



The 4200 Block of Parkside Drive in Belair-Edison (July 4th, 2009).

Healthy Neighborhoods NSP 2 Application

Baltimore, Maryland

Application Identification: 308558434

APPLICATION CHECKLIST

Section 1: Application Forms

- _____ SF424, Application for Federal Assistance
- _____ SF424 Supplement, Survey on Ensuring Equal Opportunity for Applicants
- _____ NSP2 Non-profit Organization Qualification Narrative and Evidence of Nonprofit Status of Lead Applicant and Private Nonprofit Consortium Members
- _____ Consortium Agreement
- _____ Program Summary

Section 2: Narrative Statements Addressing:

- _____ Factor 1: Need and Market Conditions, pages 1 - 10
- _____ Factor 2: Demonstrated Capacity, pages 11 - 21
- _____ Factor 3: Soundness of Approach, pages 22 - 35
- _____ Factor 4: Leveraging, Integration, Removal of Negative Effects, pages 36 - 37
- _____ Factor 5: Energy Efficiency, pages 37 - 38
- _____ Factor 6: Neighborhood Transformation and Economic Opportunity, pages 39 - 41

Section 3: Disclosures

- _____ SFLLL Disclosure of Lobbying Activities
- _____ HUD 2880, Applicant/Recipient Disclosure Update Report

Section 4: Appendix 1, Required Appendices

- _____ Target Geography, Census Tracts & Foreclosure/Vacancy Indices (NOFA page 20) and map
- _____ Copy of Code of Conduct
- _____ Leveraging Documentation – firm commitment letters
- _____ Signed Certifications
- _____ Calculation of Removal of Negative Effects Using HUD Rubric
- _____ Summary of Citizen Comments and URL Site of Plan Posting
- _____ Documentation of Firm Commitment from For Profit Partner
- _____ Definitions of “blighted structure”, “affordable rents” description of housing rehabilitation standards, and description of energy efficiency standards

Section 5: Appendix 2, Narrative Referenced Exhibits

- _____ List of Board of Directors of Healthy Neighborhoods, Inc.
- _____ Diagrams showing management structure for each consortium member and partner

Application for Federal Assistance SF-424		Version 02
*1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	*2. Type of Application * If Revision, select appropriate letter(s) <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation *Other (Specify) _____ <input type="checkbox"/> Revision	
3. Date Received:		4. Applicant Identifier:
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
*a. Legal Name: Healthy Neighborhoods, Inc.		
*b. Employer/Taxpayer Identification Number (EIN/TIN): 30-0272104		*c. Organizational DUNS: 831234757
d. Address:		
*Street 1:	2 E. Read Street _____	
Street 2:	2nd Floor _____	
*City:	Baltimore _____	
County:	Baltimore City _____	
*State:	Maryland _____	
Province:	_____	
*Country:	United States _____	
*Zip / Postal Code	21202 _____	
e. Organizational Unit:		
Department Name: N/a		Division Name: N/a
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: Mr. _____	*First Name: Mark _____	
Middle Name: _____		
*Last Name: Sissman _____		
Suffix: _____		
Title: President		
Organizational Affiliation: Healthy Neighborhoods, Inc.		

*Telephone Number: (410) 332-0387 x161

Fax Number: (410) 837-4701

*Email: MSissman@healthyneighborhoods.org

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

M

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:** Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14-256

CFDA Title:

Neighborhood Stabilization Program (Recovery Act Funded)

***12 Funding Opportunity Number:**

FR-5321-C-01

*Title:

Neighborhood Stabilization Program (Recovery Act Funded)

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Baltimore, MD (Census tracts 601, 602, 801.01, 903, 905, 906, 1204, 1301, 1302, 2602.02, 2603.01, 2603.02)

***15. Descriptive Title of Applicant's Project:**

Healthy Neighborhoods NSP2 Project

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: 2,7

*b. Program/Project: 2,7

17. Proposed Project:

*a. Start Date: Month 1

*b. End Date: Month 36

18. Estimated Funding (\$):

*a. Federal	\$26,092,880.00
*b. Applicant	\$0.00
*c. State	\$0.00
*d. Local	\$0.00
*e. Other	\$0.00
*f. Program Income	\$0.00
*g. TOTAL	\$26,092,880.00

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

Yes No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

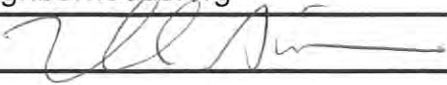
Authorized Representative:

Prefix: Mr. _____

*First Name: Mark _____

Middle Name: _____

*Last Name: Sissman _____

Suffix: _____	
*Title: President	
*Telephone Number: (410) 332-0387 x161	Fax Number: (410) 837-4701
* Email: MSissman@healthyneighborhoods.org	
*Signature of Authorized Representative: 	*Date Signed: 7/0/09

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)

Prescribed by OMB Circular A-102

***Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

N/a.

SF424 Supplement, Survey on Ensuring Equal Opportunity for Applicants

The completed survey form is enclosed in the front inside pocket of the application binder in the sealed envelope labeled "Applicant Survey."

SURVEY ON ENSURING EQUAL OPPORTUNITY FOR APPLICANTS

OMB No. 1890-0014 Exp. 2/28/2009

Purpose: The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

Instructions for Submitting the Survey: If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

Applicant's (Organization) Name: Healthy Neighborhoods, Inc.

Applicant's DUNS Number: 831234757

Grant Name: Neighborhood Stabilization Program 2 CFDA Number: 14.256

1. Does the applicant have 501(c)(3) status?
 Yes No
2. How many full-time equivalent employees does the applicant have? *(Check only one box.)*
 3 or Fewer 15-50
 4-5 51-100
 6-14 over 100
3. What is the size of the applicant's annual budget?
(Check only one box.)
 Less Than \$150,000
 \$150,000 - \$299,999
 \$300,000 - \$499,999
 \$500,000 - \$999,999
 \$1,000,000 - \$4,999,999
 \$5,000,000 or more
4. Is the applicant a faith-based/religious organization?
 Yes No
5. Is the applicant a non-religious community-based organization?
 Yes No
6. Is the applicant an intermediary that will manage the grant on behalf of other organizations?
 Yes No
7. Has the applicant ever received a government grant or contract (Federal, State, or local)?
 Yes No
8. Is the applicant a local affiliate of a national organization?
 Yes No

NSP2 Nonprofit Organization Qualification

Healthy Neighborhoods, Inc. is a duly qualified private nonprofit organization incorporated under the laws of the State of Maryland, and as such is an eligible applicant for NSP2 funding. Its IRS determination letter is on the following page.

IRS determination letters for the private nonprofit members of the consortium in which Healthy Neighborhoods, Inc. serves as the lead applicant can also be found following this page. The City of Baltimore, a member of the consortium, is an incorporated subdivision of the State of Maryland.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **FEB 14 2005**

HEALTHY NEIGHBORHOODS INC
C/O MARK SISSMAN
2 E READ ST
BALTIMORE, MD 21202-2470

Employer Identification Number:
30-0272104
DLN:
17053257015014
Contact Person:
JAMES A BRANDES ID# 31150
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
509(a)(3)
Form 990 Required:
Yes
Effective Date of Exemption:
February 26, 2004
Contribution Deductibility:
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

If you distribute funds to other organizations, your records must show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence the funds will be used for section 501(c)(3) purposes.

If you distribute funds to individuals, you should keep case histories showing the recipient's name and address; the purpose of the award; the manner of selection; and the relationship of the recipient to any of your officers, directors, trustees, members, or major contributors.

Letter 947 (DO/CG)

HEALTHY NEIGHBORHOODS INC

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in cursive script that reads "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c) (3)

Internal Revenue Service

Date: March 24, 2006

CHESAPEAKE HABITAT FOR HUMANITY
INC
3326 KESWICK RD
BALTIMORE MD 21211-2629

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Judy Simonson 31-04016
Correspondence Specialist/Screeners
Toll Free Telephone Number:
877-829-5500
Federal Identification Number:
52-1226188

Dear Sir or Madam:

This is in response to your request of March 24, 2006, regarding your organization's tax-exempt status.

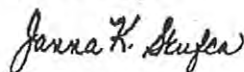
In June 1982 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

Internal Revenue Service

Department of the Treasury

District
Director

Baltimore District

31 Hopkins Plaza, Baltimore, Md. 21201

P.O. Box 13163, Room 817
Baltimore, MD 21203

▷ March 13, 1996

DRUID HEIGHTS COMMUNITY DEVELOPMENT
CORPORATION INC
1821 MCCULLOH STREET
BALTIMORE, MD 21217

Employer Identification Number:
52-1021726

Person to Contact:
EP/EO Tax Examiner

Telephone Number:
(410) 962-6058

Dear Sir/Madam:

This is in response to your inquiry dated March 7, 1996, requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code effective February, 1976. We have also determined that the organization is not a private foundation because it is described in section 509(a)(2).

Donors may deduct contributions to you under section 170 of the Code.

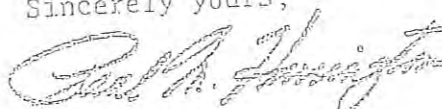
As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

A copy of our letter certifying the status of the organization is not available, however, this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,



Paul M. Harrington
District Director

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
31 HOPKINS PLAZA
BALTIMORE, MD 21201

DEPARTMENT OF THE TREASURY

Date: JUL 16 1992

THE ST AMBROSE HOUSING AID CENTER
INC
321 E 25TH ST
BALTIMORE, MD 21218

Employer Identification Number:
62-1729460

Contact Person:
MS. D. SCHAAL

Contact Telephone Number:
(410) 962-4773

Accounting Period Ending:
June 30

Form 990 Required:
YES

Addendum Applies:
YES

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Letter 947(DO/CS)

THE ST AMBROSE HOUSING AID CENTER

Donors may deduct contributions to you as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

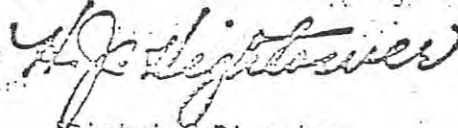
If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

THE ST AMBROSE HOUSING AID CENTER

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

Enclosure(s):

Addendum



BALTIMORE HOUSING

SHEILA DIXON
Mayor

PAUL T. GRAZIANO
Executive Director, HABC
Commissioner, HCD

MEMORANDUM

To: Honorable Madam President and Members
of the Board of Estimates

From: Paul T. Graziano, Commissioner

Date: June 23, 2009

Subject: Approval for DHCD to be member of Consortium for Neighborhood Stabilization
Program 2 Application

Dear Madam President and All Members:

ACTION REQUESTED OF B.O.E.:

Your Honorable Board is requested to approve HCD's participation in a consortium which will apply for Federal Stimulus funding under a competitive grant program being offered through the U.S. Department of Housing and Urban Development. HCD will join a group of nonprofits in applying for the funds. A requirement of the application is that: all members enter into a consortium agreement designating a lead applicant, which will be Healthy Neighborhoods, Inc.; pledge their cooperation; and, assure compliance with all required rules, regulations and laws. HCD's role in this consortium, which joined together at HCD's encouragement, will be to monitor the program for consistency with the Federal regulations, and to perform environmental reviews of properties to be acquired and renovated with funds from the program.

AMOUNT OF FUNDS AND SOURCE:

NO CITY FUNDS ARE REQUESTED THROUGH THIS ACTION.



BACKGROUND/EXPLANATION:

The Neighborhood Stabilization 2 program is part of the Federal Housing and Economic Recovery Act and seeks to provide funds for neighborhood stabilization activities. Healthy Neighborhoods, Inc., in cooperation with St. Ambrose Housing Aid Center, Druid Heights Community Development Corporation, and Chesapeake Habitat for Humanity, will purchase, renovate and resell vacant and foreclosed houses in the neighborhoods of Belair Edison, Coldstream-Homestead-Montebello, Better Waverly, Ednor Gardens, Patterson Park and Reservoir Hill. In addition, the for-profit, Telesis, Inc. has submitted a firm commitment to provide these same activities in Barclay. If funded, these activities will be carried out over a three year period under the auspices of Healthy Neighborhoods as the lead applicant. The Department of Housing's role will be monitoring for compliance with all HUD regulations and performing the required environmental reviews.

The application is built on the premise that intervention in these markets can help stabilize the real estate market and position them for success when the eventual economic recovery occurs. These activities will provide more opportunities for quality home ownership in these neighborhoods in which Healthy Neighborhoods has been active for the most part for almost nine years. It will utilize the skills of community based development organizations to purchase, renovate and resell homes which are either foreclosed or vacant.

MBE/WBE:

Not applicable.

BALTIMORE CITY RESIDENTS FIRST (BCRF):

BCRF applicable: yes; no

If not, why: professional service contract
 emergency contract
 contract under \$24,999.01

BCRF Certification Statement completed and returned to Agency:

yes; no

APPROVED BY THE BOARD OF ESTIMATES:

Bernice N. Taylor

JUL 01 2009

Clerk

Date

NSP 2 application
June 23, 2009
Page 3 of 3

cc: Her Honor, The Mayor

Attachment: Consortium Agreement

Contact: Stacy Freed 6-3238

CONSORTIUM AGREEMENT

THIS CONSORTIUM AGREEMENT (this "Agreement") is made and entered into this ___ day of JUL 01 2009, 2009, by and between the Mayor and City Council of Baltimore, a municipal corporation of the State of Maryland, acting by and through the Department of Housing and Community Development (the "City"), and Healthy Neighborhoods, Inc., Saint Ambrose Housing Aid Center, Druid Heights Community Development Corporation and Chesapeake Habitat for Humanity (the "Consortium Members").

WITNESSETH

WHEREAS, the Consortium Members desire to enter into a Consortium in connection with their application for Neighborhood Stabilization Program 2 (NSP2) funds;

WHEREAS, the Consortium Members are ready, willing and able to enter into a Consortium;

WHEREAS, the Consortium Members desire to cooperatively implement program activities as described in its application for NSP2 funds; and

WHEREAS, the Consortium Members are ready, willing and able to implement such activities;

NOW THEREFORE, in consideration of the premises, and the mutual covenants and obligations herein contained, for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **BASIC OBJECTIVES**: The Consortium Members agree to work cooperatively in implementing program activities as described in its application for NSP2 funds in connection with the Notice of Funds Availability for NSP2 issued by the Department of Housing and Urban Development ("HUD") on May 4, 2009 and as amended by the corrections issued by the Department of Housing and Urban Development on June 11, 2009. A copy of the Notice of Funding Availability and the Corrections are attached hereto as **Exhibit A**. Consortium Members further agree to comply with all NSP2 requirements.

2. **TIME OF PERFORMANCE**: This Agreement shall begin upon approval by the City's Board of Estimates and the signatures of duly authorized Consortium Members and end on March 31, 2014, unless such time is extended by written agreement of the parties,

executed in the same manner as this Agreement. The term of this Agreement and the provisions herein shall automatically be extended to cover any additional time period during which any Consortium Members remains in control of NSP2 funds or other NSP2 assets, including program income, resulting from the Consortium's NSP2 program.

3. **APPOINTMENT OF LEAD MEMBER:** The Consortium Members hereby appoint Healthy Neighborhoods, Inc. to serve as Lead Member of the Consortium.

4. **RESPONSIBILITIES OF LEAD MEMBER:** The Lead Member assumes the responsibility of acting in a representative capacity for all Consortium Members as required by HUD in its Notice of Funds Availability for NSP2. The Lead Member further assumes responsibility for ensuring the Consortium's NSP2 program is carried out in compliance with all statutory and regulatory requirements applying to the use of NSP2 funds and in substantial compliance with the Consortium's NSP2 application. The Lead Member shall also be responsible for executing all funding requirements as required in Notice of Funding Availability and Correction.

5. **MAINTENANCE AND EXAMINATION OF RECORDS:** Each Consortium Member assumes the responsibility of maintaining such records as are required by HUD and as are necessary for the Lead Member to ensure compliance of the Consortium's NSP2 program with all applicable requirements and with the Consortium's NSP2 application. The Consortium Members agree that any duly authorized representative of the Lead Member shall, until the expiration of five (5) years after the expiration of this Agreement, or such longer period as may be required due to an audit finding, upon reasonable notice, have access to and the right to examine any books, documents, papers and records of the Consortium Members, involving transactions related to the Consortium's NSP2 program.

6. **FUNDING AGREEMENTS:** Provided that the Consortium's NSP2 application is deemed fundable by HUD, Consortium Members hereby agrees to execute a Consortium Funding Agreement, as required by the Notice of Funding Availability for NSP2 funds, no later than December 1, 2009 subject to the authorization and approval by the duly authorized representative of each Consortium Member.

7. **STATES, INDIAN TRIBES, AND UNITS OF GENERAL LOCAL GOVERNMENT:**

Any Consortium Member that is a state, an Indian tribe, or a unit of general local government is hereby authorized to assume all responsibility for environmental review, decision-making, and action for proposed projects within its jurisdiction on behalf of the Consortium in accordance with the requirements of 24 CFR Part 58.

8. **LEGAL AUTHORITY:**

A. Each Consortium Member assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement.

B. The person signing and executing this Agreement on behalf of the Consortium Members hereby represents and warrants that he/she has been fully authorized by its respective Consortium Member to execute this Agreement on behalf of the Consortium Member and to validly and legally bind the Consortium Member to all the terms, performances and provisions herein set forth.

9. **DISBURSEMENT:**

A. The Lead Member shall disburse to Consortium Members grant funds in accordance with the terms of the HUD Grant Agreement.

B. The Lead Member agrees that all expenditures are to be in accordance with the terms of this Agreement. Consortium Members further agree to comply with the requirements contained in the applicable State or Federal grant manuals as revised from time to time.

10. **MINORITY AND WOMEN'S BUSINESS OPPORTUNITY REQUIREMENT:**

If applicable, Article 5, Subtitle 28 of the Baltimore City Code (2000 Edition), as amended is incorporated into this Agreement by reference. The failure of Consortium Member to comply with this Subtitle is a material breach of contract.

11. **REPORTS:**

Consortium Members shall submit quarterly narratives and statistical reports to include but not limited to the status of the project administered by the Consortium Members to include but not limited to: design and construction benchmarks, a summary of the work performed by contractor(s), status of work performance and estimated date(s) completion, the incomes of households served, and the expenditure of Grant funds with full documentation to substantiate the transaction. The reports shall be in accordance with the format and content required in the final Grant Agreement as defined by HUD.

12. **AUDITS:**

As applicable, Consortium Members, in receiving federal funds are required to comply with the requirements of the Federal Office of Management and Budget (OMB) Circular A-133. Each Consortium Member is responsible for having an audit performed in accordance with and when required by OMB Circular A-133 and for sending a copy of the report issued as a result of the audit to the City within thirty (30) days of the audit report's issuance. The City reserves the right to engage an auditor, and the Baltimore City Department of Audits reserves the right to perform an OMB Circular A-133 audit, of the Consortium Member. The Baltimore City Department of Audits reserves the right to perform quality control review procedures with regard to the independent auditor engaged, to assure that the auditor is qualified and meets Government Accounting Office standards, as well as to evaluate the scope of the audit engagement to assure it complies with OMB requirements.

13. **INDEMNIFICATION:**

Consortium Members shall indemnify and hold harmless the Mayor and City Council of Baltimore, its elected/appointed officials, departments, employees, agents, servants, and volunteers from any and all claims, demands, suits, and actions, including reasonable attorneys fees connected therewith, brought against the Mayor and City Council of Baltimore, its elected/appointed officials, departments, employees, agents, servants, and volunteers arising as a result of any direct or indirect, willful, or negligent act or omission of the Consortium Members pursuant to the performance of this Agreement.

14. **TERMINATION FOR CAUSE:**

This Agreement shall be considered null and void in the event the Consortium's application is not approved for funding by the Department of Housing and Urban Development.

15. **GOVERNING LAW:**

This Agreement shall be construed by and governed under the laws of the State of Maryland. Furthermore, the parties agree that any suits or actions brought by either party against the other shall be brought in a court of appropriate jurisdiction in Baltimore City.

16. **WAIVER/CUMULATIVE REMEDIES:**

No failure by the City to exercise and no delay in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

17. **RETENTION OF RECORDS:**

Consortium Members shall retain and maintain all records and documents relating to this Agreement for a minimum of five (5) years after the termination of this Agreement. The accounting records and all supportive documentation shall be maintained in such a manner that will provide for a separation between direct and indirect costs. If any Consortium Member shall go out of existence, custody of the records will be immediately transferred to the CITY.

18. **SEVERABILITY:**

Each provision of this Agreement shall be deemed to be a separate, severable and independently enforceable provision. The invalidity or breach of any provision shall not cause the invalidity or breach of the remaining provisions or of the Agreement, which shall remain in full force and effect.

19. **HEADINGS:**

The headings or titles contained herein are merely for the convenience of the parties and shall have no effect upon the construction of this Agreement.

20. **RECITALS:**

The Recitals are hereby incorporated as part of this Agreement.

21. **MULTIPLE ORIGINALS:**

This Agreement shall be executed in multiple copies, each of which shall be deemed an original.

22. **ENTIRE AGREEMENT:**

This Agreement constitutes the entire and full understanding between the parties hereto, and neither party shall be bound by any representations, statements, promises or Agreements not expressly set forth herein.

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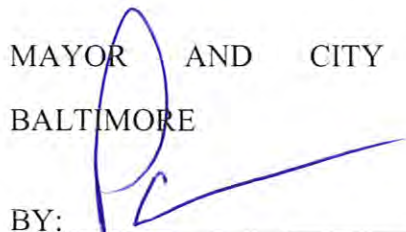
IN WITNESS WHEREOF, the parties hereto evidence their agreement to the above terms and conditions by having caused this Agreement to be executed, sealed and delivered the day and year first above written.

ATTEST:



CUSTODIAN OF THE CITY SEAL

MAYOR AND CITY COUNCIL OF
BALTIMORE



BY: _____ (SEAL)
Paul T. Graziano, Commissioner
Department of Housing and Community
Development

ATTEST:

BY: 

Witness

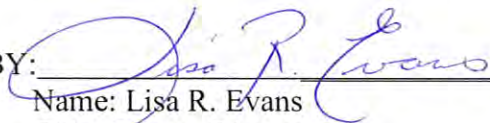
CONSORTIUM MEMBERS

BY: 

(SEAL)
Name: Mark Sissman
Title: President
Healthy Neighborhoods Inc.

BY: 

Witness

BY: 

(SEAL)
Name: Lisa R. Evans
Title: Deputy Director
Saint Ambrose Housing Aid Center

BY: 

Witness

BY: 

(SEAL)
Name: Mike Mitchell
Title: Chief Executive Officer
Chesapeake Habitat for Humanity

BY: 
Witness

BY:  (SEAL)
Name: Kelly Little
Title: Executive Director
**Druid Heights Development
Corporation**

APPROVED BY THE BOARD OF ESTIMATES:

BY:  10/01 2009
Clerk Date

APPROVED FOR FORM AND LEGAL SUFFICIENCY:


BY: 
Assistant City Solicitor

EXHIBIT "A"

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR_5321-N-01]

**Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under
the American Recovery and Reinvestment Act, 2009**

Available at

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp2_nofa.pdf>

**NSP2 APPLICATION OF HEALTHY NEIGHBORHOODS, INC.,
LEAD APPLICANT, IN CONSORTIUM WITH THE PRIVATE AND PUBLIC
NON-PROFIT ORGANIZATIONS OF
ST. AMBROSE HOUSING AID CENTER, HABITAT FOR HUMANITY OF
THE CHESAPEAKE, DRUID HEIGHTS COMMUNITY DEVELOPMENT
CORPORATION, AND THE CITY OF BALTIMORE DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT, AND IN PARTNERSHIP
WITH THE FOR-PROFIT
“TELESIS BALTIMORE CORPORATION”**

PROGRAM SUMMARY

Healthy Neighborhoods, Inc., a nonprofit partnership of foundations, banks, government and community organizations is the lead applicant for NSP2 funds and will be working in consortium with three nonprofit organizations with proven capacity in successful community development, housing redevelopment and neighborhood stabilization efforts, and the City of Baltimore Department of Housing and Community Development. In addition to the consortium of non-profit organizations, the Telesis Baltimore Corporation, a for-profit entity will be a partner. The group, the “Healthy Neighborhoods NSP2 Team” is applying for \$26,092,880 in NSP2 funds. The NSP2 funds will be leveraged by other public and private funding.

For more than forty years, Baltimore has been devising and implementing strategies and providing funding to stimulate reinvestment in its most troubled neighborhoods – a classic urban renewal model - only to see the number of neighborhoods and blighted areas requiring large scale intervention and renewal, expand and grow. Beginning in the late 90’s there was a growing recognition that there also needed to be strategies to protect and preserve the City’s middle neighborhoods to keep them from deterioration and disinvestment and thereby avoid the more costly interventions and drastic renewal efforts that accompany widespread blight.

Weak real estate markets have a tremendously negative impact on low and moderate income households. Homeownership is the principal means for Americans to build assets, but in weak housing markets sales prices are too often stagnant or even declining. Instead of building assets, many households find themselves in an untenable position. They cannot sell because prices are too low to allow a successful move, and they cannot improve their homes because the costs can’t be recaptured as increased value.

The realization grew that it was crucial to Baltimore’s future to find ways to retain and grow this middle income, lower middle income and working income strata of homeowners and taxpayers. Baltimore would otherwise risk becoming a community of only the very wealthy and the very poor without sufficient taxes to deliver the services and maintain the city’s infrastructure. This perverse cycle can only be broken by re-establishing confidence in the neighborhoods and strengthening housing prices. In 2000, Baltimore’s newly elected Mayor, Martin O’Malley, recognized the profoundly weak real estate market in Baltimore, and he announced that his administration would build from strength and upon the functional real

estate markets, and invest the city's scarce resources in ways that would produce returns on its investments.

Baltimore foundations, neighborhood organizations and banks stepped forward to work with the City on the creation of a new investment strategy for Baltimore's "in the middle" neighborhoods – those on the precipice of decline that require modest investment to stem decline and build value. Investment in these neighborhoods, it was argued, could not only arrest decline but also help all homeowners, especially low-to-moderate income homeowners, retain and increase their equity as well as increase the city's tax base. This was, and remains the basis for Healthy Neighborhoods. Based upon detailed analysis of housing conditions and real estate market data and a competitive process a group of "in the middle" neighborhoods was selected for participation in the Healthy Neighborhoods program.

These are neighborhoods that have suffered from racism (blockbusting), illegal and irresponsible investment, FHA scandals, decrease in population, social issues, competition from welcoming suburbs with fewer problems, and now the impacts of fraudulent home flipping and predatory lending, a declining economy, and lack of credit. It is just this kind of neighborhood that is targeted for the NSP2 program.

This new Baltimore neighborhood strategy was aimed at building neighborhood assets, particularly the value of homes, so homeowners and landlords could view investment in Baltimore's neighborhoods as a good one. While Baltimore's often modest housing values are appealing to many, they can readily discourage continued investment. The low values and limited appreciation prevent homeowners from undertaking major improvements and discourage purchase or renovation by homebuyers concerned about low equity growth. It was argued, if housing prices and rents increased, long-term homeowners could recoup lost equity, new and existing homeowners could make older homes more modern and viable, and landlords would have additional incentives to renovate and maintain their rental properties.

As reported in a 2004 monograph by housing consultant David Boehlke for the Goldseker Foundation, *Great Neighborhoods, Great City*, "Baltimore is beginning to deploy an innovative strategy for 'in the middle' communities – the neighborhoods that do not grab headlines for high rates of crime and vacancy but that also do not get much attention and attract only limited investment." Boehlke concluded, "Neighborhoods in the middle are vital to Baltimore's future. Given the City's loss of population and physical decay ...it is absolutely clear that the City needs the social and financial investment that residents of such neighborhoods can offer." These communities are the taxpaying backbone of the City; they cannot afford to be lost.

For nine years the innovative Healthy Neighborhoods partnership has had a profound impact upon middle neighborhoods. Healthy Neighborhoods offers innovative tools and strategies in partnership with non-profit community-based organizations by:

- (1) providing below market rate bank financing at up to 120% of after rehab value to enable new buyers to rehab their new homes to a greater than code standard to encourage market building value;

- (2) funding grants for small block projects and larger capital projects to help to create connections among neighbors and, at the same time, create visible improvement of the neighborhood;
- (3) building on neighborhood strengths, rather than preoccupation with its problems;
- (4) orienting community organization staff toward community marketing and assisting the strategy and be marketers as well;
- (5) emphasizing the importance of communicating a positive image and marketing this image to key audiences such as realtors, lenders and target markets; and
- (6) focusing initially upon the strongest blocks in a community to build upon the strengths and values of the neighborhoods.

Healthy Neighborhoods has generated \$50 million of funding - \$40 million of below market innovative financing and \$5 million of foundation grants to support community marketing and organizing, and \$5 million of federal and city capital grant support. Healthy Neighborhoods, incorporated in 2004 as Healthy Neighborhoods, Inc. (HNI), is now active in thirty-seven communities, seven of which are part of this application. Of those, four were also included as part of the City's NSP1 targeted neighborhoods – Belair Edison, Patterson Park, Better Waverly, and Reservoir Hill.

The Healthy Neighborhoods philosophy of building upon the strengths of middle neighborhoods, building homeowners' equity, organizing positive action by neighborhoods and requiring measurable outcomes has made a difference in Baltimore. Where Healthy Neighborhoods has worked and provided resources over the past seven years, real estate values are up, days on the market are down, and the number of rehabilitation permits has risen indicating owners were investing in home improvements, and vacant houses were declining or stable. Equally important, neighborhood confidence and positive activism is apparent in Healthy Neighborhoods' communities. Many homeowners experienced market appreciation for the first time.

However, as the economy and housing markets began to falter, these neighborhoods began to feel the immediate effects. Credit got tighter, values and sales dropped, days on the market increased, foreclosures became more prevalent, and eventually more houses met the City's criteria for a vacant house violation notice – blighted, uninhabitable and open to casual entry. Gains made during the past seven years are at risk.

Healthy Neighborhoods has assembled an outstanding team of community development professionals to carry out its proposed NSP2 activities. The team members and activities are summarized below. Together, the Healthy Neighborhoods NSP2 Team more than met the threshold requirement of the NOFA for completion of similar activities in the prior two year period.

All twelve of the census tracts selected for this application are at least partially included within the overall Healthy Neighborhoods program areas where market intervention activities have been underway under the auspices of Healthy Neighborhoods, Inc. The NSP2 targets are neighborhood-based and do not in all cases match up exactly with an entire census tract, although most do.

Six of the seven neighborhoods selected – Patterson Park/McElderry Park, Reservoir Hill, Belair Edison, Ednor Gardens, Better Waverly and Coldstream-Homestead-Montebello, have average homeownership rates, meet the need criteria of NSP2 and have scattered vacancies and increasing rates of foreclosure in the HNI areas that are not highly concentrated. These are classic neighborhoods “in the middle” – not fully stable, yet not showing signs of widespread blight and disinvestment either. These are communities which in prior housing market upturns did not share in market improvements enjoyed by more stable communities in Baltimore and the region. But in five of the last seven years through the efforts of the communities in concert with Healthy Neighborhoods, these neighborhoods were able to show real market improvement until 2006 or 2007. Thereafter, there are evident declines in numbers of sales and in median prices, and houses remain on the market for extensive periods of time. Coupled with increased foreclosures, the available unsold housing inventory is growing substantially.

The seventh neighborhood, the Barclay/Old Goucher community, has weaker real estate fundamentals and conditions, but also adjoins neighborhoods at its western, northern and southern edges which bring strong real estate assets, Barclay has a higher degree of blighted, uninhabitable housing, much of it owned by the Housing Authority of Baltimore which has now taken the lead in identifying a developer, Telesis Baltimore Corporation, to rebuild the community as a mixed income, mixed tenure destination. The NSP2 program intends to focus on building eastward from the strong western edge (lower Charles Village) on gateway streets and Healthy Neighborhoods target blocks as part of the first phase of the planned redevelopment.

The census tracts which comprise the target geography of this application are shown in the Appendices along with a map of the targeted areas covered by the HNI program. These communities have an average combined higher of the two indices score based on HUD data of 18.3. The neighborhoods can be aggregated into two interrelated groups based upon real estate qualities and location:

1. *Patterson Park, Reservoir Hill, and Barclay* are on the edge of Baltimore’s established central core and harbor oriented housing markets. Housing activity made tremendous gains in Patterson Park and Reservoir Hill prior to the recession driven particularly by acquisition and rehabilitation by young homebuyers. However, as a result of the recession many projects being developed by small investors are stalled or partially complete and are facing foreclosure by their lenders. What were to be community assets have turned into failed, unfinished or delayed projects, bankruptcies, foreclosures and abandonment. Barclay was the subject of extensive planning for renewal and a ten year plan has been developed to rebuild that market.

NSP2 funds will be used to stabilize the improvements made in Reservoir Hill and Patterson Park and stimulate new ones there and in Barclay, while rebuilding healthy real estate markets by acquiring, renovating and reselling foreclosed and vacant homes through a variety of mechanisms. Substantial renovation of vacant properties will be the primary activity.

- In Reservoir Hill and Patterson Park acquisition and renovation by 35 urban homesteaders is anticipated with Healthy Neighborhoods providing management, financing and design assistance with the help of neighborhood based community organizations already at work in these neighborhoods. This model has enabled more than 40 families to buy and improve homes under the auspices of Healthy Neighborhoods in the past.
- Also in Reservoir Hill the acquisition and development expertise of the Druid Heights Community Development Corporation, a CDC from an adjoining community, will be utilized to purchase some of the numerous foreclosed units in small multifamily buildings, primarily condominium structures, for rent or purchase by households with income under 50% of area median. It is anticipated 18 units will be developed.
- Building on its prior activities in the McElderry Park portion of the Patterson Park community, Habitat for Humanity of the Chesapeake will employ its model of volunteer services and sweat equity by prospective purchasers to complete more housing for eventual resale to 75 households under 50% of area median.
- In Barclay/Old Goucher, Telesis Baltimore Corporation has a commitment for site control of vacant housing owned by the Housing Authority of Baltimore City as well as City-owned vacant property acquired through prior tax sale foreclosures and will purchase outright other blighted and/or foreclosed, vacant units for its program of renovation for resale of 35 houses, complementing a separately financed companion effort to create mixed income rentals.

2. *Belair Edison, Coldstream-Homestead-Montebello, Ednor Gardens and Better Waverly* are at the center of the predatory lending and sub-prime financing that destabilized the improving housing markets in these neighborhoods. As property values improved, they were targets of promotions for home equity loans or refinancing with cash out. Some loan products were aggressive, others simply predatory. As values dropped, the economy slowed and jobs were lost, many owners found themselves in over their heads and under water with their mortgages. Foreclosures have increased. Many houses will require modest rehabilitation.

- The St. Ambrose Housing Aid Center, a member of this consortium, has a successful history of working in these four communities all of which are part of an FHA Asset Control Area. It will acquire FHA and other foreclosures, renovating the homes and reselling them to new homeowners with household income below 120% of area median. The NSP2 funds will enable St. Ambrose to substantially expand its activity in these neighborhoods both in the acquisition of a larger number of vacant and foreclosed homes and by serving a broader range of income eligible buyers, including some buyers below 50% of AMI in renovated formerly foreclosed properties.

The Healthy Neighborhoods NSP2 Team members all have substantial demonstrated experience and sufficient capacity to carry out the proposed activities described in the

application, and we are confident that together we can meet the expenditure requirements of the NSP2 program and make a dramatic impact upon the housing markets in the target areas in the three year program period.

Experience of the Baltimore NSP2 Team	
5/4/07 – 5/4/09	
	<i>Acquisition/rehab/resale or rent of foreclosed or vacant property</i>
<i>Member</i>	<i># of Units</i>
St. Ambrose Housing Aid Center	61
Habitat for Humanity	57
Telesis	208
Healthy Neighborhoods, Inc.	33
Total	359
	<i>Financing Mechanisms</i>
St. Ambrose Housing Aid Center	61
Habitat for Humanity	57
Healthy Neighborhoods	33
Baltimore Dept. of Housing	830
Total	981

The Healthy Neighborhoods NSP2 program strategy is to acquire, renovate and resell as many foreclosed and abandoned, or vacant and blighted structures as possible, to restore them to good condition and to attract new homeowners to these neighborhoods. At a minimum, we are proposing to intervene in 349 properties across the seven neighborhoods. The requirement for 25% of NSP2 funds to be utilized in abandoned and foreclosed properties that will serve households under 50% of area median will be met. This will provide housing for 71 such households. The remainder of the properties will serve a range of income groups from under 50% of area median up to 120% of area median.

These will be accomplished with the help of a variety of organizations (as identified above) and various development and financing strategies. However, the basic program is the same: to obtain site control of foreclosed and vacant homes, to complete high quality, energy efficient and accessible renovations, and then resell or rent to income-eligible purchasers or renters utilizing secondary financing mechanisms (NSP2 monies) as necessary to make homes affordable and to preserve affordability over time. This will occur primarily in single family properties.

Demolition is not a viable strategy for these neighborhoods. Baltimore is a rowhouse city, and demolition of selected properties does not solve problems, it creates new ones and is expensive to carry out. Some homes in three of the neighborhoods, Reservoir Hill, Ednor Gardens and Patterson Park have historic designations.

We will track, as we already do through the Healthy Neighborhoods program, the results and impacts of these efforts as well as the overall real estate trends in the targeted neighborhoods to assure success and report results. We have a standard set of metrics which are tracked and reported upon quarterly to the Healthy Neighborhoods Board of Directors. The

Commissioner of the Baltimore City Department of Housing is a member of the Board as is the Deputy Secretary of Maryland's Department of Housing and Community Development and prominent business and bank executives, foundation and real estate industry leaders. This data is provided to our neighborhood partners and made available on the Healthy Neighborhoods website. Progress on the NSP2 program will be reported and regularly updated on the website.

Some buyers of renovated homes and some homesteaders will qualify to utilize the Healthy Neighborhoods purchase or purchase/rehab loan program -- a below market (currently 4.1% interest) rate loan. No mortgage insurance is required. The low interest rate will widen the affordability window substantially for those qualified buyers which should help reduce in some cases, the amount of write-down or subsidy that might be necessary to reach a lower income buyer. This will leverage and stretch the impact of the NSP2 funds.

Recent dramatic increases in electric rates in the State of Maryland have made consumers very conscious of energy conservation and the need for energy efficiency. There has also been a recent increase in the City's water rates. HUD's mandate for energy efficient features in NSP2 housing will, we believe, be a very positive marketing tool for homes that are renovated. In addition, the NSP2 Team has identified a number of additional "green" features to which it will commit. Furthermore, the central urban locations of these neighborhoods assures their accessibility to the City's public transportation system, and in some communities to the rail commuting system, an important factor in attracting BRAC (Base Realignment and Closure) workers in Aberdeen and Fort Meade, and Washington, DC workers who see Baltimore as a Washington, DC suburb.

The availability of high quality housing at an affordable price, preferred financing, the continuing efforts of the community-based groups working in Healthy Neighborhoods on organizing, block improvement and small capital projects, school improvement, better policing, and improving neighborhood commercial strips, will all contribute to reinvigorating the markets in these neighborhoods. They will help bring them back to greater health during the three year NSP2 effort and will well-position them for the eventual economic recovery. Without intervention, the declines being seen will only continue to grow, likely to a point where much more dramatic renewal efforts will be necessary. This is the history of Baltimore neighborhood decline. And, as we know, boarded vacant homes and evident destabilization as a result of posted foreclosure auction notices on properties undermines confidence of both prospective new purchasers and existing owners.

HNI's experience in qualifying and lending to new and existing homeowners in these neighborhoods and underwriting City-funded matching rehab grants indicates that there is demand to purchase quality homes by buyers who were priced out when the market was at its height. However, it takes some subsidy to make this possible. This experience provides confidence that by using NSP2 funds to subsidize the cost of acquisition and renovation using a variety of financing options for both development and purchase, we will be able to make these homes affordable to the buyers with incomes below 50% of AMI and below 120% of AMI. HNI has the systems in place to disburse funds to its team members on a timely basis.

Because there is a program infrastructure already in place serving these targeted neighborhoods, and a network of community development entities with experience and capacity, we are well-positioned to move immediately into implementation and to provide the necessary supports to be successful in attracting buyers and stabilizing the housing market through new investment. All HUD required housing counseling will be provided to new buyers. There are existing HUD-certified counseling organizations providing services in the Healthy Neighborhoods communities. Where there is no counseling organization, such as in Barclay, St. Ambrose will provide the buyer counseling.

The City will oversee the program by monitoring for program compliance and long term affordability of rental units, and will do HUD environmental clearances. Healthy Neighborhoods, Inc. has a strong finance and auditing system in place as required to assure all members of the Healthy Neighborhoods NSP2 Team can implement the program in accordance with requirements and in conformance with all applicable rules and regulations. It will contract with a professional CPA for internal auditing services.

The NSP2 funds will be value-added to commitments already made to program initiatives and financing for homes in these neighborhoods, and will allow for greater removal of the destabilizing influences of vacant foreclosed properties and vacant and blighted properties.

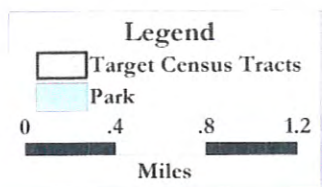
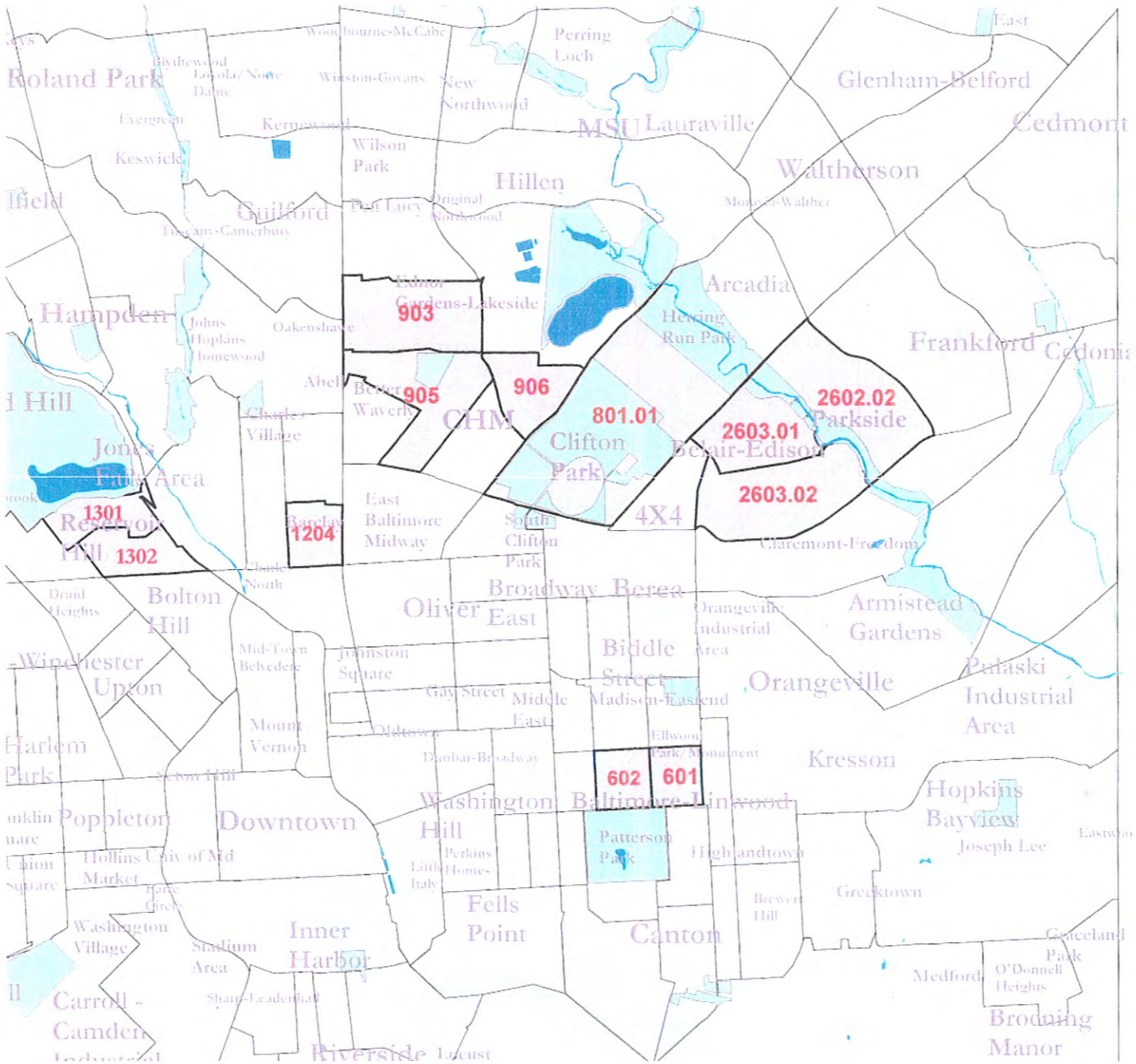
Target Geography for NSP2-Healthy Neighborhoods

Neighborhood	Census Tract	Foreclosure Score	Vacancy Score	Combined Score	Implementation	HUD Est. Foreclosures	USPS Est. Vacancy	City6/6/09 Vacants	Foreclosure %	High Cost Loan %
Patterson Park	601	15	20	20	Habitat	22	206	92	5.2%	39.6%
	602	15	20	20	Homesteading	25	374	164	4.4%	32.4%
Reservoir Hill	1301	16	19	19	Druid Hills CDC	14	158	64	6.3%	48.5%
	1302	13	13	13	Homesteading	18	155	89	5.2%	38.3%
Belair Edison	2603.01	19	19	19	St. Ambrose	64	95	21	8.4%	69.5%
	2603.02	20	14	20	St. Ambrose	79	63	9	7.5%	58.4%
	801.01	17	15	17	St. Ambrose	37	33	17	5.9%	44.6%
	2602.02	18	13	18	St. Ambrose	58	41	13	8.0%	63.0%
Ednor Gardens	903	17	17	17	St. Ambrose	46	99	15	5.7%	43.1%
	906	17	20	20	St. Ambrose	23	159	76	7.9%	61.8%
Better Waverly	905	16	18	18	St. Ambrose	14	58	24	7.5%	57.4%
	1204	12	19	19	Telesis	4	153	242	4.4%	35.3%
Total All Tracts		183	188	220		404	1,594	826		
Average				18.3						

Total vacants in CT 906 reduced by 57 properties scheduled for demolition by Baltimore City.



Baltimore City NSP II Target Area



FACTOR 1: NEED AND EXTENT OF PROBLEM

Target Geography

The target geography for the Healthy NeighborhoodsNSP2 program in Baltimore will target seven neighborhoods over twelve census tracts. This target geography has a combined need factor score of 18.3 and has been submitted to the NSP2 website as application number 308558434. A chart listing the census tracts, their scores, their foreclosure rates and number of vacancies is included in Appendix 1. The neighborhoods are Belair Edison, Reservoir Hill, Patterson Park, Ednor Gardens, Better Waverly, Coldstream-Homestead-Montebello (CHM), and Barclay/Old Goucher. Four of these were in the City’s NSP1 application -- Reservoir Hill, Patterson Park, Belair Edison and Better Waverly.

These seven neighborhoods participate in the Healthy Neighborhoods program which employs a strategy to strengthen what are called “in the middle” neighborhoods through a variety of tools utilized in cooperation with neighborhood-based community organizations. The core purpose of the Healthy Neighborhoods program is to strengthen real estate markets and support active residential involvement, which are cornerstones of thriving neighborhoods.

The seven neighborhoods were selected because they share certain characteristics: average homeownership rates, scattered physical problems, and vacancies that are not highly concentrated. They are not candidates for either large-scale demolition or new construction. The chart below shows some Census Bureau demographic data for the census tracts covering these neighborhoods regarding population, income and number of owner occupied units.

Tract Code	Neighborhood	Tract Median Family Income %	2008 Est. Tract Median Family Income	2000 Tract Median Family Income	Tract Population	Owner Occupied Units
0601.00	Patterson Park	58.49	\$45,739	\$34,688	3337	604
0602.00	Patterson Park	41.74	\$32,641	\$24,750	3654	535
0906.00	CHM	54.00	\$42,228	\$32,024	4083	726
0905.00	Better Waverly	49.99	\$39,092	\$29,643	2104	389
0903.00	Ednor Gardens	68.30	\$53,411	\$40,500	4225	1140
1301.00	Reservoir Hill	37.83	\$29,583	\$22,434	2886	278
1302.00	Reservoir Hill	42.90	\$33,548	\$25,441	3088	307
2603.01	Belair Edison	65.56	\$51,268	\$38,878	4505	1298
2603.02	Belair Edison	65.50	\$51,221	\$38,843	6480	2028
0801.02	Belair Edison	51.81	\$40,515	\$30,721	2520	508
2602.02	Belair Edison	53.28	\$41,665	\$31,595	5874	1143
1204.00	Barclay	34.25	\$26,784	\$20,313	1946	165

Source: www.ffiec.webcensus/default.aspx

From the inception of the Healthy Neighborhoods program in 2002, through 2007 the target neighborhoods were able to show real market improvement. The innovative Healthy Neighborhoods partnership to revitalize older neighborhoods through rebuilding real estate markets

and re-establishing active resident involvement had a profound impact. However, as the economy and housing markets began to falter, the effects were immediate. Credit got tighter, values and sales dropped and foreclosures became much more prevalent. The gains of the prior period eroded. Unsold housing inventory is now growing substantially and being added to by foreclosures leading to further pressure on values. Owners who refinanced in the recent past now find themselves “under water.” Furthermore, many of these neighborhoods were targets for cash out refinances and subprime and aggressive mortgages which are now resetting, all adding to the foreclosure crisis.

Sales activity continues to be moribund in Baltimore in general, and in these neighborhoods in particular. Values continue to drop. The public is wary of purchasing. Given the rates of foreclosure and the anticipated new foreclosures, housing inventory will continue to grow as will vacancy and blight which often correlates to foreclosure, leading to downward pressure on property values and contributing to instability. We believe a measure of stability can be achieved over the three year period with intervention through the NSP2 program. But without intervention, declining conditions will generate fear, fear will beget lack of confidence, and lack of confidence will further feed decline, putting these communities near where they were at the start of the Healthy Neighborhoods program.

While foreclosure and abandonment are factors in the declining housing markets in all seven neighborhoods, they are a much more significant threat in Belair Edison, Better Waverly, Ednor Gardens and CHM. Reservoir Hill, Patterson Park and Barclay/Old Goucher are threatened by the prevalence of vacant buildings as well as foreclosure. All are suffering from the impact of the slowed economy and the resulting effect on the housing sales market.

The chart below summarizes the market conditions on target blocks in the proposed neighborhoods from 2002 through the first quarter of 2009 as tracked by Healthy Neighborhoods. It shows a pattern of increasing list prices, lower days on the market (DOM) and increasing sales volume until 2007 when the market began to evidence a real downturn.

Healthy Neighborhoods Target Block Market Conditions Summary								
Neighborhood	2002	2003	2004	2005	2006	2007	2008	2009 Q1
Belair Edison								
Median List Price	68,000	69,450	74,000	100,000	130,000	145,000	146,500	123,000
Median DOM	87	99	43	26	37	41	77	118
Number Sold	35	40	44	58	55	36	24	5
Reservoir Hill								
Median List Price	101,000	138,000	53,575	190,000	310,450	274,995	330,000	154,200
Median DOM	83	44	57	24	78	152	190	156
Number Sold	9	10	22	28	20	16	7	2
Patterson Park								
Median List Price	34,000	44,900	75,000	128,700	222,500	219,000	204,450	159,000
Median DOM	60	49	33	32	69	116	78	91
Number Sold	38	26	46	10	67	41	50	7
Ednor Gardens								
Median List Price	80,200	95,250	107,500	149,000	181,000	188,000	189,900	139,900
Median DOM	70	36	41	25	26	45	79	105
Number Sold	50	70	92	81	93	60	47	3
Better Waverly								
Median List Price	74,000	43,500	80,000	119,000	122,500	134,000	125,000	52,500
Median DOM	109	77	15	31	14	33	76	151
Number Sold	7	7	8	12	11	9	7	1

Neighborhood	2002	2003	2004	2005	2006	2007	2008	2009 Q1
CHM								
Median List Price	59,950	39,500	30,000	76,000	120,000	134,000	139,000	No Data
Median DOM	104	108	68	39	16	75	130	No Data
Number Sold	8	10	5	15	13	10	0	0
Barclay								
Median List Price	54,900	97,000	91,900	99,900	104,450	129,950	150,000	38,000
Median DOM	206	11	32	7	36	17	41	38
Number Sold	9	4	13	7	6	4	5	1
Baltimore City								
Median List Price	84,000	99,900	117,000	149,000	165,000	175,000	179,900	150,000
Median DOM	75	57	45	37	50	49	77	101
Number Sold	4,260	4,158	5,340	6,035	5,422	4,270	3,089	505

Belair Edison: Primarily a rowhouse working class community dating back to the 20's and flanked by some of the city's largest parks and a neighborhood shopping district, Belair Edison (BE) was for many years a stable blue collar enclave. However, its modest homes and modest prices made it an easy target for investors who introduced some instability through lack of maintenance and lack of good rental property management, and it was a perfect target for the flipping and predatory lending that occurred in Baltimore in the late 90's. This led to one of the highest number of FHA foreclosures in the country and its designation as an Asset Control Area. Belair Edison is now staggering under a second round of foreclosures as values are dropping. The HUD NSP2 census data reports that the four BE census tracts had an average foreclosure rate of 7.3%; its average high cost loan rate is 58%.

Ednor Gardens, Better Waverly and Coldstream-Homestead-Montebello (CHM): These three neighborhoods are adjacent to one another and separated from Belair Edison by Clifton Park with its popular public golf course, Lake Montebello with biking and walking lanes, and an upscale neighborhood of single family detached houses and a well-established market. All three are primarily rowhouse communities of working class families and many aging homeowners.

The neighborhoods have a number of assets. A new Giant Supermarket is central to all three neighborhoods. The Johns Hopkins University main campus is one half mile west; a satellite of the campus is established on the old Eastern High School campus in the center of these three neighborhoods; Johns Hopkins Medical Institutions East Baltimore campus is two miles south. On the site of the former Memorial Stadium abutting the 3 communities is a new full service YMCA and a community-built playground. The balance of the former stadium site is currently being redeveloped by an established nonprofit organization as a mixed income senior community, Stadium Place. High cost loans are significant at 43.1% in Ednor Gardens, 57.4% in Better Waverly, and 61.8% in CHM. Foreclosure rates are 5.7%, 7.5% and 7.9% and rising. A vigilant approach to deal with foreclosures and vacant houses is necessary to stabilize this market.

Reservoir Hill: Perhaps the most dramatic negative effects of the decline of real estate markets and protracted vacancy in Baltimore can be seen in Reservoir Hill. This neighborhood of large, elegant, historic brick and stone townhouses abuts the City's largest park which contains the State zoo and is within walking distance to the train station with its MARC commuter rail line and a local light rail stop. It was once the home to some of Baltimore's wealthiest families. Over time these architectural treasures were transformed into multifamily tenements overrun with poverty, crime and drugs. Eventually many became vacant. In the intervening years when real estate trends were positive, Reservoir Hill made modest incremental progress.

It was not until the early 2000's when a combination of many positive market forces coalesced to make Reservoir Hill one of the hotter real estate markets in Baltimore outside of harbor locations, Young people sought homeownership opportunities attracted by the historic structures and an opportunity to renovate a home to their own standards. Investors, many of them from out-of-town began buying up long-vacant buildings for upscale renovations. The Healthy Neighborhoods strategy of focusing on target blocks was a primary component of the market dynamics. Tremendous improvements were made in the neighborhood representing millions of dollars of investment, and many blocks reduced the number of vacant houses to a more manageable handful.

Renovation projects have stalled, sales have declined to a trickle and prices have declined significantly. Reservoir Hill's foreclosure rate is 5.6%. Its high cost loan rate is 42.5%. Turning abandoned condominium units and vacant single family homes back to productive use will be required to give confidence to existing owners and new buyers.

Patterson Park/McElderry Park: Once an extremely stable lower middle class community of industrial workers and rowhouse homeowners, Patterson Park started a decline in the early 1970s. Despite the neighborhood's substantial assets, abutting the beautiful 140 acre Patterson Park and proximity to the harbor and East Baltimore's Johns Hopkins medical institutions, the neighborhood continued to show decline through the late 1990's, though was never fully disinvested.

The Patterson Park Community Development Corp.(PPCDC) embarked in 2002 on an ambitious market intervention agenda to revive the neighborhood, acquiring 500 houses over the next six years, many of which it maintained and managed for rental, while renovating others for resale. However, for the past three years, the CDC has been unable to continue the momentum it had created. With the collapse of the market it was unable to sustain its activities and debts began to overtake it. Currently the CDC is in bankruptcy with a bankruptcy plan expected to be approved by the Court in July, 2009. One effect of the bankruptcy will be the disposition of properties PPCDC is holding in its portfolio, possibly flooding the market with inventory for sale. For profit developers face similar circumstances.

According to Healthy Neighborhoods tracking, median prices on its target blocks in Patterson Park rose from \$34,000 in 2002 to \$204,450 in 2008. Much of this rise in values was driven by the redevelopment activities of the PPCDC. 2009 data from the Board of Realtors MRIS system shows median prices in the neighborhood are down to \$159,000. They are substantially less in the McElderry Park portion of the neighborhood. The high cost loan rate is 36% while the foreclosure rate is about 5%. This neighborhood has a large number of vacant houses, estimated at more than 250 units, the larger portion of which is in the McElderry Park section of the neighborhood. At this point, vacant, abandoned units are the biggest problem for this neighborhood.

Barclay/Old Goucher: Barclay is a working class community with declining population rates. This community shows the most extensive signs of disinvestment of the seven in the application. The neighborhood boasts large houses and suffered from destabilization and high vacancies during the flight to suburbia. With 252 estimated vacant buildings, it has virtually no current real estate market. Our work will begin to establish a market. Signs of recovery in adjoining communities include:

- newer homeowners that have purchased and renovated houses on its western and northern edges
- the emerging Arts and Entertainment District to the south,
- the stabilizing influence of the Charles Village neighborhood to the north,

- a comprehensive, two year, neighborhood planning process that has resulted in a development plan for a 300 unit mixed income community of new and renovated homes for sale and rent and a nationally prominent developer selected to implement it.

The neighborhood's many assets include proximity to the Johns Hopkins University's main academic campus, the University of Baltimore and the Maryland Institute College of Art. It is only a short walk from the train station with commuter rail service, Amtrak service and light rail and is well served by MTA buses. Active investment with NSP2 funds will establish and stimulate the market.

Market Conditions and Demand Factors in Neighborhoods with Foreclosure Problems

At the current slow sales pace and the growing number of foreclosures in these neighborhoods, the market is unlikely to absorb the growing inventory. Baltimore's Comprehensive Plan does not project population growth, job growth or in-migration which might help to drive sales and absorption of property. If anything, Baltimore battles to keep its population from further decline.

Absorption of Abandoned and Foreclosed Properties

David Sann, the Director of Housing Development for St. Ambrose Housing Aid Center (SAHAC), analyzed the sales of foreclosures in the 4 Asset Control Neighborhoods that are subjects of the NSP2 application. Using HUD's estimate of 321 foreclosures in 2008 and sales data from the Metropolitan Regional Information System (30 HUD sales to St. Ambrose and 75 private foreclosure sales), David concluded that only 36% of the available foreclosed properties were sold. Without some significant new financial intervention it will take 2 more years to dispose of these properties. This fails to account for 2009 foreclosures entering the market.

The charts below illustrate David Sann's conclusions:

Belair Edison Foreclosure Sales						
Year	Foreclosure Sales	Total all sales	Foreclosure as % of Total Sales	Avg. Price Market Sales	Average. Price	% Lost in Foreclosures
2008	49	218	22.5%	\$119,063	\$71,334	-40.1%
1/1-6/15/09	25	61	41.0%	\$101,163	\$52,022	-48.6%
% change			82.0%	-15.0%	-27.1%	

Ednor Gardens and Waverly Foreclosure Sales						
Year	Foreclosure Sales	Total all sales	Foreclosure as % of Total Sales	Avg. Price Market Sales	Average. Price	% Lost in Foreclosures
2008	20	116	17.2%	\$162,551	\$81,765	-50.3%
1/1-6/15/09	17	36	47.2%	\$122,717	\$49,187	-40.1%
% change			173.9%	-24.5%	-39.8%	

Coldstream-Homestead-Montebello Foreclosure Sales						
Year	Foreclosure Sales	Total all sales	Foreclosure as % of Total Sales	Avg. Price Market Sales	Average. Price	% Lost in Foreclosures
2008	6	27	22.2%	\$141,214	\$54,200	-61.6%
1/1-6/15/09	1	3	33.3%	\$88,000	\$21,451	-75.6%
% change			50%	-37.7%	-60.4%	

Foreclosure sales make up a very significant fraction of the sales in the 4 neighborhoods. The effect of such a large percentage of the market being sold at discounts of 50%-60% below typical market value is enormous negative consequences for housing values and will prolong and exacerbate the current housing crisis. The accumulation of unabsorbed foreclosures which often show deferred maintenance or become vacant and vandalized further compounds their destabilizing influence.

Outside of St. Ambrose there are no other significant buyers of the foreclosures. Most of the non-FHA foreclosures are purchased by investors and speculators. St. Ambrose has tracked these foreclosed properties. Only 4% +/- of these properties appear to be resold to homeowners. The balance is either rented as-is or held for speculation, neither of which benefits the neighborhoods.

We conclude that (1) much of the foreclosed property remains lender REO, (2) the property that is sold goes to investors who make little to no investment in the property, (3) very little of the inventory gets returned to owner-occupied status and (4) this does great harm to the neighborhoods.

Critical Factors Contributing to Foreclosures

The primary causes of foreclosures in these 4 neighborhoods are predatory lending and subprime loans. Inexperienced first time home buyers who could afford standard loan terms were misled into purchase loans or refinancing products with usurious fees and escalating interest rate which the buyers could not sustain. No documentation and no verification loans were made to buyers who could not make the monthly payments. Loans were made without escrows required for taxes and insurance. Loans were made at introductory low rates that reset to higher rates than the borrowers could afford. The high cost loan percentages in these neighborhoods range from 43.1% in Ednor Gardens to 65.9% in Belair Edison. The gravity of the situation in Belair Edison got the attention of the producers of the documentary film, *American Casino*, who used Belair Edison as a prime example of how predatory lending and the securitization of these loans on Wall Street caused the collapse of the US housing market.

Unemployment, while it can be the primary cause of individual foreclosures, historically has not been a substantial contributory cause of foreclosures in Baltimore. The 2000 Census showed Baltimore's employment is dominated by the services sector with 59.8% of City residents employed in the service industry, followed by retail trade at 8.9%. Baltimore is insulated from economic conditions that would cause the closing of large factories as most of our region's manufacturing jobs have long been gone. The City and the State's largest employer is the Johns Hopkins Medical Institutions which continue to expand. Health care and bioscience drive Baltimore's economy.

A study by the Brookings Institution released on June 19, 2009 on the effects of the recession on the national economy examined six factors including unemployment, wages, housing prices and gross metropolitan product in the 100 largest metro areas and found that Baltimore has fared better than

the national average in each category. The study found the Baltimore unemployment rate to be 7.4% which was a 2.2% increase from pre-recession rate of 5.2%, but less than the national unemployment rate of 9%. However, the Maryland Department of Labor, Licensing and Regulation has recently opined that Baltimore City unemployment has nearly doubled, and it is a factor in our neighborhoods.

Likewise, *overbuilding* by developers does not appear to be a significant cause of foreclosures and abandonment in the Baltimore market except for new and rehabilitated luxury condominiums. Baltimore does not have an oversupply of new unsold homes or subdivisions that have been taken back by construction lenders. An oversupply of new luxury condominium units is not a new issue in Baltimore where harbor-oriented high rise condominiums have routinely underperformed developers' expectations. Now, as in the real estate recession of 1990, developers are renting unsold units. So while discounted pricing can hurt condominium values, the results typically are not vacant buildings which become blighting influences.

In the Healthy Neighborhoods NSP2 neighborhoods the only neighborhood affected by the lack of condominium sales is Reservoir Hill. In the heated market of 2004 to 2007, developers purchased large, long vacant multifamily structures in Reservoir Hill for renovation and conversion to condominiums. A HNI survey of Reservoir Hill condominium sales in July 2008 found only 1 of 12 condominium projects in development was successful. In these 12 projects only 39 of 111 completed units were sold, and 15 of those units were sold to out of town investors. Original pricing of \$250-\$300 per square foot declined to \$207 per square foot. A foreclosure auction in June 2008 for two unsold units in a 4 unit building where two units sold in 2007 for up to \$215,000 did not attract any offers at the lender's minimum bid price of \$100,000. Some developers have avoided foreclosure by renting unsold units as a temporary strategy until market conditions improve. There is one 12 unit condominium building which has been foreclosed upon and several three or four unit condominium conversions either under construction or partially sold that have been foreclosed upon. It is our intention to acquire units as part of the NSP2 activity.

Local conditions which contribute to a difficult housing market in Baltimore, even during more robust economic periods are its high real estate tax rate at \$2.38 per hundred, twice the rate of surrounding jurisdictions, and concerns about quality of schools. Some of the school concern has been overcome with a healthy charter school movement and new school superintendent. Many of our neighborhoods have charter schools. However, according to MRIS the predominant buyer in Baltimore is a two person household, not larger families with young children. For this reason, we have consistently used income characteristics of a two person household in our analysis of housing cost burden and to calculate the necessary soft financing for housing transactions.

Absorption of Vacant Properties

When the markets were improving, developers and individuals alike were willing to invest in vacant structures, turning blight into modern assets. Where values are declining, the market is unlikely to take on vacant houses which need substantial renovation. These houses will continue to decline and in rowhouse communities cause substantial problems for the adjoining occupants and others on the block. Additional unsold inventory from foreclosures only adds to this problem. St. Ambrose estimates that 75% of the foreclosed property it acquires would meet the definition of being uninhabitable and subject to a City vacant house violation notice as well. The cost to purchase and renovate these buildings is more than their current or as complete fair market value. Without a

means of providing a subsidy for this cost differential the market will not absorb any of the currently vacant, uninhabitable buildings in the target neighborhoods.

Market Condition and Demand Factors in Neighborhoods with Vacant Building Problems

Vacant houses rather than foreclosures are the primary destabilizing factor in Patterson Park, Reservoir Hill and Barclay. For instance, Belair Edison has a ratio of 2.8 foreclosures to 1 vacant house, while Reservoir Hill has a ratio of 1 foreclosure to 4.8 vacant houses. Nevertheless, foreclosures and their sales are a contributing factor to declining property values in the three neighborhoods with the highest number of vacant houses. Many of the foreclosures in these neighborhoods are vacant houses held by investors or developers whose projects have stalled or who bought to flip. The analysis for Reservoir Hill and Patterson Park follows. Due to the negligible sales activity in Barclay, an analysis there is not possible. HUD estimated only 4 foreclosures in Barclay. There are, however, in excess of 240 vacant buildings.

There are 153 vacant houses under City vacant property violation notice in Reservoir Hill; Patterson Park/McElderry Park has almost 250. Unless there are subsidy funds available, there would be no development and absorption and a likely increase in numbers of vacant units due to additional foreclosure until the market recovered to a level that supported investment. According to the July 11, 2009 issue of the *Baltimore Sun*, housing prices in Baltimore are continuing to drop.

Reservoir Hill Foreclosure Sales						
Year	Foreclosure Sales	Total all sales	Foreclosure as % of Total Sales	Avg. Price Market Sales	Average. Price	% Lost in Foreclosures
2008	8	34	23.5%	\$233,662	\$119,994	-48.6%
1/1-6/15/09	7	16	43.8%	\$120,778	\$69,771	-42.2%
% change			85.9%	-48.3%	-41.9%	

Patterson Park Foreclosure Sales						
Year	Foreclosure Sales	Total all sales	Foreclosure as % of Total Sales	Avg. Price Market Sales	Average. Price Foreclosure Sales	% Lost in Foreclosures
2008	17	111	15.3%	\$175,506	\$68,451	-60.9%
1/1-6/15/09	20	59	33.9%	\$146,737	\$79,120	-46%%
% change			121.3%	-16.4%	15.6%	

Housing Cost Burdens

The households in our target geography range in income from 30% of area median income, to almost 70%. However, current metropolitan area median income of \$82,100 is substantially higher than median income in Baltimore City which for a four person household is approximately \$36,130 in 2009. As measured against their Baltimore City neighbors, our communities have moderate to middle levels of household income.

The Housing Cost Burden calculation below groups the four neighborhoods with the most affordable housing conditions -- Belair Edison, Waverly, Ednor Gardens and CHM. These

neighborhoods are generally affordable to families at 80% of AMI or greater. If Baltimore City's median income were used for the calculations, the housing burdens would be substantially higher.

Belair Edison, Waverly, Ednor Gardens, CHM			
Typical Buyer is a 2 person HH*		Average Median Listing Price 2008**	\$146,500
Current Loan Terms:		Housing Cost for Median Priced Home	
30 yr fixed, 0 points, 5.625% interest		Monthly P&I @ 100% LTV	\$895
+FHA MIP @ 0.55% =	6.175%	Monthly property tax	\$291
		Monthly property insurance	\$60
		Monthly PITI	\$1,246
		Annual housing cost	\$14,952
Buyer's income @ 50% of AMI	\$32,850	% of annual income@50% AMI	45.5%
Buyer's income @ 80% of AMI	\$51,200	% of annual income@80% AMI	29.2%
Buyer's income @ 120% of AMI	\$78,800	% of annual income @ 120% AMI	19.0%

Reservoir Hill			
Typical Buyer is a 2 person HH*		Median Listing Price 2008**	\$330,000
Current Loan Terms:		Housing Cost for Median Priced Home	
30 yr fixed, 0 points, 5.625% interest		Monthly P&I @ 100% LTV	\$2,106
+FHA MIP @ 0.55% =	6.175%	Monthly property tax	\$654
		Monthly property insurance	\$100
		Monthly PITI	\$2,770
		Annual housing cost	\$33,240
Buyer's income @ 50% of AMI	\$32,850	% of annual income@50% AMI	101.2%
Buyer's income @ 80% of AMI	\$51,200	% of annual income@80% AMI	64.9%
Buyer's income @ 120% of AMI	\$78,800	% of annual income @ 120% AMI	42.2%

Patterson Park			
Typical Buyer is a 2 person HH*		Median Listing Price 2008**	\$204,450
Current Loan Terms:		Housing Cost for Median Priced Home	
30 yr fixed, 0 points, 5.625% interest		Monthly P&I @ 100% LTV	\$1,249
+FHA MIP @ 0.55% =	6.175%	Monthly property tax	\$405
		Monthly property insurance	\$80
		Monthly PITI	\$1,734
		Annual housing cost	\$20,808
Buyer's income @ 50% of AMI	\$32,850	% of annual income@50% AMI	63.3%
Buyer's income @ 80% of AMI	\$51,200	% of annual income@80% AMI	40.6%
Buyer's income @ 120% of AMI	\$78,800	% of annual income @ 120% AMI	26.4%

Barclay			
Typical Buyer is a 2 person HH*		Median Listing Price 2008**	\$150,000
Current Loan Terms:		Housing Cost for Median Priced Home	
30 yr fixed, 0 points, 5.625% interest		Monthly P&I @ 100% LTV	\$916
+FHA MIP @ 0.55% =	6.175%	Monthly property tax	\$297

		Monthly property insurance	\$60
		Monthly PITI	\$1,273
		Annual housing cost	\$15,276
Buyer's income @ 50% of AMI	\$32,850	% of annual income@50% AMI	46.5%
Buyer's income @ 80% of AMI	\$51,200	% of annual income@80% AMI	29.8%
Buyer's income @ 120% of AMI	\$78,800	% of annual income @ 120% AMI	19.4%

* MRIS reports a typical Baltimore buyer is a two person household

** On HNI target blocks per data from the Metropolitan Regional Information System

The median list prices for six of the neighborhoods appear to be for renovated property, or homes in good condition. The median list price in Barclay, however, would reflect a property in need of substantial renovation which makes the housing cost burden analysis somewhat misleading. If one added in the cost of renovations of one of these large properties the housing cost burden would be more analogous to Reservoir Hill. It is unlikely a typical buyer household at 80% of median could afford a Barclay townhouse without incurring a much higher housing cost burden. Telesis projects that substantial gap financing for development and soft subordinate financing for a buyer would be necessary to make their proposed renovated homes affordable at 80 to 100% of median.

All potential buyers in Reservoir Hill and Barclay in the Healthy Neighborhoods NSP2 program will require soft financing to make the housing affordable. The large size of houses and the condition of many of the buildings make acquisition and rehab expensive. The typical buyer is a young professional individual or couple with income between 80 and 100% of median.

The housing cost burden in Patterson Park indicates that all buyers in this neighborhood except those with incomes close to 100% of AMI will require subsidies to make housing affordable.

Activity Most Likely to Contribute to Stabilization

The most pertinent activity to contribute to stabilization is the acquisition and renovation of foreclosed and vacant property in order to keep ever-growing inventory levels from overwhelming these neighborhoods. Sale of more renovated homes will establish comparable sales which more clearly reflect the value of housing in the communities. Today, the discounted sale price of foreclosures, which then do not return to the market for resale in improved condition and at a market price, is depressing overall values.

To make the economics of a purchase and renovation and resale of foreclosed or vacant property work, there needs to be gap financing for development, and financing for buyers to bring cost to purchase down to an affordable level.

These are the activities the Healthy Neighborhoods NSP2 Team will carry out in the three year NSP2 program.

FACTOR 2: DEMONSTRATED CAPACITY

Past Experience of the Applicant

The primary activities of the Healthy Neighborhoods NSP2 team will be the acquisition, renovation, and resale of vacant, abandoned or foreclosed/vacant properties, and financing related to the development of these units and their sale or rental to qualified owner occupants or renters.

The members of the Healthy Neighborhoods NSP2 team represent outstanding leadership, experience and capacity to carry out these activities. All are organizations with lengthy histories and substantial experience described in more detail below in neighborhood stabilization activities, and more specifically the NSP2 activities proposed. All are doing this work in Baltimore today and are led by individuals with strong backgrounds of consistent performance and long-standing commitment to neighborhood development.

There is extensive experience within the team in city planning, the acquisition and disposition of vacant and abandoned housing, rehabilitation of housing, marketing and management of waiting lists for homebuyers and tenants, raising operating and investment capital lines of credit and most particularly experience partnering with other organizations. However, *the skills and experience most likely to help achieve neighborhood stabilization in our target areas are the ability to acquire, renovate and resell houses, to market homes and counsel prospective buyers, and to help buyers put together the financing necessary to complete a home purchase.* The Healthy Neighborhoods NSP2 team has excellent and demonstrated skills to carry out these activities.

In the aggregate, the Healthy Neighborhoods NSP2 team has more than met the threshold activity and experience level established by the NOFA having completed the following relevant activities in the two years prior to issuance of the NOFA (May 4, 2007 to May 4, 2009):

- Completed the acquisition and rehabilitation of 359 units of vacant, abandoned or foreclosed homes.
- Engaged in 981 financing transactions with financing mechanisms established by the various consortium members including below market interest rate mortgages, soft second loans, interest rate buy-downs, and closing cost assistance loans for the purchase or redevelopment of foreclosed upon homes or residential properties.

Healthy Neighborhoods, Inc.: The lead applicant, HNI is a nonprofit intermediary which will coordinate the activities of the entire team, commit the NSP2 funds and manage the financial affairs of the program. HNI is a supporting organization of the Baltimore Community Foundation (BCF) which provides administrative services and financial management for the organization. BCF's mission is *to help people and organizations carry out their individual charitable plans with the common goal of improving the quality of life in the greater Baltimore region and beyond.* BCF manages more than \$143 million. The affairs of HNI are overseen by a Board of Directors which consists of outstanding senior executives from government, local foundations, banks, and leaders in the real estate and business community. See Appendix 2 for a complete list of HNI's Board of Directors.

For nine years, the innovative Healthy Neighborhoods partnership has been working to revitalize older Baltimore neighborhoods through rebuilding real estate markets and re-establishing active resident involvement, and its work has had a profound impact upon middle neighborhoods. Middle

neighborhoods are racially and economically diverse communities with affordable housing that is undervalued which discourages investment and erodes confidence. Healthy Neighborhoods helps these strong but undervalued Baltimore neighborhoods market their communities, create high standards for property improvements, improve property conditions and forge strong connections among neighbors with an eye to increasing home values.

Healthy Neighborhoods offers innovative tools and strategies in partnership with fifteen non-profit community-based organizations by:

- (1) offering below market rate bank financing for home improvement or refinance coupled with rehab to enable existing resident owners to improve their properties;
- (2) providing below market rate bank financing to enable new buyers to purchase and renovate their new homes to a high standard;
- (3) funding grants for small block projects to help to create connections among neighbors and, at the same time, lead to visible improvement of the neighborhood;
- (4) building on neighborhood strengths, rather than preoccupation with its problems;
- (5) orienting community organization staff toward community marketing and assisting resident leaders to understand and be marketers as well;
- (6) emphasizing the importance of communicating positive images and marketing to key audiences such as Realtors, lenders and target markets;
- (7) focusing investments initially upon the strongest blocks in a community; and
- (8) providing training for its network of community-based organizations carrying out the on-the-ground work in the neighborhoods.

In partnership with local community development groups which manage holistic programs providing a variety of services in their communities, HNI has analyzed the markets and helped develop target blocks for loan and organizing activity to build on assets and extend the real estate market strengths. It has utilized its resources and has collaborated with the neighborhoods on market-building activities and together they have achieved significant results. It has pioneered the use of the Internet for community marketing (www.healthynighborhoods.org). Healthy Neighborhoods is now active in thirty-seven neighborhoods, seven of which are the subject of this application covering 12 census tracts.

The Healthy Neighborhoods partnership has organized a \$40 million innovative single family loan pool and raised \$5 million of private grants to support community organizing and marketing, \$5 million of local government grant support and \$1 million of grants to match fund home renovation loans. The loan pool is HNI's most significant asset. HNI and its 9 bank partners will add another \$20 million to the loan pool. In the last two years, HNI made 33 acquisition/rehab loans (totaling \$10 million) and assisted 33 homesteaders.

The loan pool, with rates always 1% below market, lends up to 120% of loan to after-rehab value (similar to FHA's 203(k) loan program) without FHA or other mortgage insurance and has made 114 loans to homeowners. To date, HNI has committed \$21.4 million of this pool and has \$6.8 million in its pipeline. In June 2008, Baltimore City committed \$1 million to provide matching grants to HNI borrowers with income below 120% of AMI. Thirty-four forgivable loans totaling \$325,400 have been made from this grant pool; \$325,900 of additional forgivable loans are in the pipeline. Five million dollars of capital funds are committed to HNI in Baltimore City's Capital Improvement Program. The first \$1 million was appropriated in June 2009.

HNI has established longstanding relationships with the local community development institutions and the organizations which make up the Healthy Neighborhoods NSP2 team, and will be in a unique position to coordinate their activities for the NSP2 program. HNI is the preeminent community development intermediary in Baltimore.

St. Ambrose Housing Aid Center: St. Ambrose Housing Aid Center (SAHAC), a non-denominational nonprofit organization whose mission is *to create, preserve and maintain equal housing opportunities for low and moderate income people primarily in Baltimore City, and encourage and support strong and diverse neighborhoods*, was created in 1968. It is one of Baltimore's most enduring, well-respected housing organizations. In the past two years, it has financed, acquired, renovated and sold 61 FHA foreclosed properties in the NSP2 target geography.

St. Ambrose has served as the reasoned, knowledgeable housing conscience of the city and provides a variety of relevant services:

- A HUD-certified Homeownership Counseling Program for first time homebuyers serves more than 250 families a year with one-on-one counseling sessions. More than 400 people attend homebuyer workshops each year.
- Previously, its Foreclosure Prevention Program counseled more than 700 families a year. But the nature and severity of the current foreclosure crisis continues to challenge the resources of St. Ambrose and its partners. *As the only housing agency in the state of Maryland with both counselors and attorneys on staff*, this program served over 3,000 clients last year.
- Its Rental Services Program provides safe, affordable rental opportunities to low and moderate income households in the Baltimore area, serving 70 low income seniors in independent living one bedroom apartments, and 280 low and moderate income family or individual households, many with "special needs".
- St. Ambrose has been involved in housing development for over 25 years. Its Housing Development Program has acquired, renovated and sold 296 foreclosed houses to qualified homeowners since 2000. St. Ambrose has been chosen by the City of Baltimore to replicate this model in communities identified by Baltimore City to receive funding through the Neighborhood Stabilization Program 1.
- In 2004 HUD agreed to declare a number of census tracts in north and northeast Baltimore City an Asset Control Area and authorized St. Ambrose to purchase HUD foreclosures for renovation and resale. Since the inception of this program St. Ambrose has acquired, renovated and resold over 155 homes in the defined ACA which includes Belair Edison, Ednor Gardens, Better Waverly, and CHM, all target areas in this application, as well as other neighborhoods. HUD has audited the ACA program four times and provided favorable reviews.
- To finance its development activities, St. Ambrose has cultivated a strong working relationship with seven local and two national banks. The combined commitment from lenders has grown to \$6.75 million in acquisition and rehabilitation lines of credit.
- St. Ambrose has relationships with numerous general and sub-contractors who complete quality renovations.
- St. Ambrose maintains strong and positive working relationships with neighborhood groups in Belair-Edison, Better Waverly, Ednor Gardens, and Coldstream-Homestead-Montebello.
- The organization has engaged in a large number of publicly-funded development projects. It is exceedingly familiar with the various HUD requirements for utilization of Davis Bacon wage rates, Section 3 hiring, lead safe practices, and record-keeping.

Habitat for Humanity of the Chesapeake: Habitat for Humanity of the Chesapeake (Habitat) is the local affiliate of the international Habitat program working in Baltimore neighborhoods. It has 27 years of local experience in renovating homes for new homeowners. In the NSP2 program, funds will support Habitat's work in McElderry Park and Patterson Park, adjoining neighborhoods in Census Tracts 601 and 602 where Habitat has been working for several years.

The Habitat program model is well known. It utilizes donations and purchased materials, and harnesses the energy of volunteers and hired professionals to work alongside prospective home purchasers to completely renovate homes. Habitat has an established system of pre-purchase counseling and financial management and of providing internal financing for its buyers, assuring buyers' housing expense will not exceed 30% of gross income. In its 27 years of operations in the Baltimore region, it has only had two foreclosures in 255 sales to low income families.

Habitat's housing program not only eliminates vacant homes in neighborhoods, but it strengthens the neighborhood by placing committed, caring homeowners in a community. Habitat maintains strong positive relationships with neighborhood organizations and works in partnership with local residents in communities that are plagued with vacancy, but have a viable chance to turn around because of the stability of surrounding neighborhoods. In the time it has worked in Baltimore only a handful of families have moved from their Habitat home. This retention rate is proof of a program that works and demonstrates the stability that Habitat continues to bring to neighborhoods.

Habitat acquires property, plans and budgets, manages the complete rehabilitation, provides financial underwriting and homebuyer counseling and arranges financing for its buyers either through its own sources of funds or through a conventional lender. It completed 57 renovations in the past two years and arranged loans with affordable terms for its buyers. It has utilized federally funded housing programs and is knowledgeable about the rehabilitation standards and requirements.

Habitat maintains a strong small professional staff exceedingly skilled in working with very low income buyers. The average income of its Baltimore buyers is 33% of area median income; all buyers have incomes less than 50% of AMI.

Druid Heights CDC: Established in 1971, the Druid Heights Community Development Corporation (DHCDC) has been active in the communities immediately to the south of Reservoir Hill. Since the Reservoir Hill Improvement Council (RHIC) lacks development capacity, RHIC suggested its neighbor organization with extensive experience in development of new and renovated housing development for both rental and resale, be brought into the NSP2 consortium to assist with acquisition and development.

During the past two years DHCDC's housing development work has been exclusively around the acquisition of vacant and abandoned housing and the necessary planning for its recently started \$4.5 million Gateway project, the rehabilitation of 25 buildings for a combination of rental and ownership on its gateway streets. This property assembly work brings relevant experience to this NSP2 program. The first phase of the Gateway project is slated for completion in June, 2010.

Druid Heights CDC has significant past experience with housing development on its own and with partners. These include new construction of 29 townhouses completed in 1999, a 24-unit transitional housing project completed in May, 2000, 15 units of affordable rental housing in 2001, the Charles R. Uncles Senior Plaza – 47 low income housing tax credit units of housing for seniors

in 2002 and the rehabilitation of the Druid Heights/Maggie Quille Community Center – the \$1.3 million redevelopment of an historic firehouse in 2004.

In addition to its housing development efforts, the CDC is a HUD approved counseling agency. It provides both pre-purchase counseling and post-purchase counseling for homeowners in default and counseled 595 people in 2008.

Baltimore City Department of Housing and Community Development: The City of Baltimore’s Department of Housing and Community Development (DHCD) is the designated agency through which the City’s federal housing entitlement programs are run. Major responsibilities of the Department include: increasing the availability of new housing for low and moderate income families; providing financing to rehabilitate older housing stock; recycling land and buildings to maximize community stability and expand the assessable tax base; enforcing the City’s building and housing codes. Other responsibilities include increasing homeownership for Baltimore’s residents; assisting the indigent with housing and emergency services; preserving the historic integrity of older neighborhoods and buildings; and providing technical assistance and operating support to non-profit organizations that support the City’s housing mission.

For the fiscal year beginning July 1, 2009, it has an annual operating budget of \$128,643,000 and an annual capital budget of \$55,806,000. These funds come from an array of City, State and Federal programs. This includes approximately \$30,000,000 a year in CDBG and HOME funds. DHCD administers these federal formula grant funds on behalf of the City and monitors subrecipients and others for compliance with federal rules and regulations governing the funds. It has expended over \$1,000,000,000,000 in CDBG funds since the program’s inception in 1974 in support of a wide-range of capital development and social service activities and has a well developed compliance and contracting structure in place to support the program. The Department has expertise in the use of DRGR.

For the fiscal year ending June 2008, the Department provided financial assistance for the substantial rehabilitation of 517 units of affordable rental housing. These units were primarily in long-term vacant structures and all were in substandard condition prior to rehabilitation. During the same time-period financial assistance was provided for the new construction of 370 units of affordable rental housing. All units have long-term periods of affordability. The HOME and Low Income Housing Tax Credit programs were the most common source of financial support. Between May 2007 and May 2009, DHCD provided 830 settlement expense loans to assist low- and moderate-income buyers in the purchase of their homes. The Commissioner of DHCD also serves as the Executive Director of the Housing Authority of Baltimore City.

Telesis Baltimore Corporation: Telesis Corporation is a member of the Healthy Neighborhoods NSP2 team through its subsidiary, the Telesis Baltimore Corporation. Telesis is a national development organization that plans, finances and builds affordable housing and livable neighborhoods. Founded in 1985, Telesis has structured a complex mix of over \$2.4 billion in public and private financing for the redevelopment and planning of neighborhoods and more than 15,000 units of affordable housing. It focuses on large-scale neighborhood redevelopment with a mix of uses including rental, homeownership, commercial, and community facilities, and a mix of leveraged financing sources including HOPE VI, low income housing tax credits, other local and federal subsidies, and private debt and equity.

Its expertise lies in bringing together public and private partners – housing agencies and banks; resident corporations and local community leaders; federal and municipal agencies; and a range of private and public investors - to strengthen the physical, social and economic fabric of neighborhoods. By doing so, it is able to secure the organizational, civic and financial support required to make neighborhood developments successful. Its stated goal: *neighborhoods that offer sound opportunities for investment and conditions conducive to family life*. This goal fits in perfectly with the Healthy Neighborhoods goals and the NSP2 program.

Since May 4, 2007 the Telesis Corporation has completed acquisition and renovation and resale of 208 housing units in projects across the country. Telesis was selected by the Housing Authority of Baltimore City to redevelop the Old Goucher/Barclay neighborhoods in 2008. Telesis' experience in meeting HUD program requirements and mandates and its successful redevelopment track record and ability to put together complex financing structures give us confidence that it can be successful in the stabilization and ultimate full redevelopment of the Barclay/Old Goucher community and beyond in Baltimore.

Management Structure and Roles of Healthy Neighborhoods NSP2 Team

Management Structure and Role of Lead Applicant

Healthy Neighborhoods, Inc: HNI, under the leadership of Mark Sissman, President, will lead the Healthy Neighborhoods NSP2 Team. HNI will receive and disburse NSP2 funds to developers and individual homebuyers and homesteaders to assist in the acquisition and renovation of foreclosed, abandoned and vacant blighted properties. Utilizing the financial management and disbursement systems of the Baltimore Community Foundation through which Healthy Neighborhoods operates, HNI will manage program acquisition and development transactions, funding and record-keeping and assure consistency with the NSP2 grant agreement.

Each transaction proposed by a member of the Healthy Neighborhoods NSP2 team for which NSP funds will be available will be underwritten by the NSP2 Senior Program Manager and will be approved by a loan committee established for that purpose.

The NSP2 strategy in two of the neighborhoods – Patterson Park and Reservoir Hill - will utilize a “homesteading model”. A Homestead Manager will be hired, and in conjunction with neighborhood partners, will guide homebuyers through the process of acquiring a vacant property, selecting an architect and a contractor, arranging the construction and permanent financing using HNI or conventional loans, City and State below market loan programs and tax incentives. Since May 4, 2007, HNI has successfully completed work with 33 homesteaders helping pre-screen them for financial capacity and providing services of an architect under contract to review buyers' construction plans and contracts before proceeding. The Homestead Manager will be added once NSP2 funding is committed. HNI projects working with 35 “homesteaders” in the NSP2 program.

HNI will access NSP2 funding and disburse it in accordance with the proposed program activities and the HUD grant agreement to the members of the Healthy Neighborhoods NSP2 team and provide purchase and closing cost assistance to their buyers when required. It will underwrite and review proposed housing purchases by consortium members. An HNI Loan Committee will make the final decision before funds are committed and disbursed. The committee already has experience managing its own loan program and services an established “Exceptions Committee” to review

loans that may fall slightly outside of the established underwriting standards. The committee includes experienced single-family lenders and foundation professionals.

The financial management and disbursement will be managed on behalf of HNI by the Baltimore Community Foundation. BCF disburses \$28 million of charitable grants each year and has a portfolio of investments in excess of \$143 million. BCF's CFO, Amy Seto, serves as the Chief Financial Officer of HNI as well and reports directly to the HNI board. Through an external consulting arrangement with CEA Scholtes & Associates, Certified Public Accountants, HNI will contract for internal auditing of the NSP2 program. This firm provides this function for the Baltimore Community Foundation. It will report directly to the Healthy Neighborhoods Board of Directors.

Mark Sissman, an attorney, has a more than a 30 year history in community development and finance in Baltimore and nationally including service as Deputy Commissioner of the City's Department of Housing and Community Development, President of the tax credit syndication arm of Enterprise Community Partners, which was known as Enterprise Social Investment Corporation, and head of national community development investments for Bank of America. He is assisted by a small program staff which will be expanded if NSP2 program funds are approved, and supplemented as needed by consultants or outside vendors.

The overall NSP2 program management structure is shown on the diagram which follows at the end of this Factor. It illustrates the following:

- HNI leads the consortium and receives funds
- A new senior development manager position will be created to manage the day-to-day program. Six candidates have been identified
- An NSP2 development strategy has been devised for each neighborhood to be carried out by members of the nonprofit consortium and for profit partner
- A new position, which requires construction, finance and community development experience will be created to manage homesteading. Three candidates have been identified

Diagrams of the organizational management structure for each of the Consortium members and the Partner are included in Appendix 2 of this application.

Prior to beginning redevelopment activity, HNI will provide training for all of its partners on the various requirements of NSP2, in particular, affirmative marketing, lead paint requirements, record-keeping, the green housing and general rehabilitation standards which must be adhered to, and will train on the procedures to be followed to obtain approval for purchases of property and for income-qualifying purchasers or renters.. To assure maximum coordination and to share insights and experience, Healthy Neighborhoods will convene the team members on a monthly basis for discussion of areas of mutual concern. In addition it will meet individually with the leader of each team member to review progress and its future work plan, and to measure its progress against previously stated goals.

Management Structure and Role of HNI NSP2 Consortium Members and Partner

Each of the members of the Consortium and Telesis Baltimore has well developed management plans and relevant staff for their participation in NSP2 activity. Their current, experienced staff will in some cases be supplemented by new hires to assure sufficient capacity to carry out the NSP2

activities and meet the expenditure and reporting requirements. All have been doing this kind of work for some time. HNI's NSP2 team is a fiscally sound, well-staffed and experienced, able to successfully manage the proposed program.

St. Ambrose Housing Aid Center: Since 1968, The Executive Director has been Vincent Quayle, the founder of the organization. He is supported by a very strong, accomplished staff, many of whom have been with the organization for many years. Day-to-day operations are overseen by Mr. Quayle's Deputy, Lisa Evans, a housing professional with extensive experience in the City and State governments before coming to St. Ambrose six years ago. Housing development is directed by David Sann who has 14 years of development experience and is a licensed real estate broker who manages the activities of St. Ambrose's sales arm, Charm City Realty as well. He is assisted by a staff architect who is the project manager, and a marketing coordinator.

St. Ambrose acknowledges that the current economic turmoil has created incredible new demands on its services and staff, and if NSP2 funding is approved, it will expand its staffing capability in anticipation of additional increased activity with the addition of a rehab coordinator, a real estate agent, and recruitment of two or three general contractors to participate in the NSP2 funded effort.

St. Ambrose's role in the consortium will be to work in Belair Edison, Ednor Gardens, Coldstream-Homestead-Montebello, and Better Waverly, purchasing foreclosed and vacant, blighted structures, renovating and marketing them for resale, and providing housing counseling for buyers as well as assisting buyers in accessing financing for their purchases. Its goal is to complete 186 homes in the three year NSP2 program.

Habitat for Humanity of the Chesapeake (Habitat): Habitat employs thirty-seven full and part-time employees and has ten stipend volunteers (i.e. AmeriCorps). Staff members carry out the policies and goals that are set by the Board.

The Habitat staff is led by Chief Executive Officer, Mike Mitchell. Mitchell joined Habitat in 2003, and previously served on the Board of Directors. He has vast experience in the business and non-profit communities in Baltimore City. Day to day operations are overseen by Chief Operating Officer, Marisa Canino, who joined Habitat in 1999. Patricia Fallon has been with Habitat since 2005 as the Chief Financial Officer. She has twenty years of financial management experience and handles all of Habitat's finances. All construction projects are supervised by Project Director, Matt Metzger who has been with Habitat since 2001 and has recently begun coordinating several green-building demonstration projects on Habitat sites with outside consultants, with the goal of showing how green principles and techniques can be implemented in an affordable housing context, moving the organization from rehab only to a mix of rehab, new construction, and modular-builds in a way that is adaptable to a variety of communities and built environments. Habitat is moving to Energy-Star® certification of all of its homes beginning in late 2009.

Habitat will work in the Patterson Park/McElderry Park communities acquiring 75 foreclosed and other vacant properties for renovation and occupancy by households with income under 50% of area median income.

Druid Heights Community Development Corporation: The CDC is led by Kelly Little, a seasoned housing developer who has worked in both the for-profit and nonprofit development arenas for 17 years. He is assisted by an able staff including Chloe Williams and Rayna Thomas, both of whom previously worked in marketing at Enterprise Homes in Baltimore, the development

affiliate of Enterprise Community Partners. They are both certified housing counselors. Housing development activity in the NSP2 program will be managed by Roscoe Johnson, the CDC's director of housing development who has been with the group for ten years.

In Reservoir Hill, DHCDC will negotiate the purchase and rehabilitation of at least 18 foreclosed condominium or vacant units for eventual rental or resale and may, if necessary, oversee the stabilization of some vacant houses prior to turning them over to homesteaders.

Baltimore Department of Housing and Community Development: The Baltimore Housing Department is headed by Paul T. Graziano who has served as Commissioner since 2001. Mr. Graziano also serves as Director of the Housing Authority of Baltimore. Together the agencies are known as Baltimore Housing. The Department has 650 staff members.

The chief liaison for Baltimore DHCD with HNI and the other consortium members will be Stephen Janes, Assistant Commissioner for Research and Compliance. The principal author of the City's NSP1 application, he has over twenty years experience in planning and program management including ten years running Baltimore's CDBG program. He has been the coordinator for all three of the City's five-year Consolidated Plans and for all its Consolidated Annual Performance and Evaluation Reports.

A new position of NSP Coordinator has been created and will be staffed by early August 2009. This position is in the agency's Development Division which also manages the HOME program. Peter Engel, Assistant Commissioner for Development, oversees the Division and will insure that the Coordinator position receives needed resources and attention including financial underwriting analysis and the assistance of the HOME compliance unit in monitoring affordability period requirements. Mr. Engel has over twenty years experience in managing and financing public sector development for both State and local governments.

Compliance with environmental review and clearance requirements will be over seen by the Director of Environmental Policies, Zakauddin Mahmood. Prior to becoming the agency's environmental officer in March of 2008 Mr. Mahmood, an environmental engineer, had served as the head of the Environmental Engineering Program for the Housing Authority of Baltimore City.

In addition to the above individuals and entities, Baltimore DHCD will in, carrying out its NSP 2 responsibilities, be supported by other agency operating units including the CDBG section, the Community Development Contracts Office, Office of Homeownership, the Fair Housing Equal Opportunity Office and its Section III compliance staff.

Telesis Baltimore Corporation: Marilyn Melkonian is the President and founder of Telesis Corporation. A national leader and former Deputy Assistant Secretary for Housing at HUD, she serves on national boards including the National Housing Trust (chair), Enterprise Community Investment Corp. and the Brookings Institute's Center on Urban and Metropolitan Policy. The Barclay/Old Goucher redevelopment will be led by Laura Lazarus, Senior Vice President with Catherine Simmons as Senior Project Manager, responsible for the day-to-day implementation efforts. Ms. Simmons will be assisted by an assistant project manager. All members of the Telesis management team have extensive experience in complex redevelopment programs. Ms. Lazarus has worked for Telesis for more than 11 years and has been responsible for implementation of large scale development and planning projects across the country. Ms. Simmons has worked for New

York City Department of Preservation and Development where she managed HPD's HUD Multifamily Preservation Loan Program which was developed to facilitate the repositioning of troubled and foreclosed-upon HUD multifamily properties.

Telesis Baltimore will focus on redevelopment in the Barclay community, renovating 35 vacant buildings, most of them publicly owned, for resale to low and moderate income homeowners.

References

Healthy Neighborhoods, Inc.

- Paul Brophy, President, Brophy and Reilly, LLC, 10480 Little Patuxent Pkwy. Suite 400, Columbia, MD 21044 410 740-8745 or 443 253-4191 pbrophy@brophyreilly.com
- Diane Bell-McKoy, President and CEO, Associated Black Charities, 1114 Cathedral St, Baltimore, MD 21201 410 659-0000 dmckoy@abc-md.org

St. Ambrose Housing Aid Center:

- Robert (Bo) Barley, Program Mgr, Asset Control Program, U.S. Department of Housing and Urban Development, 339 6th Avenue, 6th floor, Pittsburgh, PA 15222 412 644-6880 robert.e.barley@hud.gov
- Johnette Richardson, Executive Director, Belair Edison Neighborhoods, Inc., 3412 Belair Rd, Baltimore, MD 21212 410 485-8422 johnette@belair-edison.org

Habitat for Humanity of the Chesapeake

- Drew Bennett, President of the CARE community association, 244 N. Collington Ave, Baltimore, MD 21231 410 960-7671 jbenne23@gmail.com
- Bill McLennan, Executive Director, Paul's Place, 1118 Ward St, Baltimore, MD 21230 410 625-0775 bmclennan@paulsplaceoutreach.org

Druid Heights Community Development Corporation

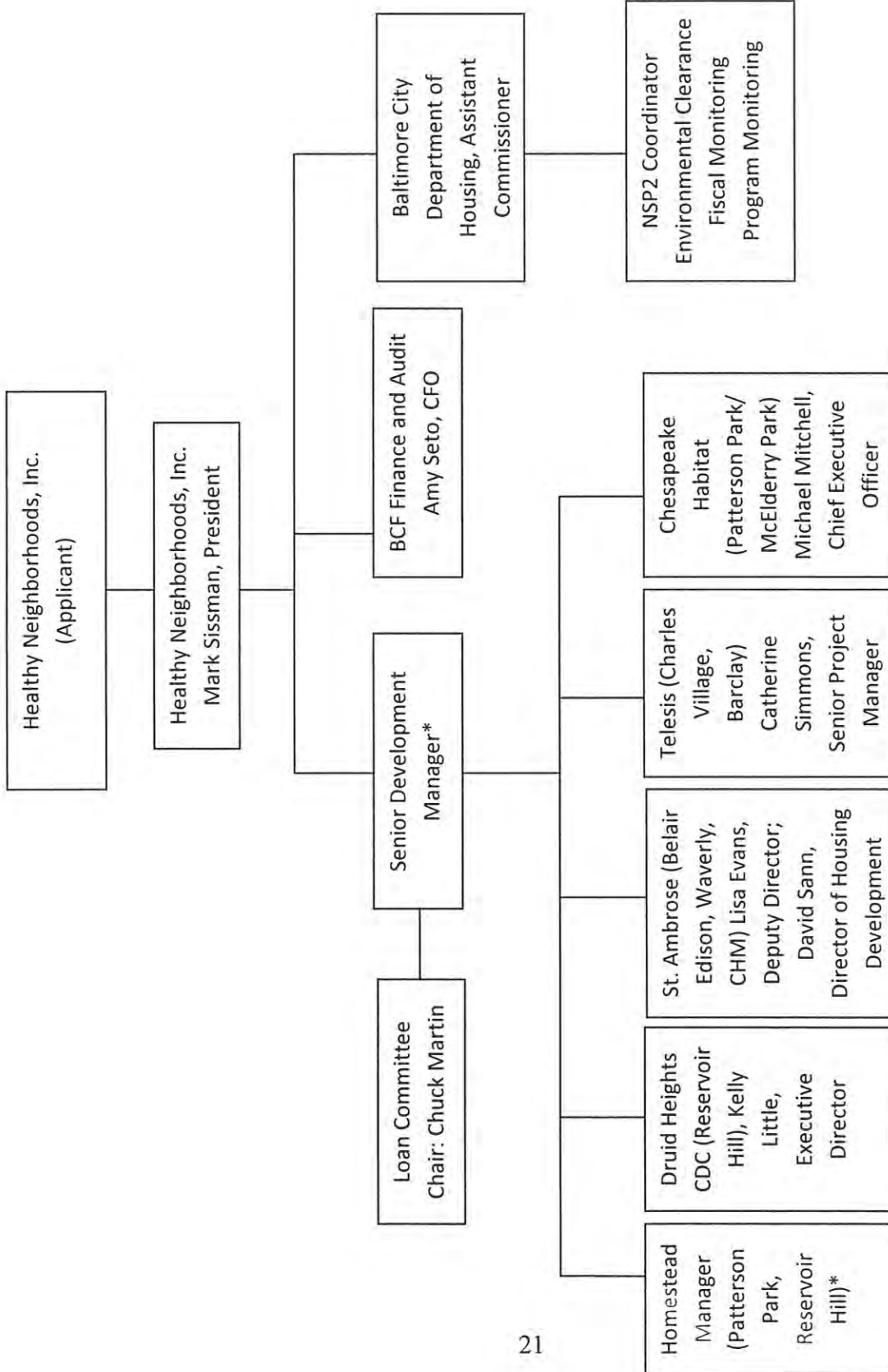
- Jacquelyn Cornish, Deputy Commissioner, Baltimore Department of Housing & Community Development, 417 E. Fayette St, Baltimore, MD 21202 410 396-1644 jacquelyn.cornish@baltimorecity.gov
- Clayton Adams, VP, Community Development, One State Farm Plaza, Bloomington, IL 61761 309 766-3164 clayton.adams.hbaw@statefarm.com

Baltimore Department of Housing and Community Development

- Charles Halm, Director, Community Planning & Development, U.S. Department of Housing and Urban Development, 10 S. Howard St, Baltimore, MD 21201 410 209-6541 Charles.E.Halm@hud.gov
- Elizabeth Harber, Senior Program Officer, the Abell Foundation, Inc., 111 S. Calvert St, Baltimore, MD 21202 410 547-1300 harber@abell.org

Telesis Corporation

- Scott Kline, President, NHT Enterprise Preservation Corporation, c/o National Housing Trust, 1101 30th St, NW, Washington, DC 20007 202 333-8931 skline@nhtinc.org
- Peter Kaplan, Vice President, Acquisitions, PNC Bank, One PNC Plaza, 249 Fifth Ave, Pittsburgh, PA 15222 412 762-5530 peter.kaplan@pnc.com



* Candidates identified, to be hired upon funding of grant

FACTOR 3: SOUNDNESS OF APPROACH

Proposed Activities

This NSP2 proposal is based upon the Healthy Neighborhoods' proven strategies and the well-demonstrated capacities of the members of the Healthy Neighborhoods NSP2 team. The team members *will build and expand upon the work they are already doing* in their NSP2 target census tracts to remediate the destabilizing impacts of foreclosures and vacant and abandoned buildings. Perhaps the best value the team members bring to this endeavor is knowledge of the respective markets in which they propose to work. They know the geography, the real estate, the costs to purchase and renovate, and the buyers or renters likely to respond. The NSP2 funded work will occur as existing partnerships with community-based organizations continue to provide a wide array of services to neighborhood residents. The NSP2 program and proposed activity are also congruent with the city of Baltimore's NSP1 effort which was shaped around the Healthy Neighborhoods model and which targeted four of these proposed NSP2 neighborhoods as well.

The Healthy Neighborhoods strategies described earlier in this application have evolved over seven years of development, financing and advocacy in these neighborhoods. They are shared by members of the Healthy Neighborhoods NSP2 team and its community partners. HNI monitors real estate metrics on target blocks in its participating neighborhoods on a quarterly basis – sales numbers, prices, days on the market, vacant, foreclosures and rehab permits. Neighborhood statistics had been generally keeping pace with average citywide performance on a consistent basis, an improvement over past neighborhood real estate performance prior to the inception of the HNI program and its focused efforts.

However, the program's efforts have not been able to keep pace with the current real estate trends which have led to an accelerated rate of foreclosures and vacancy, and an increase in unsold inventory on the market. More widespread intervention is needed to make quality housing available for purchase by homeowners who will contribute to the communities' stabilization and quality of life. Without NSP2 funds there is no capital to undertake the program, and certainly not at a scale to move the market.

Significant intervention by the Healthy Neighborhoods NSP2 Team over the next three years will safeguard past gains, create new quality housing opportunities for homeowners and position these communities to fully participate in a revived market when economic recovery occurs. The NSP2 dollars are a key component; they will allow for high quality renovations and enable the Healthy Neighborhoods NSP2 team to serve a market where there is still evident buying interest but where some otherwise qualified buyers are still priced out of the neighborhoods. Given the relatively compact nature of the neighborhoods and census tracts this proposal enables sufficient scale to make a market difference.

While each neighborhood has unique characteristics and market price points, all share many of the same attributes and issues. The strategies we propose are similar with the intended result being fewer vacant and foreclosed properties, reinvigoration of the market through the introduction of new homeowners, and growing confidence from the effects of visible continued reinvestment.

Baltimore is a city of row (attached) homes. The neighborhoods in which we work are not so deteriorated that demolition and clearance is an appropriate solution. The primary activity is the acquisition and rehabilitation of foreclosed and abandoned property or the acquisition and

rehabilitation of vacant, blighted property meeting the definitions included in the Appendix. The Healthy Neighborhoods NSP2 Team members will each engage in acquisition/rehabilitation activity in their assigned census tracts.

The second activity is the creation of financing mechanisms to make development of the properties and ultimately their purchase or rent to income eligible households feasible, and will be undertaken primarily by HNI. These will include the provision of soft subordinate mortgages to write down purchases to a level affordable to the target markets, and to provide closing cost assistance. These financing mechanisms will complement the development activity of the NSP2 team members.

St. Ambrose, with 40 years of development, counseling and advocacy, will expand its program of acquisition, rehabilitation and resale from 35 foreclosures annually to 62 in the census tracts covering Belair-Edison, CHM, Ednor Gardens and Better Waverly for a total of 186 renovated homes for resale.

Habitat will expand its production in the East Baltimore neighborhoods of McElderry Park and Patterson Park from 21 homes over the past two years to 25 homes a year for the next three years, totaling 75 renovated units. The predictable source of acquisition funds and homebuyer subsidy will enable Habitat to ramp up its production and systems to a level it could not otherwise sustain.

The Druid Heights CDC (DHCDC), active as a developer in an adjoining West Baltimore community, will be the development partner in Reservoir Hill. DHCDC, with strong support from HNI, will be implementing the developer phase of a 2008 plan for Reservoir Hill. A particular focus will be foreclosed buildings or foreclosed condominium units in multifamily buildings. Eighteen acquisition/rehabs are projected.

In Barclay/Old Goucher the NSP2 activity will jump start development on the most visible and marketable blocks. Telesis will be the developer handling the acquisition, renovation and sale or rental of approximately 294 units in the target census tract. We propose to provide NSP2 funding to assist Telesis in the development of 35 units in the first phase of a multi-phase mixed income, mixed tenure development program focused on the Healthy Neighborhoods target blocks in the western portion of the community, the Calvert Street and Guilford Avenue and East 24th Street corridors.

In addition, NSP 2 funds will enable HNI to continue and expand its work with individual buyers who choose to manage the acquisition and rehabilitation of their individual homes (“homesteading”). This implementation strategy is particularly important and effective in Patterson Park and Reservoir Hill where there remains a market of individual families eager to take on the task but without the full economic capacity to buy and renovate properties. The focus in Reservoir Hill will be priority blocks identified in a 2008 plan commissioned by Healthy Neighborhoods. HNI will assist homesteaders in identifying houses, designing improvements, selecting contractors and managing renovations. HNI’s market information indicates many such homebuyers seek opportunities and with modest subsidy and professional support can redevelop a home. HNI will assist 35 families.

It is not our intention to acquire occupied properties or to engage in demolition of property.

These strategies will not solve all of the problems in three years’ time. However, we do believe this NSP2 program will enable us to reach a level of stabilization through intervention that would

otherwise not be able to be attained, and that will allow these communities to maintain market equilibrium. Our goal is to continue to strengthen them to the point that will enable them to continue to attract quality home buyers. Without the NSP2 funding, members of our team will continue their work; however, the growth of foreclosures and vacancy will continue to outstrip their impact and in three years, despite their efforts, the markets will be worse, with more deep-seated problems, much more difficult to overcome.

Activity 1 A: Acquisition/rehabilitation/resale by developers

Telesis, St. Ambrose and Habitat area all expected to carry out this activity, each in separate census tracts as described previously in this application.

The protocol for acquisition/rehab/resale development activity is described below. It will occur across all target communities. The differences in costs and projected requisite subsidies in the various neighborhoods is the result of different markets, house types, costs of acquisition and rehabilitation and marketability of the neighborhoods to buyers of varying incomes.

Property identified by team members for purchase for redevelopment will be reviewed and approved by Healthy Neighborhoods to assure it meets the definition of foreclosed and abandoned, or vacant and blighted, and that the required 1% discount from appraised value is reflected in the proposed purchase price of foreclosed property. Developers will be encouraged to utilize options to purchase with a price contingent upon appraisal and acquisition contingent upon environmental clearance and approval of funding from HNI for the project.

Once site control is assured, the team member will a rehab plan incorporating all rehabilitation standards and required green features, and a development budget which will include both counseling and affirmative marketing costs, as well as a developer fee. The developer will project the after-rehab appraised value and identify any necessary gap financing required to fund development costs that will exceed fair market value. This will be reviewed by Healthy Neighborhoods staff and its loan committee before committing NSP2 development subsidy to the developer.

Each developer will be responsible for affirmatively marketing homes and identifying buyers. Some have their own websites highlighting available property. Homes for sale will also be listed on the Healthy Neighborhoods and neighborhood websites, and listed with a realtor on the regional multiple listing service. It is our experience from three years of survey data collected by the Greater Baltimore Board of Realtors (GBBR) that 80% of homebuyers in the Baltimore region and Baltimore City start their search on the Internet. Marketing will be directed to the profile of a typical buyer in Baltimore City derived from GBBR data, and St. Ambrose's more than 150 sales since 2004 of FHA foreclosures. 73% of buyers are couples or single women. The GBBR reported that 65% of City buyers were first time buyers while St. Ambrose's experience was 80% of buyers were first time buyers. The majority of these buyers had incomes between 80% and 100% of the MSA median income.

When a buyer is identified, she will obtain the HUD-required counseling services through one of our partner HUD-certified counseling agencies. These include St. Ambrose, Southeast CDC, Belair Edison Neighborhoods, Inc. and Northwest Housing Resource Center. Buyers will be referred to Healthy Neighborhoods to obtain a soft mortgage if the fair market value of the home exceeds the target buyer's affordability, and to obtain \$6,000 in closing cost assistance if needed, both of which will be provided out of NSP2 funds.

Activity 1B: Acquisition/rehabilitation for rental by developers

We anticipate that there will be a modest amount of rental housing that will result from the NSP 2 grant, particularly in Reservoir Hill where the 2008 study of the real estate market identified a number of small foreclosed fully renovated or near-complete multi-family developments and condominiums which are not selling and are having a negative impact upon the market. As with single-family acquisitions HNI's senior manager and its loan committee will review and approve each multifamily acquisition to determine that it meets the HUD requirements. A complete project development program and pro forma will be submitted by Druid Heights CDC for approval including plans and specifications for renovations prior to a firm commitment to finance the acquisition, renovation or gap. Gap financing provided out of the NSP2 funds will represent the difference between the total development costs and the fair market value of the property upon completion.

Subordinate financing will be the difference between the fair market value and the amount of private mortgage debt which can be obtained for the buildings or units upon completion based on a reasonable rental pro forma assuming occupancy by eligible NSP2 households. Rents will be mandated to meet the affordable rental definition in the application's Appendix. The Reservoir Hill rental units will have deed restrictions requiring occupancy by households under 50% of AMI for a period of thirty years. This will be monitored by the Baltimore City Department of Housing. Healthy Neighborhoods will consult with city and state housing agencies and use underwriting guidelines acceptable in Maryland for low income housing tax credit financed projects.

Activity 1C: Acquisition/rehabilitation by individuals (Homestead Model)

HNI will take the lead and manage this activity which is consistent with HNI's work with borrowers who utilize its loan pool which requires borrowers who have acquired a property with an HNI loan to complete renovations as well. Healthy Neighborhoods staff and a consulting architect assist borrowers to cost out improvements, select contractors and review each contract. During construction if there are issues or disputes, HNI assists borrowers in resolving them.

Through its relationships with the Greater Baltimore Board of Realtors, the City Department of Housing, and lenders HNI has access to available information on foreclosed property for sale, city tax sale foreclosures and to other foreclosures through the listings published by the National Community Stabilization Trust. HNI will help buyers identify available property and arrange for financing, and assist them through construction completion. A full-time professional with requisite experience will be hired to manage a portfolio of thirty five properties. NSP2 funds will fill the construction and affordability gaps. While this homestead model may work in many of the communities, it will be most effective in Patterson Park and Reservoir Hill which have been most successful in attracting young urban pioneers. "Homesteading" has been a very successful strategy in Baltimore for three decades.

Activity 2: Financing Mechanisms

NSP2 funds will be available at three points during the acquisition, rehabilitation and development process. First a commitment will be made to provide sufficient gap financing so that a property can be acquired and rehabilitated. We presume that the total cost of acquisition and rehab will be more than appraised value and that traditional interim construction lenders will require the differential to be available from NSP2 funds. Second, if the fair market value of the completed property exceeds a

targeted borrower's capacity to borrow, a second mortgage will be offered to the borrower sufficient to enable the borrower to purchase with conventional debt in a first position. Third, closing cost assistance of \$6,000 will be available for borrowers who require it. Maryland continues to have very high closing costs which are an impediment to many lower income buyers. We assume all borrowers will need closing cost assistance at the maximum budgeted per household.

If a sales unit receives development gap financing and closing cost subsidy together they will be structured as a mortgage to the project, forgivable upon successful completion of development and sale to an income eligible buyer as non-interest bearing soft subordinate mortgages with a declining balance in equal increments over thirty years. In the case of closing cost assistance of \$6,000 only, the loan will decline in equal increments over ten years. HNI reserves the right to charge a modest annual fee on all financings.

Not all buyers will require a second mortgage purchase subsidy. However, all buyers of homes targeted to households under 50% of area median income will be provided soft subordinate debt from NSP2 funds in an amount not to exceed the amount necessary to make the home affordable to a presumed two person household with an income at 40% of median, without exceeding 31% of gross household income.

Loans for rental housing will be structured to the project's feasibility and may require interest payments depending on the proposed pro forma and population to be served. Soft mortgages on rental housing will not be forgiven but fully repayable should the building or units be sold. HNI will record a right of first refusal for future acquisition at an appraised value which takes into account the requirement for continued use as low income housing. HNI may transfer that right to purchase to an institution whose mission includes preservation of affordable housing. Long term affordability will be assured by a recorded deed restriction and regulatory agreement requiring the occupancy of the housing by low income tenants (under 50% of area median) for a period of thirty years. This will be monitored by the Baltimore City Department of Housing.

Any program income received by Healthy Neighborhoods as a result of repayment of financing provided to the developer or the eventual buyer of the home will be handled as program income and will be utilized for future activities eligible under the NSP2 program.

HNI will carefully monitor project income requirements, particularly that at least 25% of the funds be committed to housing serving families at or below 50% of the median income.

Activity 3: Administration

Healthy Neighborhoods will administer the program utilizing the administrative funds for which it is eligible under the grant. These funds will defray administrative costs associated with the program for the time of existing staff dedicated to NSP2 activity, as well as to hire additional program-specific staff, and to contract with outside consultants and vendors for appropriate services to assure compliance with the NSP2 regulations.

Coordinated Components in Support of, but not funded by NSP2

While NSP2 redevelopment activity is ongoing, the participating network of community organizations in the Healthy Neighborhoods communities will continue to provide many support services to residents of these seven neighborhoods. Among these supporting organizations are

Belair-Edison Neighborhoods, Inc. (BENI), Greater Homewood Community Corporation (GHCC), Reservoir Hill Improvement Council (RHIC), Banner Neighborhoods, Friends of Patterson Park, McElderry Park Community Association, Southeast Community Development Corporation (SECDC) and the successor to the Patterson Park Community Development Corporation. While the activities and services of these groups are not directly supported by NSP funds, they are an integral, extremely important part of the holistic approach we are taking to neighborhood stabilization, to make them attractive places to live, and improve quality of life for the residents. All are supported by city government and foundations that support Healthy Neighborhoods.

To illustrate, these neighborhood based organizations are engaged in some of the following:

The *Reservoir Hill Improvement Council (RHIC)* is the umbrella organization for the numerous smaller community organizations representing the neighborhoods and residents of Reservoir Hill, and brings them together to work on issues of mutual concern. It works to market and promote the neighborhood and improve living conditions focusing on housing counseling, planning and reducing the number of vacant houses. RHIC has undertaken significant community “greening activities” converting vacant lots into planted spaces, developing a community garden, and increasing the tree canopy. Annually, it conducts a series of four green rehabilitation workshops for home renovators and maintains a strong partnership with Parks and People Foundation to promote environmental issues.

The *Greater Homewood Community Corporation (GHCC)*, an umbrella organization, provides service to three of the target communities – Ednor Gardens, Better Waverly, and the Barclay/Old Goucher community. Since its founding in 1969 it has been active in education and literacy issues and provides a forum for the north Baltimore communities it services and places over-55 volunteers in the neighborhood schools’ Pre-K through 3rd grade classrooms. GHCC played the central role this year in selecting a new principal for Waverly Elementary School which serves Ednor Gardens and Better Waverly neighborhoods.

The advocacy work of Greater Homewood was instrumental in planning for revitalization for the Barclay/Old Goucher community which forms its southern boundary. Recognizing the area was positioned to take advantage of the strength of the neighborhoods just to the north, and the many nearby institutions, GHCC took an active role in helping plan for Barclay’s revitalization and in the review of developers that responded to the City’s RFP for a master developer, resulting in the selection of the Telesis Corporation.

Belair-Edison Neighborhoods, Inc. (BENI) serves the Belair Edison community by providing homeownership counseling and various support services to the Belair-Edison community. For more than twenty years BENI has been the best Baltimore community-based organization working in concert with a number of other activist partners to overcome a second generation of foreclosures in the past decade.

BENI works with other organizations to maintain and improve its parks. Since becoming a Healthy Neighborhoods partner in 2000, it has worked to promote Belair-Edison as “a great place to call home.” The organization provides first time buyer workshops and individual pre-purchase counseling to anyone interested in buying in Baltimore City and is a HUD certified counseling agency. In response to the high foreclosure rates, it has developed a premier community-based model to combat foreclosures through counseling and aggressive outreach. It provides a similar service to its sister Healthy Neighborhood community, Coldstream-Homestead-Montebello. To

date, it has seen 324 post-purchase clients, 255 of which required assistance with resolving or preventing mortgage delinquency.

The Patterson Park CDC described earlier in this application (page 4) created a tremendous legacy of other organizations it helped form and support which continue to work to improve its community. Active in the neighborhood are the Banner Neighborhoods Community Corporation, providing a variety of community-building activities such as youth activities, senior home maintenance and beautification projects, and the Friends of Patterson Park, a group which has provided stewardship over the Park and advocated for millions of dollars of improvements, as well as programming that increases the park's usage.

For nearly 30 years the *Coldstream Homestead Montebello Community Corporation* (CHMCC) has been an active and aggressive organization representing its residents in planning for the future of the CHM community and providing resources to families there. Among the programs and services available to this community as a result of CHMCC's activism are C-SAFE (Collaborative Supervision and Focused Enforcement) which makes the neighborhood safer and cleaner, Citizens on Patrol – weekly daytime and monthly evening walks in partnership with the Police Department to empower citizens to recognize, report and prevent code violations and criminal activity – and the CHMCC Youth Activities and Learning Center which offers homework assistance, tutoring, computer labs, basketball and other clubs. Residents in CHM may take advantage of energy saving light bulbs, water saving faucets and cool roof coatings through its Project Light Bulb program. It also offers assistance linking seniors with services and benefits.

Project Completion Schedules

The members of the Consortium and for-profit partner are well aware of the expenditure requirements of NSP2 and are confident of their ability to carry out activities timely. The consolidated schedule of activity and anticipated draw down of funds is at the end of this Factor. The schedule anticipates that 81.7% of NSP2 funds are disbursed by the end of Year 2, and 100% of NSP2 funds are spent by the end of Year 3.

One of the most time consuming activities is the acquisition of property. Because our team members already have ready access to property appropriate for the acquisition and rehabilitation program, we believe we will be able to jump start the planned activity and meet NSP2 deadlines. Because of its Asset Control Area agreement with HUD, St. Ambrose already has ready access to a substantial number of foreclosed homes in four of the target neighborhoods. Telesis, as a result of its selection through an RFP process, has a commitment from the Housing Authority and City of Baltimore for site control of vacant, abandoned units under their control.

Habitat has been identifying properties in McElderry Park for some time. There are many developer-owned houses in foreclosure and bankruptcy proceedings which we are tracking in Patterson Park and Reservoir Hill. Once the Patterson Park CDC comes out of bankruptcy it is our hope we can help negotiate with lenders for control of vacant CDC property in foreclosure for renovation by homesteaders or Habitat. In addition, we have been assured of the cooperation of the Baltimore City Department of Housing in acquiring property in the city's tax sale foreclosure pool in our target areas to provide additional housing inventory.

As soon as we are notified that funding will be forthcoming, the Healthy Neighborhoods NSP2 team will begin to identify other property and negotiate options to purchase. We will seek to receive

environmental clearances on identified properties at the earliest possible time. Access to properties through the National Community Stabilization Trust has been offered. We will move forward quickly.

Income Targeting/Budget for NSP2 Activities

A requirement of NSP2 is for 25% of funds to be targeted to households under 50% of area median income through the acquisition and rehabilitation of housing that is foreclosed and abandoned. To fulfill this requirement, Chesapeake Habitat for Humanity will acquire at least 15 foreclosed properties which will be renovated and sold to program participants under 50% of AMI. In addition, St. Ambrose Housing Aid Center will renovate at least 36 foreclosed properties and market them to this target income group. Druid Heights CDC will acquire at least 18 foreclosed units or buildings in Reservoir Hill and renovate them as required for use as long term rental, or for sale to households under 50% of AMI. Telesis Baltimore will renovate two homes for this income group. In total, a minimum 71 foreclosed units will be renovated for the target income group, representing an expenditure of \$6,830,800, or 26.2% of requested funds.

The remainder of the activity, acquisition and renovation of another 278 housing units will target households under 120% of AMI in conformance with the NSP2 regulations. We note the predominant market to be served will very likely be well under 120% of AMI. St. Ambrose reports that its average buyer in the Asset Control Area has a household income around 88% of area median. We do not expect this will change for the NSP2 program. The balance of the Habitat for Humanity production will also serve households under 50% of area median as that is its program policy. Telesis Baltimore is targeting households at 80 and 100% of median. Individual homesteaders are likely to range from 80% to 120% of area median if past experience is an indicator.

The NSP2 budget at the end of this Factor shows the projected housing production in each neighborhood, the overall budget for the NSP2 program, and the plan for meeting the requirement of spending at least 25% of the NSP2 funds to provide housing for households with income less than 50% of AMI.

In developing our estimates of expenditures we utilized the following formulas. Given that the average home purchaser in Baltimore is a household of 2.1 persons (from data provided by the Metropolitan Regional Information Service), we calculated the maximum mortgage based on a presumed 2 person household, assuming housing expense (principal, interest, taxes and insurance and condo or HOA fee if appropriate) should not exceed 31% of gross household income. We assumed an FHA mortgage interest rate of 5.625%, and an FHA mortgage insurance premium of .055%. This brought the “all-in” mortgage interest rate to 6.175% which we utilized for our calculations and projections. The Housing Cost Burden calculations in Factor 1 shed additional light on calculating this budget by pinpointing the amount of buyer subsidy needed to reduce housing cost burden to an acceptable level.

For homes targeted to households below 50% of area median, in order to create a marketing window of eligible buyers, we assumed a subsidy necessary to make a home affordable to two person households at 40% of AMI.

For those neighborhoods where the primary market buyer appears to be a household under 80% of AMI, we made the same affordability calculation; and homes targeted to a market at 120% of AMI were calculated as being affordable at 100% of AMI.

We then calculated the difference between the cost of acquiring, rehabilitating and selling the house -- including closing costs and developer fees, and the typical market price of a house in each of our target neighborhoods. This difference between the total development costs and the market value, if any, represents the gap financing amount that will be needed by the developer.

We also calculated the difference, if any, between the fair market value (market price) of the house and the maximum affordable mortgage for the target buyer. This difference is an affordability subsidy required by the buyer to purchase and will become a soft subordinate loan recorded upon sale to the eventual homeowner.

HNI's administrative costs reflect at least a four year program with several months of expenditures prior to HUD's release of funds and 12 months of close out.

Continued Affordability

We have described in some detail the financing mechanisms which have continuing affordability incentives and requirements for buyers who avail themselves of this assistance. They include:

- Closing cost assistance of up to \$6,000 to be recorded as a non-interest bearing subordinate mortgage declining in equal increments over a ten year period.
- Buyer subsidies to write down purchase costs to make homes affordable to lower income buyers to be recorded as thirty year non-interest bearing subordinate mortgages, declining in equal increments over the thirty year term. If both closing cost assistance and buyer subsidy are provided they will be wrapped into a single thirty year mortgage with equal declining increments over thirty years.
- Rental units that obtain financing subsidies will have subordinate mortgages representing the difference between fair market value and the amount of conventional debt that can be amortized by the income after expenses and achieving a lender-required debt service coverage. Those mortgages will be repayable to HNI upon resale. In addition, the units will contain deed restrictions limiting their occupancy to households under 50% of area median for thirty years. Eligible occupancy will be monitored by the City Department of Housing through its HOME Compliance Unit through review of rent rolls and tenant income source data. A right of first refusal for HNI to acquire the buildings upon offer to sell will be recorded as an encumbrance on the mortgage.

Consultation, outreach, communications

Throughout the process of developing this NSP2 application Healthy Neighborhoods has maintained the same open, transparent and inclusive process that has defined its work during its first seven years. Given the very short time frame afforded by HUD to draft the application, there was a remarkable amount of collaboration and discourse with public and private sector partners and communities.

The city and state have been informed partners in the process. Housing Commissioner Paul Graziano and Maryland Deputy Secretary Clarence Snuggs serve on the HNI board of directors and both were vocal supporters of this application. The city is a member of the Healthy Neighborhoods NSP2 team, and during the development of this application, we worked with senior HCD staff to agree on the neighborhoods and strategies. Several of our collaborators will use state financing to support their projects. The city is a member of the Healthy Neighborhoods NSP2 Team and we will

keep Deputy Secretary Snuggs informed through his senior staff, a member of which will serve on the HNI loan committee.

Healthy Neighborhoods maintains long-standing working relationships with the community-based organizations in the neighborhoods in which we propose to acquire and rehabilitate vacant and foreclosed properties. Reservoir Hill, Patterson Park, Waverly, Ednor Gardens, Coldstream-Homestead- Montebello, Belair Edison and Greater Homewood are partners in the Healthy Neighborhoods program. Each has provided a support letter for this application. HNI's management structure ensures regular and open communication with our partner organizations. The president of HNI meets quarterly with executive directors and annually with the boards of directors of each partner organization.

Through our affiliated neighborhood based groups, we will continually provide updates on the NSP2 program, its design, progress, opportunities and results. It is expected these will be reported through their websites and newsletters and community meetings as well as on the HNI website.

Any complaints received about program activities or any of the members of the HNI NSP2 team will be responded to within twenty four hours and resolved in a fifteen day period with a record kept of the complaint and its disposition.

On June 26 and July 1, we advertised our intention to apply for NSP2 funds in the Afro-American newspaper and Baltimore Sun, respectively, soliciting public comment. In addition to information in the ad about our target geography and funding request, we posted a Draft of the Project Summary, the Budget and the Summary of the Target Geography on the websites of Healthy Neighborhoods, Inc., the Baltimore City Department of Housing and Community Development, and the Baltimore Neighborhoods Collaborative. See Appendix 1 for a summary of public comment and URL addresses.

Performance and Monitoring

Healthy Neighborhoods will monitor the activity of the Healthy Neighborhoods NSP2 team members to assure they are meeting their performance goals. All members will be bound by their individual agreements with Healthy Neighborhoods to allow for internal audits of any NSP2 activities (see description below on internal audit function). HNI will set up internal processes for review of all property purchases for compliance with NSP eligible uses, and will review all development budgets before committing funds for development. It will not expend funds before the required environmental review of property is completed by the City Department of Housing, a member of the Consortium.

Prior to making buyer financing available, HNI will verify the income eligibility of the buyer through gathering and verification of source materials by its housing counseling network working with individual buyers. It will establish a protocol and forms for developing a file verifying the income eligibility of the purchaser and the purchaser's successful completion of housing counseling.

(1) Monitoring and Environmental Clearances, Rental Housing Compliance

HNI will cooperate with the Baltimore Department of Housing and Community Development in its systematic monitoring of all programmatic and financial activities and reporting for compliance. Monitoring will occur on a quarterly basis with technical assistance provided on a more frequent

basis, particularly in the first year of implementation. The Department is in the process of hiring an NSP coordinator in the Division of Development whose job will include this function.

The essential element of the monitoring process is to assure compliance with local and federal regulations and requirements. The monitoring review process will include the following components:

- Preparation of checklists identifying activities and actions that must be documented (e.g. appraisals, rehab work write-ups and estimates, financing documents, income verifications, program income records, debarment checks, Davis Bacon payrolls, etc.)
- Desk reviews, data collection and planning;
- Review of quarterly reports;
- Site visits;
- Communication of corrective actions to be taken if necessary;
- Follow up and assistance in implementation of recommendations;
- Provision of technical assistance as requested; and
- Reviewing file kept for occupants demonstrating income eligibility.

Environmental clearances will be handled by the Department's Director of Environmental Policies (DEP) who will act as the liaison with the City's Commission on Historic and Architectural Preservation and the State's Historic Trust. The DEP will be responsible for maintaining environmental review records including release of funds forms.

For those properties that are to be retained as long-term rental, compliance with income eligibility of occupants will be monitored by the HOME Compliance staff in the Department's Development Division for the thirty year long term affordability period. The Department will require rent roll and income verification documentation from owners on a regular basis.

(2) Internal Auditing

Through a consulting arrangement with CEA Scholtes & Associates, Certified Public Accountants, HNI will contract for internal auditing of the NSP2 program. This firm provides these services for the Baltimore Community Foundation. Scholtes will report directly to the Healthy Neighborhoods Board of Directors.

Scholtes & Associates has an extensive background in internal controls and internal control testing. It is current with its continuing professional education requirements including the required hours needed to render an opinion on an audit performed in accordance with Governmental Auditing Standards which are the applicable external audit reports regularly prepared for HUD. Furthermore, the CPA's firm has received an unqualified opinion on his practice's workpaper documentation, quality controls and deliverable products through a stringent peer review process promulgated by the American Institute of Certified Public Accountants (AICPA).

Neighborhood Stabilization Program 2									
Application of Healthy Neighborhoods, Inc.									
NSP-2 Budget by Consortium Member and Neighborhood									
And Eligible Activity									
	Serving HHDs <50% AMI Subparts A & B # Units	Average NSP Funding Per Unit	Total NSP Funds	Serving HHDs < or > 50% AMI Subparts A, B & E # Units	Average NSP Funding Per Unit	Total NSP Funds	Total Units	Total for NSP Funds	Total for All Activity
	Foreclosures or Abandoned			Foreclosures, vacant & abandoned structures					
Patterson Park/McElderry Park									
Chesapeake Habitat for Humanity									
Acquisition/rehab/resale	15	\$50,000	\$750,000	60	\$50,000	\$3,000,000			
Buyer closing cost assistance		\$6,000	\$90,000		\$6,000	\$360,000			
Homesteading (acq/rehab by individuals)				25	\$35,000	\$875,000			
Buyer closing cost assistance					\$6,000	\$150,000			
Total All Activity							100		\$5,225,000
Reservoir Hill									
Druid Heights CDC									
Purchase/rehab units for rent	18	\$225,000	\$4,050,000						
Homesteading (acq/rehab by individuals or developer)				10	\$154,000	\$1,540,000			
Buyer closing cost assistance					\$6,000	\$60,000			
Total All Activity							28		\$5,650,000
Belair Edison, Ednor Gardens, Better Waverly, Coldstream-Homestead Montebello									
St. Ambrose Housing Aid Center									
Acquisition/rehab/resale	36	\$35,600	\$1,281,600	150	\$38,100	\$5,715,000			
Buyer Closing Cost Assistance		\$6,000	\$216,000		\$6,000	\$900,000			
Total All Activity							186		\$8,112,600
Barclay/Old Goucher Telesis, Inc.									
Acquisition/rehab/resale	2	\$215,600	\$431,200	33	\$124,000	\$4,092,000			
Buyer closing cost assistance		\$6,000	\$12,000		\$6,000	\$198,000			
Total All Activity							35		\$4,733,200
GRAND TOTAL HOUSING ACTIVITY							349		\$23,720,800
Administration @ 10%									
% of NSP2 funds serving HH@ <50% AMI			26.2%						
TOTAL NSP-2 REQUEST									\$26,092,880

Construction Schedule and NSP2 Cash Flow

Assumptions:												
NSP2 funding available in February 2009												
All buyers receive \$6,000 in closing cost assistance												
For Telesis												
35 houses shown in groups of 5												
Pay-in: \$124,000 during construction												
Subsidy for buyers <50% AMI at closing												
For Patterson Park Homesteading												
25 houses shown in groups of 5												
Pay-in: \$10,000 at closing, \$31,000 during construction												
For St. Ambrose												
186 houses shown in groups of 7												
Pay-in: \$10,000 at purchase, \$27,600 during construction												
For Druid Heights												
18 units in shown in groups 4/5												
Pay-in: \$50,000 at purchase, \$175,000 during construction												
For Reservoir Hill Homesteading												
10 houses shown in groups of 2												

Month	Year 1												Year 2												Year 3																
	Feb-10	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-11	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-13																	
Telesis																																									
Group 1-5	310	310	310	310	310	310	310	122																																	
Group 6-10											30																														
Group 11-15																																									
Group 16-20																																									
Group 21-25																																									
Group 26-30																																									
Group 31-35																																									
Subtotal	310	310	310	310	310	310	310	310	122	310	310	310	310	310	310	310	310	310	310	310	310	310	310	\$4,733,200																	
Druid Heights CDC																																									
Group 1-4	200	200	200	200	200	200	250																																		
Group 5-9																																									
Group 10-13																																									
Group 14-18																																									
Subtotal	200	200	200	200	200	200	250	250	200	200	200	250	250	250	250	250	250	250	250	250	250	250	250	\$4,050,000																	
Patterson Park Homesteading																																									
Group 1-5	50	50	50	50	50	50	50	155																																	
Group 6-10																																									
Group 11-15																																									
Group 16-20																																									
Group 21-25																																									
Subtotal	50	50	50	50	50	50	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	\$1,025,000																	
Reservoir Hill Homesteading																																									
Group 1-2	152	152	152	152	152	152	168																																		
Group 3-4																																									
Group 5-6																																									
Group 7-8																																									
Group 9-10																																									
Subtotal	152	152	152	152	152	152	168	168	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	\$1,600,000																	
Total	570	477	615	1073	928	465	1165	1033	862	1020	985	1095	615	1190	707	1560	925	635	990	800	1455	615	680	865	460	533	670	202	165	167	42	102	18	0	30			\$23,720,800			
% Total NSP2 Funds	2.2%	1.8%	2.4%	4.1%	3.6%	1.8%	4.5%	4.0%	3.3%	3.9%	3.8%	4.2%	2.4%	4.6%	2.7%	6.0%	3.5%	2.4%	3.9%	3.1%	5.6%	2.4%	2.6%	3.3%	1.8%	2.0%	2.6%	0.8%	0.6%	0.2%	0.4%	0.1%	0.0%	0.1%	0.0%	0.1%	90.9%			\$2,372,080	
Cumulative %											39.4%														81.7%													100%			\$26,092,880

FACTOR 4: LEVERAGING FUNDS OR REMOVAL OF NEGATIVE EFFECTS

(a) **Leveraging.** We have provided 25 commitment letters in Appendix 1 in a total amount of \$22,108,697 which will leverage the investment of NSP2 funds in the Healthy Neighborhoods program. These funds will be used:

- as revolving lines of credit for acquisition and rehabilitation of houses,
- as soft subordinate seller take back loans,
- as direct grants to subsidize the acquisition and rehabilitation of houses,
- as in kind donations of rehabilitation materials,
- to pay for holding costs of vacant properties,
- City and State funded capital improvements in our target geography for schools, parks and infrastructure to maintain the quality of life essential to neighborhood stabilization.

Leveraging includes nine revolving lines of credit for St. Ambrose. These lines of credit are renewable, have been renewed in the past and will be used during the entire three year duration of the NSP2 program. The total face value of the letter commitments is \$6,750,000; however, since 2004 the average amount of funds drawn down by St. Ambrose for the acquisition and rehabilitation of FHA foreclosed houses from these credit lines is \$109,236 per house. If NSP2 funds are available, St. Ambrose estimates that this average amount from the banks can be reduced to \$75,000 per house. Thus we have calculated the total value to our NSP2 program of these revolving lines of credit is \$75,000 per house for 186 houses or \$13,950,000.

As part of the documentation for the City's Capital Improvement Program expenditures in our target geography we have included project summaries from the CIP that have been committed by the City, approved by the City's Board of Estimates and are included in the City's FY 2010 budget. The improvements include planning for a new school in Barclay; renovation and expansion of Waverly Elementary School that serves Waverly, CHM and Ednor Gardens; a playground, baseball field and an innovative senior long term care facility that will serve these three neighborhoods; park improvements that serve Reservoir Hill and Patterson Park; and road resurfacing that is part of the CHM community plan.

When the total commitment of \$22,108,697 for Healthy Neighborhoods NSP2 activities from non-Federal sources is divided by the requested amount of NSP2 funds in this application, \$26,092,880, the percentage of other funds is 85% of requested NSP2 funds. The ratio of other non-federal funds to NSP2 funds is 1 to 1.18.

(b) **Removal of substantial negative effects.** See Appendix 1. We have estimated that our program will create 349 units of housing. For purposes of the calculation of our impact, we have used the City's calculation of vacant, uninhabitable houses as evidenced by its issuance of code enforcement Vacant House Notices as a truer reflection of the number of the vacant buildings in these neighborhoods, rather than HUD's proxy calculation based on U.S. Postal Service data.

In some areas all the NSP2 funded houses will be foreclosed upon, abandoned and meet the City standard of vacant buildings with a Housing Code Violation Notices. This qualifies their inclusion in the program under Subpart (E), eligible uses. Included in Appendix 1 is the City's list of Vacant House Notices by census tracts/ which lists 883 properties in our target geography. For the calculation we reduced the total of City identified vacants to 826 because the City list includes 57 houses in CHM scheduled for demolition in the near future.

Our program is designed to deal with FHA and conventional foreclosures as they occur during the three year NSP2 period. These houses cannot be identified today. However, the experience of the St Ambrose staff in its HUD Asset Control Area indicates that approximately 75% of the FHA foreclosures it acquires have been issued or will be issued a Vacant House Notice; the other 25% would be considered below code standards but may not meet all requirements to be deemed a blighting influence or eligible for receipt of a code violation notice.

Part of our program will involve acquisition of foreclosed upon, lender-owned condominium units in Reservoir Hill which may or may not have been issued vacant building notices despite not being yet in a habitable state as renovation stalled or as foreclosure loomed. Thus our calculation in this section is our best estimate of the number of units that qualify under this category described in the Rubric as “distressed housing stock”

The calculation in Appendix 1 estimates a total of 295 vacant buildings of the total 349 houses in the program. Multiplying this by 1.5 per the Rubric equals 442 as the total reduction of vacant buildings. Dividing 442 by 826, the total number of vacant houses, results in a Rubric score of 53.5%, the proportion of vacant units addressed by proposed Healthy Neighborhoods NSP2 program.

FACTOR 5: ENERGY EFFICIENCY IMPROVEMENT AND SUSTAINABLE DEVELOPMENT

Transit Accessibility

All of our neighborhoods are in urban areas with excellent access to public transportation. They are all served by MTA bus lines and many neighborhoods have by numerous bus lines that meet the requirement for frequency of service during peak hours. The bus lines all enable workers to get to downtown employment centers. Bus lines in most cases enable workers to get to the MARC commuter lines and light rail linking to suburban employment centers and Washington, D.C.

Two of the communities, Reservoir Hill and Barclay, are within walking distance of a light rail, north/south system stops running between Baltimore County and BWI Thurgood Marshall Airport, and Pennsylvania Station where one can board Amtrak trains north to New York and the State-run MARC commuter train for transit to Washington, Fort Meade or Aberdeen, the major employment sites for the BRAC (Base Realignment and Closure) work force now coming into Maryland from Fort Monmouth, NJ and elsewhere. Proximity to the train station, which also services Amtrak, has been a factor in attracting Washington, D.C. workers who were lured by the cheaper cost of Baltimore City living and housing in Baltimore, and housing stock that has many historic features in proximity to the station. The light rail’s southern terminus, BWI Thurgood Marshall Airport, is a major employment and regional transit hub.

Green Building Standards

Over the past several years, Baltimore residents have seen dramatic increases in utility costs – electricity and water in particular. Sensitivity to this issue and particularly to its harsh impact on low and moderate income households has made our community-based development partners much more conscious of the need to focus on energy efficiency in their redevelopment of existing homes. Our NSP2 program will comply with the required rehabilitation standards and will exceed the

Energy Star® for New Homes standard in gut rehabilitation. While there will undoubtedly be some gut rehab of vacant buildings, many of the foreclosed units may only require moderate rehab. Even in moderate rehabilitation, however, new fixtures and appliances will be mandated to have Energy Star® designations. All of our buyers and renters will also qualify for assistance for the federal stimulus weatherization program.

In addition to meeting all of the HUD-required NSP2 environmental and energy efficiency standards, we have selected a number of the Enterprise Green Communities standards to supplement the required standards outlined in the NOFA, to be utilized as appropriate. They are:

- Where replacing, install water conserving appliances and fixtures: toilets -1.3 GPF; showerhead – 2.0 GPF; kitchen faucets – 2.0 GPM; bathroom faucets – 2.0 GPM.
- Install daylight sensors or timers on all outdoor lighting
- Use low/no volatile organic compounds in paints and primers
- Use low/no VOC adhesives and sealants
- Use urea formaldehyde free composite wood
- Where providing carpet, install Carpet and Rug Institute’s Green Label certified carpet, pad and adhesives
- Assure no carpet is placed in basements, entryways, laundry rooms, baths or kitchens.
- When replacing systems and ductwork, size HVAC systems appropriately in conformance with the Air Conditioning Contractors of America manual, part J and S, or AHRAE handbooks.
- Where replacing, utilize one piece fiberglass or similar enclosure in tub and shower areas or if using tile and grout, use cement board backing material or fiberglass reinforced board.

To assure consistency, understanding and compliance, Healthy Neighborhoods Inc. will schedule sessions for its development partners to review all requirements of the NSP2 program in general and the Green Standards in particular. The Enterprise Foundation as well as two consultant groups already under contract to provide design support to HNI will do the training in Green Standards renovation practices. All developers will be encouraged to provide a resident orientation on resale that focuses not only on home features and maintenance, but encourages sustainable practices such as recycling, gardening and use of healthy cleaning materials. A maintenance handbook will be developed for distribution to all renters and buyers of NSP2 assisted homes.

Civic Works, a Baltimore urban service corps and AmeriCorps program, trains youth through community service and skills development. In recent years they have developed programs to reduce energy costs and promote conservation in many of Baltimore’s low and moderate income neighborhoods including many where Healthy Neighborhoods is active currently and will be with NSP2 funding. Civic Works’ Operation Light Bulb has provided 900 households in Baltimore including those in Belair-Edison, CHM, and Waverly with compact fluorescent light bulbs and low-flow shower heads. Reservoir Hill will be added to the eligible communities. Another Civic Works program installs cool roofs and offers air sealing and insulation to households throughout Baltimore.

FACTOR 6: NEIGHBORHOOD TRANSFORMATION AND ECONOMIC OPPORTUNITY

Healthy Neighborhoods, Inc. certifies that the proposed NSP2 activities described in this application are consistent with the five year Baltimore City Consolidated Action Plan 2005-2010 and the Baltimore City Comprehensive Master Plan 2007-2012. The City has also provided such assurance in the form of a Certificate of Consistency contained in Appendix 2. The Baltimore City Consolidated Action Plan 2009-2010 is the fifth annual plan in a five year cycle to describe the City's activities to be funded by HUD programs. This plan can be downloaded from the City's website: www.baltimorehousing.org/inside_plansandreports.asp The City's NSP1 application was in the form of a substantive amendment to the City's 2008 annual plan to describe the activities to be funded with the additional CDBG funds and to include assistance to households up to 120% of AMI.

The Baltimore City Comprehensive Master Plan 2007-2012 is the first comprehensive plan for Baltimore City in more than 30 years. Completed in 2006, the plan's theme of Live, Earn, Play, Learn emphasizes the optimism and energy that pervaded the City and its neighborhoods at the height of the economic cycle prior to the recession. The plan can be read and downloaded from the City's website, www.baltimorecity.gov/government/planning/compplan

The Consolidated Action Plan 2009-2010. Page 7 of this plan provided a description of consistency with the five year plan by stating the following priority needs in Baltimore must be addressed:

- "Housing: Increase and Preserve the Affordable Housing Stock....The City views the provision of affordable housing as a high priority, particularly for persons or families making 80% of median income or less. The City will work with public, private and nonprofit organizations to address housing needs through the provision of rental and home ownership units..."
- "Community Development Needs. Community development needs include redevelopment of blighted areas, support neighborhood revitalization..."

The activities described in our NSP2 application are consistent and supportive with these priorities and therefore consistent with the City's Consolidated Action Plan. This consistency is also clearly demonstrated by the City's selection of eight Healthy Neighborhoods communities to be the target for NSP1 activity, and the City's membership in the Consortium for this application. The City shares the belief that targeting resources to "middle neighborhoods" is an effective strategy for building and preserving sustainable healthy neighborhoods. Over the past five years the City has committed \$5 million to Healthy Neighborhoods and millions more in capital improvements. \$5 million more has been committed in Baltimore most recent Capital Improvement Program.

The City works to achieve the goals of the Consolidated Action Plan by allocating funds to programs and services which DHCD and other City agencies manage. However, as the Action Plan states, the City cannot create affordable housing units without nonprofit and for profit developers, and it cannot make good community development decisions without the participation of neighborhood organizations that can provide advice, communication and support. Healthy Neighborhoods, Inc. is a network of neighborhood organizations and this NSP2 program includes a Consortium whose members are the City's most experienced in dealing with foreclosure and with

creating home ownership for families with extremely low incomes. It is a natural partner with the City to make initiatives like NSP2 effective in reaching the City's goals.

The Baltimore City Comprehensive Master Plan 2007-2012. The Comprehensive Plan is an appropriate context to put issues of neighborhood transformation in perspective. Like many other urban areas in the United States, in the past 40 years the City of Baltimore has suffered the consequences of rapid population loss and concentrated poverty. From a population of 950,000 in the 1950s the City's population has declined to 651,154 in 2000, an outmigration of 300,000 people. Rowhouses make up 58.2% of the City's housing units. The great majority of rowhouses are within a radius of 3 miles from downtown although on the east side of Baltimore rowhouse neighborhoods extend to the City limits. Given the demographic trends one would expect that there would be uninhabited rowhouses in these neighborhoods simply due to population loss. Of course, it is not simple, and when the empty rowhouses are combined with poverty, crime, drugs and racial prejudice, they quickly become blighted buildings which are a health, safety and fire hazard to the neighborhood. Given the numbers and the conditions in some neighborhoods that have experienced widespread disinvestment, demolition of vacant buildings is a necessary activity in a strategy for neighborhood revitalization. It is not an appropriate strategy for the neighborhoods in this application, however.

In spite of the population loss, since 1970 in Baltimore whenever the real estate cycle was in a growth phase, there has been more than adequate demand to acquire and rehabilitate vacant housing in stable neighborhoods or in neighborhoods with an organized revitalization effort in place. The Comprehensive Plan describes the 1975 Homesteading Program in which 3,000 people made sealed bids for 108 vacant buildings in Otterbein, an otherwise forgotten area close to Baltimore's harbor. While not at Otterbein's fever pitch, the acquisition and rehabilitation in Reservoir Hill and Patterson Park by homebuyers created tremendous momentum for the stabilization efforts in these neighborhoods. It is "neighborhood transforming" activity, and the proposed activity in this application will use NSP2 funds to continue this activity during a period when the housing market is not able to sustain it without assistance.

This activity conforms to the number one goal of the "Live" section of the Comprehensive Plan, "Build Human and Social Capital by Strengthening Neighborhoods." There are a number of objectives described as part of this goal and many strategies to achieve them. The first objective of the goal to strengthen neighborhoods is to expand housing choices. The first measurable result for this objective is to increase the number of homeownership and rental units that are affordable to households between 30% and 120% of AMI. The housing production for this objective is 300 new or rehabilitated units per year for 5 years or 1,500 units to serve seniors, people with disabilities, homeless citizens or low income households at less than 80% of AMI. Our NSP2 program's projected results of rehabilitating 349 houses for homeowners and renters with incomes from extremely low to 120% of AMI will fulfill 23% of this objective.

A third strategy under this objective is "Create and preserve mixed income neighborhoods in competitive, emerging and stable neighborhoods with targeted disposition of City properties." Our NSP2 program will coordinate closely with the City's DHCD to acquire and rehabilitate City owned vacant properties in our target geography acquired by any means other than eminent domain. For example, in Barclay the Telesis agreement with the Housing Authority of Baltimore City identifies every HABC and City owned property in the neighborhood and projects a redevelopment of the property during the 10 year period of the agreement. In Barclay and elsewhere, the City has given us assurances it will cooperate in the disposition of tax sale properties for which it holds title or

certificates that can be foreclosed to facilitate the redevelopment and plan proposed under this NSP2 application.

Maryland's Smart Growth Initiative. Baltimore City is a Priority Funding Area for the State of Maryland's Smart Growth Initiative. The Healthy Neighborhoods program, which is available in thirty five city neighborhoods, complements Smart Growth goals by improving livable neighborhoods where infrastructure, good housing stock and public transportation exist. Smart Growth directs priority funding and development activity to under-utilized portions of jurisdictions with in place infrastructure and preserves the environment and infrastructure. Healthy Neighborhoods activities support Smart Growth by:

- preserving existing residential building,
- encouraging population growth in Baltimore City under-utilized neighborhoods,
- directing people to work and live in population centers,
- recognizing the value of existing park systems, and
- creating employment opportunities in urban neighborhoods.

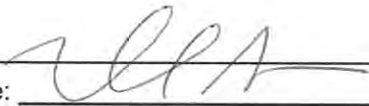
Maryland Smart Growth policies and statutes can be read at www.mdp.state.md.us/smartgrowth.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Healthy Neighborhoods, Inc. 2 E. Read Street, 2nd Floor Baltimore, MD 21202 (See Attachment for complete list) Congressional District, if known: 2, 7	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: N/a Congressional District, if known:	
6. Federal Department/Agency: Department of Housing and Urban Development	7. Federal Program Name/Description: Neighborhood Stabilization Program 2 CFDA Number, if applicable: 14.256	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ N/a	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): N/a	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): N/a	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: <u>Mark Sissman</u> Title: <u>President</u> Telephone No.: <u>(410) 332-0387 x148</u> Date: <u>7/9/09</u>	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

Attachment to SF-LLL, Disclosure of Lobbying Activities

Name	Address
Chesapeake Habitat for Humanity	3326 Keswick Road Baltimore, MD 21211
City of Baltimore, Department of Housing and Community Development	417 E. Fayette Street Baltimore, MD 21201
Druid Heights Community Development Corporation	2140 McCulloh Street Baltimore, MD 21217
Healthy Neighborhoods, Inc.	2 E. Read Street, 2 nd Floor Baltimore, MD 21202
St. Ambrose Housing Aid Center	321 E. 25 th Street Baltimore, MD 21218
Telesis Corporation Baltimore	1101 30 th Street, NW, 4 th Floor Washington, DC 20007

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): Healthy Neighborhoods, Inc., 2 E. Read Street, 2nd Floor, Baltimore, MD 21202 (410) 332-0387		2. Social Security Number or Employer ID Number: 300-27-2104	
3. HUD Program Name Neighborhood Stabilization Program 2		4. Amount of HUD Assistance Requested/Received \$26,092,880.00	
5. State the name and location (street address, City and State) of the project or activity: Healthy Neighborhoods, Inc. 2 E. Read Street, 2nd Floor, Baltimore, MD 21202			

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No.
--	---

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds
N/a			

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
Chesapeake Habitat for Humanity	52-1226188	Applicant	\$5,225,000; 20%
Druid Heights Community Developmatt Corp.	52-1021726	Applicant	\$5,650,000; 22%
Healthy Neighborhoods, Inc.	30-0272104	Applicant	\$2,372,080; 9%
St. Ambrose Housing Aid Center	52-1729460	Applicant	\$8,112,600; 31%
Telesis Corporation Baltimore	26-2029749	Applicant	\$4,733,200; 18%

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: 	Date: (mm/dd/yyyy) 07/09/2009
--	----------------------------------

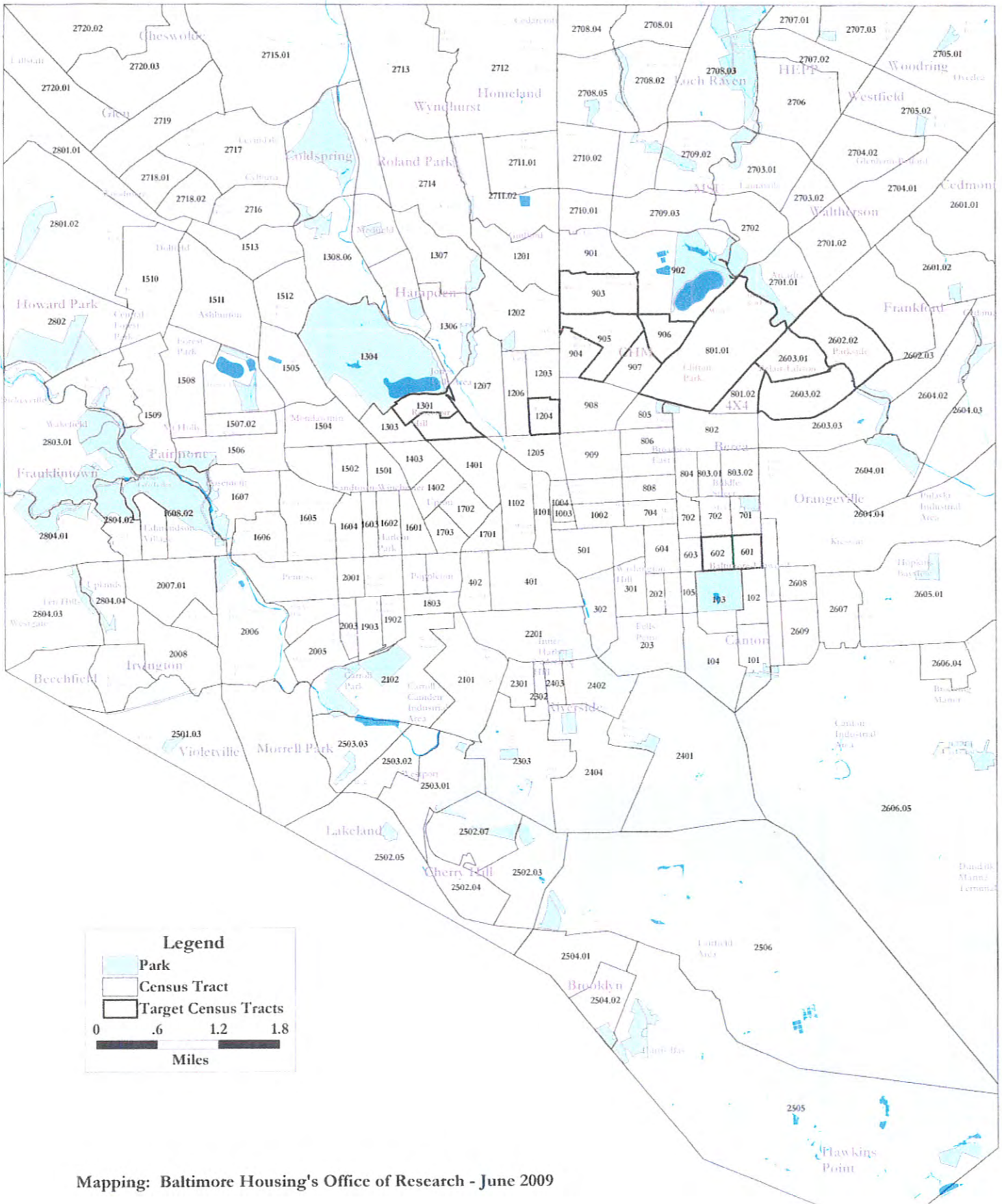
Target Geography for NSP2-Healthy Neighborhoods

Neighborhood	Census Tract	Foreclosure Score	Vacancy Score	Combined Score	Implementation	HUD Est. Foreclosures	USPS Est. Vacancy	City6/6/09 Vacants	Foreclosure %	High Cost Loan %
Patterson Park	601	15	20	20	Habitat	22	206	92	5.2%	39.6%
	602	15	20	20	Homesteading	25	374	164	4.4%	32.4%
Reservoir Hill	1301	16	19	19	Druid Hills CDC	14	158	64	6.3%	48.5%
	1302	13	13	13	Homesteading	18	155	89	5.2%	38.3%
Belair Edison	2603.01	19	19	19	St. Ambrose	64	95	21	8.4%	69.5%
	2603.02	20	14	20	St. Ambrose	79	63	9	7.5%	58.4%
	801.01	17	15	17	St. Ambrose	37	33	17	5.9%	44.6%
	2602.02	18	13	18	St. Ambrose	58	41	13	8.0%	63.0%
Ednor Gardens	903	17	17	17	St. Ambrose	46	99	15	5.7%	43.1%
	906	17	20	20	St. Ambrose	23	159	76	7.9%	61.8%
Better Waverly	905	16	18	18	St. Ambrose	14	58	24	7.5%	57.4%
	1204	12	19	19	Telesis	4	153	242	4.4%	35.3%
Total All Tracts		183	188	220		404	1,594	826		
Average				18.3						

Total vacants in CT 906 reduced by 57 properties scheduled for demolition by Baltimore City.



Baltimore City NSP II Target Area



Mapping: Baltimore Housing's Office of Research - June 2009



**THE BALTIMORE COMMUNITY FOUNDATION, INC.
Employee Code of Conduct, Conflict of Interest
and Confidentiality Policy**

As a charitable organization, The Baltimore Community Foundation has a special obligation to uphold the public trust. The Foundation strives to maintain the highest ethical standards in all of its policies and programs and to avoid conflicts of interest. Members of the Board of Trustees, members of Board committees, officers, and staff of the Foundation, its affiliates and subsidiaries might have interests in conflict with those of the Foundation. No person shall personally benefit from his or her relationship with the Foundation other than by compensation for services approved by the Board or through an established policy. Individuals associated with The Baltimore Community Foundation, Inc. ("BCF") must act at all times in the best interests of BCF and not for personal or third-party gain or financial enrichment. BCF must also act to protect the confidential nature of information regarding its donors and activities. To that end, BCF has adopted a Code of Conduct, Conflict of Interest and Confidentiality Policy (the "Policy"), the terms of which are set forth below.

This Policy shall apply to all employees of BCF, its subsidiaries and affiliates.

I. Code of Conduct.

This Code of Conduct is intended to avoid placing (and avoid the appearance of placing) one's own self-interest or any third-party interest above that of BCF. To this end, individuals covered by this Policy shall:

- Not abuse their BCF position by improperly using their BCF position or BCF's staff, services, equipment, materials, resources, or property for their personal or third-party gain or pleasure, and shall not represent to third parties that their authority at BCF extends any further than that which it actually extends;
- Not engage in any outside business, professional or other activities that would directly or indirectly materially adversely affect BCF;
- Not engage in or facilitate any discriminatory or harassing behavior directed toward BCF staff, members, officers, trustees, meeting attendees, donors, sponsors, suppliers, contractors, or others in the context of activities relating to BCF;
- Not solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such

Kevin G. Byrnes, Chair
Mark Sissman, President
Timothy D. Armbruster
Dallas R. Arthur
Douglass Austin
Cheryl A. Casciani
George L. Bunting
Robert DeAlmeida
Robert C. Embry, Jr.
Paul T. Graziano
Joseph T. Landers, III
Jon M. Laria
Kevin J. Michno
Theo C. Rodgers
Clarence Snuggs
Michael P. Wallace

- person or entity with respect to matters pertaining to BCF; this includes accepting meals from potential vendors or grantees.
- Provide goods or services to BCF as a paid vendor to BCF only after full disclosure to, and advance approval by, the Board, and pursuant to any related procedures adopted by the Board;
- Not persuade or attempt to persuade any employee of BCF to leave the employ of BCF or to become employed by any person or entity other than BCF; and
- Not persuade or attempt to persuade any donor, sponsor, subscriber, supplier, contractor, or any other person or entity with an actual or potential relationship to or with BCF to terminate, curtail or not enter into its relationship to or with BCF, or to in any way reduce the monetary or other benefits to BCF of such relationship.

II. Conflict of Interest Policy

This Conflict of Interest Policy is designed to help staff of the Baltimore Community Foundation identify situations that present potential conflicts of interest and to provide the Foundation with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though staff member has or may have a conflict of interest with respect to the transaction.

A. Definitions

1. Conflict of Interest

For purposes of this policy, a Conflict of Interest may be found to exist in any transaction, arrangement or grant involving the Foundation and an Interested Person.

2. Interested Persons

Any trustee, member of a board committee, officer, or employee who has a direct or indirect Financial Interest or Duality of Interest in a transaction or arrangement of any kind involving the Foundation is an Interested Person.

3. Financial Interest

A person has a Financial Interest if the person has any interest held, directly or indirectly, either personally or through business, employment, investment or family relationship including but not limited to:

- a. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement, excluding ownership interests of less than 5% of a publicly traded company, or
- b. A compensation arrangement with any entity or individual with which the Foundation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement, excluding ownership interests of less than 5% of a publicly traded company.
- d. Employment or compensation by a charitable organization that is being considered for a grant from the Foundation.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A Financial Interest is not necessarily a Conflict of Interest. Under Article III, Section 2, a person who has a Financial Interest has a Conflict of Interest only if the appropriate governing board or committee decides that a Conflict of Interest exists.

4. Duality of Interest

A Duality of Interest exists when an Interested Person is affiliated with an organization seeking to request a grant from the Foundation. Such an affiliation exists if that person is a director, officer, member of a committee, or employee of the organization.

Procedures

1. Duty to Disclose

Every Interested Person shall disclose, at the earliest time possible, to the President of the Foundation any actual or possible Conflict of Interest. If there is any question of whether an individual's situation constitutes a Conflict of Interest, then the relationship must be disclosed.

2. Determining Whether a Conflict of Interest Exists

After disclosure and appropriate opportunity for discussion, the President shall determine whether a Conflict of Interest exists. The Interested Person shall not participate in that determination.

3. Procedures for Addressing the Conflict of Interest

- a. An Interested Person may make a presentation at the governing board or committee meeting, and may respond to questions. If they have a Financial Interest they shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible Conflict of Interest. In the event there is no discussion, the Interested Person shall indicate their abstention on the matter, in which case they need not leave the meeting during the vote.
- b. Persons who have a Duality of Interest may make a presentation and respond to questions at the governing board or committee meeting. They may be asked to leave the room after the presentation and during consideration of the matter, and in any event, may not participate in the vote.
- c. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- d. After exercising due diligence, the governing board or committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest.
- e. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the governing board or committee shall determine by a majority vote of the disinterested trustee members whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and

whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Staff Duality of Interest

If any staff member has a Duality of Interest with regard to grants that are considered by BCF Committees, that fact shall be noted on the grant write up and the Committee Chair shall determine whether the staff member should be asked to leave the room after the presentation and during consideration of the matter.

5. Violations of the Conflict of Interest Policy

- a. If the Foundation has reasonable cause to believe that an employee has failed to disclose a Conflict of Interest, it shall inform that person of the basis of such belief and afford him or her an opportunity to explain the alleged failure to disclose.
- b. If, after appropriate discussion and after making further investigation as warranted by the circumstances, it is determined that a Conflict of Interest exists, the Foundation shall take appropriate corrective and disciplinary action.

6. Records of Proceedings

The minutes of the governing board and all of its committees shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a Financial Interest or Duality of Interest in connection with an actual or possible Conflict of Interest, the nature of the Financial Interest or Duality of Interest, any action taken to determine whether a Conflict of Interest was present, and the governing board's or committee's decision as to whether a Conflict of Interest in fact existed.
- b. The names of the persons who were present for discussions and the votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings, and a record of why the transaction was approved.

III. Confidentiality Policy.

"Confidential Information" shall mean:

1. Any Foundation information regarding an individual or corporate Foundation donor, including but not limited to, donor records, lists, addresses, assets, trusts, family data, estate or tax information, charitable giving history, or gifts to or services provided for donors by the Foundation;
2. All non-public financial information concerning the Foundation, including but not limited to, salaries paid to employees, spending policy projections, investment and similar information;
3. All plans and projections for new or developing resources of the Foundation, including marketing and fund raising techniques;
4. All information relating to the Foundation's resource development activities, employee lists, personnel matters, trade secrets and other confidential or proprietary information;
5. Information obtained as part of the grant review process; or
6. Any of the information described in subsections (1) through (5) of this paragraph that the Foundation obtains from another party or entity and that the Foundation treats or

designates as confidential or proprietary information, whether or not such information is owned or was developed by the Foundation.

Except to the extent that the use or disclosure of any Confidential Information is required to carry out an individual's assigned duties, such individual will not, without prior written approval by an officer of the Foundation: (1) misappropriate, (2) use for the purpose of competing with the Foundation, either directly or indirectly, (3) disclose to any third party, either directly or indirectly, or (4) aid anyone else in disclosing to any third party, either directly or indirectly, all or any part of any Confidential Information. This provision shall apply during the individual's tenure at BCF and thereafter.

Any Confidential Information which a person covered by the Policy receives during the person's association with BCF shall remain the property of the BCF and shall be returned to BCF upon the termination of such person's employment with BCF.

IV. Annual Statements

Each employee shall annually sign a statement which affirms such person:

- a. Has received a copy of the Code of Conduct, Conflict of Interest and Confidentiality Policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy.

V. Equal Housing Lender



Healthy Neighborhoods does Business in Accordance with Federal Fair Lending Laws.

Under the Fair Housing Act it is illegal, on the basis of race, color, national origin, religion, sex, handicap, or familial status (having children under the age of 18), to:

- Deny a loan for the purpose of purchasing, constructing, improving, repairing, or maintaining a dwelling, or to deny any loan secured by a dwelling; or
- Discriminate in fixing the amount, interest rate, duration, application procedures, or other terms or conditions of such a loan, or in appraising property.

Annual Statement

I have received and read the Baltimore Community Foundation Employee Code of Conduct, Conflict of Interest and Confidentiality Policy. I understand and I agree to comply with the policy.

Name of Employee: _____

Signature

Date



**Addendum to BCF Employee Code of Conduct,
Conflict of Interest and Confidentiality Policy
Regarding Healthy Neighborhoods Housing Activities**

Healthy Neighborhoods and its partners will affirmatively further fair housing by promoting fair housing rights and fair housing choice in its activities. It will affirmatively further fair housing by adopting and following procedures and requirements to affirmatively market NSP2-assisted housing opportunities. Affirmative marketing consists of taking actions to provide information and otherwise attract eligible persons in the housing market to the housing program without regard to race, color, national origin, sex, religion, familial status or disability. The requirements and procedures include: methods for informing the public and potential homebuyers about federal fair housing laws; use of the Equal Housing Opportunity logo; procedures to inform and solicit applications from persons in the housing market area who are not likely to apply for the program without special outreach.

Kevin G. Byrnes, Chair

Mark Sissman, President

Timothy D. Armbruster

Dallas R. Arthur

Douglass Austin

Cheryl A. Casciani

George L. Bunting

Robert DeAlmeida

Robert C. Embry, Jr.

Paul T. Graziano

Joseph T. Landers, III

Jon M. Laria

Kevin J. Michno

Theo C. Rodgers

Clarence Snuggs

Michael P. Wallace

Leverage Documentation Summary		
Source		Amount
<u>St. Ambrose Housing Aid Center</u>		
Enterprise Community Partners		\$56,000
St. Ambrose Housing Aid Center		\$623,472
Revolving lines of credit from 9 banks*		\$13,650,000
Bradford Bank	\$500,000	
M&T Bank	\$500,000	
Madison Bohemian Saving Bank	\$1,000,000	
Patapsco Bank	\$750,000	
Rosedale Federal	\$1,000,000	
SunTrust Bank	\$1,000,000	
Susquehanna Bank	\$750,000	
Liberty Federal Savings and Loan	\$750,000	
Fairmount Bank	\$500,000	
Subtotal	\$6,750,000	
<u>Habitat for Humanity</u>		
Habitat for Humanity International		\$182,000
Habitat for Humanity International (in kind)		\$360,225
Constellation Energy		\$500,000
Empower Baltimore/Associated Black Charities**		\$70,000
FHLB of Atlanta (AHP grant)		\$300,000
MD Affordable Housing Trust		\$90,000
Weinberg Foundation		\$250,000
<u>Barclay</u>		
HABC soft second seller loans		\$1,000,000
<u>Various Neighborhoods</u>		
City of Baltimore Capital Improvement Program 2010		\$5,027,000
Total		\$22,108,697
NSP2 Funds requested		\$26,092,880
Ratio is \$1 of other funds to \$1.18 of NSP2 funds		1.18
Or \$1 of NSP2 funds is matched by 85 cents of other funds		0.85
*The total amount of the 9 revolving lines of credit is \$6,750,000		
However, the estimated amount to be drawn per house is \$75,000		
\$75,000 times the projected 186 foreclosures =		\$13,950,000
**Empower Baltimore merged with Associated Black Charities		



June 30, 2009

Vincent Quayle
Executive Director
St. Ambrose Housing Aid Center
321 E. 25th Street
Baltimore, MD 21218

Dear Mr. Quayle:

Enterprise Community Partners, Inc. is pleased to provide St. Ambrose Housing Aid Center a \$56,000 grant to support its participation as a consortium member in the NSP2 application of Healthy Neighborhoods, Inc. Enterprise understands that St. Ambrose Housing Aid Center will serve as a nonprofit developer to oversee the renovation and resale of 62 houses per year, in four target neighborhoods experiencing high foreclosure and vacancy rates, for a total of 186 renovated homes sold to income eligible buyers over the next three years.

St. Ambrose has a long and successful history of providing timely support and services to address affordable housing needs and challenges facing declining neighborhoods and struggling families. Enterprise knows first-hand of St. Ambrose's capacity and successful track record. We believe St. Ambrose will be an effective partner in the NSP2 consortium. The organization's experience and leadership in housing development and supports includes a:

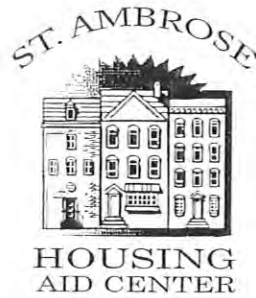
- Housing Development Program acquiring, renovating and selling 296 foreclosed houses to qualified homeowners since 2000.
- Homeownership Counseling Program as a HUD-approved housing counseling agency assisting first time homebuyers that serves a minimum of 250 families a year with one-on-one counseling sessions and at least 400 people attending homebuyer workshops.
- Rental Services Program providing safe, affordable rental opportunities to low- to moderate-income households in the Baltimore area, serving 70 low-income seniors in independent one bedroom apartments, and 280 low- and moderate-income households, many with special needs.
- Homesharing Program, a unique service that "matches" homeowners who have extra space, but need supplemental income, with tenants seeking affordable housing.
- Foreclosure Prevention Program counseling approximately 700 families a year with the only housing agency in the state of Maryland with both counselors and attorneys on staff that served over 3,000 clients in 2008.

Enterprise is committed to supporting St. Ambrose Housing Aid Center, as well as the broader NSP2 consortium, in the efforts to arrest decline in Baltimore neighborhoods. We look forward to the work ahead with St. Ambrose and others as we collaborate to stabilize and rebuild neighborhoods in Baltimore.

Sincerely,

A handwritten signature in black ink that reads "Kelly".

Kelly Cartales
Vice President/Baltimore Impact Market Leader



June 25, 2009

Mark Sissman, President
Healthy Neighborhoods, Inc.
2 East Read Street
Baltimore, MD 21202

Dear Mr. Sissman:

St. Ambrose Housing Aid Center, Inc. is a consortium partner in the Healthy Neighborhoods, Inc. application for Neighborhood Stabilization Program 2 funds. The Healthy Neighborhoods Inc. application includes funding for St. Ambrose to acquire, renovate and sell 186 foreclosed houses to qualified homeowners over a three-year period. In order to facilitate the implementation of this project, St. Ambrose Housing hereby commits \$623,472 of its funds to pay holding costs for each of the 186 houses. Funding averages \$3,352 per house, and will be spread out equally over the three-year length of the project.

If you have any questions or need additional information about our agency or about our commitment of funding, please contact me 410.366.8550, ext. 216. We look forward to playing an integral role in the successful implementation of the Healthy Neighborhoods Neighborhood Stabilization 2 plan.

Sincerely,

A handwritten signature in cursive script that reads "Lisa R. Evans".

Lisa R. Evans
Deputy Director



6900 York Road
Baltimore, MD 21212-1599
(410) 377-9600
www.bradfordbank.net

June 17, 2009

David Sann, Director of Housing Development
St. Ambrose Housing Aid Center
321 East 25th Street
Baltimore, MD 21218

Dear David:

I am pleased to confirm Bradford Bank's \$500,000 Revolving Line of Credit availability for the home acquisition and renovation work being partially funded by the Neighborhood Stabilization Program grant described in your e-mail of June 12, 2009. All terms and conditions of our credit facility (#05-1270) remain the same as evidenced by our most recent extension letter dated February 25, 2009.

As always, please do not hesitate to call with any questions. Thank you for your continuing business with Bradford.

Sincerely,

A handwritten signature in cursive script that reads "Nancy".

Nancy Bell



Understanding what's important®

170 Jennifer Road, Suite 300
Annapolis, Maryland 21401
410 280 5717 Fax 410 280 5780

June 19, 2009

David Sann
Director of Housing
St. Ambrose Housing Aid Center, Inc.
321 East 25th Street
Baltimore, Maryland 21218

Re: Acquisition/Renovation Loan Program

Dear Mr. Sann:

Pursuant to the Bank's commitment on your \$500,000 Revolving Line of Credit for acquisition and renovation of properties within the City of Baltimore, MD, the Bank hereby approves the use of this facility with the HUD's Neighborhood Stabilization Program 2 (HUD-NSP2) proposed for acquisition and renovation of foreclosed homes in the City of Baltimore.

The approval is based on the terms and conditions enumerated in the loan agreement and other pertinent documents executed by the borrower and lender.

We wish you success in this program.

Sincerely,

A handwritten signature in cursive script that reads 'Margie Englert'.

Margie Englert
Vice President
410-280-5793

MB Madison Bohemian Savings Bank

June 29, 2009

David Sann
Director of Housing
St. Ambrose Housing Aid Center, Inc.
321 East 25th Street
Baltimore, Maryland 21218

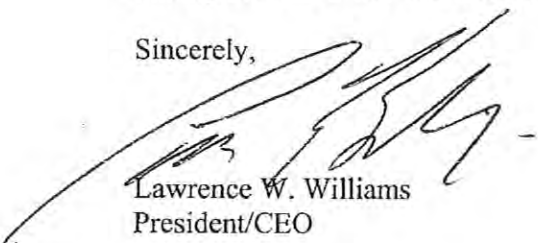
Re: Acquisition/Renovation Loan Program

Dear Mr. Sann:

Pursuant to the Bank's commitment of \$1,000,000.00 for the Residential Single Family Residence Line of Credit for acquisition and rehabilitation of single family homes as it regards to the "St. Ambrose Asset Control Program", the Bank hereby approves the use of this facility with the HUD's Neighborhood Stabilization Program 2 (HUD-NSP2) proposed for acquisition and renovation of foreclosed homes in the City of Baltimore.

The approval is based on the terms and conditions enumerated in the loan agreement and other pertinent documents executed by the borrower and lender.

Sincerely,


Lawrence W. Williams
President/CEO

Madison Bohemian Savings Bank

1920 Rock Spring Road • Forest Hill, MD 21050 • Phone 410-420-9600 • Fax 410-420-3322
501 Stepney Road • Aberdeen, MD 21001 • Phone: 410-297-9420 • Fax: 410-297-9452
6800 Harford Road • Baltimore, MD 21234 • Phone: 410-254-3737 • Fax: 410-254-8166
8056 Philadelphia Road • Baltimore, MD 21237 • Phone: 410-866-2800 • Fax: 410-866-8574
1520 Old Eastern Ave • Baltimore, MD 21221 • Phone: 410-574-5088 • Fax: 410-574-5036



THE PATAPSCO BANK

2028 E. Joppa Road, Baltimore, MD 21234 • P 410-285-1010 • F 410-665-2190

June 18, 2009

Mr. David G. Sann
Director of Housing Development
St. Ambrose Housing Aid Center, Inc.
321 East 25th Street
Baltimore, MD 21218

Dear David:

Pursuant to your recent request, this letter serves as your approval to utilize the \$750,000 Revolving Acquisition and Rehabilitation Line that St. Ambrose Housing Aid Center, Inc. (the "Borrower") has with The Patapsco Bank to finance the acquisition and renovation of houses that St. Ambrose acquires under the Neighborhood Stabilization Program (NSP 2). Notwithstanding this approval, units would be funded under the current loan-to-value requirements stipulated in the Loan Documents, and at the time of funding, the Borrower must not be in default under the Loan and adhere to all other Loan covenants.

Should you have any questions pertaining to this approval, feel free to contact me at 410-285-9332.

Sincerely,



Francis C. Broccolino
Vice President



Main Office: 1301 Merritt Blvd., Baltimore, MD 21222 • P 410-285-1010 • F 410-285-5817

www.patapscobank.com





Savings and Loan Association



6708 Belair Road — Baltimore, MD 21206 — 410-668-4400

June 17, 2009

David Sann
St. Ambrose Housing Aid Center, Inc.
321 E. 25th Street
Baltimore, MD 21218

Dear Mr. Sann:

This is to confirm that Rosedale Federal agrees to utilize the existing line of credit (\$1,000,000) granted to St. Ambrose Housing Aid Center, Inc. for loans to be made under the Neighborhoods Stabilization Program (NSP 2).

Sincerely,

Paul J. Cashour
Senior Vice President

Serving the Community Since 1908

www.rosedalefederal.com

ROSEDALE
8810 PHILADELPHIA RD.
410-668-3000

PERRY HALL
2616 BELAIR BL.
410-258-5200

BEL AIR
1009 CHURCHVILLE RD.
410-836-7555

WHITE MARSH
7939 HONEYGO BLVD.
410-931-6333

KENWOOD
6249 A RENWOOD AVE.
410-868-5621

ABINGDON
3111 EMMORTON RD.
410-569-6296

FOREST HILL
114 FOREST VALLEY DR.
410-386-8853



Nnamdi E. Ibejunjo
Vice President

SunTrust Bank, Community Capital
14401 Sweitzer Lane
5th Floor
Laurel, MD 20707
Tel 301.497.3419
Fax 301.497.3420
nnamdi.ibebunjo@suntrust.com

June 17, 2009

David Sann
Director of Housing
St. Ambrose Housing Aid Center, Inc.
321 East 25th Street
Baltimore, MD 21218

Re: Acquisition/Renovation Loan Program

Dear David Sann:

Pursuant to the Bank's commitment of \$1,000,000 Revolving Guidance Facility for acquisition and renovation of properties within the City of Baltimore, MD, the Bank hereby approves the use of this facility with the HUD's Neighborhood Stabilization Program 2 (HUD-NSP2) proposed for acquisition and renovation of foreclosed homes in the City of Baltimore.

The approval is based on the terms and conditions enumerated in the loan agreement and other pertinent documents executed by the borrower and lender.

We wish you success in this program.

Sincerely,

A handwritten signature in black ink, appearing to read "Nnamdi E. Ibejunjo", is written over a horizontal line.

Nnamdi E. Ibejunjo
Vice President and Relationship Manager



Susquehanna Bank

307 International Circle

Suite 600

Hunt Valley, MD 21030-1376

Tel 410.316.0211

Fax 410.316.0016

June 18, 2009

Mr. David Sann
Director of Housing
St. Ambrose Housing Aid Center
321 East 25th St.
Baltimore, MD 21218

Re: Neighborhood Stabilization Program

Dear Dave,

Pursuant to Susquehanna Bank's \$750,000 revolving credit facility to St. Ambrose Housing Aid Center for the acquisition and renovation of properties in Baltimore City, Susquehanna Bank hereby authorizes the use of this credit facility in conjunction with the Neighborhood Stabilization Program 2 (HUD-NSP2) for acquisition and renovation of foreclosed homes in Baltimore City.

The acquisition and renovation of these homes will be subject to and based on the terms and conditions of the original Loan Agreement, Promissory Note, Deed of Trust, and all other pertinent legal documents and subsequent modifications.

Susquehanna Bank wishes you the best of luck with this program.

Sincerely,

A handwritten signature in blue ink that reads "C. Joseph Fleury".

C. Joseph Fleury, V
Assistant Vice President
Commercial Real Estate



SAVINGS AND LOAN ASSOCIATION

401 NORTH HOWARD STREET, BALTIMORE, MARYLAND 21201 • 410-752-3070

June 19, 2009

St. Ambrose Housing Aid Center, Inc.
 Att: Mr. David Sann
 331. E. 25th Street
 Baltimore, Md. 21218

RE: Use of Forward Commitment - Line of Credit

Dear David,

Liberty Federal Savings and Loan Association ("the Association") has been providing financing to Saint Ambrose Housing Aid Center since July 26, 1996. The business relationship has facilitated Saint Ambrose Housing Aid Center in its mission to provide low to moderate income individuals and families with affordable housing.

The Board of Directors of Liberty Federal Savings and Loan Association voted on June 17, 2009 to extend Saint Ambrose Housing Aid Center's forward commitment until July 26, 2011. If at the time of the new expiration date, all terms and conditions of the forward commitment have been met, then the Association, at its sole discretion, may extend the expiration date by an additional two years.

The forward commitment must be used for the purpose of acquiring and renovating single family residences for first time home buyers. The forward commitment does not have any restrictions regarding usage on specific projects or housing assistance programs. Any part of the \$750,000.00 forward commitment can be used in connection with Saint Ambrose Housing Aid Center's participation in the Neighborhoods Stabilization Program (NSP2).

If you have any questions concerning this matter, please contact the undersigned at (410) 752-3070 ext 17.

Respectfully,



Thomas E. O'Neill III
 Executive Vice President



FAIRMOUNT BANK

June 18, 2009

St. Ambrose Housing Aid Center
Attn: David Sann
321 E. 25th Street
Baltimore, MD 21218

RE: \$500,000 revolving line of credit
January 1, 2011 maturity

Dear Mr. Sann,

Please be advised that the above referenced line of credit can be used to purchase and renovate homes obtained by St. Ambrose through the Neighborhoods Stabilization Program.

In addition, the loan contains an option whereby the line of credit can be extended beyond January 1, 2011.

Fairmount Bank is pleased to provide St. Ambrose financing for its many worthwhile endeavors. Should you have any questions or require any additional information, please contact me.

Sincerely,

Joseph M. Solomon
President

cc: Robert Hopp



Habitat for Humanity

July 7, 2009

Habitat for Humanity of the Chesapeake
Attention: Mike Mitchell, Executive Director
3326 Keswick Road
Baltimore, Maryland 21211

RE: Allocation of Firm Commitments of Softwood Lumber funding in Support of NSP2 Application

Dear Mike:

Habitat for Humanity International, Inc. (HFHI) is pleased to confirm its firm commitment of reimbursement for softwood lumber usage in support of your application for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009. This letter should be made a part of your NSP2 funding application, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of your application. This firm commitment is made pursuant to your existing participation in HFHI's Softwood Lumber Program.

HFHI's funds for the Softwood Lumber Program were received by HFHI in 2006 as the result of a trade dispute between the United States and Canada.

This commitment is valid through July 2011.

We hereby confirm HFHI's commitment to your NSP2 application for up to 35 housing units (valued at \$5,200 per unit), for a total in-kind contribution commitment of up to \$182,000.00.

The undersigned is duly authorized to execute this allocation of firm commitments.

HABITAT FOR HUMANITY INTERNATIONAL, INC.

By: 

Name: Mark Crozet

Title: Senior Vice President - Development



Habitat for Humanity

July 7, 2009

Habitat for Humanity of the Chesapeake
Attention: Mike Mitchell, Executive Director
3326 Keswick Road
Baltimore, Maryland 21211

RE: Allocation of Firm Commitments of In-Kind Contributions in Support of NSP2 Application

Dear Mike:

Habitat for Humanity International, Inc. (HFHI) is pleased to confirm your allocation of firm commitments of private source, in-kind contributions from our corporate sponsors in support of your application for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009. This letter, together with the attached letters of firm commitment from the corporate sponsors, should be made a part of your NSP2 funding application, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of your application.

The attached letters provide firm commitments of in-kind contributions totaling \$4,803 per housing unit from the following sponsors:

Hunter Douglas
Schneider Electric
The Dow Chemical Company
Valspar Corporation
Yale Residential Security Products, Inc.
Whirlpool Corporation

We hereby confirm HFHI's allocation of these commitments to your NSP2 application for up to 75 housing units, for a total in-kind contribution commitment of up to \$360,225.00.

The undersigned is duly authorized to execute this allocation of firm commitments.

HABITAT FOR HUMANITY INTERNATIONAL, INC.

By: 

Name: Mark Crozet

Title: Senior Vice President - Development

Attachments (6)

June 17, 2009

Habitat for Humanity International, Inc.
Attention: Mr. Mark Crozet, Senior Vice President
270 Peachtree Street NW, Suite 1300
Atlanta, GA 30303-1263

RE: Firm Commitment of In-Kind Contributions in Support of NSP2 Applications

Dear Mark:

Hunter Douglas is pleased to provide this letter of firm commitment to Habitat for Humanity International, Inc. (HFHI) in support of multiple applications by HFHI and certain of its State Support Organizations (SSOs) and affiliates for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm to you our firm commitment to provide private source, in-kind contributions of window coverings for up to 2,000 housing units, at a value of \$300 per housing unit, for a total contribution value of up to \$600,000, in support of the housing rehabilitation and redevelopment activities specified in your various NSP2 funding applications. This firm commitment is made pursuant to our existing sponsorship agreement with you.

We understand that this letter of firm commitment will be made a part of your and your SSOs' and affiliates' NSP2 funding applications, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of those applications. We further understand and agree that HFHI will allocate this firm commitment among HFHI's and its several SSOs' and affiliates' applications as it deems appropriate.

The undersigned is duly authorized to execute this letter of commitment.

HUNTER DOUGLAS

BY: *Quinn B. Mathews*

TITLE: *Vice President - Corporate Marketing*



June 25, 2009

Habitat for Humanity International, Inc.
Attention: Mr. Mark Crozet, Senior Vice President
270 Peachtree Street NW, Suite 1300
Atlanta, GA 30303-1263

RE: Firm Commitment of In-Kind Contributions in Support of NSP2 Applications

Dear Mark,

Schneider Electric is pleased to provide this letter of firm commitment to Habitat for Humanity International, Inc. (HFHI) in support of multiple applications by HFHI and certain of its State Support Organizations (SSOs) and affiliates for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm to you our firm commitment to provide private source, in-kind contributions of Square D® residential electrical equipment for up to 2,000 housing units over three years, at a value of \$605 per housing unit, for a total contribution value of up to \$1,210,000, in support of the housing rehabilitation and redevelopment activities specified in your various NSP2 funding applications. This firm commitment is made pursuant to our existing sponsorship agreement with you.

We understand that this letter of firm commitment will be made a part of your and your SSOs' and affiliates' NSP2 funding applications pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of those applications. We further understand and agree that HFHI will allocate this firm commitment among HFHI's and its several SSOs and affiliates' applications as it seems appropriate.

The undersigned is duly authorized to execute this letter of commitment.

SCHNEIDER ELECTRIC

BY _____

TITLE _____

Schneider Electric



June 30, 2009

Habitat for Humanity International, Inc.
Attention: Mr. Mark Crozet, Senior Vice President
270 Peachtree Street NW, Suite 1300
Atlanta, GA 30303-1263

RE: Firm Commitment of In-Kind Contributions in Support of NSP2 Applications

Dear Mark:

The Dow Chemical Company is pleased to provide this letter of firm commitment to Habitat for Humanity International, Inc. (HFHI) in support of multiple applications by HFHI and certain of its State Support Organizations (SSOs) and affiliates for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm to you our firm commitment to provide private source, in-kind contributions of Dow Building Solutions Division Product donations available to Habitat under our Gift in Kind (GIK) program. These products include Dow's full range of insulation products, (including but not limited to, house wraps, spray foam sealants for closing cavities/cracks and sealing air leaks, and other STYROFOAM™ insulation products) for up to 2,000 housing units, at an estimated value of \$2,100 per housing unit, for a total contribution value of up to \$4,200,000, in support of the housing rehabilitation and redevelopment activities specified in your various NSP2 funding applications. This firm commitment is made pursuant to our existing sponsorship agreement with you. In ordering these products for above program, we will follow the current standard fulfillment Dow approved order process used for new house construction for all U.S. Habitat affiliate organizations.

We understand that this letter of firm commitment will be made a part of your and your SSOs' and affiliates' NSP2 funding applications, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of those applications. We further understand and agree that HFHI will allocate this firm commitment among HFHI's and its several SSOs' and affiliates' applications as it deems appropriate.

The undersigned is duly authorized to execute this letter of commitment.

THE DOW CHEMICAL COMPANY

BY: Robert N. Miller

TITLE: Global Director (Corporate) Citizenship



Michael I. Dougherty
Vice President, Communications

PO Box 1461
Minneapolis, MN 55440

T 612.851.7802
F 612.486.7981

June 17, 2009

Habitat for Humanity International, Inc.
Attention: Mr. Mark Crozet, Senior Vice President
270 Peachtree Street NW, Suite 1300
Atlanta, GA 30303-1263

RE: Firm Commitment of In-Kind Contributions in Support of NSP2 Applications

Dear Mark:

The Valspar Corporation is pleased to provide this letter of firm commitment to Habitat for Humanity International, Inc. (HFHI) in support of multiple applications by HFHI and certain of its State Support Organizations (SSOs) and affiliates for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm to you our firm commitment to provide private source, in-kind contributions of paint for up to 2,000 housing units, at a value of \$425 per housing unit, for a total contribution value of up to \$850,000, in support of the housing rehabilitation and redevelopment activities specified in your various NSP2 funding applications. This firm commitment is made pursuant to our existing sponsorship agreement with you.

We understand that this letter of firm commitment will be made a part of your and your SSOs' and affiliates' NSP2 funding applications, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of those applications. We further understand and agree that HFHI will allocate this firm commitment among HFHI's and its several SSOs' and affiliates' applications as it deems appropriate.

The undersigned is duly authorized to execute this letter of commitment.

THE VALSPAR CORPORATION

BY: 

TITLE: VICE PRESIDENT, COMMUNICATIONS

If it matters, we're on it.



June 29, 2009

Habitat for Humanity International, Inc.
Attention: Mr. Mark Crozet, Senior Vice President
270 Peachtree Street NW
Suite 1300
Atlanta, GA 30303-1263

RE: Firm Commitment of In-Kind Contributions in Support of NSP2 Applications

Dear Mark:

Yale Security Inc. through its division Yale Residential is pleased to provide this letter of firm commitment to Habitat for Humanity International, Inc. (HFHI) in support of multiple applications by HFHI and certain of its State Support Organizations (SSOs) and affiliates for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm to you our firm commitment to provide private source, in-kind contributions of entry door locks and interior locksets for up to 2,000 housing units, at a value of \$120 per housing unit, for a total contribution value of up to \$240,000, in support of the housing rehabilitation and redevelopment activities specified in your various NSP2 funding applications. This firm commitment is made pursuant to our existing sponsorship agreement with you.

We understand that this letter of firm commitment will be made a part of your and your SSOs' and affiliates' NSP2 funding applications, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of those applications. We further understand and agree that HFHI will allocate this firm commitment among HFHI's and its several SSOs' and affiliates' applications as it deems appropriate.

The undersigned is duly authorized to execute this letter of commitment.

YALE SECURITY, INC.

BY: *Timothy Wilbur*

TITLE: Director, Corporate Communications & PR

Yale Commercial Locks and Hardware

100 Yale Avenue • Lenoir City, TN 37771-3228 USA
Tel (865) 986-7511 • Fax (865) 986-8630 • www.yalecommercial.com



ADMINISTRATIVE CENTER • BENTON HARBOR, MICHIGAN 49077

JEFFREY NOEL
DIRECTOR OF PUBLIC AFFAIRS
PUBLIC AFFAIRS AND COMMUNITY RELATIONS

June 25, 2009

Habitat for Humanity International, Inc.
Attention: Mr. Mark Crozet, Senior Vice President
270 Peachtree Street NW, Suite 1300
Atlanta, GA 30303-1263

RE: Firm Commitment of In-Kind Contributions in Support of NSP2 Applications

Dear Mark:

Whirlpool Corporation is pleased to provide this letter of firm commitment to Habitat for Humanity International, Inc. (HFHI) in support of multiple applications by HFHI and certain of its State Support Organizations (SSOs) and affiliates for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm to you our firm commitment to provide private source, in-kind contributions of ranges and Energy Star®-qualified refrigerators for up to 2,000 housing units, at a value of \$1,253 per housing unit, for a total contribution value of up to \$2,506,000, in support of the housing rehabilitation and redevelopment activities specified in your various NSP2 funding applications. This firm commitment is made pursuant to our existing sponsorship agreement with you.

We understand that this letter of firm commitment will be made a part of your and your SSOs and affiliates' NSP2 funding applications, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of those applications. We further understand and agree that HFHI will allocate this firm commitment among HFHI's and its several SSOs and affiliates' applications as it deems appropriate.

The undersigned is duly authorized to execute this letter of commitment.

WHIRLPOOL CORPORATION

By: 

Jeffrey Noel



Constellation Energy®

May 19, 2008

Mr. Mike Mitchell
Executive Director
Chesapeake Habitat for Humanity
3326 Keswick Road
Baltimore, MD 21211

Dear Mr. ~~Mitchell~~ ^{Mike}:

On behalf of the Constellation Energy Foundation, I am pleased to inform you that a five-year, \$500,000.00 pledge for the development of 100 homes in East Baltimore has been approved.

Prior to making the first payment of \$100,000.00 and all subsequent payments, we will need you to sign and return a Foundation Conditions Statement, which is enclosed with this letter. Please feel free to make copies of this form, prior to signature, for submission with future invoices as each Conditions Statement must have an original signature. In addition, please sign both copies of the enclosed Memorandum of Understanding and return one of them to us.

In order to receive future annual payments, please submit an invoice to us 30 days prior to the payment due date. At that time, we also require a progress report on the status of your campaign/project. If you have any questions, please do not hesitate to call Jim Choplick on 410.470.4046.

We wish you much success in your endeavors.

Sincerely,

Leanne P. Posko
Managing Director, Community Partnerships

Enclosures

cc: Mark Case
Don Dasher
Ken DeFontes
Joe Saur
Lindy Small



EMPOWER BALTIMORE MANAGEMENT CORPORATION

111 Water Street, Suite 201 • Baltimore, Maryland 21202 • Telephone (410) 783-4400 • Fax (410) 783-0526

December 11, 2008

Michael Mitchell, Executive Director
Chesapeake Habitat for Humanity
3326 Keswick Road
Baltimore, Maryland 21213

Re: Assignment of Chesapeake Habitat for Humanity Funding Agreement to
Associated Black Charities, Inc.

Mike
Dear Mr. Mitchell:

Please be advised that your July 10, 2007 Funding Agreement with EBMC and the remaining \$5,000 and an additional \$65,000 in funding for exterior repair of fourteen (14) houses on Jefferson Street has been assigned to Associated Black Charities, Inc. under a "Continuing Programs" Management Agreement. Diane Bell and Tanya Terrell will be in contact with you about your program and this funding.

Very truly yours,
Rachel F. Edds

Rachel F. Edds
Administrative Consultant

ACCEPTED AND AGREED THIS 16 DAY OF
Dec, 2008, BY _____:

By: *[Signature]*
Name: Michael Mitchell

Title: Executive Director

P. O. Box 38148, Baltimore, Maryland 21231



April 8, 2008

Mr. William Backstrom
Vice President and CRA Officer
Bradford Bank
159 North Luzerne Avenue
Baltimore, MD 21224

AND

Ms. Marisa Canino
Deputy Director
Chesapeake Habitat for Humanity
3326 Keswick Road
Baltimore, MD 21211

RE: 07B0473 / East Baltimore Good Neighbor Initiative: Phase I

Dear Mr. Backstrom and Ms. Canino:

Enclosed for each of you is a signed copy of the Affordable Housing Program Agreement for East Baltimore Good Neighbor Initiative: Phase I. Please keep this agreement with your records.

If you have any questions, please give me a call at (800) 536-9650 ext. 8359. Good luck with your project!

Sincerely,

A handwritten signature in cursive script that reads "Arthur L. Fleming". The signature is written in dark ink and is positioned above the printed name and title.

Arthur L. Fleming
First Vice President and Director
Community Investment Services



**AFFORDABLE HOUSING PROGRAM AGREEMENT
(OWNER-OCCUPIED PROJECT)**

This **AFFORDABLE HOUSING PROGRAM AGREEMENT (OWNER-OCCUPIED PROJECT)** (this "*Agreement*"), dated as of **December 20, 2007**, is entered into among the Federal Home Loan Bank of Atlanta (the "*Bank*"), **Bradford Bank** (the "*Member*"), and **Chesapeake Habitat for Humanity** (the "*Project Sponsor*").

WHEREAS, pursuant to Section 10(j) of the Federal Home Loan Bank Act, the regulations promulgated by the Federal Housing Finance Board (or any successor regulator) (the "*Finance Board*"), and the policies and procedures established by the Finance Board in connection therewith (collectively, as the same may be modified from time to time, the "*AHP Regulations*"), the Bank has established an Affordable Housing Program (the "*Bank's AHP*");

WHEREAS, the Bank has also established an Affordable Housing Program Implementation Plan (as the same may be modified from time to time, the "*Implementation Plan*"), and AHP policies, procedures, guidelines, and instructions covering, among other things, feasibility, funding, monitoring and modifying affordable housing projects participating in the Bank's AHP (together with the Implementation Plan, collectively, as the same may be modified from time to time, the "*Bank's AHP Policies and Procedures*"); and together with the AHP Regulations, collectively, "*AHP Requirements*");

WHEREAS, in connection with the project described in Section 1 below (the "*Project*"), the Member has submitted to the Bank an application under the Bank's AHP (as such application is approved in writing by the Bank, including modifications, if any, to the application approved in writing by the Bank, the "*Application*"), pursuant to which the Member has requested that the Bank provide a subsidy under the Bank's AHP (the "*subsidy*"), which pursuant to the AHP Regulations may be in the form of a direct subsidy and/or a subsidized advance; and

WHEREAS, the other parties to this Agreement acknowledge, understand and agree that the Bank shall have no obligation or commitment to grant the subsidy prior to the actual disbursement thereof, and that any such disbursement is subject to the terms and conditions set forth in AHP Requirements, in the Application, and in this Agreement.

NOW, THEREFORE, in consideration of the premises, and for \$10.00 and for other consideration, the receipt and sufficiency of which are hereby acknowledged, the Bank, the Member, and the Project Sponsor hereby agree as follows:

1.0 Application. The Member and the Project Sponsor shall be bound by the terms and conditions governing the approval and funding of the Application, including any and all representations made in said Application. Certain of the Application's features are as follows:

Project Name: East Baltimore Good Neighbor Initiative: Phase I
 Project Number: 07B0473
 Project State: MD
 Amount of Direct Subsidy: \$300,000.00
 Total Number of Units: 30

Targeting:

- 30 units at or below 50 percent of area median income
- units at or below 51 - 65 percent of area median income
- units at or below 66 - 80 percent of area median income
- units greater than 80 percent of area median income

2.0 **AHP Subsidy.**

2.01 **Necessity of Subsidy; Feasibility.** The use of the subsidy, as set forth in the Application, is as follows: **AHP funds will be used for purchase and rehabilitation of 30 single family owner-occupied units in Baltimore.** In order to ensure that the approved level of subsidy from the Bank is still warranted at the actual funding date through the initial monitoring period, in conformity with AHP Requirements, the Bank will reevaluate the subsidy level and will only fund that portion of the subsidy deemed necessary by the Bank to fund the Project. In such reevaluation the Bank will principally consider financial data, including, among other factors, the following:

- (a) All sources of funds, regardless of whether such sources are actually committed.
- (a) An estimate of the market value of in-kind donations and volunteer professional labor and services but not the value of sweat equity.
- (b) Project costs, as reflected in the Development Budget (as defined below), including whether such costs are reasonable and customary, in accordance with the project feasibility guidelines set forth in the Implementation Plan (as may be modified by the Bank from time to time) (the "*project feasibility guidelines*"), in light of industry standards for the location of the Project and the long-term financial needs of the Project.

Before funding, the Bank shall determine whether the Project is operationally feasible, in accordance with the Bank's project feasibility guidelines, based on factors including but not limited to, applicable financial ratios, geographic location, and other non-financial Project characteristics, as well as the Bank's consideration of the financial condition, operations, properties or prospects of Project Sponsor that affect the Project's operational feasibility. The subsidy must be necessary for the financial feasibility of the Project and the rate of interest, points, fees, and any other charges for all loans

Maryland Affordable Housing Trust

*100 Community Place * Crownsville, MD 21032 * phone (410) 514-7179 * fax (410) 514-7179*

May 13, 2009

Chesapeake Habitat for Humanity, Inc.
Ms. Emily Grant
3326 Keswick Road
Baltimore MD 21211

Re: Fayette Street Project
MAHT # 3007

Dear Ms. ^{Emily} Grant:

I am pleased to inform you that your application for funding from the Maryland Affordable Housing Trust in Round 30 has been approved by the Board of Trustees. Chesapeake Habitat for Humanity, Inc. has been awarded a grant in the amount of \$90,000 for the Fayette Street Project project. The project has been approved based on the information presented in your application.

Grant documents are being prepared and will be mailed to you within 30 days for execution. The grant documents will specify how funds will be disbursed and any conditions that must be met. Also please note that if one has not already been submitted, a Certificate of Good Standing is required before funds can be disbursed.

The Board of Trustees commends you on your commitment to affordable housing in Maryland and is gratified that the Maryland Affordable Housing Trust can help you further that commitment. Congratulations on your successful application and I look forward to working with you in the coming year.

Sincerely,



Ron Callison
MAHT Coordinator



The Harry and Jeanette Weinberg Foundation, Inc.

7 Park Center Court, Owings Mills, Maryland 21117
PHONE 410.654.8500 FAX 410.654.4900 www.hjweinbergfoundation.org

TRUSTEES

Shale D. Stiller
Alvin Awaya
Donn Weinberg
Barry I. Schloss
Robert T. Kelly, Jr.

June 9, 2009
Request ID No. 10604

Michael Mitchell, Executive Director
Chesapeake Habitat For Humanity, Inc.
3326 Keswick Road
Baltimore, MD 21211

Dear Mr. Mitchell:

Congratulations!

We are pleased to inform you that the Trustees of The Harry and Jeanette Weinberg Foundation, Inc. have authorized a Capital Grant award to Chesapeake Habitat For Humanity, Inc. in the amount of \$250,000 to support 09.09.09 project through which 9 new homes will be constructed in the 2400 block of East Fayette Street.

A grant agreement for you to sign and return will be mailed to you in due course. No legal obligation exists until that formal agreement has been signed and fully executed. The initial or lump-sum disbursement will be released according to the payment requirement(s) outlined in the fully executed agreement.

We wish you a productive and successful year.

Sincerely,

Handwritten signature of Shale Stiller in black ink.

Shale Stiller
President

Handwritten signature of Amy Kleine in black ink.

Amy Kleine
Program Director



**BALTIMORE
HOUSING**

SHEILA DIXON
Mayor

PAUL T. GRAZIANO
Executive Director, HABC
Commissioner, HCD

July 7, 2009

Ms. Laura Lazarus
Senior Vice-President
Telesis Baltimore Corporation
119 8th Street, #300
Brooklyn, NY 11215

Re: Healthy Neighborhoods NSP2 Application

Dear Ms. Lazarus:

Pursuant to Exhibit H of the Master Development Agreement by and between the Housing Authority of Baltimore City and Telesis Baltimore Corporation for the Barclay/ Old Goucher Neighborhood dated March 28, 2008 ("the MDA"), the Housing Authority of Baltimore City (HABC) commits to providing seller financing for the acquisition of property outlined in Exhibit K of the MDA for the development of affordable, for-sale housing by providing an acquisition loan in an amount equal to the value of the property as determined by an independent appraisal.

HABC understands that Telesis Baltimore Corporation, as a for-profit partner in the Healthy Neighborhoods Consortium NSP2 application, is applying for NSP2 funds to rehabilitate vacant and foreclosed properties in the Barclay Neighborhood (CT 1204) including approximately 25 properties owned by Baltimore City or HABC and identified in Exhibit K of the MDA. This acquisition loan is being provided in order to ensure that the properties are affordable to households earning less than 120% of Area Median Income and to ensure the continued affordability to households earning less than 120% of Area Median Income. With an assumed value of \$40,000 per property, the total value of the acquisition loan is estimated at \$1,000,000.

Per the MDA, the acquisition loan shall be subordinated to construction financing for the Development, shall bear interest at a rate not to exceed 0.5% per annum, simple interest, and shall have a maturity date forty (40) years following the date of such conveyance. For for-sale components of the Project, which are intended to be sold as affordable units, the subordinate acquisition loan by HABC shall be allocated among the units pro rata according to their value.

If you have any questions, please contact Alastair Smith, HABC Project Manager at (410) 361-9014 or e-mail alastair.smith@baltimorecity.gov.

Sincerely,

Paul T. Graziano
Executive Director

PTG:AS:pbp



SHEILA DIXON
Mayor



THOMAS J. STOSUR
Director

July 7, 2009

Mark Sissman, President
Healthy Neighborhoods Inc.
2 East Read St., 2nd Floor
Baltimore, MD 21202

Dear Mr. Sissman:

This letter is to verify the City Capital fund commitment for projects in Healthy Neighborhoods. In fiscal year 2010, the City has committed through its budget process and approved by the Ordinance of Estimates the following funds for Healthy Neighborhoods Communities:

418-039 Planning for Dallas Nicholas Elementary \$100,000
418-051 Renovation and addition to Waverly Elem/MS \$2,552,000 – this is a portion of the total funding
474-790 Park Building Renovations in Druid Hill and Patterson Park \$500,000
474-796 Playground and ballfield near Memorial Stadium \$575,000
514-705 Resurfacing Harford Rd from North to Erdmann \$800,000
588-954 The Greenhouse at Stadium Place \$500,000

This represents a total of \$5,027,000. In addition there are Citywide capital projects such as water and wastewater system improvements, general park and playground improvements, road resurfacing and others that are not called out to a specific geographic location but benefit most areas of the City.

If you have any questions about these projects or the Capital Budget in general, please contact Ms. Laurie Feinberg, Division Chief Comprehensive Planning. She can be reached on 410-396-1275.

Sincerely,

A handwritten signature in blue ink that reads "Thomas J. Stosur".

Thomas J. Stosur
Director

Location: 732 W Lexington Street

Impact on FY 2010 Operating Budget:

Source of Funds	2010	2011	2012	2013	2014	2015	Total
100	100	0	0	0	0	0	100
General Obligation Bonds	0	0	0	0	0	0	0
Total	100	0	0	0	0	0	100

418-039 Dallas Nicholas Elementary #039
 Study a site located at 2100 Guilford Avenue as a potential location for a new school, or for expanding neighboring #39 Dallas Nicholas Elementary to accommodate its conversion to a Pre-K to 8, as part of the Mayor's Agenda for Public School Facilities.
 Location: 201 E. 21st Street

Impact on FY 2010 Operating Budget:

Source of Funds	2010	2011	2012	2013	2014	2015	Total
100	100	0	0	0	0	0	100
General Obligation Bonds	0	0	0	0	0	0	0
Total	100	0	0	0	0	0	100

418-051 Waverly Elementary/Middle School #51
 Renovate the existing elementary school structure to repair deteriorated building systems, and build an addition to accommodate the middle school program, which is currently housed in another structure more than a block away from the main building.
 Location: 3400 Ellerslie Avenue

Impact on FY 2010 Operating Budget:

Source of Funds	2010	2011	2012	2013	2014	2015	Total
100	2,552	1,058	3,051	0	0	0	8,079
General Obligation Bonds	1,418	0	0	0	0	0	0
Total	2,552	1,058	3,051	0	0	0	8,079

418-226 Violetville Elementary School #226
 Renovate the existing school and build an addition to accommodate a modern Pre-K to 8 educational program.
 Location: 1207 Pine Heights Ave

Impact on FY 2010 Operating Budget:

Source of Funds	2010	2011	2012	2013	2014	2015	Total
100	1,951	0	0	0	0	0	3,902
General Obligation Bonds	1,951	0	0	0	0	0	0
Total	1,951	0	0	0	0	0	3,902

City of Baltimore -- Six-Year Capital Program

Board of Estimates Recommendation for: Dept. of Recreation & Parks

Amounts in Thousands

474-789 Recreation Facility Renovation: 6 sites

Description: Renovate recreation centers including interior improvements for ADA compliance, replacement of roofs and building systems upgrades: Oliver, Cahill, Mary Rodman, Lakeland, South Baltimore & Ella Bailey.

Location: see justification for site list

Impact on FY 2010 Operating Budget: 0

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
100	0	1,300	0	0	0	0	0	1,300
General Obligation Bonds								
Total	0	1,300	0	0	0	0	0	1,300

474-790 Park Building Renovation

Description: Renovate restrooms at Utz field in Patterson Park to meet ADA codes. Renovate & modernize an existing maintenance building in Druid Hill Park for storage of chemicals needed by maintenance and aquatics divisions.

Location: 2600 Madison Ave, 300 S Linwood St

Impact on FY 2010 Operating Budget: 0

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
603	0	500	0	0	0	0	0	500
State Open Space Grants								
Total	0	500	0	0	0	0	0	500

474-791 Park and Playground Renovations: 5 sites

Description: Renovate active recreation features including water play areas and athletic courts at 5 parks: Oliver Park, Farring Baybrook Park, Latrobe Park, JE Howard Park, Caroline & Hoffman Parks

Location: see description for site list

Impact on FY 2010 Operating Budget: 0

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
603	0	1,000	0	0	0	0	0	1,000
State Open Space Grants								
Total	0	1,000	0	0	0	0	0	1,000

474-792 Park Rehabilitation: 9 Parks

Description: Renovate passive and active areas within the following 9 parks: Druid Hill, Patterson, Clifton, Carroll, Cylburn, Gwynns Falls, Riverside, Henry Garnett, & St Mary's Park. Projects are based on approved plans for each park and include ADA upgrades.

Location: see description

Impact on FY 2010 Operating Budget: 0

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
100	0	650	0	0	0	0	0	650
604	0	264	0	0	0	0	0	264
General Obligation Bonds								
State Open Space Matching Grants								
Total	0	914	0	0	0	0	0	914



City of Baltimore -- Six-Year Capital Program
Board of Estimates Recommendation for: Dept. of Recreation & Parks

Amounts in Thousands

474-793	Citywide Park Maintenance									
Description:	Install and/or rehabilitate park features, including recycling cans, trash cans, benches, lights, signage, walks, fencing, fountains, dog areas and other park amenities, in a comprehensive manner throughout the park system.									
Location:	citywide									
										Impact on FY 2010 Operating Budget: 0
<u>Source of Funds</u>		<u>Appr. To Date</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>	
100	General Obligation Bonds	0	2,350	0	0	0	0	0	2,350	
<u>Total</u>		0	2,350	0	0	0	0	0	2,350	

474-794	Druid Hill Superintendent Mansion Area									
Description:	Rehabilitate the landscape & park features near the Superintendent's Mansion in Druid Hill Park to: complement renovation & expansion of the historic building proposed by the Parks and People Foundation; improve access to the Park & meet Master Plan goals									
Location:	Liberty Heights Ave & Anchenoroly Ter									Impact on FY 2010 Operating Budget: 0
<u>Source of Funds</u>		<u>Appr. To Date</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>	
100	General Obligation Bonds	0	375	375	0	0	0	0	750	
603	State Open Space Grants	0	1,000	0	0	0	0	0	1,000	
<u>Total</u>		0	1,375	375	0	0	0	0	1,750	

474-795	Community Parks and Playgrounds: 4 sites									
Description:	Renovate park playgrounds and nearby basketball courts 4 sites: Burdick Park, Easterwood Park, Cloverdale area in Druid Hill Park and Windsor Hills Park in response to recommendations by the Mayor's Playground Task Force.									
Location:	6300 Walther Ave, 1522 N. Bentalou St, 2905 Lawina Rd, Cloverdale St & Druid Hill Ave									Impact on FY 2010 Operating Budget: 0
<u>Source of Funds</u>		<u>Appr. To Date</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>	
690	Other State Funds	0	620	0	0	0	0	0	620	
<u>Total</u>		0	620	0	0	0	0	0	620	

474-796	Playground Renovation & Baseball Field Partnership									
Description:	Renovate and expand playground, baseball and athletic fields near Memorial Stadium in partnership with YMCA and Ripken Foundation.									
Location:	Ellerslie & 33rd St									Impact on FY 2010 Operating Budget: 0
<u>Source of Funds</u>		<u>Appr. To Date</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>	
603	State Open Space Grants	0	575	0	0	0	0	0	575	
<u>Total</u>		0	575	0	0	0	0	0	575	



Board of Estimates Recommendation for: Transportation: Street Resurfacing

Amounts in Thousands

514-664 Russell St Gateway Rehabilitation

Description: Provide for a streetscape and functional improvements for Russell St from Manokin St to the City Line.
 Location: I-295/Russell St from Manokin St to the City Line

Impact on FY 2010 Operating Budget:

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
506 Federal Highway Transportation Funds	0	0	0	0	9,600	0	0	9,600
800 City Motor Vehicle Revenue Funds	0	0	0	0	2,400	0	0	2,400

Total 0 0 0 0 12,000 0 0 12,000

514-705 Harford Rd. (North Ave to Erdman)-Federal Resurf. NE

Description: Remove and replace existing asphalt roadway surface, roadway base repair, sidewalk, ADA ramps. Work in this area is recommended in the Coldstream-Homestead-Montebello Area Master Plan.
 Location: Harford Road: North Avenue To Erdman Avenue

Impact on FY 2010 Operating Budget: 0

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
506 Federal Highway Transportation Funds	5,100	0	0	0	0	0	0	5,100
800 City Motor Vehicle Revenue Funds	0	800	0	0	0	0	0	800

Total 5,100 800 0 0 0 0 0 0 5,900

514-725 Urgent Needs Resurfacing Job Order Contract

Description: This project is to remove and replace existing asphalt surfaces. It may also include roadway base repairs, minor curb, and sidewalk repairs.
 Location: Various

Impact on FY 2010 Operating Budget:

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
800 City Motor Vehicle Revenue Funds	0	0	0	500	500	1,265	1,000	3,265

Total 0 0 0 0 500 500 1,265 1,000 3,265

514-726 Pavement Management System / Asset Management

Description: Select best road paving strategy based on various physical and operational conditions with the objective of increasing the overall pavement condition rating of the roadway network.
 Location: Various

Impact on FY 2010 Operating Budget: 0

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
800 City Motor Vehicle Revenue Funds	750	Zero	200	250	250	250	250	1,950

Total 750 0 200 250 250 250 250 250 1,950



588-953 Acquisition, relocation, remediation and demolition of 13 commercial properties near the Uplands redevelopment site known as the "Triangle".
 Location: Uplands Impact on FY 2010 Operating Budget: 0

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
100 General Obligation Bonds	1,034	0	0	0	0	0	0	1,034
200 General Funds	5,981	Zero	0	0	0	0	0	5,981
904 Urban Development Action Grant (UDAG) Repaym	937	0	0	0	0	0	0	937
Total	7,952	0	0	0	0	0	0	7,952

588-953 **Preston Street Acquisition & Demolition**
 Description: Acquire and demolish properties for new construction of mixed-income housing units on Preston Street in the Johnston Square Neighborhood.
 Location: Johnston Square Neighborhood Impact on FY 2010 Operating Budget:

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
503 Community Development Block Grants	0	2,450	0	0	0	0	0	2,450
Total	0	2,450	0	0	0	0	0	2,450

588-954 **The Greenhouse at Stadium Place**
 Description: Govans Ecumenical Development Corporation(GEDCO) is planning to construct The Green House at Stadium Place, which will be the first Green House in Maryland. It will provide a full range of personal care and clinical services to 49 elders.
 Location: 33rd Street Impact on FY 2010 Operating Budget: 0

Source of Funds	Appr. To Date	2010	2011	2012	2013	2014	2015	Total
100 General Obligation Bonds	0	500	0	0	0	0	0	500
Total	0	500	0	0	0	0	0	500



CERTIFICATIONS

(1) **Affirmatively furthering fair housing.** The applicant will affirmatively further fair housing, which means that it will affirmatively market NSP2 assisted units and carry out NSP2 activities that further fair housing through innovative housing design or construction to increase access for persons with disabilities, language assistance services to persons with limited English proficiency (on the basis of national origin), or location of new or rehabilitated housing in a manner that provides greater housing choice or mobility for persons in classes protected by the Fair Housing Act, and maintain records reflecting the actions in this regard.

(2) **Anti-lobbying.** The applicant has included with this application the disclosure form SFLLL and certifies it will comply with restrictions on lobbying required by 24 CFR part 87.

(3) **Authority of Applicant.** The applicant certifies that it possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) **Acquisition and relocation.** The applicant certifies it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP2 program published by HUD.

(5) **Section 3.** The applicant will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(6) **Citizen Participation.** The applicant certifies that it is carrying out citizen participation in accordance with NSP2 requirements.

(7) **Use of funds.** The applicant certifies that it will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by expending 50% of its grant funds within 2 years, and expending 100% of its grant funds within 3 years of receipt of the grant.

(8) The applicant certifies:

(a) All NSP2 funds made available to it will be used with respect to individuals and families whose income does not exceed 120 percent of area median income; and

(b) The applicant will not attempt to recover any capital costs of public improvements assisted with CDBG funds by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged

or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(9) Compliance with anti-discrimination laws. The applicant certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(10) Compliance with lead-based paint procedures. The applicant certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

(11) Compliance with laws. The applicant certifies that it will comply with applicable laws.

(12) An application received from a non-profit or other potential recipient not designated as a responsible entity under 24 CFR part 58 will constitute an assurance that the applicant agrees to assist HUD to comply with 24 CFR part 50 and that the applicant shall:

(a) Supply HUD with all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 50;

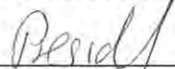
(b) Carry out mitigating measures required by HUD or select alternate eligible property; and

(c) Not acquire, rehabilitate, demolish, convert, lease, repair or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.


In addition, this application from a consortium shall constitute such an assurance with respect to any NSP2 project the consortium may undertake that is located outside the jurisdiction of a member state, Indian tribe, or unit of general local government.



Signature/Authorized Official



Title


Date

Removal of Negative Effects	
<u>Neighborhood</u>	<u># of Vacants</u>
Belair Edison, Better Waverly, Ednor Gardens, CHM (75% of 186 foreclosures) - St. Ambrose	140
McElderry Park/Patterson Park - Habitat	75
Patterson Park Homesteading	25
Barclay - Telesis	35
Reservoir Hill - Homesteading	10
Reservoir Hill-Druid Heights CDC	10
Total	295
Rubric Calculation:	
295 acquisition/rehab vacant houses x 1.5 =	442
Demolition of vacant houses	<u>0</u>
Total reduction of vacant houses	442
Total Vacant Buildings	826
% of Vacant Houses acquired and renovated	53.5%

**Removing Negative Effects
Baltimore City DHCD
Housing Code Violation Notices**

Census Tract	# Vacants
010100	16
010200	16
010300	22
010400	4
010500	7
020100	14
020200	14
020300	16
030100	23
030200	5
040100	42
040200	2
050100	34
060100	92
060200	164
060300	159
060400	73
070100	80
070200	367
070300	408
070400	140
080101	17
080102	38
080200	493
080301	300
080302	23
080400	285
080500	152
080600	545
080700	384
080800	358
090100	24
090200	2
090300	15
090400	57
090500	24
090600	133
090700	183
090800	402
090900	363
100100	235
100200	14
100400	96
110100	7
110200	11

120100	4
120200	11
120300	128
120400	242
120500	189
120600	13
120700	46
130100	64
130200	89
130300	272
130400	100
130600	14
130700	5
130803	1
130804	11
130806	6
140100	2
140200	191
140300	340
150100	175
150200	284
150300	148
150400	285
150500	17
150600	302
150701	23
150702	40
150800	79
150900	70
151000	99
151100	13
151200	246
151300	253
160100	366
160200	318
160300	241
160400	516
160500	102
160600	288
160700	190
160801	14
160802	61
170100	13
170200	49
170300	198
180100	61
180200	104
180300	108
190100	209

190200	210
190300	308
200100	169
200200	218
200300	263
200400	307
200500	246
200600	68
200701	70
200702	34
200800	39
210100	91
210200	197
220100	3
230100	14
230200	12
230300	14
240100	13
240200	1
240300	7
240400	7
250101	2
250102	4
250103	5
250203	12
250204	15
250205	8
250206	11
250207	2
250301	87
250302	71
250303	13
250401	47
250402	75
250500	44
250600	4
260101	11
260102	4
260201	8
260202	13
260203	2
260301	21
260302	9
260404	45
260501	8
260605	4
260700	9
260800	35
260900	16

Summary of Citizen Comments

The *Notice of Release of Draft Proposal for the Use of Federal Neighborhood Stabilization Program 2 Funds and Request for Comments* was published in the following general news media sources:

- The Friday, June 26, 2009 edition of the Baltimore Afro American Newspaper and
- The Wednesday, July 1, 2009 edition of The Baltimore Sun

The Draft Proposal was posted on the Internet on July 1 for at least 10 calendar days of public comment. In addition to being available for public review and comment on the Healthy Neighborhoods website (<http://www.healthyneighborhoods.org>), the draft was also available on the Baltimore Housing and Baltimore Neighborhood Collaborative websites (at http://www.baltimorehousing.org/wgo_detail.asp?id=340 and http://www.bncbaltimore.org/info-url4834/info-url.htm?cat_id=1289, respectively) and in hard copy at the Baltimore City Department of Housing and Community Development, 417 E. Fayette Street, Room 1101, Baltimore, MD 21201 by July 1, 2009. Healthy Neighborhoods arranged to have language assistance available through the Southeast Community Development Corporation.

Two citizen comments were received:

- Ms. Valentine Randolph left a phone message with Healthy Neighborhoods on July 1, 2009. In her message she stated that wanted to make a comment about a “sneaky housing situation.” An employee of Healthy Neighborhoods returned her phone call later that day and again the following day. Healthy Neighborhoods was not able to get in contact with Ms. Randolph.
- Arnold M. Jolivet, Managing Director of the Maryland Minority Contractors Association (MMCA), emailed the following comments to Healthy Neighborhoods on July 11, 2009:

I am submitting the following public comments relative to your consortium’s draft NSP-2 application to the US Dept. of Housing and Urban Development (HUD). I make these comments on behalf of the members and constituents of the Maryland Minority Contractors Association (MMCA), a private, non-profit association which advocates and represents the business and economic interests of minority and women-owned businesses.

First, we strongly believe that the purpose, objectives and strategies stated in your organization’s draft NSP-2 application to HUD are worthy, well articulated and very much needed in Baltimore City.

However, due to the fact that a substantial amount of the NSP-2 funds will be utilized to hire private contractors to rehabilitate the targeted houses, I am very concerned about the real possibility and probability of unlawful racial and gender discrimination occurring in the selection and retention of contractors to perform the housing rehabilitation work.

Baltimore has a well documented history of unlawful discrimination against minority and women-owned contracting firms in HUD funded housing projects. Your organization’s NSP-2 application totally fails to address the process by which contractors and especially

minority and women-owned firms will be selected for providing rehabilitation work on the targeted houses. No utilization goals seem to be contemplated.

Again, the purpose and objective of your NSP-2 application are very worthy, but you need to make sure that qualified minority and women-owned contracting firms are provided fair and equal opportunity to perform the rehabilitation work on the targeted houses. Because we agree with the noble goal and objective of your NSP-2 application, we would be available and willing to work with you to identify and provide qualified minority and women-owned contracting firms to work on the targeted houses.

Thank you for the opportunity to provide these comments. Please let us hear from you soon.

Arnold M. Jolivet

Managing Director, Maryland Minority Contractors Association (MMCA)

Mark Sissman, President of Healthy Neighborhoods, responded to Mr. Jolivet's comments by email on July 13, 2009:

Thanks for your comments regarding the Healthy Neighborhoods NSP2 application. I want to be sure that we respond to your goals and assure that we put the opportunities represented by the grant in front of your members and developers and borrowers. I would also like to let you know about other opportunities represented by our program. Please give me a call when you can so we can get together. We will submit the application tomorrow. Because this is stimulus money there was a very short time to respond.

We will not know if we are selected for about 5 months. You can reach me at 410-332-0387 x161. You can learn more about Healthy Neighborhoods on our website www.healthyneighborhoods.org. I look forward to speaking with you.

Mark Sissman

TELESIS BALTIMORE CORPORATION

1101 30th Street, NW 4th Floor
Washington DC, 20007
202-333-8447

July 9 2009

Mr. Mark Sissman
President
Healthy Neighborhoods, Inc.
2 East Read Street
Baltimore, MD 21202

Re: Healthy Neighborhoods NSP2 Application

Dear Mr. Sissman:

Telesis Baltimore Corporation (“Telesis”) is pleased to join the Healthy Neighborhoods Consortium in its NSP2 application for key areas within Baltimore City (the “NSP2 Application”). As part of the NSP2 Application, Telesis agrees to provide the developer services for the development work identified in the Barclay Neighborhood (CT 1204).

As stated in the Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009, Docket No. FR-5321-N-01, (the “NSP2 NOFA”), Telesis understands that NSP2 applications that include a for-profit partner must include a firm commitment between the for-profit partner and the NSP applicant. This letter is intended to serve as evidence of this commitment between Telesis and Healthy Neighborhood, Inc. If the NSP2 Application is successful and NSP2 funds are awarded, Telesis commits to using its allocation of NSP2 resources to serve as developer and to rehabilitate vacant and foreclosed properties in the Barclay neighborhood as described in the NSP2 Application and in compliance with requirements outlined in the NSP2 NOFA.

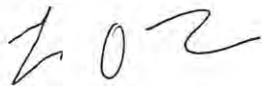
The NSP2 resources devoted to the Barclay neighborhood will focus on the rehabilitation of vacant and foreclosed properties in the Healthy Neighborhoods target blocks. The rehabilitation of existing, dilapidated row houses along the 2200, 2300 and 2400 blocks of North Calvert Street and Guilford Avenue will catalyze the first redevelopment phase of the area’s overall plan (the “BMOG Plan”) by building on the stronger western edge of the Barclay neighborhood. The BMOG Plan, being developed and implemented by Telesis, will diversify housing options, create mixed-income and mixed-tenure housing, attract job and economic development opportunities to the community, and improve security, safety and infrastructure as well as quality of life

and community facilities. These outcomes directly address key goals of residential and economic revitalization shared by both the community and Baltimore City. Equally important during this difficult economic period, the BMOG Plan will promote local economic recovery, leverage existing assets to spur further investment, and mitigate negative impacts of the recession in the near and long term.

If Healthy Neighborhoods receives an NSP2 award Telesis, Healthy Neighborhoods, Inc. and other parties providing financing for the properties in Barclay being supported by NSP2 financing will enter into a detailed land and/or development agreement acceptable to the parties and consistent with the NSP2 requirements.

Thank you for the opportunity to participate in the Healthy Neighborhoods NSP2 Application. We think this is a tremendous opportunity for Baltimore City as well as a crucial resource for the redevelopment of Barclay neighborhood into a stable, healthy, safe and livable neighborhood.

Sincerely yours,



Laura O. Lazarus
Vice President

Acknowledged and agreed to by:

HEALTHY NEIGHBORHOODS, INC.



Mark Sissman
President

Definitions and Standards

This application uses the required definitions of the terms listed in the NSP2 NOFA on pages 41-43. In addition the following terms used in our proposed NSP2 program are defined as follows:

Affordable rents: Rents, including utility allowances, may not exceed the lesser of Fair Market Rents as determined by HUD or 30% of the income of a household at 80% of Area Median Income adjusted for family size. In making this determination, it is assumed that an efficiency unit is occupied by one person; a one-bedroom unit is occupied by two people; a two bedroom unit is occupied by three people; a three-bedroom unit is occupied by four people; and a four-bedroom unit is occupied by five people. If the unit receives Federal or State rental subsidy, the maximum rent is the rent allowable under Federal or State rent subsidy program, and the tenant's contribution to the rent may not exceed 30% of the family's adjusted gross income including utility allowances.

Blighted structure: The Baltimore City Building Code definition is: "A blighted structure is one found to be unsafe or unfit for human habitation or other authorized use because conditions exist that constitute a hazard to the health, welfare, or safety of occupants or the public. Most commonly the structure will be deemed vacant as evidenced by being open to casual entry, having boarded windows or doors, or lacking intact window sashes, walls, or roof surfaces to repel weather entry. Conditions of blight or vacancy may also include those constituting a fire hazard or condition of damage, decay, dilapidation, obsolescence, abandonment, insanitation, or vermin or rodent infestation." Evidence of these conditions is confirmed by the issuance of a Housing Code Violation Notice for a vacant building based on an inspection by the Baltimore City DHCD. In the application we refer to *blighted structures* as vacant buildings.

Housing rehabilitation standards. All houses to be rehabilitated will have work completed under a building permit issued by the City's Department of Housing and Community Development. The DHCD enforces the City's Building, Fire and Related Codes which conform to the International, Residential and Property Maintenance Codes as developed by the International Code Council. These codes serve as the foundation of rehabilitation standards in Baltimore City. Healthy Neighborhoods' rehabilitation standards for the NSP2 program will exceed market standards for renovations and will include many energy saving or "green" features. Rehabilitation standards include: new windows, new HVAC systems, new roofs, update plumbing and electric systems, insulated attics, new kitchens, update baths, re-finish hardwood floors or install new carpet, and re-paint all interior finishes. Specifically, windows, roofs, light fixtures, and appliances are all Energy Star® rated. HVAC systems are sized by professionals. All homes are individually metered. All kitchen and bath exhaust fans and dryer vents are vented to the exterior, and all houses have hard-wired combo smoke and CO detectors. Lead-safe practices will be followed. We follow an integrated pest management system in our rehab process.

All gut rehab in residential buildings up to three stories will be designed to meet the standard of Energy Star Qualified New Homes®.

Accessibility standards. Healthy Neighborhoods' rehabilitation standards will comply with the accessibility standards of 24 CFR part 8. The great majority of our proposed program is single family for sale homes. We will encourage the developers to make accommodations to potential

buyers with disabilities within their rehabilitation budgets and buyer's affordability limits. Excess costs would be passed on to the prospective buyer in compliance with Section 8.29. Any multi-family rental units produced in our program will be required to meet the accessibility standards of 24 CFR part 8.

Energy efficiency standards: In addition to the Energy Star® components listed above we will weatherize all single family houses by air-sealing basements and attics, and insulating attics with cellulose insulation.

Green improvements: Healthy Neighborhoods has selected a number of the Enterprise Green Communities standards to supplement the required standards outlined in the NOFA, to be utilized as appropriate. They are:

- Where replacing, install water conserving appliances and fixtures: toilets -1.3 GPF; showerhead – 2.0 GPF; kitchen faucets – 2.0 GPM; bathroom faucets – 2.0 GPM.
- Install daylight sensors or timers on all outdoor lighting
- Use low/no volatile organic compounds in paints and primers
- Use low/no VOC adhesives and sealants
- Use urea formaldehyde free composite wood
- Where providing carpet, install Carpet and Rug Institute's Green Label certified carpet, pad and adhesives
- Assure no carpet is placed in basements, entryways, laundry rooms, baths or kitchens.
- When replacing systems and ductwork, size HVAC systems appropriately in conformance with the Air Conditioning Contractors of America manual, part J and S, or AHRAE handbooks.
- Where replacing, utilize one piece fiberglass or similar enclosure in tub and shower areas or if using tile and grout, use cement board backing material or fiberglass reinforced board.

Finally, our construction sites will be "smoke-free".

Tax Sale Properties: Baltimore City holds an annual *Tax Sale* of properties with unpaid real estate taxes and municipal liens. Owners of vacant properties (as defined above) have a 6 month period after the sale to pay the amount due plus interest. After 6 months the winning bidder at the Tax Sale or the City if no one purchased the certificate at the sale, can initiate a foreclosure process which terminates the owner's right of redemption and results in a transfer of ownership of the property to the winning bidder or to the Mayor and City Council of Baltimore. Tax Sale Properties meet the NSP2 definition of *foreclosed upon* properties and their acquisition and rehabilitation are an eligible use of NSP2 funds.



Governance

Healthy Neighborhoods, Inc., a non-profit supporting organization of Baltimore Community Foundation, is governed by a board of bank, business, government and philanthropic leaders.

Kevin G. Byrnes, *Chairman*
President & COO, Provident Bank

Jon Laria
Partner, Ballard Spahr Andrews & Ingersoll, LLP

Timothy D. Armbruster
President, Goldseker Foundation

Joseph T. Landers, III
Executive Vice President, Greater Baltimore
Board of Realtors

Dallas Arthur
President, Bradford Bank

Kevin J. Michno
Mid-Atlantic Area Manager, PNC Mortgage, LLC

Douglass Austin
President & CEO, Urban Policy Development

Theo C. Rodgers
President, A&R Development Corporation

George L. Bunting, Jr.
President & CEO, Bunting Management Group

Mark Sissman, *President*
Healthy Neighborhoods, Inc.

Cheryl A. Casciani
Director of Programs, Baltimore Community
Foundation

Clarence Snuggs
Deputy Secretary, Maryland Department of
Housing and Community Development

Robert A. DeAlmeida
President, Hamilton Federal Bank

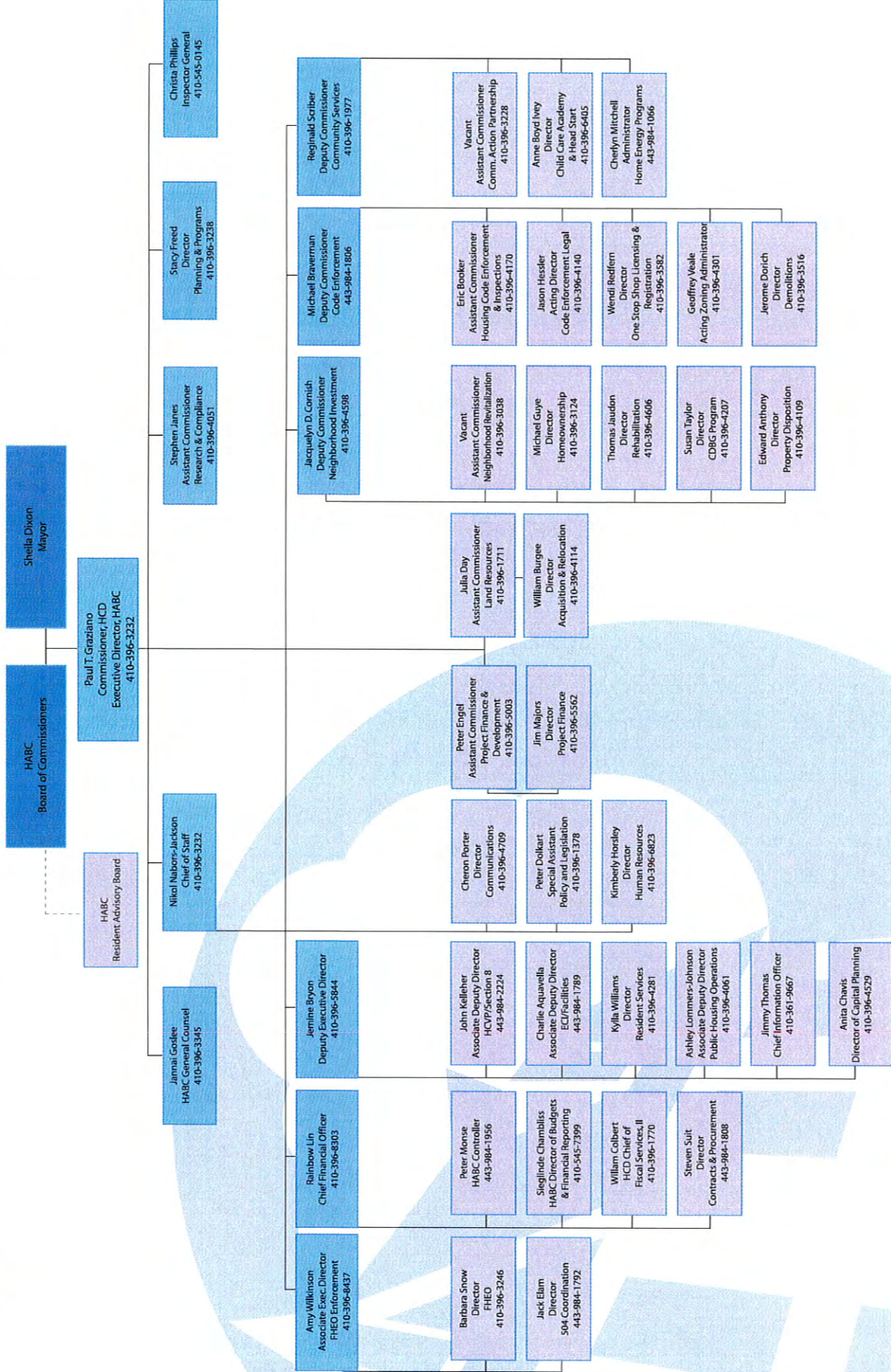
Michael Wallace
Senior Vice President for Commercial Real
Estate Division, M&T Bank

Robert C. Embry, Jr.
President, The Abell Foundation, Inc.

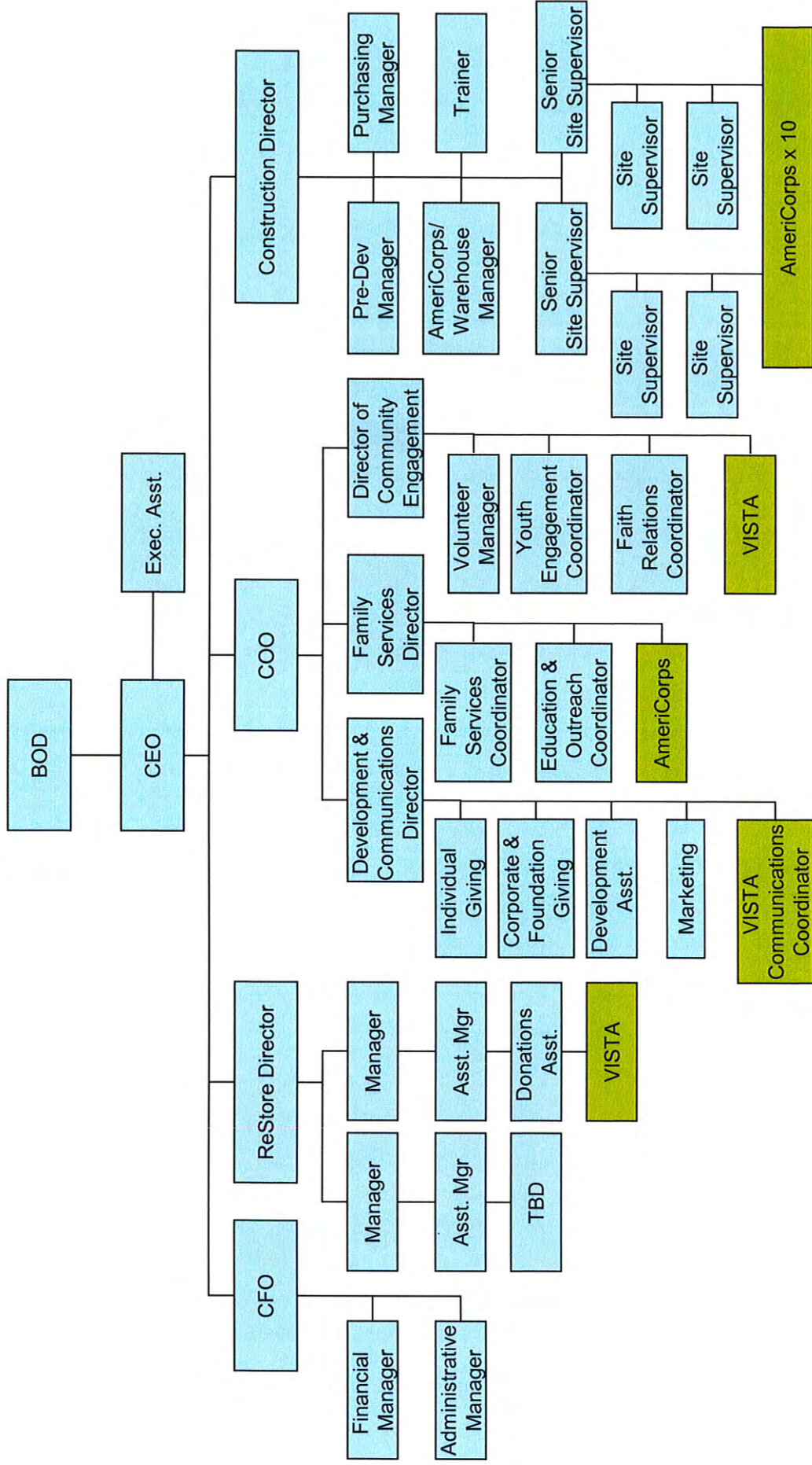
Paul T. Graziano
Housing Commissioner, Baltimore City



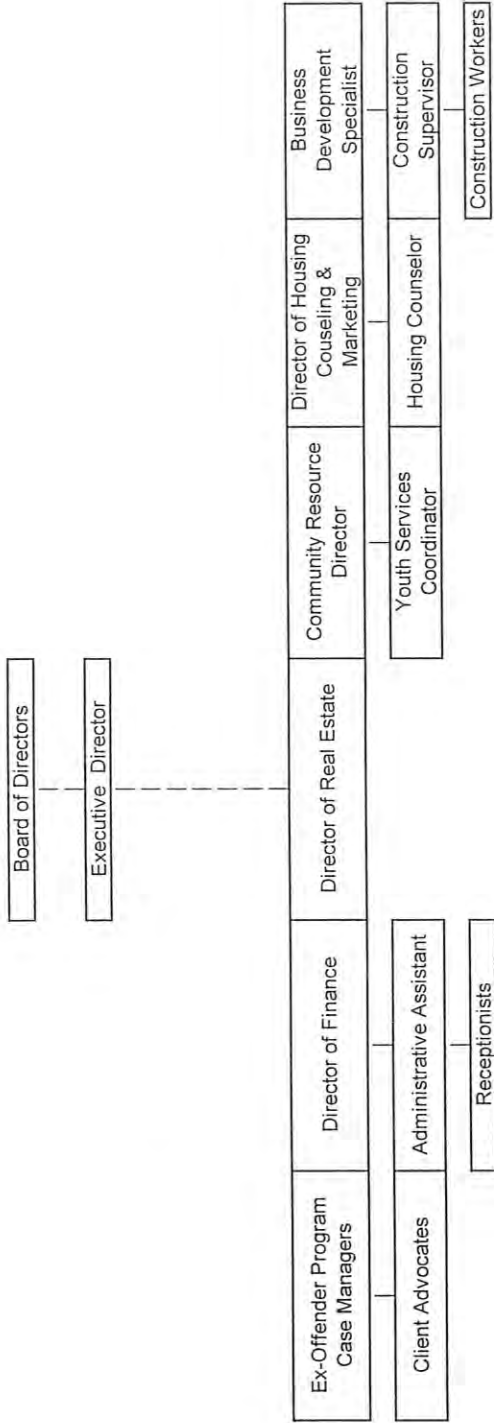
BALTIMORE HOUSING Senior Management Organizational Chart



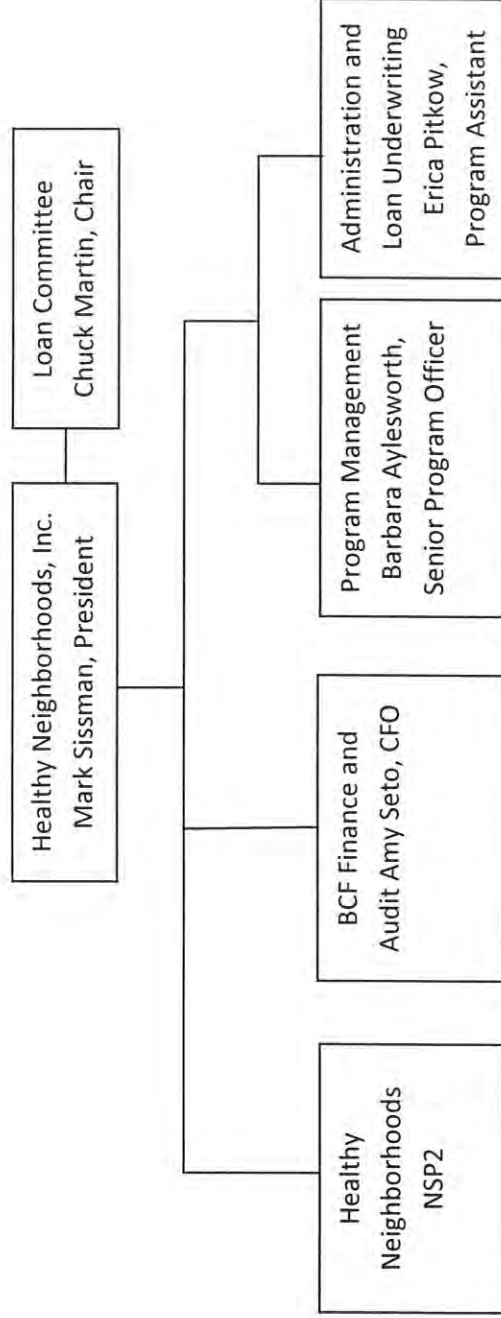
Chesapeake Habitat for Humanity Organizational Chart



Druid Heights Community Development Corporation Organizational Chart



**HEALTHY NEIGHBORHOODS, INC.
ORGANIZATIONAL CHART**



**St. Ambrose Housing Aid Center, Inc.
Organizational Chart**

Executive Director
Vincent P. Quayle

Deputy Director
Lisa R. Evans

Finance & Administration	Resource Development	Housing Development	Homesharing	Homeownership Counseling	Foreclosure Prevention	Rental Services
Controller Ron Edwards	<i>Director</i> Karen Griffin	<i>Director</i> David Sann	<i>Director</i> Annette Brennan	<i>Director</i> Anthony Parran	<i>Director</i> Anne Balcer Norton	<i>Director</i> Brian Devlin
<i>Director of Human Resources</i> Jill Sumpter	vacant - intern	<i>Marketing Coordinator</i> Denise Hairston	<i>Counselors</i> Rebecca Sheppard Ann Gevock* *LVC Volunteer vacant - volunteer	<i>Counselors</i> Pamela Petty	<i>Counselors</i> Cara Stretch Stephanie Davis Bryan Sheldon Vacancy John O'Hagan* *ILV volunteer	<i>Maintenance Coordinator</i> Dwight Madison <i>Maintenance Technicians</i> Phillip Gerald John Holbrook
<i>Accounts Receivable</i> Louise DiPaula		<i>Architect</i> Kevin O'Reilly			<i>Attorneys</i> Reese Demeron Jeannine Dunn Hope Efeyini <i>Intake Coordinator</i> Cathy Poindexter	<i>Property Managers</i> Joveta Grinnage Mimi Kelly Linda Logan Leah Mason-Grant
<i>Accounts Payable</i> Virginia Carter					<i>FP Coordinators</i> Marva Cox	<i>Casemanager</i> Mary Ann Dixon
<i>Receptionist</i> Faye Pierce					<i>FP Assistants</i> Vacancy* *UMSSW intern	<i>Management Asst.</i> Rebecca Holbrook
<i>P T Receptionist</i> Caroline Warfield						

Information & Technology Support for Homesharing, Homeownership, & Foreclosure
Melissa Kaiza

TELESIS CORPORATION – Barclay NSP2 Program

