BVRI Training Agenda

1. **Introduction**

   Carol Gilbert, Assistant Secretary, Maryland DHCD

2. **BVRI Program Overview**

   Kari Snyder, Director of Community and Economic Development Partnerships, Maryland DHCD

3. **Payment Structure**

   Michael Pokorny, Chief Executive Officer, Maryland Community Investment Corporation

4. **FY26 BVRI Application**

   David Birkenthal, Maryland DHCD

5. **Question & Answer**

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Introduction

Carol Gilbert

BVRI Goals

- Expedite abatement of vacant building notices

- Increase occupied housing with an emphasis on homeownership and achieving whole block outcomes.

- Stabilize and grow population and households through increased production of renovated homes and newly constructed homes.

- Leverage private sector capital for housing development finance.

- Strengthen neighborhood housing values and homeownership wealth without displacement.

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BVRI Program Overview

Kari Snyder

Eligible Applicants

- Eligible Applicants: Non-profit Community Development Organizations (CDOs)
    - Organizational mission must include community development work and a service area in Baltimore City

- Applicant can apply to acquire and/or develop properties directly or partner with for-profit or non-profit developer(s)

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Eligible & Priority Geography

- Eligible geography is Sustainable Community Areas

- Baltimore City Vacant Reduction Priority Geographies (VRPGs) will be prioritized

- Use CodeMap to see VRPGs (select Impact Investment Areas and Other Vacancy Reduction Priority Geographies) under Focus Area

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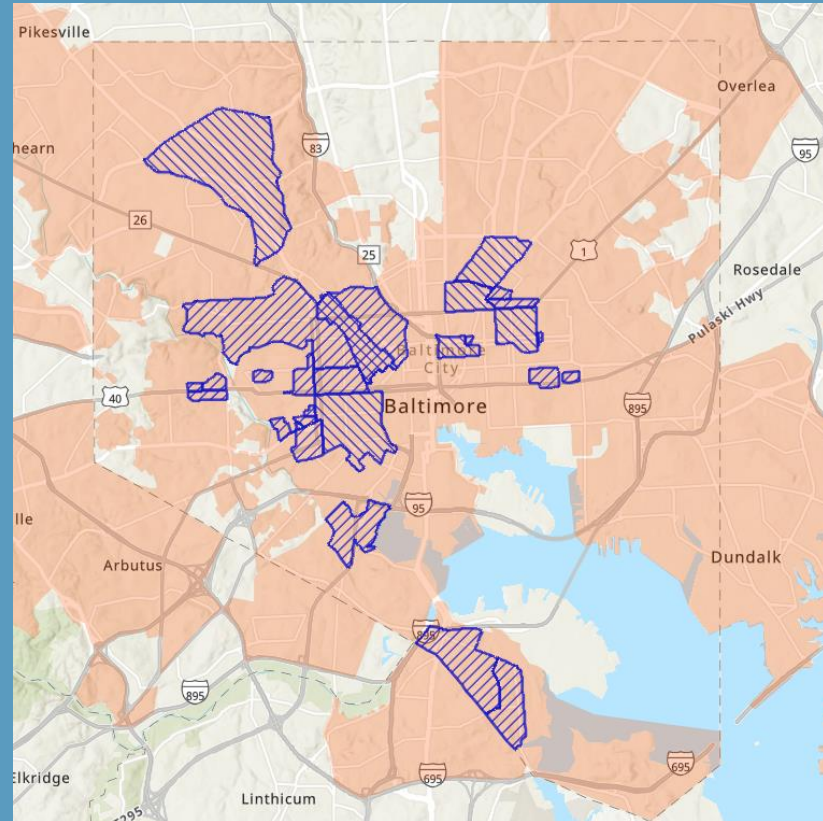
Eligible Activities

Grants and loans to finance:

- Acquisition, stabilization, and renovation of vacant buildings.
- Acquisition and aggregation of vacant lots for the purpose of infill construction and/or community managed open space.
- Urgent demolition of properties.
- Other predevelopment activities for renovation and new construction projects.

Awarded funds support activities that accelerate the remediation of vacant properties, particularly those with VBNs.

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Application Focus

- BVRI funding is intended to remediate as many VBNs in the Vacancy Reduction Priority Geography as possible
- Emphasis on production speed and rebuilding neighborhood housing markets - projects should be targeted geographically
- Application sections focus on:
  - ➢ Development Experience and Capacity
  - ➢ Vacants Reduction Strategy and Outcomes
  - ➢ Vacant Property Pipeline
  - ➢ Budget and Financing

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Whole Blocks Strategy

- **Identify block cluster(s)** - the target area

- **Convey your reinvestment strategy** for target area that aligns with the <u>values and principles</u> of the Baltimore Vacants Reinvestment Council (BVRC) and <u>whole block approach</u>

- **Develop a property pipeline** with strategies for each property with a VBN in the target area

- Demonstrate that BVRI funding will **complete whole blocks**
  - A block is defined as all the properties on both sides of a street, corner to corner

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Application Dates & Links

Application opening: April 2

Application closing: May 23 at 11:59 PM

BVRI webpage includes:

- Program guide
- Property pipeline
- Development budget sample
- Disclosure authorization
- Principles for implementing a whole block strategy
- Application link

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Payment Structure

Michael Pokorny

BVRI Payment Structure Overview

- MCIC will facilitate processing of FY26 BVRI funding to awardees. Grant agreement approval and receipt of funding will be expedited processes
- FY26 BVRI funds will be provided as forgivable loans from MCIC. Awardees will be required to return the proceeds from the sale of rehabilitated properties.
- Funds will be provided based on upcoming expenses, such as acquisition costs, not as a reimbursement.

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FY26 BVRI Application

David Birkenthal

Application Navigation & Access

- [FY26 BVRI application](#) is hosted on SM Apply
- All applicants will be prompted to make an account and name their application. Please include your organization's name in the name you give the application.
- Applicants may add collaborators, such as other members of your organizations, to also edit the application document
- A preview of your application is available to view and download by clicking on the Preview button in the top-right corner

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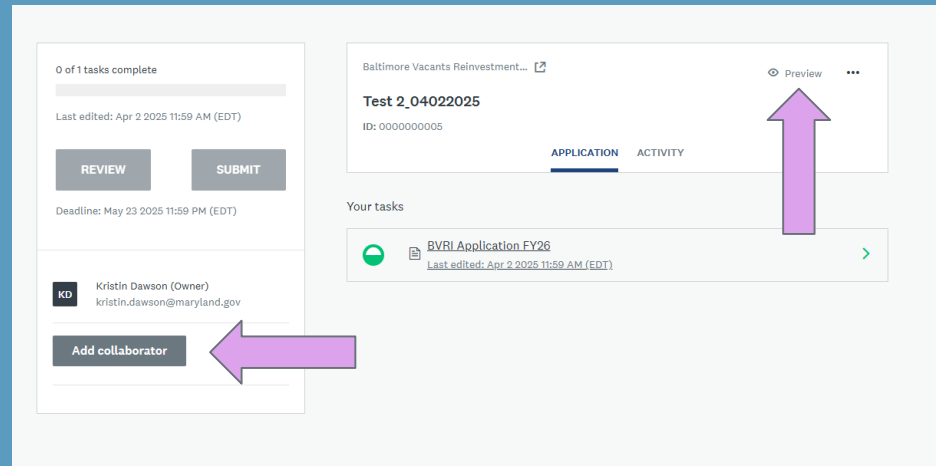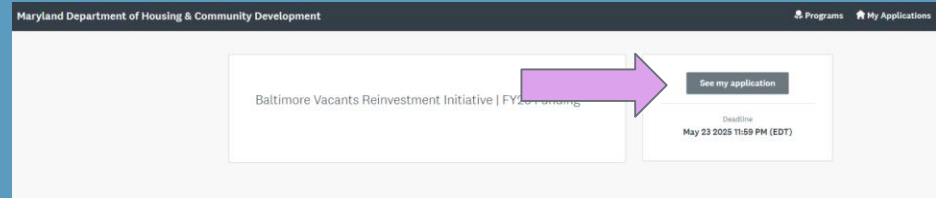
Key Components of BVRI Application

Key Components of the BVRI Application

1. Identified Target Area
2. Vacant Revitalization Strategy
3. Vacant Properties Pipeline List
4. Sample Development Scenario Budget

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Identified Target Area

- Create a simple map of your target area for FY26 BVRI funds
  - This can be as easy as drawing on a screenshot of Google maps.
- Your identified target area should be within your organization's existing service area
- You will be asked to justify why you've selected the target area based on criteria such as:
  - Geographic Boundaries, like major roads
  - Organizational assets, like properties you already own
  - Community strengths, like nearby parks

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Vacant Revitalization Strategy

- Provide a narrative description of your vacants reduction strategy.
- Potential components of the narrative may include:
  - Which blocks you intend to begin with
  - What remediation strategies you have selected for properties in your target area and how you are prioritizing them
  - What you see as attainable outcomes for the next 6 months

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Vacant Property Pipeline List

- Complete a provided template with a list of all the properties you believe could be a part of your vacant revitalization strategy.
  - These should include properties you or your partners own and properties you could acquire on the open market, especially those with VBNs inside your identified target area.
- For each property, we're asking you to provide information on:
  - Property characteristics
  - In Rem & Receivership eligibility
  - Proposed remediation strategies
  - Expected cost of remediation
  - Expected uses after remediation

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Sample Development Scenario Budget

- Provide us with a sample budget for a typical acquisition/rehabilitation vacancy remediation project you expect to complete.
    - We have suggested the example of a typical 2 Bedroom 2 Bath row house as homeownership outcomes are a priority
- We have provided a budget template, but you are free to submit a different budget format your organization may use internally

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Sample Development Scenario Budget

Total Development Costs Sample Budget Form

Answer the following prompts:	Example Response	Response
Describe the proposed development scenario	2 bedroom, 2 bath rowhome requiring a gut rehab	
Describe the outcome of the project	Homeownership	
Enter total estimated sq. ft. of completed proje	1200	
Estimated resale price	$225,000	

TOTAL DEVELOPMENT COSTS		
Item	**Total**	**Per SF**
Acquistion		
Purchase Price		
Legal & Title		
Carrying Cost		
Subtotal Acquisition	$0	
Design & Engineering		
Architecture		
Engineering		
Other		
Total Design & Engineering	$0	
Construction		
Contract		
Other		
Total Construction	$0	
Financing		
Lender Origination		
Interest		
Legal		
Total Financing	$0	
Marketing and Sales		
Advertising		
Homebuyer Warranties		
Other		
Total Marketing and Sales	$0	
Developer Fee		
Total Development Costs		

Q&A

FAQs

- **Does my project qualify?**
  Please reach out to Maryland DHCD to discuss whether your project qualifies.

- **Does my organization qualify? Is funding only for BRNI organizations?**
  BVRI funding is not just available to BRNI organizations. If you are not sure if your organization qualifies, please reach out to Maryland DHCD staff.

- **What is the maximum amount I can ask for?**
  There is no max amount. The total requested should reflect the expected cost of remediating the properties on your pipeline list. Estimate the amount you will need to execute your multi-year strategy.

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FAQs

- **Is there a max grant amount allowed per unit?**
  There is not a max amount of grant funding allowed per unit. Estimate the grant funding needed to complete each unit based on estimated or known acquisition, development and as-completed appraisal or comparables (if homeownership project) to estimate the grant funding needed per unit and include that amount in the property pipeline.
- **Can my non-profit organization partner with a non-profit or for-profit developer?**
  Yes, organizations with limited vacant property redevelopment experience and/or capacity are encouraged to partner.
- **Can FY26 BVRI support developer fees?**
  Yes, a developer fee is allowed, though the percentage permitted has yet to be determined.

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FAQs

- **Can funds be used for new construction expenses if we already own the lots? If yes, how will it be scored in comparison to rehabs?**
    Yes, funds can be used for new construction expenses if you already own the lots or you can acquire lots and build on them. A new construction unit is not scored differently than a rehab project in the evaluation of applications. See the program guide for application scoring.
- **Can these funds be used in conjunction with grant funding? If our project has received other DHCD funds is it eligible for these funds?**
    Yes, these funds can be used with other grant funding. And, you can layer BVRI funding with other DHCD funds.

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FAQs

- **Does the developer fee include CDO developer fee option or just a private developer partner fee?**
  - Yes, CDO developers who apply or a partner are able to receive the developer fee.
- **What is your expected timeframe for completion?**
  - We understand that groups that already own properties will be able to remediate VBNs more quickly, but generally we are expecting once acquisition is complete that properties will be rehabilitated in a 6 to 9 month timeframe.
- **Will you consider applications for multiple projects? Or more than one application per organization?**
  - Yes, organizations can submit more than one application. You will need to create a second SurveyMonkey account, as the platform only allows one application per account.

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FAQs

- **Are holding costs eligible expenses?**
  Yes, holding costs are eligible as a standard development cost. As we expect the time from acquisition to rehabilitation and sale to be approximately 6 to 9 months, we're are expecting holding costs to be minimal.
- **Have there been any agreements with Baltimore City to prioritize city owned acquisitions for community based organizations?**
  Maryland DHCD staff are in consistent coordination with our counterparts in Baltimore City government. Target area plans and submitted property lists will be reviewed with City staff.
- **Are commercial or mixed use properties eligible?**
  Yes, commercial properties are eligible. Address in your narrative why redeveloping a non-residential property is an important part of your vacancy remediation strategy. The goal of BVRI is to accelerate the remediation of all VBNs.

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FAQs

- **Are there grants and loans available or just loans?**
  All BVRI funds will be disbursed as forgivable loans by MCIC. The proceeds of the eventual sale of the property will be returned to MCIC. We expect that the price at the time of sale will be less than the cost to rehabilitate the property. This difference is known as the appraisal gap. Since organizations will not pay it back, the amount of the loan equal to the appraisal gap is functionally a grant.
- **Is rental new construction an eligible activity under the grant program?**
  Yes, if your organization currently owns, acquires, or demolishes a property to create a vacant lot, you may use BVRI funds for new construction. While BVRI funding can support rental projects, it is a priority of the department to support homeownership outcomes.

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Contact

- Program Contact: David Birkenthal

    Email: reinvestbaltimore.dhcd@maryland.gov

    Phone: (443) 462-7445

    Please use Calendly to schedule a 30 minute meeting to discuss questions specific to your organization.

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