The Abell Report

What we think about, and what we'd like you to think about

Published as a community service by The Abell Foundation

Maryland's Critical Area Act of 1984 was created to find the citizenry's best interests between two competing needs — to preserve the environment, and to accommodate development.

ABELL SALUTES: Neighborhood Conservation Program (NCP) "Helping neighborhoods build upon existing strengths."

Residents of the Dolfield neighborhood in Northwest Baltimore will soon see work crews renovating an abandoned single-family residential structure on White Oak Avenue. The fourteen hundred square foot, two-story Dutch Colonial structure. vacant for several years, will be transformed into an updated three bedroom, two-bath home complete with garage. Located close to mass transit lines and within a block of an elementary and middle school, the house will be renovated and sold to a homebuyer under HCD's Neighborhood Conservation Program (NCP), in collaboration with the Greater Northwest Community Coalition (GNCC).

Instituted under Mayor Martin O'Malley and implemented by Housing and Community Development (HCD) Commissioner Paul T. Graziano, NCP is a program of the Development Division of HCD and utilizes City Bond Funds as capital. NCP's first year operating expenses were funded by a grant from

 $continued\ on\ page\ 8$

By Saunders C. Hillyer

An assessment, 20 years later:

n the waters of the Chesapeake Bay, life appears to go on as it has for decades: watermen harvest oysters, sailboats scoot quietly over the swells and recreational fishermen hunt for rockfish. But the tranquil image belies the discouraging reality that the Chesapeake Bay's health continues to deteriorate.

That deterioration may be difficult for the layman to see, but some of its causes are not. One of the most visible – and most jarring – factors in the Chesapeake's decline is waterfront development along the Bay and its tributaries – whether it's secluded mansions with million-dollar views or massive residential projects. On Kent Island, for instance, a development for "active adults" is slated to soon bring more than 1,300 houses and condominiums along 562 scenic areas bordering the Chester River and Cox and Macum creeks.

Both the mansions and the Kent Island development are proceeding under the provisions of an important but sometimes forgotten law enacted nearly 20 years ago by the Maryland General Assembly. In 1984, after intense debate, the legislature passed the landmark Criti-

cal Area Act, an early piece of the ongoing effort to protect and improve the water quality of the Bay. Although the measure was designed to rein in and mitigate environmentally destructive waterfront development, it also allowed for projects on thousands of acres of shoreline property, building that will likely continue for many years.

This report attempts to assess the Critical Area Act's impact and effectiveness nearly two decades later. Making such an assessment is difficult as the law itself sets no quantifiable goals or benchmarks. It's impossible to know, for instance, how much shoreline development would have happened without the law in place. But certain conclusions are possible.

It's clear that the Act remains an important bulwark in the state of Maryland's environmental preservation program and an analysis of development trends shows the law has successfully slowed development activity in the most environmentally sensitive shoreline areas.

But it was also a cautious first step that limited the State's influence to the first 1,000 feet of the tidal shoreline and tempered many of its resource protection rules with exceptions and discretionary language.

While the need to preserve the shoreline remains acute, protecting the state's remaining, but threatened and dwindling, open space without stifling appropriate economic development remains an unmet goal for state policymakers. Using the Critical Area Act as a model, the state should expand its focus to provide oversight of resource lands throughout Maryland. Such protection is sorely needed and would be the natural next step in the evolution of Maryland's commitment to balanced development. Expanding the state's land-use powers will not come without a major political fight. But with both the future of the Bay and the state's quality of life at stake, Maryland policymakers should make the issue a high priority.

Passage of the Critical Area Act

The Critical Area Act of 1984 was the most far-reaching and controversial of the initiatives enacted by the state of Maryland in the mid-1980s to protect the Chesapeake Bay. The measure proposed to regulate shoreline development within 1,000 feet of mean high tide along the Bay and its tidal tributaries in order to arrest the deterioration of the Bay's water quality and stem the loss of plant and wildlife habitat. As such, it is one of only a handful of examples in the nation of significant state development regulations.

The proposed measure was exceedingly controversial because it dealt with politically explosive issues of property values and local control over land use.

Supporters billed the program as the essential lynchpin of a successful strategy to restore the Bay, rather than as an important early step in a 10,000-mile journey. Opponents shouted dire warnings that the Act would hamstring eco-



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nomic development, frustrate formation of local land use policy, suppress property values and deprive landowners of their property rights.

In the end, Gov. Harry R. Hughes secured passage of the Act by rallying support from the environmental community and from the general public, which was growing increasingly concerned about the Bay's deterioration.

The legislature accepted the premise that the state held responsibility for the Bay's future, writing into the law: "There is a critical and substantial State interest for the benefit of current and future generations in fostering more sensitive development activity in a consistent and uniform manner along shoreline areas of the Chesapeake Bay and its tributaries."

While there were important compromises made during the legislative process, the final product was nonetheless a groundbreaking piece of legislation that gave the state for the first time a major role in land-use decisions long dominated by local jurisdictions.

It may come as no surprise that experience since 1984 does not bear out the

exaggerated claims of either side in the State House lobbying. What may be more surprising is the extent to which a program that was once so controversial silently slipped from public view within a few years of enactment.

The 1984 law designated all land within a 1,000-foot swath alongside the Bay and its tributaries as part of the "Critical Area." (In 2002, the Act's reach was expanded to cover shoreline development along the coastal bays in Worcester County and Ocean City.) The law also established a 29-member Critical Area Commission to oversee the implementation of the law.

A key early step was defining how land within the Critical Area could be used. The commission oversaw the work of 62 counties and municipalities, including Baltimore City, with Critical Area land to map their shorefronts and designate all such property as part of one of three classifications.

- * The Intensely Developed Area, as its name suggests, is site of the most intense residential, commercial, and industrial development. This is the smallest of the three designated zones in the overall Critical Area.
- * The Limited Development Area is designed to accommodate low and moderate density development and is the next largest zone.
- * The largest is the Resource Conservation Area, which is designated chiefly for habitat protection and agriculture, forestry, and fisheries activities. Development of all types is strictly limited in the Resource Conservation Area. In particular, no more than one home per 20 acres can be built in the area and most new commercial and industrial development is prohibited.

Throughout the Critical Area, new development was generally prohibited in a 100-foot shoreline buffer. The law also was intended to mitigate the impact of development on water quality and habitat by imposing limits on the clearing of natural vegetation, creation of impervious surfaces and steep slope construction.

The law's criteria include an important provision that allows local jurisdictions to approve a limited amount of additional development in otherwise protected portions of the Critical Area. That provision sets a "growth allocation" for each local jurisdiction, which allows the jurisdictions, if they choose, to expand their Limited Development and Intensely Developed areas by five percent of their Resource Conservation Area.

At the time the boundaries of the Critical Area districts were established 18,187 acres – five percent of the Resource Conservation Area in the entire Critical Area – was essentially set aside for future development sanctioned by local governments. The amount available to each county covered a wide range, from a low of 278 acres in Harford County to a high of 2,900 acres in Dorchester County.

Assessing the Act

This report focuses on the Critical Area Act's impact on patterns of development and the protection of farm and forestland in four counties – Anne Arundel and Calvert on the west side of the Bay, Queen Anne's and Cecil on the Eastern Shore. The amount of land in the four counties' Critical Area ranges from 25,609 acres in Calvert to 49,942 in Anne Arundel. Overall, the Critical Area accounts for 11.5 percent of Cecil's total land area, and roughly 17 to 18 percent of the land area of the other three counties.

To assess the Act's effects, data on

residential development over five-year periods from 1985 to 1999 was examined, as were aerial photographs that show land use changes from 1990 to 1997, the first eight years in which the Critical Area program was fully operational.

The record in the Critical Area in the four case-study counties during the 1990s demonstrates that progress is being made toward achieving the program's core objective concerning the rate and location of new development.

As intended, most new development within the Critical Area is being deflected from the expansive Resource Conservation Area and absorbed in the smaller Limited Development Area. Overall, the Resource Conservation Area occupies between 45 and 77 percent of the Critical Area in the four counties, yet between 1990 and 1999, the Resource Conservation Areas in those counties absorbed between 16 and 31 percent of residential development in the Critical Area.

More broadly, implementation of the criteria appears to have moderated and stabilized the rate of residential development in the Critical Area compared to the

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rate of such development in the counties as a whole.

Residential development from 1985 to 1999 in the four counties generally mirrored the overall economic trend in the entire state. Such development climbed steeply from 1985 to 1989, dipped during the recession from 1989 to 1991 and resumed climbing for the rest of the 1990s.

In contrast, development in the Critical Area of three of the four counties examined – Anne Arundel, Calvert and Cecil – peaked between 1985 and 1989 and declined for the next 10 years, not only during the recession of the early 1990s but also during the economic boom that began in 1992 and continued for the remainder of the decade. Development in the Critical Area of these three counties was both less volatile and proceeded at a more moderate rate than in the counties at large.

Queen Anne's County exhibited a different pattern as strong development pressure arrived later there than in other counties. The rate of residential development in that county's Critical Area tracked the rate of development in the entire county, including a drop in the early 1990s, followed by a sharp climb that continued throughout the 1990s. Twothirds of the development in Queen Anne's Resource Conservation Area in that decade was on parcels that were already subdivided before the Critical Area law took effect. Most of these parcels were created on Kent Island in the 1950s in a burst of speculation associated with the opening of the Bay Bridge. Development rights on such parcels were unaffected by the change in state law. Without development on a portion of these grand-fathered parcels in the 1990s it is likely that the rate of development in Queen Anne's County's RCA would have been consistent with the trends reported in the Resource Conservation Area for the

continued from page 3 three other counties.

Lost resource lands

The Critical Area law also mandated that the amount of forest be maintained or expanded in both the Limited Development Area and the Resource Conservation Area. The legislature recognized that forests provide plant and animal habitat and do an efficient job of filtering nutrients and other toxins harmful to life in the Bay. Similarly, farmland is valued because of the permeability of agricultural soils and their role in regulating the flow of storm water. In spite of the mandate to maintain or expand the amount of forests in the Resource Conservation Area and the Limited Development Area, it declined in both.

Not surprisingly, the highest losses of resource lands on a percentage basis came in the Limited Development Area, which the law targets for development at low suburban densities. The largest loss came in Calvert County, where the Limited Development Area lost 14 percent of its undeveloped land between 1990 and 1997.

In order to evaluate how successfully the criteria are protecting forests and farmland from loss to development in the Resource Conservation Area, it's instructive to compare losses in the RCA with similar losses in agricultural zones outside the four counties' Critical Area. Both the Resource Conservation Area and these agricultural zones are intended to protect resource lands – including both farm and forest lands – from loss to development and to shield such lands from human activities that interfere with the conduct of farming operations.

Data demonstrates that open space has been more effectively protected in the Resource Conservation Area than in the agricultural zones outside the Critical Area. This is largely due to the fact that, without the protection of the Critical Area law, zoning is less restrictive outside the Critical Area, which allows for higher-density development. In three of the four counties, with Queen Anne's being the exception, development is accelerating at a faster pace in the agricultural zones than in the Resource Conservation Area.

Likewise, fewer acres of open space were developed in the Resource Conservation Area in relation to its size than were developed in the agricultural zones in relation to theirs. In Anne Arundel County, for example, 305 acres of open space were lost in the Resource Conservation Area from 1990 to 1997, while 3,611 acres were given over to development in the county's agricultural zone during the same period. In percentage terms, Anne Arundel lost 1.8 percent of its Resource Conservation Area to development in that time, compared to 4.3 percent of its much larger agricultural zone.

In Cecil County, meanwhile, 576 acres of resource lands were lost to development in its agricultural district between 1990 and 1997, compared to only 11 acres lost in its Resource Conservation Area. The successful protection of resource lands in Cecil County's Resource Conservation Area is an indication of the Critical Area program's capacity to protect land in all counties in the Critical Area regardless of the counties' record preserving resource lands. For example, the Maryland Department of Planning ranks Cecil County as one of the least effective counties in the state in terms of protecting farmland from loss to development through its rural zoning.

Concern over growth allocation

The inclusion of a "growth allocation" provision in the Act was intended to give local jurisdictions flexibility to allow for additional development in the Critical Area. Unfortunately, the law includes many vague recommendations rather than



If the historical trend holds, nearly 12,000 more acres of resource lands could be lost to low density residential development.



firm mandates when it comes to the use of these allocations. And interpretations of the discretionary language by the Critical Area Commission, several counties and applicants have compromised the program's integrity and effectiveness.

Although the counties have not used their growth allocations uniformly, the trend is clear. Most are not pre-determining which properties within their Resource Conservation Areas would be most appropriate for future growth or for use as growth allocation development. Rather, the counties are making ad hoc decisions in response to requests by developers to reclassify open space anywhere in the Resource Conservation Area that the developers wish to use for specific projects.

At the same time, the Critical Area Commission has not pushed the counties to channel use of their growth allocations toward established communities or to minimize fragmentation of resource lands. In fact, the Commission does not review local requests to use growth allocation in terms of the project's proximity to existing development. Nor has the Commission set a minimum size for a transaction using growth allocation.

In 1986, when the Act's regulatory criteria were adopted, most observers assumed that if a portion of a parcel were reassigned from the Resource Conservation Area to one of the two more intensive-use areas, 100 percent of the parcel would be counted against that county's growth allocation. However, in some instances, the Commission counts only a portion of a parcel against the allocation. For example, only the development "envelope" is counted against growth allocation if the remainder of the parcel in the RCA is 20 acres or larger and is subject to a conservation easement. To illustrate, only three acres of a 23-acre parcel would be counted against growth allocation if that three acres were developed at a density greater than one residence per 20 acres and a conservation easement were recorded over the remaining 20 acres.

Overall, the Critical Area Commission addresses use of growth allocations from the perspective of project mitigation, not from a planning perspective. It doesn't ask how growth allocation might be used to consolidate development or to protect resource lands from fragmentation. The Commission does encourage the use of growth allocation on projects that leave at least 20 acres in the Resource Conservation Area and preserved by a conservation easement. But this is tantamount to offsetting buckshot development with buckshot conservation.

Officials with the Critical Area Commission point out that the law does not give the Commission the authority to insist on how counties use their growth allocation. Rather, the Commission sets guidelines the counties "should" follow for new development in the Critical Area.

Depending on how counties choose to use it, growth allocation could unravel much of the progress that has been made to date in protecting resource lands in the Resource Conservation Area. As of November 2002, the 17 affected counties had used a little more than a quarter of their original allotment of 18,000 acres of growth allocation land, leaving 13,196 acres for future growth.

If the historical trend holds and 90 percent of that acreage continues to be used to allow development on property in the Resource Conservation Area, nearly 12,000 more acres of precious resource lands in that area could be lost to randomly scattered, low density residential development. The pace at which counties draw down their growth allocation could pick up at any time.

Concern over enforcement

Some aspects of the Critical Area law are being undermined by a lack of enforcement by local authorities. Under the law, for example, the Critical Area Commission has no authority to punish property owners who violate rules governing activities in the buffer area; rather such action is the responsibility of local agencies. From county to county, vigilance in enforcing the law varies, leading to anecdotal evidence that some property



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owners are flouting the rules with little regard for possible consequences.

A press account, for example, described one Anne Arundel County homeowner who was willing to pay a \$500 fine in exchange for illegally cutting down a swath of trees to create a view of the water. The owner considered such a fine on a property worth hundreds of thousands of dollars to be a minor inconvenience. Other property owners are following the same tactics, according to officials and environmentalists.

The Commission is not powerless to stop this activity and has, for example, been critical of Anne Arundel County in recent years for not enforcing the law. In response, the county has recently begun using a helicopter to look for Critical Area violations along its many miles of waterfront. In any case, enforcement remains largely complaint-driven, with little proactive efforts by local authorities. Furthermore, some environmental advocates say local authorities are not adequately forcing property owners to mitigate the damage they cause.

The new chairman of the Critical Area Commission has expressed concern that the law is not being enforced adequately. However, any change in the state Commission's authority would require a change in the state law and, it would appear, another battle with local government officials.

More broadly, a recent court decision threatens to significantly weaken the Critical Area law by shifting the burden of proof for establishing the potential environmental harm of a project proposed for the Critical Area. Before the ruling by the Maryland Court of Appeals, property owners were required to establish that a project would not cause environmental harm. Now, it appears that local governments will be required to prove why such projects are environmentally harmful.

Looking ahead

In considering the future of the Critical Area Act, state policy makers should begin by re-examining the growth allocation rules, enforcement provisions of the law as well as the potentially serious impacts of recent court action. It's crucial to buttress a law that has played an important role in limiting development along the state's waterfront.

Looking ahead, the Critical Area Act can also provide a roadmap for policy makers as they confront the state's broader environmental challenges. The state took a major step in 1997 by enacting Gov. Parris N. Glendening's Smart Growth initiative, which was designed to affect growth patterns by channeling state infrastructure and economic development funding to designated "Priority Funding Areas," thus relieving pressure to subdivide resource lands.

The state also stepped up its purchase of both development easements and undeveloped land in recent years. While this conservation approach may be laudable, it is also unsustainable, given the state's budgetary limitations. And in any case, the high rates of easement and open space acquisition have gone hand-in-hand with alarming losses of resource-conservation lands.

Governor Glendening's successor, Gov. Robert L. Ehrlich Jr., has announced that the state will re-structure its land-conservation efforts. While details have yet to be announced, it appears that the state's acquisition of resource-conservation lands will be scaled back. Gov. Ehrlich is also reworking the Smart Growth program, pledging, for example, to have the state work more cooperatively with local governments in land-use decisions.

No matter how the state focuses its conservation efforts, it's clear that Mary-

land is losing the battle to protect its remaining open spaces. The picture that emerges is one of a state chasing a problem that always stays one or two steps out of reach, always threatening to pull away.

Transfer tax data reveals that the state lost an average of 10,200 acres of agricultural land a year from 1990 to 2000, including 12,486 acres lost in 2000. This data is conservative because it only tracks farmland that had been registered for special tax treatment. In 2002 the General Assembly estimated that 18,000 acres of farmland would be converted annually to urban, commercial or other non-agricultural uses, counting both farmland that had not been registered for special tax treatment as well as that which had been. Maryland Department of Planning data show that an increasing amount of development is taking place farther from established communities and that as it moves farther out, the amount of land consumed per residence tends to increase significantly.

The future doesn't hold much hope for improvement. A study for the advocacy group 1000 Friends of Maryland projects that from 2000 to 2020 the percentage of new housing built on property outside the state's Priority Funding Areas will increase in the five-county Baltimore metropolitan area, the Smart Growth program notwithstanding. The percentage of new development projected to occur outside the Priority Funding Areas varies widely from county to county, as would the concomitant loss of resource lands, reflecting the unevenness of development pressures and local land-preservation efforts from one county to the next. In Carroll County, for example, it is projected that 58 percent of new development during this period will occur outside these Priority Funding Areas, resulting in a loss of 28,762 acres of undisturbed open space. In neighboring Baltimore County it is anticipated that 9.2 percent of new residential development will be located outside Priority Funding Areas during the same time, consuming 6,315 acres. On the Eastern Shore more than 70 percent of new development in Caroline County is projected to occur outside Priority Funding Areas.

With such development pressure ratcheting ever higher, now is the time for state policymakers to draw on the principles of the Critical Area Act that have effectively protected the Resource Conservation Area and use them to provide regulatory oversight of all of the state's resource lands.

This is needed not only to buttress protection of Maryland's remaining forests and farmland and to enhance protection of the Chesapeake Bay, but also to achieve the state's commitment to balanced development reflected in the Smart Growth Initiative.

Although the Smart Growth initiatives established Priority Funding Areas, they did not create resource conservation zones. The Priority Funding Areas can be thought of as elastic pro-development zones that embrace the range of development allowed in both of the Critical Area's pro-development districts. Resource conservation areas are needed to balance the Priority Funding Areas within the framework established by the Smart Growth initiatives.

The Critical Area Act created an effective, politically acceptable role for the state to play in the formation and implementation of a state-local partnership on land use. Despite misgivings by local officials, property owners and others, the Critical Area program's protection of resource lands has become an accepted component of the state's landuse process. (At the same time, it's worth noting that there is significant resistance to the criteria governing how development is done, particularly in reference to projects in the Limited Development Area.)

It also allows the State to do something that local governments cannot reliably do by themselves – create a standard for environmental preservation that straddles county boundaries. The Critical Area program also provides consistency despite the regular changes brought on by county and municipal elections. Yet, this structure respects local responsibility for both land use planning and decision-making and relies heavily on both.

In addition, the Critical Area Commission "one-step-removed" status frees it from some of the local political pressures that can distort local land-use decisions, especially at the project level. Going further, the state involvement can also provide political cover for local elected officials. They can say to their constituents, in effect, "No use throwing us out of office; the Critical Area criteria prevent the county from subdividing your farm into a hundred oneacre lots, regardless of who sits on the county council."

For any such statewide program to work, the State would once again need to articulate criteria governing land use in mapped resource areas. [See box for details of how such a program could work.] Such criteria would be a logical adjunct to the development-ready Priority Funding Areas established under the Smart Growth policy. At the same time, local governments would map their own resource lands and integrate such maps into their long-range plans. While local jurisdictions would remain responsible for land-use decisions, they would be handled under the umbrella of state oversight and regulation.

Such a far-reaching idea would surely set off a political firestorm. But there can be little doubt that the looming threat to Maryland's natural resources – and indeed the state's quality of life – requires a dramatic response. Others involved in the issue are sounding similar alarms. The

A STATEWIDE APPROACH

A new statewide program would draw on basic structural elements of the Critical Area program and define state and local responsibilities for protecting resources lands in a manner that integrates state criteria, local implementation and state oversight. Such a program would:

- 1. Define the State's compelling interest in protecting its resource lands, consistent with established State policy and goals.
 - * The intrinsic value of farm and forest land to the state's economy
 - Protecting water quality of the Chesapeake Bay
 - * Building successful communities by funneling public and private investment for development into Priority Funding Areas.
- 2. Articulate State criteria for identifying and mapping protected resource lands that apply to all local jurisdictions.
- Delegate to local governments the task of mapping resource lands under their jurisdiction and integrating the resulting resource protection areas into their comprehensive plans.
- 4. Develop State criteria governing land use, density and location of development in mapped resource areas.
- 5. Delegate to local jurisdictions responsibility for bringing their land-use plans and ordinances into compliance with the state criteria and for making land use decisions consistent with these criteria. Local jurisdictions would be responsible for reviewing permit applications, requests for variances and applications for subdivisions within their resource areas, subject to state oversight.
- 6. Define a State oversight role to assure local compliance with criteria governing mapping of resource areas, land use decisions and proposed amendments to land use plans and implementing ordinances that affect land use activities in mapped resource areas.
- 7. Jettison the growth allocation concept and develop a new mechanism to provide local jurisdictions flexibility to open resource lands to development.
 - * Reassignment of resource lands to a pro-development district should be based on a rational planning process rather than ad hoc responses to requests from developers to use resource land for specific projects.
 - * Reassignment of resource lands should be based on a demonstration of need for the land. The State can set a goal of maintaining an inventory of developable land in PFAs to meet demand over a defined period, perhaps 20 years. The boundaries of resource protection districts could be adjusted every few years as needed to maintain a perpetual 20-year inventory of developable land in planned growth areas.
 - * Resource land reassigned to a PFA would be subject to the minimum density standard that applies in PFAs.
 - * Resource lands reassigned to a pro-development district must be located adjacent to established communities or PFAs. Exceptions can be made for reassigning resource land for use in a new "stand alone" community that meets defined standards for new communities.
- 3. Develop mechanisms for "sunsetting" undeveloped lots of record in resource conservation areas.

Chesapeake Bay Foundation recently declared that the ongoing voluntary agreement among states to clean up the Bay is inadequate and should be replaced with a new multi-state agency empowered to enforce land-use policies.

In Maryland, expanding the Critical Area approach to protecting forests and farmland statewide would represent a pragmatic solution to a far-reaching problem. While it would require vision, courage and steadfastness, it is not infeasible, any more than regulation of shore-line development was infeasible two decades ago.

No longer can the State assert that the only "critical" areas of the state lie within 1.000 feet of the water.

Saunders C. Hillyer, a planning consultant and attorney directs the consulting firm, Metropolitan Strategies.

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created to find the citizenry's
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is available in both newsletter
and "full report" format on
The Abell Foundation's website
at www.abell.org

ABELL SALUTES:

Continued from page 1

The Abell Foundation.

NCP targets vacant houses in the neighborhoods with a healthy real estate market which, left unattended, depress home sales and housing values. The broad elements of NCP include the coordination of enhanced code enforcement, marketing, community organizing, acquisition and rehabilitation loan programs, and a land banking function comprised of intervention buying, stabilization and interim maintenance, selective demolition and disposition. The intent is for NCP to coordinate public and private sector tools such as homeowner rehabilitation and rehab loans with community organizations and prospective homebuyers so abandoned properties can be either be rehabilitated or demolished and title to the property cleared to enable future site development.

NCP targets locations that are classified as Stabilization and Reinvestment areas per Baltimore's housing market study. Compared to citywide averages, household incomes are higher. And there is a higher percentage of homeowners in Stabilization and Reinvestment areas. Federal housing programs are generally not available for use in these neighborhoods, primarily due to income restrictions.

In the first year NCP reviewed 400

properties within 54 Baltimore neighborhoods from Brooklyn in the southwest to St Helena in the southeast.

NCP identified 71 properties in 27 neighborhoods for acquisition during the first year of operation. HCD's land resources department and community law center are undertaking the actual acquisition of the properties under either municipal powers of eminent domain, receivership actions filed against the last known owners of record, or negotiated sale. The acquisition process takes a minimum of six months to complete under the best of circumstances. Two properties have already been acquired.

Selective Demolition and **Disposition**

Eighteen blighted structures were demolished, four located adjacent to the Garwyn Oaks Mayor's Healthy Neighborhood Initiative area: several third party sales have been brokered. Another property has been sold to the Maryland League for People With Disabilities for use as a "sensory garden" for the League's clients; NCP funded the demolition of the blighted structure. Another parcel will enlarge an existing adjacent City playground, and two others are slated for sale to adjoining neighbors to enlarge their existing side or back yards, which will both enhance the value of their property and return the land

to municipal tax rolls.

While the particular development plan for each of the 52 properties varies, the ability of NCP to focus upon individual properties has and will continue to bear positive results. Many of the properties selected for acquisition under NCP were not only blighting influences within heir neighborhoods, but cost the city thousands of dollars in lost tax revenue and maintenance expenditures.

As with any new program the initial year of operation presented challenges to be resolved. HCD has addressed one of these challenges by assigning existing staff NCP responsibilities. A real estate officer has been assigned from HCD's Office of Acquisition and Relocation; the use of a rehabilitation technician from HCD's Office of Rehabilitation Services has been supplied when requested. A second challenge the program faces is experienced property owners who undertake various delaying tactics upon learning of its plans to demolish or acquire the blighting property. HCD has enacted procedures to curtail such practices including denying the issuance of permits to property under condemnation in certain cases.

The Abell Foundation salutes the NCP and its director, Blair Griffith, for NCP's targeted interventions, helping struggling neighborhoods to build on existing strengths.