is a planning tool tied to the use of state and federal funds, permits, and licenses that is designed to begin at the earliest phase of the project planning process when alternative redevelopment strategies remain available. Initiating Section 106 after an outcome – such as demolition – has been predetermined is not responsive to the regulations. At the same time, the preservation community must recognize that demolition is a permitted action and may be a necessary redevelopment alternative in a city that has lost nearly a third of its population over the last 60 years.

Since 2005, the Baltimore City Housing staff and Planning Department staff have worked with The Reinvestment Fund (TRF) to develop an analytic and spatial residential-market profile known as “Neighborhood Typology”— a categorization of city residential markets at the census block group level. As of the most recent update in 2011, this typology defines a series of market categories known as Regional Choice, Middle Market Choice, Middle Market, Middle Market Stressed, and Distressed. Data used to inform what areas are included within these market categories include home sales, foreclosures, concentrations of subsidized housing, percentage of commercial land, single family homes, homeownership rates, vacant homes, and vacant lots.

The City uses this typology to distinguish market conditions and investment potential by neighborhood, and even block by block. By mapping vacant properties across the typology, the City can assess the capacity of a given vacant property or group of properties to attract private investment. The City then uses this assessment to determine how available tools should be applied by neighborhood. These tools range from demolition to rehabilitation and citation-based code enforcement.

HCD has indicated that a key element in the application of the neighborhood typology to demolition versus reuse decision making is an internal review process that engages City departments, including CHAP, in an additional

³ Baltimore Housing is an umbrella name that consists of two agencies, the Baltimore City Department of Housing and Community Development and the Housing Authority of Baltimore City.

layer of review. For the public, it can be difficult to knit together the series of neighborhood master plans and urban renewal plans that reflect the City's demolition versus rehabilitation priorities. As a result, the public and preservation stakeholders frequently find themselves in a reactive position, unable to pro-actively seek creative alternatives for demolition that support building reuse or seize opportunities for redevelopment on the site of razed properties.

Solutions:

- Engage preservation stakeholders earlier in the planning process to provide input regarding preservation and rehabilitation opportunities. As part of these discussions, include information on both existing historic designations and areas that are eligible for such designation, as well as analysis of high opportunity areas identified as part of the Partnership for Building Reuse. The development of a list of preferred mitigation strategies that all parties support would be a positive outcome of this collaboration and could result in increased reuse of vacant buildings.
- Use HUD funds for more creative mitigation activities beyond documentation of properties prior to demolition. This could include creating a revolving loan fund for property rehabilitation, homeowner education and technical assistance, and development of a Baltimore Preservation Plan. Currently, HCD is not unwilling to use HUD funds for mitigation activities, but considers itself constrained by current regulations and processes. Resolving this disagreement is desirable and will require engagement with HUD staff, the MHT, and the Advisory Council for Historic Preservation.

Treatment of historic wood windows

Windows are character-defining features of historic properties. They provide a sense of scale, proportion, and architectural style. Over time, windows require maintenance and repair to remain in good working order.

Barrier: The issue of how to treat historic wood windows as part of an overall rehabilitation project can be a significant obstacle to a project's feasibility

Solutions:

- A tiered approach to window preservation for the purposes of CHAP reviews may be an appropriate response to the concerns raised about historic windows as an obstacle to building reuse. The Washington, D. C. Historic Preservation Review Board provides an interesting model for this practice. Replacement is an option and not only when windows are beyond repair or when they pose a lead hazard. Affordability concerns are balanced with window significance. The Washington, D.C. regulations outline when re-

placement is appropriate and their detailed guidelines ensure that changes are compatible with the character of the property. CHAP is exploring development of a similar model for Baltimore City.

- A more liberal approach to window replacement for the purposes of CHAP will likely conflict with current state and federal tax incentive provisions. Homeowners will be most impacted. Already, there are instances where CHAP and MHT tax credit review standards conflict. For example, CHAP permits vinyl replacement windows on rear elevations whereas MHT does not. CHAP also requires owners to replace modern windows with wood windows on front elevations, whereas MHT does not. CHAP staff and MHT staff should work together to identify where there are opportunities to align and adjust their window replacement policies for the purposes of their tax credit programs. These policies should be formalized and adopted. Education of the public will be an important component of any new window replacement guidelines.

Barrier: Fear of lead paint exposure and litigation Most historic windows are made of wood and, at some point in their history, have been painted with lead paint. Because opening and closing windows produces surface friction, paint layers can erode and expose or chip layers of lead paint. Exposure to lead paint dust or chips can cause serious health problems. Maryland's Reduction of Lead Risk in Housing law requires owners of rental properties built before 1950 to meet specific lead paint risk reduction standards. In 2011, Maryland's highest court struck down a key provision of state law that shielded owners of older rental housing from civil lawsuits — and potentially costly payments to victims — if they took precautions to protect children in their units from lead-paint poisoning. There are now no limits on landlord liability in lead paint litigation cases. Not surprisingly, many property owners wish to replace rather than repair their historic wood windows out of concern for the lead paint hazard. This desire can conflict with local historic district requirements as well as access to state and federal rehabilitation tax credits. To address this issue, CHAP recently approved new lead paint guidelines that allow property owners to replace wood windows and doors containing lead paint in some cases, with approval of the commission.

Barrier: Lack of Skilled Window Contractors For those property owners who wish to maintain and repair their historic wood windows, it is becoming increasingly difficult to identify craftsmen who can repair their windows. Once a craftsman is found, the cost of repair versus replacement can be an obstacle to the homeowner who has limited funds to invest in their property. Similarly, property owners who wish to replace their existing windows with historic reproductions often find it difficult to locate craftspeople to do this work and would benefit from access to a consultants list or similar resource that could match their needs with appropriate craftspeople at the local, regional and national level.

Solution: Non-profit organizations like Civic Works and for-profit companies like Kinsley Construction currently provide construction-related job training opportunities. A first step to increase the pool of qualified window restoration contractors should be to establish collaboration among the Mayor's Office of Employment Development, job training providers, and historic preservation organizations. The Maryland Association of Historic District Commissions could help identify historic window reproduction resources.

Understanding and applying policy exemptions for historic properties

The preservation and adaptive reuse of historic properties is informed by a myriad of federal, state, and local policies and regulations that are designed to implement public purposes ranging from accessibility to stormwater management and energy efficiency. Some regulations include exemptions for historic properties. In certain cases, local government officials have the discretion to either accept or reject exemption requests.

Solution: Exemptions that are permitted by law or regulation which streamline and accelerate the adaptive reuse of existing structures should be encouraged by City agencies.

Other recommendations

- 1. Advocate to protect the federal rehabilitation tax credits** In the Spring of 2014, repeal of the federal historic tax credit was proposed as part of a comprehensive tax reform effort in Congress. Loss of the federal tax credit would pose a significant challenge for commercial redevelopment projects in Baltimore City since the 20 percent federal credit (which is not capped) is often combined with the 20 percent state credit. It is unlikely that the state tax credit, by itself, could leverage the types of rehabilitation projects that are underway now. Robust advocacy efforts aimed at protecting the federal historic tax credit should become a priority of Baltimore City revitalization interests to ensure that this important incentive is not eliminated by Congress.
- 2. Participate in discussions about possible revisions to the Secretary of the Interior's Standards interpretation guidance** The event that led to the NPS announcement that it would explore revisions to Standard's guidance took place in Detroit, Michigan in January of 2013. At that time, Secretary of the Interior Ken Salazar joined Senator Carl Levin in hosting a meeting with economic development, real estate and design professionals, and other stakeholders to discuss ways in which the Federal Historic Preservation Tax Incentives Program could help spark development in communities that have faced significant long-term economic challenges. The members of the Partnership for Building Reuse should explore hosting the 2016 roll-out of the revised NPS guidance with a similar event in Baltimore

- 3. Develop a Baltimore City Historic Preservation Plan** A historic preservation plan describes a community's goals for its historic properties and the actions it will take to achieve those goals. Baltimore City does not have a local preservation plan. Development of such a plan could be used to inform City redevelopment programs like Vacants to Value and could assist with mapping of areas that are being targeted for demolition, preservation, and adaptive reuse. Certified Local Government grant funds could be used to support development of such a plan.

Questions for additional investigation

- 1. How well are preservation tax incentives working for developers?** The proposals associated with the SCTC and other preservation tax incentives within this working group report have been informed by a small focus group. A more comprehensive survey of tax incentive users, particularly developers, would be desirable. This data could then be used to inform potential changes to the program when it is up for reauthorization in 2017.
- 2. Where preservation is not possible or desirable, should we incentivize adaptive reuse?** The Historic Preservation Law and Policy Working Group recognized that it may be advantageous to explore incentive programs for the adaptive reuse of properties when the project may not meet preservation standards. Developing guidelines for such a program fell beyond the scope of work for this effort. However, some of the ideas discussed included the following:
 - Incentives for exterior rehabilitation only
 - Incentives for material conservation (supporting building fabric retention but allowing for substantial alterations in certain circumstances)
 - Finding a threshold for incentives that were meaningful for developers but did not detract from or undermine more traditional preservation activity

Advancing Building Reuse in Baltimore

Below and on the following pages, the opportunities and solutions that emerged from the analysis of the working groups are synthesized and presented as a set of next steps for advancing building reuse in Baltimore. These recommendations were developed in consultation with the more than 90 local stakeholders who were involved in the Partnership for Building Reuse in Baltimore.

RECOMMENDATION 1

ENACT KEY PROVISIONS OF *TRANSFORM BALTIMORE* TO ENCOURAGE BUILDING REUSE

Immediate Recommendations (within six months)

A. Create neighborhood commercial districts that allow selected commercial and other non-residential uses

- Align land use regulations more closely with the existing character of older neighborhoods.
- Allow a limited range of non-residential uses to make it easier to reuse old corner stores for small restaurants and neighborhood-serving retail.
- Provide space for locally-owned businesses, diversifies local economic base, makes neighborhoods safer and more pedestrian friendly.

B. Create new industrial mixed-use zone districts

- Facilitate repurposing of vacant industrial buildings for residential, commercial, and light industrial use.
- Spur the reuse of industrial buildings, an important part of Baltimore's heritage that were identified as an important and at-risk building type by many stakeholders.

C. Eliminate parking requirements for structures more than 50 years old

- Remove parking requirements where they act as a barrier to building reuse, especially in areas where little if any parking is available on-site.
- Encourage the use of transit alternatives and shared parking solutions that fit better with the character of older neighborhoods.

D. Streamline the process for conversion of non-conforming uses into specific commercial uses through conditional use process

- Simplify the process for adapting vacant structures that have been categorized as single family because they are vacant, even if the original use was not single family.

RECOMMENDATION 2

PROMOTE CREATIVE BUILDING AND ENERGY CODE SOLUTIONS

Immediate Recommendations (within six months)

A. Encourage owners, brokers, and agents to use design professionals earlier in preliminary code review

- Share with key groups the market benefits of many required code improvements.
- Encourage use of the performance analysis alternative allowed under Chapter 34 of the International Building Code.

B. Develop a tiered approach to window preservation policies for historic properties

- Support tiered approach under development for CHAP.
- Align policies between CHAP and the Maryland Historical Trust for state tax credit reviews.

Short Term Recommendations (within one year)

A. Create an indexed “Code Solutions Database” for common code issues

- Allow access to solutions developed through experience over years by designers, contractors, and code officials.
- Save time and money for project developers and city.

B. Facilitate regular dialogue among designers, developers, code officials, and Baltimore Housing staff

- Organize annual meeting between private sector practitioners and city staff to review challenging issues and discuss solutions.
- Create a Code Advisory Council to provide private sector input to city staff as part of the formal building code review process that is carried out every three years.
- Consider continuing education credits for participants.
- Encourage joint meetings with reviewers and inspectors to facilitate consistent code interpretation and speedier approvals

Long Term Recommendations (within two years)

A. Organize a meeting with the National Park Service and local code officials to discuss challenges with tax credit reviews and energy codes

- Participate in national level conversations with the National Park Service regarding the application and interpretation of the Secretary of the Interior's Standards for Rehabilitation for tax credit projects and energy conservation.
- Explore possibility of allowing encapsulation of historic fabric in situations where it is too costly to fully address energy and historic preservation goals.

B. Create model "Code Innovation Districts" for artist live/work spaces and small commercial buildings in Main Street districts

- Focus attention on specific areas to creatively address challenges with small mixed-use projects, such as the need for secondary egress entrances and stairs as well as ADA requirements.
- Pre-approved solutions might be developed to help facilitate successful, affordable projects.

RECOMMENDATION 3

IMPROVE AND PROMOTE INCENTIVE PROGRAMS

Immediate Recommendations (within six months)

A. Create a citywide map illustrating areas of reuse potential

- Include assets, key public investments and initiatives, vacant public and private properties, recent and proposed private development projects.
- Update map regularly and make it available online.

B. Create a matrix of all incentives and evaluate gaps

- Identify all currently available incentives related to building reuse.
- Look to other cities and states to identify new approaches to address gaps.
- Work with the Preservation Green Lab to understand how Baltimore's incentive offerings compare with other cities.

Short Term Recommendations (within one year)

A. Identify and evaluate all incentives to determine their use and effectiveness related to building reuse

- Identify incentives that are not working and expand those that are working.

- Identify incentives that could be combined and packaged.
- Discuss evaluation with the Department of Business and Economic Development (DBED) and the Maryland Economic Development Corporation (MEDCo) to determine what may be missing and how the state could be more engaged in promoting and financing these efforts.

B. Refund over-collected property taxes based on acquisition purchase price

- Explore the possibility of refunding over-collected property tax revenues, similar to the way other ordinary overpayments of governmental revenues are refunded.
- Support process that results in the purchaser of real property paying full market value for the real estate, helping to mitigate lender losses.
- Prevent unknowing purchasers from being overcharged for the distressed real property that they are planning to reuse and put back into service.

C. Explore use of HUD demolition mitigation funding to support retention and rehabilitation of historic properties

- Use funds to establish a grant program to assist low- to moderate-income homeowners who may not be able to take advantage of tax credits.
- Use funds to create a revolving loan fund for high-priority investment areas.
- Use funds to develop a Baltimore Historic Preservation Plan to identify high-priority needs and opportunities.
- Explore integration of Preservation Green Lab analysis of building and block character with TRF neighborhood typology mapping to identify high-priority needs and opportunities.

Long Term Recommendations (within two years)

A. Develop a marketing campaign to increase awareness of available incentives

- Focus efforts on neighborhoods identified as areas of opportunity. Organize incentives by building type and use to facilitate ease of use.
- Support the efforts of CHAP, Baltimore Heritage, and Live Baltimore to provide education and technical assistance in low- to moderate-income neighborhoods.
- Encourage greater coordination between city, state, and nonprofit programs to encourage access to and layering of incentives.

B. Make the Maryland Sustainable Communities Tax Credit (SCTC) more effective and more accessible

- Increase the total appropriation for the SCTC and remove the jurisdictional cap on Baltimore.
- Explore extension of the SCTC to properties eligible, as well as listed, on the National Register.
- Make the SCTC more accessible for underserved neighborhoods by increasing number of National Register and/or CHAP- designated areas eligible for funding.
- Support return of Historic Preservation Grant Funds or earmark a percentage of SCTC appropriation to support development of National Register nominations.
- Encourage CHAP to apply for CLG funds to support new National Register nominations and provide CHAP with staff and budget to support new local district nominations.

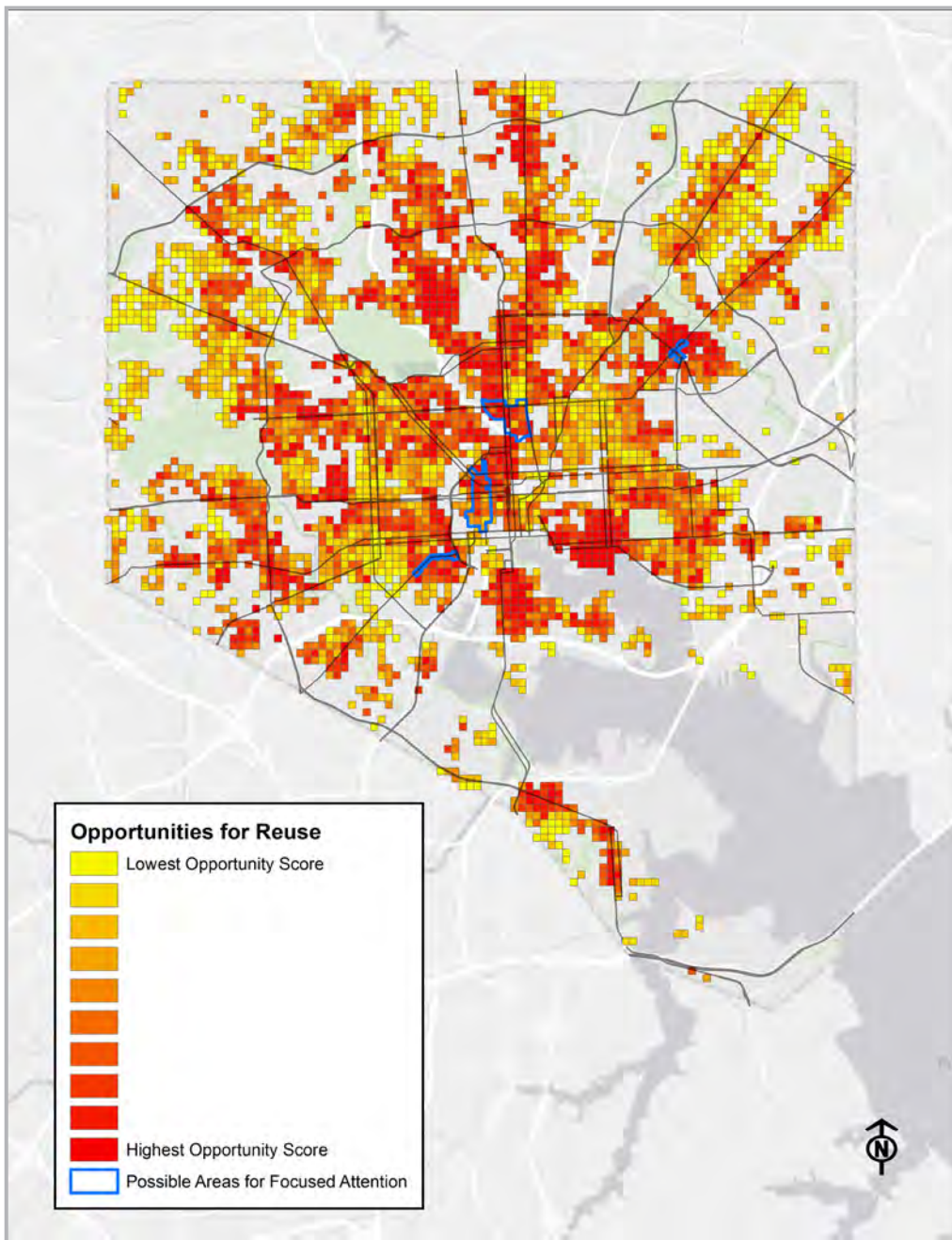
C. Explore creation of new incentive programs directed specifically at building reuse

- Create a reuse credit with application to exterior rehabilitation work only, thus avoiding many of the current conflicts with Secretary of the Interior's Standards.
- Consider tiered federal rehabilitation credits, with a lower credit that focuses exclusively on the building's primary facades.
- Create additional incentives by reducing or waiving fees for certain projects and streamlining approval processes.

RECOMMENDATION 4

FOCUS ATTENTION IN HIGH-OPPORTUNITY NEIGHBORHOODS AND DISTRICTS

The Partnership for Building Reuse identified areas of Baltimore where there are vacant and underused buildings and where social, economic, demographic, and real estate indicators suggest focused attention could lead to successful building reuse. Baltimore city leaders and elected officials should consider targeting interventions in such areas. For example, efforts could build on existing Main Street or Arts and Entertainment Districts that suffer from vacancy and disinvestment but are ripe for revitalization.



Conclusion: Building on Baltimore's History

This report represents the completion of the planning phase of the Partnership for Building Reuse. In important ways, however, the work is just beginning. Thanks to the efforts of many volunteers, particularly the working group members, this process has resulted in a detailed set of findings regarding the key barriers that limit building reuse in Baltimore. The report provides a road map for how to overcome these obstacles and foster additional revitalization in Baltimore's many great neighborhoods.

To advance the recommendations in this report, the following next steps are anticipated:

- Hosting one or more public **Educational Forums** to explore the recommendations from this report more fully with members of the Baltimore community.
- Appointment of an **Implementation Committee** made up of selected participants from this process as well as additional community leaders, this committee will work with public agencies, elected officials, and community organizations to implement key policy recommendations from the report.
- Identification of specific geographic **Innovation Zones** in the city for application and testing of policy innovations and programmatic initiatives. The analysis and mapping of areas of high opportunity developed by the Preservation Green Lab offer a starting point for discussions among government and community leaders about how and where to offer focused assistance.
- Preparation of a six-month **Status Update** summarizing progress to-date toward meeting the short-term and long-term recommendations in this report, to be shared with all stakeholders and interested parties.

Complementing and supporting many initiatives already underway across the city, these steps can help Baltimore to continue its role as an innovative national leader in building reuse and community revitalization.

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**Sunset at Union Mill,
Hampden, Baltimore.**
Through building reuse,
Baltimore’s rich history can
be leveraged to support the
21st century economy.

PHOTO: MARKS, THOMAS ARCHITECTS.

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Acknowledgments

This report represents the collaborative effort of the National Trust’s Preservation Green Lab, ULI Baltimore, and more than 90 local stakeholders. The nine-month project was guided by a 33-member Reuse Advisory Committee, co-chaired by Jon Laria and Tom Liebel. Reuse Advisory Committee members helped shape the methodology for the project, identified stakeholders, and conducted one-on-one interviews with local building reuse practitioners. In addition, six working groups were established to investigate key issues in greater detail. The chairs of those working groups — Willy Moore, Jack BeVier, Al Barry, George Holback, Sean Davis, and Elizabeth Hughes – convened numerous meetings and drafted “White Papers” summarizing the conclusions of their respective working groups. Edited versions of the White Papers are included in this report. Preservation Green Lab staff drafted the final report, with editorial review provided by Jon Laria, Tom Liebel, Danielle Howarth, and Sean Davis. Sean Davis, Kelly Cantley, and Lisa Norris coordinated outreach to ULI membership. Danielle Howarth led weekly conference calls with the project leadership team, and communicated regularly with Reuse Advisory Committee members and project stakeholders.

Michael Braverman, Julie Day, and Brenda Davies from Baltimore Housing helped facilitate the process of accessing key building and land use data from city sources. Laurie Feinberg, Jessica Varsa, and Jamie Williams from the Baltimore City Department of Planning provided useful information and insights, as did Peter Conrad, Jim Cannistra, and Melissa Appler from the Maryland Department of Planning. Stacy Montgomery and Eric Holcomb provided information on CHAP districts and programs. Elizabeth Hughes and Jennifer Chadwick-Moore with the Maryland Historical Trust provided data on National Register historic districts and Sustainable Communities Tax Credit usage, and Kristina Williams provided geodata on the Baltimore Main Street districts. Seema Iyer from the University of Baltimore and Jacob France Institute provided important guidance on data sources and data analysis. Jim Garcia from the Enterprise Geographical Information Services group in the Mayor’s Office of Information Technology helped the Preservation Green Lab team get started quickly by sharing key data on building characteristics as the project launched. Johns Hopkins from Baltimore Heritage helped orient Preservation Green Lab staff to Baltimore neighborhoods. Evan Morville from Seawall Development shared insights on building reuse and neighborhood revitalization during a tour of projects in the Remington neighborhood.

Generous financial support for the Partnership for Building Reuse was provided to the National Trust for Historic Preservation by the Jesse Ball duPont Fund.



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