

On September 30, 2007 The Abell Foundation published as an Abell Report “The dismantling of Baltimore’s public housing.” The following is a fuller version of the original report and contains the following additional material: a history of public housing in Baltimore; profiles of two public housing projects being eliminated or downsized; and a more detailed report of the city’s Section 8 program.

The dismantling of Baltimore’s public housing:

Housing Authority cutting 2,400 homes for the poor from its depleted inventory

A 15-year trend shows a decrease of 42 percent in occupied units.

By Joan Jacobson

While more than a quarter of Baltimore families are living in poverty, more than 2,400¹ homes for the poor are quietly being removed from an already depleted inventory of the Housing Authority of Baltimore City.² With little public input, this plan will eliminate the same number of homes removed from Baltimore’s four imploded public housing high rise projects a decade ago.³ On its 70th anniversary, the housing authority - once on a mission to replace slums with safe homes for Baltimore’s poor - is now in the demolition business; its occupied inventory has dropped by 42 percent over the last 15 years – from 16,525⁴ units in 1992 to 9,625 in the spring of 2007.⁵ With virtually no plans to replace the deteriorated units being razed or sold, tenant representatives and housing advocates have watched with growing alarm as they wonder if the housing authority has abandoned its mission to house the poor.

Housing Authority officials blame their predicament, in part, on an aging housing stock, federal cutbacks and increased utility costs. The agency's budget for operating, capital and drug elimination funds has been cut by \$79 million over the last six years and its finances are far short of the hundreds of millions of dollars needed to repair its aging housing projects. ⁶ The agency is also diverting more than \$20 million from funds usually earmarked for new public housing and rent vouchers to honor a court order to retrofit 830 units for disabled public housing tenants.

Nevertheless, the Housing Authority is not in complete financial distress:

- * It has a \$26 million reserve it can spend for operating or capital improvements.⁷

- * It has yet to spend \$18.5 million awarded six years ago to replace 1000 units lost in the demolition of Hollander Ridge in East Baltimore.⁸

- * In a special arrangement with HUD, reserved for a select number of housing authorities, Baltimore's Housing Authority gets to keep operating subsidies for every public housing unit it has abandoned or demolished since 2005. This year, Baltimore expects to receive \$4 million for 3,201 homes that no longer exist.⁹

- * In 2004 it had enough funds to finance a half million dollar study analyzing the supply and demand of local low and middle income housing markets. The study – which urged creation of more homes for the very poor – was never released to the public or shown outside the housing authority.¹⁰

- * The Housing Authority is razing some of its homes with money from a non-public housing fund controlled by the city. Earlier this year, for example, the city granted \$4 million from the Affordable Housing Trust Fund for the demolition of 257 units at Somerset Court.¹¹ (The fund was created during a 2005 controversy over financing the Convention Center Hotel, when church leaders and city council members complained the

city wasn't addressing affordable housing needs. However, there are currently no plans to rebuild affordable housing on the site of Somerset Court (or at Westport Extension¹², another project being razed with the trust's money.)¹³

The downsizing of the housing authority's inventory has occurred while Baltimore's population has dwindled. But the number of poor residents has not. Although there were 28 percent fewer city dwellers in 2000 than there were 30 years earlier, nearly a quarter of those left behind were living in poverty.¹⁴

A brief history

On October 4, 1939, a federal housing official named Nathan Strauss turned over the first shovel of dirt at the West Baltimore corner of Poppleton and Saratoga Streets in an auspicious undertaking to replace Baltimore's massive slums with a new system of government-subsidized homes for the poor. The site was called "Area H," though its formal name would be known as 'Poe Homes' when it opened for residents on September 28, 1940. Baltimore's first public housing project became home to 298 families. Rents ranged from \$16.75 a month for three rooms to \$17.75 a month for five. The new project would replace 315 slum houses, many lacking toilets, sinks with running water or kitchens.¹⁵ Other projects under construction almost simultaneously would be called Latrobe, McCulloh and Douglass Homes.

The Housing Authority of Baltimore City had been formed a few years before on December 13, 1937 when the Baltimore City Council passed legislation to establish it shortly after the creation of the U.S. Housing Authority with the passage of the Wagner-Steagall Act. Mayor Howard Jackson appointed five men to the authority's board of commissioners. And although the City Council rejected a resolution calling for the appointment of one African

American to the commission, the mayor chose a member of one of Baltimore's most prominent African American families in naming George Murphy, a retired school principal and vice chairman of the Urban League. The housing authority's first executive director was Clarence W. Perkins, a former state senator and executive director of the Maryland Emergency Housing and Park Commission."¹⁶

The early years for Baltimore's housing authority were not without problems or controversy. From the start, the system was segregated, with sites marked "white sites" or "black sites." Questions were raised by black leaders who believed they were not given a say in choosing locations for the "black sites." Real Estate investors opposed the use of vacant land and only wanted to see slums cleared and reused for public housing.¹⁷

By the 1950's there were more than 9,000 public housing units built in Baltimore.¹⁸ Still, there remained an overwhelming need to find habitable homes for the poor.

In 1956, an Urban Renewal Board, with urban planning experts from Pennsylvania, Massachusetts, New York, Missouri and Washington D.C. reported to Mayor Thomas D'Alesandro Jr. that "Baltimore's goal should be the elimination of its present slums and blighted areas within 20 years. Such a program will require a three-fold increase in present renewal activities. It will require the clearance of about 65,000 substandard dwellings. And additional 80,000 dwellings will require conservation, rehabilitation, or code enforcement. In all, 45 percent of Baltimore's dwellings must be cleared or improved in 20 years."¹⁹

By then, Baltimore's first high rise projects – Lafayette and Flag House – were already built. The others, Murphy Homes and Lexington Terrace, would follow. Many more projects would be developed, including buildings set aside for the elderly and the Scattered Site (or Rehab Housing) program, converting vacant rowhouses into public housing units. By 1992 the

housing authority oversaw 18,393 public housing units, though the program was far short of eliminating blight from the inner city.²⁰

A downturn began when the high rises were imploded during the 1990's – long after they were seen as obsolete, unsafe and overrun by drug dealers. By then the federal government stopped requiring (or financing) 'one for one replacement' of public housing units demolished. Since then, Baltimore's housing authority has been in the demolition business, as it manages what remains with dwindling federal dollars used as band aids to repair projects that need major overhauling.

Today, there is approximately the same number of occupied public housing units as there were in the 1950's when Mayor D'Alesandro's distinguished Urban Renewal Board advised that Baltimore should strive to eliminate its slums in 20 years.

A city in need

“Baltimore contains a ring of blighted residential tracts of the most serious importance and size...any belief that Baltimore has no blighted districts completely ignores the present known facts.”²¹

This was written in 1934 by the Maryland Emergency Housing and Park Commission in its Report of the Joint Committee on Housing in Baltimore. It could also be written today, as more than one-third of Baltimore's private rental housing is in substandard condition²². With 29,477 households on the waiting list for public housing or Section 8 rental vouchers,²³ poor Baltimoreans have few places to turn. Today's downsizing of the city's public housing stock makes their plight even more urgent.

The situation is particularly grim for families with children, who make up Baltimore's poorest population.²⁴ While the number of occupied units has decreased overall by 42 percent, the number of occupied homes for families with children has decreased by 52 percent, from 13,589 to 6,496, over the same 15-year period.²⁵ This decline makes the current decision to eliminate hundreds of homes – most of them for families – even more troubling.

While the number of public housing units has declined, the need remains overwhelming. Consider the number of families living in poverty, combine it with the amount of slum housing, compound that with the high numbers of homeless Baltimoreans sheltered each night (not to mention those being turned away from crowded shelters) and the need for more subsidized homes for the very poor has never been more urgent.

While Baltimore's population has dwindled over the decades, its number of poor residents has not. There were 28 percent fewer city dwellers in 2000 than there were 30 years earlier. But nearly a quarter of those left behind were living in poverty.²⁶

By 2004, 32.5 percent of families with single mothers were living in poverty, compared to 31.5 percent in 1999. A high percentage of elderly Baltimoreans, too, live on very low incomes. In 2004, 18.4 percent of city residents, 65 and over, were poor, compared to 18 percent in 1999.²⁷

In addition, Baltimore's tenants are getting poorer, according to a 2005 report for the Urban Institute by Sandra J. Newman on the private "low end" of Baltimore's rental market. Adjusting for inflation, she calculated that the median annual income of Baltimore renters declined during the 1990's by about one-quarter – from \$19,706 in 1991 to \$14,002 in 1998.²⁸

The slum condition of Baltimore's private rental homes also has not improved. Newman noted that about 33,000 rental units – or 32 percent - are substandard, making Baltimore one of

the top three U.S. cities of its size with the highest proportion of substandard rental housing stock.²⁹

Newman's study also found that in 1998 more families with children were living in these poor conditions than other types of households. Forty-one percent of tenants with children lived in the city's substandard rental homes, compared to 24 percent elderly and 28 percent of other renters.³⁰

Homelessness

On any given night in Baltimore, at least 3,000 people are homeless.³¹ Baltimore, not surprisingly, has the state's largest homeless population, with 36 percent (or 12,507 people) of the state's homeless residents who were sheltered in FY 2005.³²

Of the 1.8 million "bed nights" provided for Maryland's homeless, 765,517 were in Baltimore for emergency and transitional shelters, as well as motel placements. Of the people who were provided shelter, 81 percent were African American and 76 percent were men.³³

Statistics collected by the state's Office of Transitional Services showed the city lacks adequate homeless shelters. Though it had more shelter beds than any other jurisdiction (2,404), it still turned away an estimated 19,047 people due to lack of space or funds.³⁴

A diminished option for the poor

In 1996, the federal government dropped its requirement for a housing authority to replace each home it demolishes. Since then, the massive reduction in Baltimore's inventory has obviously put the squeeze on other poor families waiting to get into fewer and fewer available

public housing units. And while displaced public housing tenants are offered homes in other public housing projects (or are offered Section 8 rent subsidies) qualified families move further down the waiting list.

Today's quiet plans for demolition are in contrast to the dramatic implosion a decade ago of the city's four troubled high rise projects that once housed the same number of families being displaced today.³⁵ Starting in 1995, when the demolition of Lafayette Courts was celebrated just east of downtown with a parade as television cameras rolled, the implosions led to the creation of better, safer homes for the poor within mixed income communities through the Hope VI program. Today's demolition plans offer no sense of hope for Baltimore's neediest.³⁶

Demolition Plans

The city's demolition plans mirror those of public housing authorities across the country. Nationwide, 64,164 public housing units have already been razed, with another 43,377 approved by HUD.³⁷

Other cities, also faced with federal cutbacks and aging housing stock, have used creative financing techniques to turn around their deteriorated public housing projects, to renovate and replace thousands of units. The Seattle Housing Authority "is committed to maintaining an equal or greater number of housing units for very low-income residents" and is replacing 2,279 public housing units.³⁸ Kansas City's agency, once under a court receivership plan, has renovated or rebuilt its public housing projects and increased its scattered site inventory by nearly 500 homes.³⁹

By contrast, in Baltimore, while the housing authority is financing a small number of new public housing units, the agency is concentrating on plans to reduce its deteriorating inventory.

The agency is planning to spend almost twice as much on demolition (\$24 million) as it will spend for redevelopment (\$14 million) in 2007 and 2008.⁴⁰

Baltimore's demolition activities

The Housing Authority's demolition plans include Somerset Court, Westport Extension, more than half of O'Donnell Heights, as well most of the Scattered Site program.

Here are the stories of two long-time public housing projects:

The Demise of Somerset Court

Somerset Court opened for occupancy on November 12, 1943 on an 8.6 acre, rectangular parcel of land in East Baltimore, bounded by Monument, Central, Orleans, and Aisquith Streets, just two blocks west of Johns Hopkins Hospital.⁴¹ The 257 homes were built in two-story buildings along nine courts, with names such as Pearleaf, Peachleaf, Mapleleaf and Lindenleaf courts. Each tenant family had an individual entrance from the outside, much like a rowhouse.

In the 1980's they were renovated and maintained a high occupancy rate.⁴² In 1984 Iris Bradford, a single mother, moved there with her two young children after being on the public housing waiting list for seven years. Bradford described her home as "beautiful" when she moved in. Her court, she said, was the kind of community "where we watched out for each other's kids." The neighbors kept it so clean that her court won the Afro-American clean block award for two years in a row. "Nobody looked at it like the projects. It was like living in a rowhouse."⁴³

While raising her children, Bradford earned her GED and began a series of jobs that included receptionist, sales clerk and cashier at the Hecht Company in Towson. For many years, she traveled one-hour each way by bus to her job at the Towson Mall.

By the late 1990's however, Bradford said Somerset Court began to change, as new families moved with members who were selling drugs. "A lot of our boys were beat up or bullied to sell drugs," she recalled.

The conditions of the units deteriorated, too. Ceilings began to fall in, due to leaking pipes, the water had a foul smell and basements filled with standing water. A survey in 2002 found heating problems and broken appliances. Eighty percent of the homes had structural damage and leaky plumbing.⁴⁴ The city promised \$1 million in repairs and many were made. By then, Bradford had been elected the president of the Somerset Tenant Council and was pushing the Housing Authority to make renovations.

In 2005, said Bradford, the Housing Authority began to evict some tenants for lease violations, but did not move new families in to replace them. That same year, HABC indirectly mentioned plans to demolish Somerset under the subtitle, "Future Development Activities" in a report to HUD on Section 8 and public housing:

"HABC will develop plans for a mixed-finance, mixed-income replacement of the distressed Somerset Homes site, possibly using the development opportunity that exists in the vacant land holdings of HABC across Fayette Street from the successful Broadway Overlook HOPE VI and just west of the Johns Hopkins Medical Campus. Master planning for this corridor will be conducted by Baltimore City, the community and several private partners as early as FY 2006."⁴⁵

That planning, however, did not take place, though tenants continued to be moved out of Somerset. By the summer of 2005, there were 94 vacant units in Somerset Court, or 36 percent of the project.⁴⁶

In May, 2006, HABC held a community meeting to tell residents of plans to close Somerset, though Bradford says not all residents (herself included) were informed of the meeting. Residents received certified letters a few days later, telling them they would have to move “on a voluntary basis.”⁴⁷

The following year, on January 24, 2007, Bradford wrote to Housing Commissioner Paul Graziano, calling the relocation process “shameful.”⁴⁸

“I have seen families being torn apart, people being evicted and people in a confused state of mind in the relocation process. People in public housing live in dignity and pride and this process so far has stripped this from them. No one has received proper counseling – it has not been suggested or implemented.” She also asked how many units were occupied or vacant and questioned why tenants accepting Sec. 8 housing vouchers would be required to pay security deposits.

A reply came four weeks later from Jemine Bryon, HABC’s Deputy Executive Director. The letter summarized HABC’s efforts to notify and help the tenants move. It also stated that HABC is not required to pay security deposits for Section 8 relocations because “Section 8 is not the only option for residents who need to relocate.”

Bradford argued that tenants had few options because they were offered units in some of Baltimore’s most deteriorated public housing projects. Section 8 vouchers for private rentals were not an option for some of her neighbors, she added, because they could not afford the security deposits required of private landlords. In response to a request from the American Civil Liberties Union for an accounting of available units in Baltimore’s newer and more desirable housing projects, the Housing Authority reported only 18 units available in 11 housing projects, with another 54 units expected to be available in the following six months.

Bryon and Jan Goslee, the Housing Authority's general counsel, said HABC is not legally allowed to offer tenants security deposits.⁴⁹

The Housing Authority's February letter also appeared contradictory, first calling the move a "voluntary relocation process," then stating that anyone who remains at Somerset after March may receive a "formal 90-day notice to vacate." The letter concludes by saying, "...remaining at the site is just not a feasible option or reasonable suggestion."⁵⁰

HABC officials said they used the term "voluntary" because they had not yet set a deadline for moving, even though tenants were informed of the eventual shut down of Somerset.⁵¹ The letter also noted that there were 94 units left occupied on that date, leaving 163 vacant.

Housing authority executive director Paul Graziano said Somerset must be demolished because it is too deteriorated for rehabilitation.

"We had some hopes that Somerset was retrievable, but frankly the more we sent our engineers in for review it became more and more apparent and it was clear it would never meet a HUD viability (test). We don't start with the assumption that we're going to knock something down."⁵²

A visit to the project on March 1, 2007 showed entire courts abandoned with boards over some doorways and first floor windows, leaving upper floors exposed with broken windows. Many of the boards had been removed, leaving units open and showing debris inside. Two men came out of one vacant unit, looked nervously around and hurried down an alley. Gushing water could be heard from another vacant building.

Many of the abandoned buildings are located on the opposite side of Somerset from Iris Bradford's home and she had not been there for many months when she walked there to take a look in March.

"I was almost in tears," she said. "It's going to be gone. It'll not exist. They don't care. We're being displaced." By May most of Somerset was being sealed with concrete blocks and looked largely abandoned.

Bradford also questioned why the housing authority was moving tenants out and boarding up buildings before submitting a relocation and demolition plan to HUD.⁵³ Federal regulations state that until a housing authority receives federal approval to demolish a project, it must be maintained "as housing for low-income families."⁵⁴

HUD wrote to Graziano on May 3, 2007, warning the agency that, "prior to approval of a demolition or disposition application for Somerset Homes, HABC may not coerce any family at Somerset Homes to relocate."⁵⁵ The letter came in response to an inquiry from U.S. Congressman Elijah Cummings' office.⁵⁶ Bradford said she believed tenants were being forced to leave; HABC officials say they were not.

In response to HUD, Graziano cited a different federal regulation that he said allows Baltimore to relocate tenants to "consolidate occupancy within or among buildings of a development, or among developments. . . for the purposes of improving living conditions."⁵⁷

It is unclear why the Housing Authority is using HUD's consolidation regulation when they plan on demolishing the project. Whatever the reason, it appears the Housing Authority's decision to relocate tenants before applying for a demolition permit is disqualifying the agency for 'replacement' Section 8 vouchers for tenants who chose them over transfers to other public housing projects. HUD issued a regulation in April, 2007⁵⁸ that only a housing authority with an

approved demolition plan is eligible for ‘replacement’ Section 8 vouchers for any tenants being relocated who do not choose to move to other public housing projects. Since Baltimore’s housing authority is moving tenants before applying for permission to demolish, it appears the agency is losing out on these additional rent vouchers.

Housing officials have no plans to replace the homes despite their previously stated intentions to do so as early as FY 2006.⁵⁹ A document the Housing Authority sent to HUD on January 30, 2007 contains a chart, showing 90 public housing units to replace some of those lost at Somerset, but housing officials said the document is not accurate.⁶⁰

By late May, when most of Somerset’s homes were vacant, HABC filed a demolition application to the federal government. HUD has since decided to scrutinize the housing authority’s activities following a complaint from the Maryland Legal Aid Bureau, which represents the Somerset Homes Tenant Council. A legal aid lawyer has asked HUD to disapprove the application on several grounds, including the housing authority’s alleged failure to follow fair housing laws and properly consult tenants before moving them.⁶¹

Scattered Sites: A disappearing act

In 1969 Baltimore’s housing authority started a new public housing program, designed after one in Philadelphia, of converting vacant houses into public housing units throughout the city.⁶² The program was called ‘Rehab Housing’, and later dubbed the Scattered Site program. The new homes were an alternative to ‘project’ living, while serving as cornerstones of renewal on hundreds of city blocks. Eventually there were 2,845 scattered site units,⁶³ each renovated with about \$40,000 to \$45,000 in federal funds, and identifiable by their clean brick facades, new windows and house numbers in a style that slanted slightly.

But by 1991, the program was being threatened by vandals and poor management. At a time when drug addiction, supported by the sale of vandalized plumbing and other items, grew rampant in city slums, houses just vacated by tenants would be stripped before HABC could move in a new family. Others would be vandalized by the tenants themselves. Twenty-three years after the program began, 443 of the rowhouses had become vacant, many left without doors or windows.⁶⁴

Ten years later, when Paul Graziano became HABC's executive director, the entire program was in trouble, with these very houses - once shining examples on their blocks - now dragging each community down as complaints came into the city about their deteriorated condition.⁶⁵ By 2003 Graziano said 1,200 to 1,500 of the houses "would be ultimately maintained in our inventory, renovated as appropriate and feasible and then fully occupied. The balance of the units would be demolished and/or disposed of."⁶⁶

But even fewer houses than Graziano predicted have remained viable.

"I think that was an optimistic number," said Graziano four years later.

The plan to keep 1,500 units occupied, he said, had "no financial reality to that, no capital plan to make that happen. If anything the capital picture has gotten a lot worse since then."⁶⁷

By the spring of 2007, 38 years after the program started, only 838 units are occupied, a 71 percent drop.⁶⁸ Although the housing authority's website still touts 2,500 units in "16 postal codes," most of those are vacant, uninhabitable, or have been demolished.⁶⁹ Among the units being razed are nearly 350 in the city blocks being leveled by East Baltimore Development Inc. to make way for a new, mixed-income housing and a bio-tech park adjacent to Johns Hopkins Hospital in East Baltimore.⁷⁰

The Housing Authority is transferring 1,399 former public housing properties to the city's Project 5000 program for demolition or reuse.⁷¹ But so far, the properties' reuse has been slow. Five years after Project 5000 began, only 383 of the properties have been transferred for new uses that include church parking lots, reconstituted low income housing and for East Baltimore Development Inc.'s biotech project.⁷²

At other public housing projects across Baltimore, the story is similar:

* In Westport, half of the 232 units in the Westport Extension public housing project, are in the final stages of being prepared for demolition. HABC did not have HUD's permission before relocating most of the tenants. Graziano said the deteriorated houses would cost too much money to rehabilitate under HUD guidelines, but a federal official said the Baltimore agency never asked for a HUD assessment to rehabilitate.⁷³ The Housing Authority has no plans for replacing the units and filed a demolition and relocation plan in April, 2007, several months after most of the tenants were moved.⁷⁴

* At the sprawling O'Donnell Heights project on the city's eastern edge, where 900 units were once occupied, nearly 600 units are in the process of being razed.⁷⁵ A master plan, written by a private consultant after holding meetings with tenants in 2003, called for 612 low income units to replace some of those being demolished, but those plans were not implemented.⁷⁶

An unsettling trend

The elimination of aging homes from the public housing stock without replacing them is part of a trend that has been escalating since the implosion of the high rise projects.

For example:

* In 2000 HABC demolished 1,000 homes at Hollander Ridge on the city's Southeast side. The Housing Authority sold the land for \$3.5 million.⁷⁷ HABC recently lost a bid to buy a vacant Northeast Baltimore apartment complex for replacement housing.

* Cherry Hill in South Baltimore has lost 428 public housing units in the last ten years, as HABC demolished 193 units at Cherry Hill 17 in 1997, 122 units at Charles K. Anderson in 2003, 113 units in Cherry Hill 12 in 2006.⁷⁸ Though families had lived in the demolished units, there have been no new family homes built to replace them.

*The new Orchard Ridge development in Northeast Baltimore will replace the demolished Claremont Homes, which had 292 public housing units, and the adjacent Freedom Village Apartments which had 308 units of low income housing under another program. The new project will contain only 142 low income rental units, using Sec. 8 subsidies, with a net loss of 459 low income homes.⁷⁹

Finances and the housing authority's deregulated status

In recent years, operating subsidies from HUD have not kept up with inflation, making it difficult to run the day to day operation of the city's aging housing projects, said Graziano.⁸⁰

In the past, Baltimore's strategy of demolishing units also harms its budget; it has lost subsidies for hundreds of abandoned homes, many that were the most costly to manage. (This changed after 2005 when HUD allowed Baltimore to keep subsidies for lost units.)

The Housing Authority has cut staff by 314 positions (from 1,480 to 1,166), since 2001 and has seen a budget shortfall of \$31 million in operating subsidies and \$30 million in capital funds.⁸¹ The agency's net loss for 2006 and 2007 was \$22 million "in funding eligibility," said Graziano.⁸²

It also lost a \$3.6 million Drug Elimination Grant in 2001 that helped the now-defunct Housing Authority Police to fight crime. (Crime fighting has been taken over by the Baltimore City Police Department in an earlier cost saving measure.) The total budget for FY 2008 is \$239 million. Each year HUD estimates how much money Baltimore should receive, but Congress only funds a portion of the budget. In 2006, for example, Baltimore only received 86 percent of its expected operating funds (\$58.7 million, instead of \$68.2 million).⁸³

Cost estimates for maintaining its aging public housing stock vary – but they all exceed the agency’s budget. The Housing Authority estimates that it would cost \$862 million to maintain its inventory in standard condition over the next seven years.⁸⁴ A private, independent study commissioned by the Housing Authority gave a much lower number - \$270 million over five years.⁸⁵ Whatever the figure, Graziano said the aging projects, “cannot be remedied with existing funding.”⁸⁶ He noted this is part of a national \$22 billion backlog of needed public housing capital repairs.⁸⁷

Though the budget has shrunk and housing officials say the costs of adequately maintaining aging projects are out of reach, the agency has a healthy reserve of \$26 million, which it could spend on operating or capital improvements.⁸⁸ Housing officials say the money is an emergency rainy day fund that they do not want to tap into.⁸⁹ “Depleting this modest reserve is in no way an appropriate or sufficient response to the capital needs facing HABC,” said Graziano.⁹⁰

Additionally, as stated above, the agency has not spent \$18.5 million, granted in 2001 to replace the demolished Hollander Ridge development.

The Housing Authority also operates with advantages over other public housing authorities. Since 2005 HUD has designated Baltimore as a ‘Moving to Work’ agency, that gives

it wide latitude to combine its assets (public housing and section 8 budgets, for example) into one fund and be exempt from many federal regulations.

The Moving to Work (MTW) designation also comes with a special perk that allows the agency to keep operating subsidies for the level of housing units it had in 2005. Therefore, the more units it removes from its inventory, the more money it will have to manage what's left. Today Baltimore receives subsidies for 13,958 homes, even though it only had 10,757 available earlier this year for tenants – with 10 percent of them vacant.⁹¹ The agency expects to receive almost \$4 million more this year than it did two years ago, even though it is operating 3,201 fewer homes.⁹² Graziano noted that the extra money “will not even cover the annual BG&E utility rate increase for HABC’s properties.”⁹³

The agency’s financial difficulties have been exacerbated by the high cost of honoring the Bailey court decree, requiring it to retrofit 830 homes for disabled tenants and to rebuild the exterior of buildings for handicap accessibility. The court order was a result of a suit filed by the Maryland Disability Law Center and U.S. Justice Department on behalf of low income people with disabilities who were denied access to public housing.⁹⁴ The cost has skyrocketed from an original estimate of \$46 million to \$74 million.⁹⁵ In its ongoing work to complete the handicap accessible units, the agency is tapping into capital funds (\$16 million) and bond funds (\$33.8 million) over the next two years.⁹⁶

The Housing Authority’s deregulated designation allows it to divert \$5.6 million over the next two years from Replacement Housing Factor Funds, usually designated to build new public housing, and another \$14.5 million from its fund for Section 8 rental vouchers to honor the Bailey court decree.⁹⁷ That money, said Graziano, could have paid for three years of rental

vouchers for 626 households.⁹⁸ Without the MTW designation, the agency would not be allowed to do this.⁹⁹

At the same time the agency may be violating a part of its MTW agreement to “continue to assist substantially the same number of eligible low-income families under MTW, and to maintain a comparable mix of families by size, as would have been served or assisted if HUD funding sources had not been used under the MTW demonstration.”¹⁰⁰

Between 2005 and 2006, Baltimore lost 1,107 public housing and Section 8 rental vouchers (from 20,918 to 19,811).¹⁰¹

Housing Authority officials, however, believe they are not in violation of the MTW agreement. Earlier this year, they said, they met with HUD officials who were pleased with Baltimore’s strategy to get the units for the disabled completed and to “identify the nonviable units and dispose of them, take the balance of the public housing inventory, renovate the units that need renovating and get them reoccupied,” said Graziano.¹⁰²

Vacancies: a perpetual problem

Another limitation on available public housing units is the high vacancy rate. Though the average vacancy rate in habitable projects stood at a little more than 10 percent in early 2007 (not counting thousands of units being prepared for demolition), it has ranged from 11 to 26 percent since 2001,¹⁰³ with higher vacancy rates for family projects, which are generally older and in worse condition than buildings housing the elderly and the disabled.¹⁰⁴ The city’s family projects with unusually high vacancy rates as of June 2006 included Brooklyn Homes (24 percent), McCulloh Homes (19 percent), and Mount Winans (44 percent).¹⁰⁵ (The vacancy rates, for Brooklyn Homes and McCulloh Homes, however, have since been reduced to 15 percent and

10 percent, respectively.¹⁰⁶) Graziano attributes current vacancy problems to the need to keep some units empty while they are retrofitted for the disabled.¹⁰⁷ High vacancy rates have been a problem for more than a decade, with HABC repeatedly vowing to reduce the number of vacant units by making repairs and turning around vacated units for new tenants faster.¹⁰⁸

An uncertain future

The Housing Authority's future plans for new housing are unclear. Graziano said a recent "Replacement Housing" report sent by his office to HUD on future public housing construction is based on "crude estimates. . . it's almost a meaningless document."¹⁰⁹ The report sent to HUD in January 2007 states that Baltimore will build "1,255 low-income rental units over the next ten years to replace severely distressed units in its current inventory."¹¹⁰ Jemine Bryon, the Housing Authority's deputy executive director added, "That's what information HUD asks for and you make your best guess."¹¹¹

They blamed federal budget cuts for the Housing Authority's indecisiveness. (A HUD official was surprised by the comments and said he expected the housing authority's numbers to be a true projection of what the agency plans to build.¹¹²)

Graziano also blamed the Housing Authority's inability to build new public housing on the HUD v. Thompson decree, a 1996 federal court ruling that limits building in "impacted areas," areas with high poverty rates, high percentages of African Americans and a high concentration of subsidized housing. In the decree, the federal court set out to undo decades of housing segregation by ordering the Housing Authority and HUD to replace about 3,100 units previously razed with new public housing units and subsidized rent vouchers, many in 'non-impacted' areas that are not concentrated with poverty or largely African American populations.

Ironically, while Graziano and his staff blame the Thompson decree for the agency's failure to build new public housing, it is actually this court order that has propelled the housing authority to build most of its new units during the last decade.

The court order was issued after African American public housing tenants, represented by the American Civil Liberties Union, succeeded in showing that HUD practiced a racially discriminatory housing policy. Eleven years later, HABC has provided only two-thirds of the court ordered homes and subsidies.¹¹³

As for plans to replace projects currently being demolished, the Housing Authority is still bound by the restrictions on where it can rebuild public housing. Graziano said, "There are very, very limited options in terms of land available in non-impacted areas." While a court-approved agreement lists 43 city full and partial census tracts where the Housing Authority can rebuild public housing,¹¹⁴ Graziano said many permitted areas are "prohibitively expensive," such as Federal Hill and Roland Park."¹¹⁵ If the housing authority chooses to build in non-approved areas, it can ask permission to build on a case by case basis. Housing Authority officials acknowledged that they have only made a formal request on one occasion.¹¹⁶

"We're not building any new public housing projects," said Graziano, adding that the city prefers building mixed-income projects that combine a small number of subsidized homes for the poor with homes for sale and rent to people with higher incomes.

The strategy, though a laudable ideal for integrating a diverse group of people in one neighborhood, allows for only a small number of the lost public housing units to be replaced. For example, aside from the units being replaced under court order from the Thompson decree, HABC currently has definite plans for only 134 public housing units: 40 in Reservoir Hill, 23 in Sharp Leadenhall, 55 in Barclay, 16 in Greenmount West. But none of these units are new to the

public housing inventory. They will be reconstituted scattered site public housing rowhouses that have been vacant.¹¹⁷

The city is also involved in a small number of other development projects that include low-income housing that will not use public housing funds, such as Section 8 subsidies and Low Income Housing Tax Credits. Those projects will produce 143 homes in Uplands and 350 in East Baltimore near Johns Hopkins Hospital.¹¹⁸

A half-million-dollar study

The Housing Authority has never released to the public a voluminous market research study it commissioned four years ago to analyze the needs of housing the poor and offer solutions. Completed in 2005 and financed with nearly a half million in tax dollars, a copy of the study provided to the Abell Foundation was still marked “draft.”

The study, called *An Analysis of Supply and Demand Conditions of Low and Middle Income Housing Markets in Baltimore City and Region: Based on Market Research Conducted from July 2004 through June 2005*, was conducted by Real Estate Strategies Inc. of Philadelphia. It found a pressing need to house very low income families. For example, in 2004 there were 66,472 households with incomes below \$15,000 and more than 78 percent of “small family renter households” had incomes below 50 percent of the area median income.

The study examined housing conditions in the city and suburbs through original data collection and several focus groups. It analyzed the needs of the city’s public housing projects, examined conditions of buildings, and surrounding neighborhoods, then ranked the projects (and neighborhoods) according to their capital maintenance needs. The study’s authors concluded that although HABC is building some laudable mixed-income projects, the city’s housing officials

failed to aggressively leverage federal dollars with other financial incentives (such as low income housing tax credits) to build new low-income housing. It concluded:

“It is critical for Baltimore Housing to continue serving as many very low-income residents as possible by maintaining those public housing developments that can be reasonably maintained and do not offer possible redevelopment options. Priority should be given to redevelopment options that will leverage other funds for public housing, thereby freeing up public housing capital for properties that require routine and deferred maintenance.”

The study also recommended that, “new housing is needed to serve a range of very low income and lower income and middle income households.” The study was financed with \$466,323¹¹⁹ from the Housing Authority’s capital budget, money usually earmarked for public housing repairs and rehabilitation. A HUD official monitoring Baltimore’s housing authority said he’d never seen or heard of the study.¹²⁰

Graziano said his agency has been using the study as an internal guide. “There’s certainly no objection to releasing it to the public,” he said. “It wasn’t intended to be a major public study...It’s just that it’s a document to be used in our strategic planning.”¹²¹

Erroneous reporting leads to a lack of public concern

“Baltimore Housing currently serves over 40,000 residents in more than 14,000 housing units.” This statement appears (as this study is being written) on the city’s public housing website.¹²² HUD also reports a similar number - 14,446.

But the true numbers of public housing units being used in Baltimore are far lower and can be found in the Housing Authority’s most recent annual plan,¹²³ as well as City Hall’s Citistat Reports.¹²⁴ Nevertheless, the Housing Authority and HUD (the agency that regulates

Baltimore's public housing) continued to use these outdated numbers in 2007.¹²⁵ The HUD official who oversees Baltimore's housing authority appeared unaware that, as of the spring of 2007, Baltimore only had 10,748 available units in its inventory (with 1,123 of them vacant).¹²⁶

The absence of accurate and consistent reporting and the lack of analysis of the loss of public housing has served as a convenience in a political climate where even a suggestion of building a small number of public housing units can cause a neighborhood uproar.

Housing advocates will not soon forget the outcry of objection as the city tried to scatter 10 public housing families in a large swath of Northeast Baltimore in 2000. A public meeting brought out more than 1,000 angry residents who were only mollified when then-Mayor Martin O'Malley promised to pull back on the plan. Later, however, the ten families were moved into public housing homes dispersed in the same Northeast city neighborhoods – and another 30 dispersed in other stable communities.¹²⁷ Public opposition resurfaced recently when a private developer announced plans to convert a vacant Catholic school into 30 subsidized apartments.¹²⁸

News of the diminished system is also absent from recent city-wide reports examining the impact of Baltimore's housing policies. Critical opportunities to discuss the future of public housing in the City have been lost. For example, it is not documented in Baltimore's 2006 Comprehensive Master Plan, or in the report on future housing development called "At Home in Baltimore, a Plan for an Inclusive City of Neighborhoods" presented to the Baltimore City Council in 2006. Since the data are missing from the City Council study, it apparently was not taken into account when considering city council legislation to require some private developments to include affordable housing in their projects.¹²⁹

Additionally, an explanation of habitable units and the agency's plans for removing some projects from its inventory are absent from the city's Consolidated Plan (July 2005 to June

2010), a 153-page guide to community development that is required by the federal government.¹³⁰

The plan does not, for example, mention that the Housing Authority intends to demolish Somerset Court's 257 units or Westport Extension's 232 homes. (A Housing Authority official said the decision to demolish these projects was not yet made when the plan was written¹³¹). It reported an inventory of 2,872 units of scattered site public housing units, with plans to remove 1,707, leaving 1,165. But these numbers can be misleading, as they far exceed the number of houses actually occupied by tenants. That same year, the 2005 Citistat reports showed an average of only 961 scattered site units occupied.¹³² By 2007, there were 838.¹³³

The city's previous Consolidated Plan for 2000 to 2005 named the necessity to "expand the supply of assisted housing" as the department's number one priority for the future.¹³⁴

A lack of public participation

Housing advocates have complained of a lack of public input in the demolition plans, despite federal law requiring a housing authority to "conduct reasonable outreach activities to encourage broad public participation" in its annual public housing plan.¹³⁵ At a sparsely attended April 17, 2007 hearing on the future of Baltimore's public housing, several advocates protested that they found no public notice of the event, and questioned why it wasn't posted on the agency's website.¹³⁶

Housing officials said sufficient notice was given when they advertised in *The Baltimore Sun* and the *Afro-American* in March and at the Enoch Pratt Free Library.¹³⁷ *The Baltimore Sun* notice, however, was a tiny, one inch by three- and three-quarter-inch ad buried in the classified ads that ran for three days, a month before the hearing.¹³⁸ During the hearing, no copies of the

100-page plan were available (though an electronic copy was on HABC's website) and housing officials gave no overview or public explanation for their decision to demolish projects.¹³⁹ One advocate accused housing officials of trying to "circle its wagons" against public participation and called the plan "a roadmap for the continued decline of public housing."¹⁴⁰ Each of the eight people testifying was given two minutes to speak. The hearing was over in a half hour.¹⁴¹

HUD officials are looking into questions raised about a lack of adequate notice for the hearing.¹⁴²

Section 8 rental vouchers – an impermanent solution

The loss of public housing units has been mitigated, only in part, by an increase in Baltimore's use of Section 8 subsidies (mostly vouchers), which are federal subsidies paid to private landlords. Over the last 15 years, public housing units (and other HUD assisted housing) have dwindled, as Section 8 subsidies have increased, from 5,966¹⁴³ to 11,700,¹⁴⁴ an increase of 49 percent.

But, advocates argue, Section 8 vouchers are an unacceptable substitute for permanent public housing units. Section 8 subsidies often can be difficult to use. Tenants must have the required security deposit. And Baltimore landlords are not required to accept vouchers, making it difficult to match private rentals with prospective tenants. Graziano said he would favor a state-wide fair housing law to prevent landlords from discriminating against tenants with rent vouchers (Montgomery and Howard County have such laws), but he said he is not involved in such efforts and knows of no Baltimore-based lobbying effort to push for such a law in Annapolis.¹⁴⁵

Additionally, only homes that pass inspection qualify, making it difficult to find eligible rentals in a city with so many substandard properties. Often, many tenants find rentals with landlords willing to accept a voucher, but must find another qualified rental before the 120-day rental voucher expires¹⁴⁶ when a home does not pass inspection. Rents of properties in good condition are often too high for voucher holders.¹⁴⁷

Additionally, a large number of tenants already living in approved rental homes with vouchers must move (to a second qualified home) if the first home later fails a follow-up inspection. During one ten month period (from July 1, 2006 to April 30, 2007), the Housing Authority issued 2,156 vouchers, 1,593 of them for tenants already in the program, but who had to move due to inspection failures.¹⁴⁸

“That’s 159 a month. That is a microcosm of what we’re dealing with in the rental market,” said Graziano, who cited difficulties using rental vouchers in old single family homes owned by ‘mom and pop’ landlords.¹⁴⁹ Rents of those in good condition, on the other hand, are often too high for voucher holders.¹⁵⁰

Critical federal audits

Historically, Baltimore’s Section 8 program has had its share of management problems. The federal government reclaimed \$117 million in unspent money between 1998 and 2002.¹⁵¹ Part of the program’s problem was a computer system that was not Y2K compatible, which prevented the staff from tracking landlords, tenants and payments. Since then, the Housing Authority has made many changes and has been able to better utilize its allotment from HUD.¹⁵²

Baltimore’s Section 8 program (also called the Choice Voucher program) has a history of ineptness outlined in federal audits over more than a decade that demonstrates how thousands of

poor Baltimore families lost out on the opportunity to use federal subsidies to live in decent housing.¹⁵³

The audits tell a story of millions of federal dollars in unspent funds by Baltimore's Housing Authority while it overstated the number of units leased. Auditors found both overpayments and late payments to landlords. Spot checks of homes showed government subsidies were spent on units with lead paint, unsanitary conditions and many other deficiencies.¹⁵⁴

Since 1998, while HUD reclaimed \$117 million in unspent Baltimore housing voucher funds, about 16,000 families remained on a waiting list.¹⁵⁵

Federal audits, citing sloppy management, found the Baltimore's Housing Authority "barely functional" in a 2001 audit. The Baltimore agency, wrote auditors, "continues to mismanage and waste scarce resources that should be used to provide housing opportunities for low-income families of Baltimore."

The Housing Authority was in such disarray by the late 1990's that, by 1998, HUD recaptured \$74 million in unspent funds.

The problems included:

- **Failure to use available funds:** Poor management and a mistaken belief that the agency was near capacity in its number of leased units prevented HABC from spending available federal funds. Auditors also found the agency failed to lease an adequate number of units to fulfill a federal lawsuit (called the Thompson Court Decree) filed by the American Civil Liberties Union in which a federal judge found HUD had discriminated against African American public housing tenants.

- **Overstatement of units leased:** For the first six months of 2000, auditors found that HABC overstated the number of units leased by about 1,000. For example, the Housing Authority reported in January 2000 that they had 7,818 units leased, but auditors' recalculations put the number at 6,673. Auditors were unable to determine how long the overstatement had been going on, since "records prior to January 2000 were not auditable."¹⁵⁶
- **Claims for excessive fees:** HABC claimed \$2.8 million in excessive administrative fees during the fiscal year 2000.
- **Poor conditions:** Auditors' inspections of 37 subsidized homes found 35 failed federal inspection. Violations included lead-based paint, structural deficiencies, poor sanitary conditions, and a lack of smoke detectors.
- **Poorly managed waiting list** – Auditors found that while some families had been on the waiting list for ten years, the Housing Authority did not record the application dates of others. Auditors also believed the Housing Authority was wasting its time taking new applicants who had no hope of obtaining a subsidy and should have spent staff time on "more pressing problems..."
- **Overpayments and late payments to landlords:** Many landlords were overpaid rent subsidies by the Housing Authority. Sometimes two landlords were paid for the same tenant and in numerous instances owners were repeatedly paid "three to five times the monthly rent for a tenant." In other cases landlords were not paid on a timely basis. In March 2000, for example, the Housing Authority failed to make payments for more than 3,000 families (or one-third of its program).

In March, 2001, shortly after Graziano became Baltimore's housing commissioner and the housing authority's executive director, he promised federal auditors he would overhaul Baltimore's Housing Authority and correct the problems. Graziano is the former general manager of the New York City Public Housing Authority.

Both HUD and the Housing Authority blamed many of the Section 8 problems on a computer system that was not Y2K compatible so that housing officials were unable to track the program manually after the year 2000.¹⁵⁷

Graziano's cleanup efforts, however, were slow to appease federal auditors. In 2002 HUD recaptured another \$43 million that Baltimore wasn't spending.

By June of 2004, auditors found the Housing Authority had a "utilization rate" or rate of spending at 71 percent, far below the 95 percent needed to be a standard performer. Baltimore had 4,236 unused vouchers available and a waiting list of more than 15,000 applicants. By then, another \$38 million in unused voucher funds had piled up.¹⁵⁸

This time Graziano blamed "difficult market conditions...beyond the control" of the Housing Authority. He argued that Baltimore offered either homes in poor condition that did not qualify for federal subsidies, or more expensive units that landlords would not rent to low-income voucher holders when they could easily get higher-income tenants.¹⁵⁹

His views were backed up by a court deposition a year earlier by Michael Kramer, former Associate Deputy Director for HABC.¹⁶⁰

"We're running out of viable properties," he testified. "The housing stock in Baltimore City of multi-family units is severely limited in relationship to other large cities. And the rowhouse or single family unit is not the ideal property for Section 8 rental. . . because in general it's managed by what we refer to as mom and pop, it's not a professional property manager."

He also noted the political difficulty of trying to place permanent public housing units in “non-impacted” or higher income, white or integrated communities.

“My understanding is that in an effort to place hard units in non-impacted areas back in, I guess 2000, there were vocal and quite...extremely vocal demonstrations against bringing public housing in any form into these neighborhoods.”

He also noted that the implosion of the high rise buildings ten years ago just created new problems by allowing private slumlords to take vouchers.

“A by-product of over concentration has been the opportunity for slumlords to lease substandard properties...though the Section 8 program...in effect, the implosion of substandard public housing transferred the problem to whole other neighborhoods.”¹⁶¹

Today, the Housing Authority has cleaned up many of its problems in the past.¹⁶² And the use of vouchers over the last 15 years has increased, from 5,966¹⁶³ to 11,700,¹⁶⁴ an increase of 49 percent.

The agency, while getting high marks in 2007 from HUD on its use of the program, is currently curtailing its use of Section 8 vouchers, only making them available to public housing tenants being relocated as their aging are demolished, or in cases of emergency. Instead, the Housing Authority is diverting \$14.5 million from the rental program (over a two year period) to finance a portion of the Bailey court decree for the disabled, and another \$14 million to rehabilitate public housing units.

Graziano noted that the \$14.5 million being used for the Bailey decree, though a necessity for the disabled, could nevertheless have paid for three years of rental vouchers for 626 households.¹⁶⁵

Loss of services

The Housing Authority's Moving to Work Annual Plan for 2007-2008 outlines cutbacks due to reduction in federal funding for several programs aimed at job training and child care services. Job training services, for example, will be available to 185 people in 2007 and only 65 in 2008. Employment readiness, job placement and retention services will be offered to 1,402 people in 2007, but only 1,100 in 2008. Child day care funds will be available to 200 children in 2007 and 150 in 2008. One of the programs offered by the Housing Authority, however, will be significantly enhanced. It's 'Post and Pre-Occupancy Program' will be mandatory for residents and will be provided to 200 residents in 2007 and 2,000 in 2008. It helps tenants become self sufficient in keeping their homes well maintained. The Housing Authority plans to establish a non-profit subsidiary to raise funds privately to continue many of its resident programs.¹⁶⁶

Despite some of the reductions in the number of people served, a Housing Authority official downplayed the reduction in numbers, saying some of the declines in job training and employment services simply showed a "natural drop" due to people graduating from those programs.¹⁶⁷

Recommendations for Change

This report makes the following key recommendations:

- * Convene a group of private developers, city representatives and public housing experts to analyze the current state of public housing and financial resources and make recommendations to the Mayor, Housing Authority executive director, its Board of Commissioners, and HUD.

* Expand the public hearing notification process to conform with federal regulations so housing advocates and the general public can attend the hearings and offer solutions to the city's housing problems.

* Reconstitute the HABC Board of Commissioners by adding representatives with complementary analysis, financial, and development skills.

* Baltimore should adopt a "one-for-one" replacement policy for units demolished. City officials and representatives in Congress should also advocate for more federal funds to finance new public housing.

* HUD and the Housing Authority should update their websites to accurately reflect the numbers of Baltimore's public housing units in use.

*The Housing Authority should study and adopt solutions from other cities, such as Kansas City and Seattle that are rebuilding their public housing stock and setting goals to replace as many demolished public housing units as possible.

* In an effort to make Section 8 Housing Choice Vouchers more available, Baltimore housing leaders and the city's Maryland delegation to the General Assembly should follow the example of Howard and Montgomery Counties by introducing a state-wide fair housing bill in the next legislative session that would require landlords to accept federal rent vouchers.

* The housing authority should work more aggressively and in partnership with the litigants in the Thompson consent decree to finally complete the number of Thompson units required in the federal consent decree and find locations to build replacement public housing in "non-impacted" areas." The 30 new scattered-site units provided by St. Ambrose Housing Center in 'non impacted neighborhoods' should be duplicated with the recruitment of more competent private developers to build and manage public housing. St. Ambrose has already shown a good

track record under the Thompson decree, as the Housing Authority's most recent report shows there are no vacancies at any St. Ambrose properties.¹⁶⁸

HABC should stop moving tenants out of housing projects it plans to raze until HUD has approved a relocation and demolition plan. Otherwise, Baltimore is missing out on Section 8 vouchers available to relocating tenants.¹⁶⁹

* In communities that have historically resisted subsidized housing the city should convene public forums involving public housing tenants already living in those stable neighborhoods - along with their homeowner neighbors - to talk about their experience living side by side, as well as the condition and maintenance of the homes.

* The housing authority should consider using a small amount of its \$26 million in reserves to augment other funds to repair its inventory and create new public housing units.

*Every effort should be made to prevent deterioration of public housing projects so they will not have to be razed in the future, even if it means leveraging funds outside the public housing allocation from HUD.

* Set into action the recommendations outlined in the half-million-dollar study, *An Analysis of Supply and Demand Conditions of Low and Middle Income Housing Markets in Baltimore City and Region: Based on Market Research Conducted from July 2004 through June 2005*, conducted by Real Estate Strategies Inc. In concert with the Department of Housing and Community Development, local elected officials, and housing advocates, the Housing Authority should build more, not less, public housing, leveraging federal dollars with low-income tax credits and other funds.

If the study had been shown to the city's planning department during the writing of its Comprehensive Plan or, more importantly, to the Baltimore City Task Force on Inclusionary

Housing and Zoning, those reports – and resulting legislation – might have better addressed the housing needs of the city’s poorest residents, as well as middle income-residents.

Baltimore needs to set an aggressive housing strategy for the future of its poorest residents. The Housing Authority, its Board of Commissioners, and the city’s elected leaders failed to take a leadership role in solving the problems, both financial and logistical, of rehabilitating old public housing projects, replacing those being razed, and making vouchers easier to use. With the Housing Authority under the city government umbrella (as Mr. Graziano is both Baltimore’s housing commissioner and the executive director of the Housing Authority of Baltimore City), it should make a logical partnership for the city leaders to join with the public housing professionals to begin rebuilding Baltimore’s low-income housing system, rather than tearing it down.

A final word from a resident

Michelle Holmes is president of the Resident Advisory Board, the city-wide organization that represents public housing tenants. She feels the dismantling of the city’s public housing on a personal level, as O’Donnell Heights has been her home since 1985, shortly after the project was renovated. Now, she is surrounded by blocks and blocks of bricked up homes being prepared for demolition. When she thinks of O’Donnell and all the other projects slated for demolition, she wonders where the housing authority will send so many of the tenants being displaced.

“What’s going to happen to us?” she asks. “We’re less than less. We’re not important and we don’t have a say.”¹⁷⁰

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- ¹ U.S. Census data; Economic Profile – Selected Statistics 2000 vs 2005, provided by the Baltimore City Department of Planning, Tara Penders, city planner.
- ² Moving to Work Annual Plan, FY 2007-2008, interview with Paul Graziano, executive director of the Housing Authority of Baltimore City, March 9, 2007.
- ³ There were 2,448 families living in the high-rises, according to the Semi-Annual Statistical Bulletin, HABC, June, 1992.
- ⁴ Semi-Annual Statistical Bulletin, June 1992, Housing Authority of Baltimore City. This statistic was derived by subtracting the number of vacant but viable units (1,843) from the total inventory of 18,368. The number excludes vacant units at Fairfield Homes, which was slated for demolition at the time.
- ⁵ Interview with Jemine Bryon, deputy executive director HABC, March 9, 2007.
- ⁶ HABC figures provided to the Abell Foundation (“Funding Reductions by Programs”); *An Analysis of Supply and Demand Conditions of Low and Middle Income Housing Markets in Baltimore City and Region: Based on market Research Conducted from July 2004 through June 2005*. By Real Estate Strategies Inc. 2005. The study estimates the projects need \$270 million for repairs over the next five years.
- ⁷ HABC staff; this number includes reserves for public housing projects and Section 8 voucher programs.
- ⁸ Interview with Rainbow Lin, Chief Financial Officer HABC, March 9, 2007.
- ⁹ Housing Authority of Baltimore City, Funding Reductions by Programs; HUD interview January 26, 2007 with William Tamburrino, director of Public Housing Hub for Maryland, D.C., Virginia and West Virginia, James Kelly; Baltimore Field Director, Baltimore HUD office; HABC works under a Moving to Work agreement, a deregulated plan that gives benefits, such as maintaining a higher level of operating subsidy; Baltimore CitiStat report 2007.
- ¹⁰ *Ibid: An Analysis of Supply and Demand Conditions of Low and Middle Income Housing Markets in Baltimore City and Region: Based on market Research Conducted from July 2004 through June 2005*. By Real Estate Strategies Inc. 2005.
- ¹¹ Resolution of HABC’s “Board of Commissioners Authorizing the Demolition of Somerset Homes and Acceptance of a Baltimore City Affordable Housing Trust Fund Grant for Demolition Costs.” May 15, 2007, signed by Paul T. Graziano, Secretary/Executive Director and Joseph L. Smith, Chairman.
- ¹² Agenda for Westport Homes Extension, presentation to Westport Homes Resident Advisory Board: “Funds have recently become available for the proposed demolition through the City Affordable Housing Program.”
- ¹³ In an interview with Paul Graziano on March 9, 2007, he said a master plan had yet to begin on the area of East Baltimore that includes the Somerset Court land. He also said no housing will be rebuilt on the Westport Extension location because it is too close to an industrial area and a highway.
- ¹⁴ Low-End Rental Housing; The Forgotten Story in Baltimore’s Housing Boom, Sandra J. Newman, The Urban Institute.
- ¹⁵ Local Deals and the New Deal State: Implementing federal public housing in Baltimore, 1933-1968 by Peter Harry Henderson PHD, The Johns Hopkins University, 1994.
- ¹⁶ *Ibid*.
- ¹⁷ *Ibid*.
- ¹⁸ Subsidized Rental Housing, Baltimore City 1940-1985, Neighborhood Progress Administration, DHCD, Analysis and Research Section.
- ¹⁹ Report of the Urban Renewal Study Board to Mayor Thomas D’Alessandro Jr. 9/12/56.
- ²⁰ Department of Housing and Community Development, Semi-Annual Statistical Bulletin, June 1992.
- ²¹ Maryland Emergency Housing and Park Commission, Report of Joint Committee on Housing in Baltimore, March 19, 1934.
- ²² Low-End Rental Housing; The Forgotten Story in Baltimore’s Housing Boom by Sandra J. Newman, The Urban Institute.
- ²³ HABC Moving to Work Annual Plan FY 2007-2008.
- ²⁴ U.S. Census data; Economic Profile – Selected Statistics 2000 vs 2005, provided by the Baltimore City Department of Planning, Tara Penders, city planner.
- ²⁵ Semi-Annual Statistical Bulletin, HABC, June 1992; CitiStat report, February, 2007.
- ²⁶ Low-End Rental Housing; The Forgotten Story in Baltimore’s Housing Boom, Sandra J. Newman, The Urban Institute.
- ²⁷ U.S. Census data; Economic Profile – Selected Statistics 2000 vs 2005, provided by the Baltimore City Department of Planning, Tara Penders, city planner.

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- ²⁸ Low-End Rental Housing; The Forgotten Story in Baltimore's Housing Boom, Sandra J. Newman, The Urban Institute.
- ²⁹ Ibid.
- ³⁰ Ibid.
- ³¹ Health Care for the Homeless: www.hchmd.org/education.html
- ³² Annual report on homelessness services in Maryland; Office of Transitional Services, FY 2005, Maryland Department of Human Resources; <http://www.dhr.state.md.us/transit/pdf/ann2005.pdf>
- ³³ Ibid.
- ³⁴ Ibid.
- ³⁵ There were 2,448 families living in the high-rises, according to the Semi-Annual Statistical Bulletin, HABC, June, 1992.
- ³⁶ The Baltimore Sun, 1,000 pounds of explosives to level Lafayette Courts towers today, by Joanna Daemmrich and Joan Jacobson, August 19, 1995.
- ³⁷ HUD Demolition/Disposition application information by date:
<http://www.hud.gov/offices/pih/systems/pic/sac/#reports>
- ³⁸ Seattle Public Housing: <http://www.seattlehousing.org/Development/replacement/ReplacementHousing.html>
- ³⁹ Housing Authority of Kansas City: http://www.hakc.org/jeffrey_lines.html
- ⁴⁰ Interview with Graziano, HABC Moving to Work Annual Plan 2007-2008.
- ⁴¹ Housing Authority of Baltimore City Semi-Annual Statistical Bulletin, June 1992
- ⁴² The 1991 statistical bulletin reported 3 vacant units as of June 30 1992.
- ⁴³ Interview with Iris Bradford, Somerset Tenant Council President, March 6, 2007.
- ⁴⁴ Bradford, The Baltimore Sun, March 27, 2002. "Fed-up public housing tenants get promise of relief from city officials; Agency says \$1 million in pipeline for repairs" by M. Dion Thompson.
- ⁴⁵ HABC Moving to Work Annual Plan, August 26, 2005.
- ⁴⁶ Moving to Work plan reported 163 occupied units as of August, 2005.
- ⁴⁷ February 27, 2007 letter to Iris Bradford from Jemine Bryon, Deputy Executive Director of HABC, referring to the certified letter of May 19, 2006.
- ⁴⁸ January, 24, 2007 letter from Iris Bradford to Paul Graziano.
- ⁴⁹ Interview with Jemine Bryon, Jan Goslee and Paul Graziano, March 9, 2007.
- ⁵⁰ February 27, 2007 letter from Jemine Bryon to Iris Bradford.
- ⁵¹ March 9, 2007 interview with HABC officials.
- ⁵² ibid
- ⁵³ January 24, 2007 letter to Graziano from Iris Bradford, Somerset Tenant Council President; interview with Bradford.
- ⁵⁴ HUD regulations: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/24cfr970revision.pdf § 970.25, Required and permitted actions
- ⁵⁵ May 3, 2007 letter to Paul Graziano, executive director HABC, from Bill Tamburrino, Hub director, Baltimore office of Public Housing (HUD).
- ⁵⁶ May 3, 2007 letter to Paul Graziano, executive director HABC, from Bill Tamburrino, Hub director, Baltimore office of Public Housing (HUD).
- ⁵⁷ May 15, 2007 letter from Graziano to Tamburrino, citing U.S. Housing Act; 42 USC, 147p, 24 CFR Part 970.25.
- ⁵⁸ HUD notice PIH 2007-10 (HA), Subject: Voucher Funding in Connection with the Demolition or Disposition of Occupied Public Housing Units.
- ⁵⁹ HABC Moving to Work Annual Plan, August 26, 2005.
- ⁶⁰ Interview with Paul Graziano, etc. March 9, 2007
- ⁶¹ Letter from Gregory L. Countess, assistant director of advocacy for Maryland Legal Aid's Housing and Community Economic Development, to Ainar Rodins, director of Special Applications Center, HUD, June 28, 2007; Response to Countess from Rodins, August 29, 2007.
- ⁶² The Evening Sun, February 7, 1991, by Joan Jacobson.
- ⁶³ Semi-Annual Statistical Bulletin, June, 1992.
- ⁶⁴ The Evening Sun, February 7, 1991.

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- ⁶⁵ Deposition of Paul Graziano, March 31, 2003 in Thompson v HUD.
- ⁶⁶ Ibid.
- ⁶⁷ Interview with Paul Graziano, March 9, 2007.
- ⁶⁸ CitiStat, February, 2007.
- ⁶⁹ Citistat for HABC, September 29, 2006: http://www.baltimorehousing.org/index/ps_public_scattered.asp
- ⁷⁰ Carmen Thompson, et al V US Department of Housing and Urban Development et al, Plaintiffs' statement of material facts submitted in support of their pre-trial memorandum, Oct. 2003: <http://www.aclu-md.org/aTop%20Issues/Fair%20housing/StatementofFacts.pdf>
- ⁷¹ CitiStat, February 2007, HABC Moving to Work FY 2006 Annual Plan.
- ⁷² CitiStat, February 2007, HABC Moving to Work FY 2006 Annual Plan; Table prepared by HABC for the Abell Foundation on the status of reuse for scattered site public housing units.
- ⁷³ Tamburrino interview.
- ⁷⁴ Interview with Paul Graziano, Jemine Bryon, March 9, 2007, Tamburrino interview. On May 14, 2007 HABC spokeswoman Tania Baker said ten families remained at Westport Extension.
- ⁷⁵ Numbers supplied by the Housing Authority of Baltimore City, March 2007.
- ⁷⁶ O'Donnell Heights Master Plan, final report, March 2003 by STV Incorporated., Interviews with public housing officials and Michelle Holmes, President Resident Advisory Board and an O'Donnell Heights Tenant.
- ⁷⁷ HABC A Moving to Work Agency, FY 2006 MTW Annual Report.
- ⁷⁸ Ibid; Interview with Graziano.
- ⁷⁹ HABC A Moving to Work Agency, FY 2006 Annual Report.
- ⁸⁰ Graziano interview, March 9, 2007, HABC Moving to Work Annual Plan 2007-2008.
- ⁸¹ HABC Funding Reductions by Programs, Baltimore Citistat reports, 2007.
- ⁸² Letter from Graziano to Robert C. Embry Jr., Abell Foundation President, July 9, 2007.
- ⁸³ Ibid.
- ⁸⁴ Moving to Work Annual Plan 2007-2008.
- ⁸⁵ An Analysis of Supply and Demand Conditions of Low and Middle Income Housing Markets in Baltimore City and Region: Based on Market Research Conducted from July 2004 Through June 2005. By Real Estate Strategies Inc. 2005.
- ⁸⁶ Graziano letter to Embry, July 9, 2007.
- ⁸⁷ Ibid; Graziano letter to Embry.
- ⁸⁸ HUD, Tamburrino. This number includes reserves for public housing projects and Section 8 programs.
- ⁸⁹ HABC staff interviews.
- ⁹⁰ Graziano letter to Embry, July 9, 2007.
- ⁹¹ HUD, Tamburrino, Kelly; Baltimore Citistat report 2007.
- ⁹² Housing Authority of Baltimore City, Funding Reductions by Programs.
- ⁹³ Graziano letter to Embry, July 9, 2007.
- ⁹⁴ Letter to the Abell Foundation from the Maryland Disability Law Center, June 12, 2007.
- ⁹⁵ Graziano interview May 8 2007.
- ⁹⁶ "Capital Work for HABC".
- ⁹⁷ Graziano interview May 8, 2007.
- ⁹⁸ Graziano interview May 8, 2007.
- ⁹⁹ HABC document, "Capital Work for HABC" provided to Abell researcher. Graziano interview; HABC Moving to Work Annual Plan, 2007; Bailey, et al v. HABC et al., Civil Action No. JFM-02-CV-225 and United States v. HABC, Civil Action No. JFM-04-CV-03107.
- ¹⁰⁰ Housing Authority of Baltimore City MTW Agreement with HUD.
- ¹⁰¹ MTW Plans 2005, 2007
- ¹⁰² Graziano interview May 8, 2007.
- ¹⁰³ Citistat reports from 2001 to 2006. The current vacancy rate is from the March 16, 2007 Citistat report.
- ¹⁰⁴ Citistat reports from 2001 to 2006.
- ¹⁰⁵ HABC Moving to Work Annual Plan 2007-2008
- ¹⁰⁶ Graziano letter to Embry, July 9, 2007.
- ¹⁰⁷ Graziano letter to Embry, July 9, 2007.

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- ¹⁰⁸ The City of Baltimore Comprehensive Housing Affordability Strategy 1994-1998, Dec. 30, 1993, DHCD.; Housing Authority of Baltimore City, PHA plans; 5 year plan for fiscal Years 2003-2007; Annual Plan for Fiscal year 2003, April 8, 2003.
- ¹⁰⁹ Graziano interview March 9 2007.
- ¹¹⁰ Amended HABC Replacement Housing Plan – FY 2007, sent to HUD from HABC January 30, 2007.
- ¹¹¹ Graziano interview March 9, 2007
- ¹¹² Tamburrino interview.
- ¹¹³ Carmen Thompson Et Al V U.S. Department of HUD Partial Consent Decree, Update on Replacement Housing Programs.
- ¹¹⁴ Thompson: Stipulation and Order Amending Partial Consent Decree.
- ¹¹⁵ Graziano letter to Embry, July 9, 2007.
- ¹¹⁶ Interview with Paul Graziano, March 9, 2007.
- ¹¹⁷ Moving to Work Annual Plan 2007-2008.
- ¹¹⁸ Ibid.
- ¹¹⁹ April 4, 2007 letter to Joan Jacobson from Tania Baker, director of communications, HABC.
- ¹²⁰ Tamburrino interview.
- ¹²¹ Graziano interview May 8, 2007.
- ¹²² http://www.baltimorehousing.org/index/ps_public.asp
- ¹²³ Draft of Moving to Work Annual Plan, FY 2007:
http://www.baltimorehousing.org/index/pdfs/HABC_Annual_Plan_2007.pdf
- ¹²⁴ <http://www.ci.baltimore.md.us/news/citistat/reports.html>
- ¹²⁵ Housing Authority of Baltimore City Website: http://www.baltimorehousing.org/index/ps_public.asp (as of March 21, 2007), Housing Authority Inventory report from the U.S. Department of Housing and Urban Development, provided by the Baltimore HUB office, as of March, 2007, reports 14,446 units in management.
- ¹²⁶ Tamburrino interview.
- ¹²⁷ American Civil Liberties Union, *The Sun*, October 5, 2000 by M. Dion Thompson.
- ¹²⁸ *The Sun*, Apartment plan stirs Hamilton residents by Eric Siegel, April 11, 2007.
- ¹²⁹ The City of Baltimore Comprehensive Master Plan, A Business Plan for a World Class City, 2007-2012, At Home in Baltimore, a Plan for an Inclusive City of Neighborhoods, July 2006. Coty Council Bill # 06-0558.
- ¹³⁰ http://www.baltimorehousing.org/index/ps_plans.asp
- ¹³¹ Interview with Steve Janes, assistant commissioner for research and compliance, Department of Housing and Community Development/HABC.
- ¹³² Averaged from the three 2005 Citistat reports for HABC.
- ¹³³ Citistat reports for February, 2007 for HABC.
- ¹³⁴ Department of Housing and Community Development Consolidated Plan, July 2000 to June 2005.
- ¹³⁵ HUD regulations: 24 CFR Ch. IX (4-11-04 edition) Section 903.17, “What is the process for obtaining public comment on the plans?”
- ¹³⁶ Housing advocates who protested included representatives from Maryland Legal Aid, the American Civil Liberties Union of Maryland, the Maryland Disability Law Center and the University of Maryland School of Law’s Clinical Law Office.
- ¹³⁷ Letter from Graziano to Abell Foundation President Robert C. Embry, July 9, 2007.
- ¹³⁸ *The Sun*, Classified Advertisements, Legal notices, March 19, 20 and 21st.
- ¹³⁹ http://www.baltimorehousing.org/index/pdfs/HABC_Annual_Plan_2007.pdf
- ¹⁴⁰ Comments by Barbara Samuels, managing attorney for fair housing at the American Civil Liberties Union of Maryland.
- ¹⁴¹ Abell study author Jacobson attended the hearing.
- ¹⁴² Interview with William Tamburrino and Jim Kelly at HUD, April 19, 2007.
- ¹⁴³ Section 8 Housing Programs, statistical bulletin, July 1992, Department of Housing and Community Development.
- ¹⁴⁴ Jemine Bryon interview, March 9 2007.
- ¹⁴⁵ Graziano interview.
- ¹⁴⁶ Interview with Iris Bradford, Somerset Court Tenant Council President.
- ¹⁴⁷ Letter from Paul Graziano to the HUD regional Inspector General, December 8, 2004.
- ¹⁴⁸ Graziano interview May 8, 2007.
- ¹⁴⁹ Graziano interview May 8, 2007.

¹⁵⁰ Letter from Paul Graziano to the HUD regional Inspector General, December 8, 2004. Graziano blamed HABC's difficulty using Section 8 vouchers on "extremely difficult market conditions" and called the situation "beyond the control of HABC."

¹⁵¹ HUD Office of the Inspector General report, December, 2004, OIG report, March, 2001.

¹⁵² Interview with HABC staff March 9, 2007; January 26, 2007 Interview with HUD officials Tamburrino and Kelly.

¹⁵³ U.S. Department of Housing and Urban Development, Office of the Inspector General, 3/18/2001 #2001-PH-1003; 12/21/04 # 2005-PH-1004

¹⁵⁴ OIG audit #2001-PH-1003

¹⁵⁵ OIG audits #2001-PH-1003, #2005-PH-1004

¹⁵⁶ OIG audit #2001-PH-1003

¹⁵⁷ Interview with HUD officials Bill Tamburrino, director of Public Housing HUB for Maryland, D.C., Virginia and West Virginia, Jim Kelly, Baltimore Field Director April 19, 2007; Interview with Graziano and HABC officials March 9, 2007.

¹⁵⁸ OIG audit # 2005-PH-1004.

¹⁵⁹ Letter from Graziano to the HUD regional Inspector General, December 8, 2004.

¹⁶⁰ Deposition of Michael Kramer, associate deputy director for HABC, formerly employed at the New York City Housing Authority. March 4, 2003; U.S. District Court of Maryland, Carmen Thompson et al, vs US Department of Housing and Urban Development, et al.

¹⁶¹ Michael Kramer, Section 8 memo (undated).

¹⁶² HUD, HABC interviews.

¹⁶³ Section 8 Housing Programs, statistical bulletin, July 1992, Department of Housing and Community Development.

¹⁶⁴ Jemine Bryon, deputy executive director, Housing Authority of Baltimore City, March 9 2007.

¹⁶⁵ Graziano interview May 8, 2007.

¹⁶⁶ HABC Moving to Work Plan 2006-2007

¹⁶⁷ Bryon interview May 8, 2007.

¹⁶⁸ HABC Moving to Work Annual Plan 2007.

¹⁶⁹ HUD notice PIH 2007-10 (HA), Subject: Voucher Funding in Connection with the Demolition or Disposition of Occupied Public Housing Units.

¹⁷⁰ Interview with Michelle Holmes, president Resident Advisory Board, March 21, 2007.