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*Delivery By Electronic Mail*

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Re: Port Covington Master Plan - Comments of ACLU of Maryland and Public Justice Center

Dear Mr. Stosur:

Thank you for the opportunity to submit comments on the proposed Port Covington Master Plan.

The ACLU of Maryland and Public Justice Center have a long record of working toward racial equity in housing, education, criminal justice, and opportunities for youth in Baltimore City. That experience informs our evaluation of the Port Covington proposal. Our evaluation is also based on careful analysis of the Tax Increment Financing Application, FastLane Application, and Memoranda of Understanding executed by the City and the master developer, Sagamore Development Company, the real estate arm of Under Armour CEO Kevin Plank. While we understand that only the Master Plan and related urban design and land use issues are currently before the Planning Commission, those issues must be evaluated in context and informed by information gleaned from other publicly available documents. This is especially the case given the rather surprising lack of detailed substance and data contained in the Master Plan itself.<sup>1</sup>

We begin our comments with an overarching analysis of the Port Covington project, before commenting on specific sections and issues. We conclude with recommendations as to what a Master Plan worthy of our City and of our public investment might look like.

**I. The Port Covington Master Plan is an example of the economic development paradigm that has failed our City and should not be endorsed by the Planning Commission in its present form.**

‘We will build it together...’ is the Port Covington claim.

What we should be building is a 21<sup>st</sup> Century model for the nation of how an old, rust belt, racially and economically segregated city can create a brand new racially and economically diverse community and an economic engine that generates inclusive growth and shared prosperity. We should show that Baltimore has learned a hard lesson: that the

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<sup>1</sup> The Master Plan itself contains very little substantive information about the planned uses for

existence of “two Baltimores” — one empowered, wealthy and thriving, the other still redlined and marginalized — is no longer sustainable. The existence of “two Baltimore’s” has crushed a significant number of our fellow Baltimoreans, and undermines growth and economic mobility for us all.

The new paradigm in economic development is focused on *equitable* growth, making sure that tomorrow’s cities are just and inclusive ones, “meaning cities that put people first, and put equity and social justice at the center of policy and design,” as described by the Ford Foundation, the Brookings Institution, the National League of Cities and mayors from around the United States and the world:

These aren’t just nice ideas. If cities are not inclusive and built for and by everyone, they will simply fail to thrive. As we have seen in cities across the US in the 20th century, top-down urban planning, metros built for cars and not people, and exclusionary zoning practices have led to severe disinvestment and racial and economic segregation, among other injustices.<sup>2</sup>

This understanding of inclusive growth is reflected in the yearlong series of discussions spearheaded by the Planning Department’s professionals on equity planning, examining how to move our city from segregation and inequality to inclusion and shared prosperity. That series was recently capped off with a call for new approaches to economic development and new outcomes to close the wealth and income gaps.

But as it stands now, the Port Covington Master Plan is a prime example of structural inequality on a massive scale — and of the same old waterfront focused economic development approach that hasn’t worked to reverse Baltimore’s decline, and may have contributed in fact to the disinvestment in other neighborhoods. While “big and bold”, the vision is decidedly limited and old school trickle down economic development.

In the hope of building a stronger tax base and receiving increased tax revenues in the long distant future, a waterfront site will be developed at public risk and expense:

- A speculative real estate venture in which the developer buys cheap, unimproved industrial land, with plans to turn around and sell development parcels to vertical developers once they are rezoned and infrastructure is installed, retaining all the value added by the rezoning and publicly financed infrastructure;
- A brand new racially and economically segregated city within the city, a virtual gated enclave, inhabited by millennials and empty nesters making an average income of \$100,000;
- Instead of middle wage jobs for which city residents can qualify and which are the priority of city and regional workforce plans, the Port Covington project is expressly targeted to attract a ‘high wage employment’ as a waterfront destination

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<sup>2</sup> Stefan Norgaard, *Why We Need to Build Inclusive Cities*, Ford Foundation, Equals Change Blog, June 2016, <http://www.fordfoundation.org/ideas/equals-change-blog/posts/why-we-need-to-build-just-and-inclusive-cities/>

for the creative class: “highly educated millennials and Baby Boomer residents seeking a high quality live-work-play environment”;<sup>3</sup>

- Although Baltimore City is being asked to support the project with \$660 million in TIF financing and rezoning of scarce industrial land, the jobs created will primarily be held by residents of the suburban counties, with only 32.9% of permanent jobs expected to be held by city residents;<sup>4</sup>
- A new entertainment district with low wage retail jobs (the TIF projects annual wages of only \$26,745 for retail FTEs);
- In a city that can not afford to maintain the parks it already has or to keep recreation centers open, Sagamore will use TIF financing to build new parks designed as amenities for the future residents and office workers and to add value to the parcels Sagamore will sell for vertical development.

Moreover the vague and difficult to enforce Memoranda of Understanding signed by the developer with the City are mere tokenism in the context of the customized spot re-zoning and massive public financing requested by the developer:

- A pledge from the developer to ‘strive’ to employ an even lower number of City residents (20%) and to strive to fill only 51% of new hires with city residents;
- A pledge to comply with only the City’s usual MBE/WBE goals; and
- Failure to comply with the minimal standards of the City’s Inclusionary Housing law, promising only to try to include a reduced number (10%) of affordable housing units, affordable at 80% of AMI, far above the pay grade of retail workers and most Baltimore residents.

## II. Comments on Specific Elements of the Master Plan

### Land Use and Built Environment: Residential

The dominant element of the Port Covington Plan is the residential component, originally projected in the TIF at 5,329 units, then ballooning to 7,500 units, and finally orally announced by Sagamore’s representative at the Master Plan hearing to have grown still further to a request for zoning that will allow 14,000 units. Despite its massive size and importance, The Master Plan does not have a section on the residential component, and tells little or nothing about the planned residential uses, including its number of units.<sup>5</sup>

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<sup>3</sup> Sagamore Development Company. (2016). *Tax Increment Financing Application*. (p. 43).

<sup>4</sup> Sagamore Development Company. (2016). *Tax Increment Financing Application*. (pp. 445, 473, 501, 527). The Local Hiring MOU is actually less ambitious than the TIF financial projection, requiring that the developer ‘strive’ to meet a goal of only 20% of on-site jobs to be held by City residents.

<sup>5</sup> The Master Plan itself contains very little substantive information about the planned uses for which rezoning is sought. This includes a lack of information about job generation and local hiring, as well as the target market and affordability of residential uses. In contrast, we learn on p. 23 that Red Twig Dogwood and Northern Bayberry will be planted along sidewalks in “micro bio-retention areas.”

At even the lowest number, this is the massive building of a city within the city.

From the financial projections in the TIF application, we know that Sagamore envisions virtually all of the units will be in high rise apartment buildings with mostly small, studio and one-bedroom units, renting for \$2,600/month to single individuals or couples with an average income of \$100,000/year, the highly educated millennials and empty nesters referred to earlier.

This is hardly a blueprint for a new community that is inclusive by race/ethnicity, income, familial status, ability, or stage of life. To the contrary, it is an exclusive enclave, which will perpetuate Baltimore's racial and economic segregation. Due to its design and isolated geography, it will be a virtual gated community for affluent whites without children. Baltimore does not need another segregated enclave; it needs to break down the hyper-segregation that has been holding it back from reaching its potential as a global port city. And the City's fair housing and Title VI obligations require it to create inclusive, integrated communities — and do not permit the City to provide financing and zoning approvals to create another segregated white enclave.

Moreover, there is no indication that market studies were performed supporting the Master Plan, and in particular showing such a high level of residential demand.<sup>6</sup> This is of critical importance, first to assess the market risks, success of the project, and likelihood of repayment of the bonds, and second, to offer assurance that leasing at Port Covington will not be cannibalizing the market in other neighborhoods.

Instead of data derived from market studies, there is less than a page labeled “market analysis” that is devoid of data and little more than vague generalities and catch phrases about “seven broad trends in urban economics and real estate.”<sup>7</sup> The developer assumes that national demographic trends such as “re-urbanization of population and jobs” will support the marketability of 7,500-14,000 new apartment units, a scale far greater than has been evident in Baltimore to date. Moreover, some demographers and experts in the multifamily industry have started to question whether we have already reached “peak millennial” and whether the demand by baby-boomers for urban living has been overestimated.<sup>8</sup> We do not know, and neither apparently does the developer.

**Amendments to Transform Baltimore:** From the discussion of massing, we can surmise that the bulk of the 7,500 or 14,000 residential units will be in massive apartment skyscrapers abutting I-95, an extreme density that exceeds not only existing zoning categories but also the proposed new zoning code, Transform Baltimore. As a result, the

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<sup>6</sup> The lack of any market study is quite surprising because they are standard in the real estate industry --- and required by any lender for financing. In fact, the projections for repayment of the TIF are highly dependent on the successful build out, and leasing, of the apartment units. If demand proves to be less than anticipated, it will present a serious risk of default on the TIF bonds.

<sup>7</sup> Sagamore Development Company. (2016). *Port Covington Master Plan Draft*. (p. 43).

<sup>8</sup> “Have U.S. Cities Reached ‘Peak Millennial?’” CityLab (March 16, 2016); “Baby Boomer Mass Migration, Fact or Fiction?” Multifamily Executive (June 8, 2016).

Master Plan contemplates that the City will amend Transform Baltimore, upzoning the site to eliminate all height restrictions to fit this developer's vision.

Human scaled residential buildings, of the type that would be most attractive to families with children (missing from a previous draft), we are now told will all be located in the West End, across arterial Hanover Street from the core of Port Covington and the new amenities. This segregation by housing type will result in segregation by familial status and race.

**Implementation:** In the Master Plan, Sagamore describes itself as the Master Developer for the project (Master Plan p. 52). As more fully described in the TIF allocation, Sagamore does not intend to be the vertical developer for the mixed-use components (housing, retail, entertainment, and non-Under Armour office space). Once development parcels are rezoned and the horizontal land development is complete, Sagamore intends to sell the parcels to other developers. (Master Plan p. 52). At this point most of the value in the land will have been created by the public action — through upzoning of land purchased as cheap industrial land, and by public financing of most of the costs of improving the land (streets, water and sewer, lighting, nearby park amenities, etc.).<sup>9</sup>

On the land use side alone, the upzoning and repeal of the Urban Renewal plan and existing PUD will allow extraordinarily high levels of density and value added. For example, the amendment to Transform Baltimore will eliminate any height restriction on residential properties in the north central portion of the site where the scale and massing section of the Master Plan shows towering skyscrapers where residential uses are not even currently permitted. (Port Covington East PC-2, p. 38).

As the deal is now structured, Sagamore intends to retain that profit for itself and not to use the portion generated by public action and investment toward the outstanding balance on the TIF bonds. In our view, that is an unacceptably risky and bad deal for City residents. To the extent that profits are not needed or used to pay down the TIF, the City should recapture the value created by public action and use it for public purposes, such as cost-offsets for inclusionary housing on-site and a contribution to an Affordable Housing Trust Fund.

**Inclusionary Housing:** At the public hearing on the Master Plan, Housing Commissioner Paul Graziano testified that he had already granted a waiver of the City's Inclusionary Housing ordinance, exempting Sagamore from compliance. The City subsequently executed an MOU that requires much less — only 10% of affordable units to be affordable at 80% of AMI.

In the first instance, it must be recognized that the Inclusionary Housing law establishes a city policy of inclusive development, and sets a floor, not a ceiling, for inclusion of affordable units. Regardless of the existence or terms of that law, where the City is offering financing or other assistance to a developer, it retains full power to set a higher

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<sup>9</sup> Sagamore Development Company. (2016). *Tax Increment Financing Application*. (p. 22). Private sources account for less than 23% of the land development budget, with the TIF and state/federal transportation grants the rest.

bar as a term or *quid pro quo* of providing the assistance. A TIF is not an entitlement, it is supposed to be a negotiated arrangement to serve public purposes. That said, the action of the Commissioner was contrary to the public policy underlying the Inclusionary Housing law and its express terms:

- Where the City is providing a “major public subsidy”, re-zoning, or significant land use authorization, these public actions create value for the development, and thus trigger requirements to include either 20% (major public subsidy) or 10% (rezoning, land use authorization) affordable units;
- The law specifically deems a TIF to be a “major public subsidy”, which requires 20% affordable units; and
- A major re-zoning requires 10% affordable units.

In various tweets and public statements, Sagamore has stated that the City law required an exemption because there is no money in the Cost Offset Fund to make the developer whole. But the City Inclusionary Housing law does not say that the source of additional funds to fill this gap are limited to the Offset Fund or any other particular source.

As a first step, the City IH law and regulations require the Housing Commissioner to consider “all aspects of the project” and “the total amount of public subsidy and other incentives provided to the project” and to determine whether the major public subsidy is sufficient to offset fully the financial impact to the developer of providing 20% affordable units (IH §2.5). In addition, in the case of a re-zoning, the City inclusionary housing law requires the Commissioner to consider whether to provide an additional density bonus of 20% to off-set the cost of providing affordable units. The Commissioner is required to make a finding that the project would not be economically feasible if it provided the number of affordable units required even if the project received a density bonus. (IH Reg. § 2.5(b)). The Commissioner made no such determination of feasibility before granting the waiver.

In this case, it appears that the analysis was performed by Sagamore and provided to the Housing Commissioner.<sup>10</sup> Several aspects of Sagamore’s analysis failed to follow the law.

- At the first stage, the analysis relied on by the Housing Commissioner failed to consider the value to the developer of both the major re-zoning and the \$660 million TIF subsidy.
- The analysis made no determination as to whether the major public subsidy itself (i.e. the TIF) is sufficient or insufficient to offset the financial impact of providing the affordable housing, and if insufficient the amount of the gap.

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<sup>10</sup> The Sagamore employee who performed the analysis, Michael Pokorney, was until recently employed by the Housing Department where he was the sole person responsible for implementation of the City’s IH law. His position does not appear to have been filled. The contact person noted on the letter from Housing Commissioner Graziano to Mr. Pokorney granting the exemption is actually an employee of the HABC Housing Choice Voucher program.



- Had this been considered there may not have been a gap, or it would have been small, in light of the extraordinary amount of the TIF subsidy, plus the substantial value bestowed on the developer by the rezoning and other public subsidies.
- Instead, the analysis merely calculated that the cost of providing 20% affordable units in compliance with the law and considered that full amount to be required to make the developer ‘whole.’

The analysis provided to the Housing Commissioner by Sagamore also erred at the next step. If the TIF, other subsidies, and rezoning are found to be insufficient, the Housing Commissioner is then required to determine whether the City can provide additional funding to fill the gap and off-set the financial impact of providing the affordable units.

- The Commissioner’s waiver analysis did not include any consideration of whether other funds were available to close the gap. In fact, other funds are available, as indicated by the Commissioner during his Planning Commission testimony when he referred to the use of Housing Choice Vouchers (presumably to provide deep rent subsidies to households with incomes at or below 30% of AMI). In addition, HABC has development funds that it can use flexibly to subsidize the development of units for very low-income households.

The Sagamore analysis also erred at the 3<sup>rd</sup> stage of the analysis, at which the cost offsets intended to fill the gap are capped at certain amounts (“investment thresholds”) set out in the law.

- Because the analysis had already erroneously failed to consider the value of the TIF and rezoning, it assumed that none of the TIF (or major public subsidy), or upzoning, would defray the cost of producing affordable units, and the calculation of the gap was greatly inflated.<sup>11</sup> Thus, the needed cost-offsets were determined to exceed the cap or ‘investment thresholds.’
- It also artificially inflated the gap by basing it on the calculation of a lifetime (30 year) rent subsidy for all of the affordable units, at a cost of \$184 million overall, instead of capitalizing a write down. Moreover, the analysis ignored the availability of housing vouchers to provide rent subsidies for the lowest income tiers.
- As a result, the Commissioner erroneously concluded that the “Inclusionary Housing requirements for this project exceed the allowed threshold amounts...and the project is therefore exempt.”

The MOU falls far short of compliance with the City inclusionary housing law despite the project receiving both the major public subsidy in the unprecedented amount of \$660 million, and in addition, the substantial benefit of upzoning that will greatly enhance the value of the property. The MOU entered into by the City and the developer in lieu of compliance with the City inclusionary housing law is vague and contingent on receiving

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<sup>11</sup> It also artificially inflated the gap by basing it on calculation a lifetime (30 year) rent subsidy for all of the affordable units, at a cost of \$184 m. overall, instead of the capital cost to build the units.

state LIHTC funding and only requires 10% of the units to be affordable to households at or below 80% AMI, with no provision for households at lower income tiers required by the City inclusionary housing law. It does not require the developer to provide affordable units in the event it is not able to obtain competitive 9% LIHTC subsidies. To the extent it receives those subsidies, LIHTC units will not be built in other localities – thus, there is no increase in the supply of affordable housing.

### **Civic Uses – Schools**

The vision of a healthy and prosperous community must include a plan for education. The development must transcend the ideals and policies of the past, which are reflected in Baltimore's current racially – and economically – isolated schools. We know based on research and case studies, the best outcomes for students — wealthy and poor, white and black — are achieved in communities and schools that are racially and economically diverse.

Surprisingly, schools seem to be an after thought in the Port Covington Master Plan and proposal. While the Master Plan is silent on the number of children expected to reside at Port Covington if fully built out, the TIF application estimates that the City and the Baltimore City Public School System will need to provide some 884 new children with education services.<sup>12</sup>

The developers seemed to assume that any children living on the site would be absorbed by schools in neighboring communities, without looking at enrollment projections for those schools or consulting with BCPSS (Master Plan p. 40-41), adding a school site only at the prodding of Planning staff.<sup>13</sup> (We question whether the air quality at that site, in the West End near the intersection of I-95 and Hanover Street, makes it appropriate for schoolchildren).

Planning is essential to have a positive impact on current area schools – are additions at existing neighborhood schools the best solution? Will a new school be required? How can any overcrowding in nearby schools be addressed through a new school building or rezoning should any of those alternatives be required.

The developers should be required to work with City Schools to put forward a plan that furthers racial and socioeconomic integration that will benefit the students in the new development as well as students in nearby school zones. Should the school system determine that a new school is needed to serve the influx of students, developers should be required also to provide a portion of their TIF bond proceeds to fund construction of a new traditional school in the area. The same requirement for a plan for racial and socioeconomic integration in the new school should be required.

In addition, we have serious concerns about the effect of the massive Port Covington TIF on State education aid to City Schools. If the development comes to fruition, it will

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<sup>12</sup> Sagamore Development Company. (2016). *Tax Increment Financing Application*. (p. 56).

<sup>13</sup> Alternatively, the developers may have assumed children would attend private, parochial or charter schools, as suggested by one news report.



increase the City's wealth, leading to decreases in State education aid. But where the State sees the City's increasing wealth as a reflection of its ability to increase local education aid, almost all of the taxes generated from the Port Covington development will go to cover the cost of TIF bonds. Over the last two years, the ACLU and allies have fought hard to restore over \$20 million in state education cuts, a significant portion of which was due to an increase in the City's wealth, in both income and property. In the first 10 years alone, Port Covington could cost the school system over \$14 million in State education aid.

It is true that House Appropriations Committee Chair Del. Maggie McIntosh helped to put in place a temporary measure to hold the city harmless to decreases in State education aid due to TIF-associated property value increases. It is also true that consultants are currently reviewing the State's education funding formula, and have been directed by the legislature to look at the impact of economic development financing on low-wealth jurisdictions like the city, and propose potential solutions. But, the developers must agree to a binding "hold harmless" agreement to make up any potential loss in State education aid as a result of Port Covington's increased property wealth should a permanent solution not pass at the State level in future years.

### **Parks and Open Space**

The Master Plan proposes 40 acres of parks and open space (Master Plan, p. 51). We calculate that about 27% of the TIF (more than \$140 million) will be used for parks, green space, and related amenities like the 'archeological pier' rather than typical infrastructure like streets and sewers. According to the TIF application, the first series of bonds scheduled to release in June of 2017 will cover \$49 million of public improvement costs for three new public open space areas in Port Covington.<sup>14</sup> The costs financed by the TIF bonds for these three projects is more than three times greater than the city's current capital allocations for all of its parks and recreation facilities.<sup>15</sup> While these facilities will no doubt be pleasant amenities for those who will "live, work, and play" at Port Covington, the cost/benefit calculation for residents of the City as a whole is much less certain.

The parks will be turned over to the City to maintain these expensive amenities, but because they will be city-owned, Sagamore and the vertical developers will pay no property tax on the acreage.<sup>16</sup> Both the Master Plan and TIF application are silent as to who will be responsible for maintaining the parks and open space on an on-going basis, but seem to assume the City will be responsible.

In the face of a declining budget, the City's Department of Parks and Recreation has struggled over the past decade or more to maintain the park and recreation facilities it

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<sup>14</sup> Sagamore Development Company. (2016). *Tax Increment Financing Application*. (p. 150).

<sup>15</sup> City of Baltimore. *FY 2016 Summary of the Adopted Budget*. (pp. 224, 228). The amount of public improvement costs financed by the TIF bonds also exceeds the City's current operating budget for park maintenance, recreational facilities, and events.

<sup>16</sup> Sagamore Development Company. (2016). *Tax Increment Financing Application*. (pp. 464-65).

already has in its inventory across the city. It has had to close recreation centers badly needed by Baltimore's youth, and turned parklands like Lake Roland and Ft. Smallwood over to neighboring counties to operate.

The construction and maintenance of these new parks was not contemplated as a priority for the City. As noted in the Master Plan, these new parks are not included in the Parks Master Plan and would require amendments to that plan. (Master Plan, p. 51). It is likely these spaces will require a high degree of maintenance in light of their surrounding high end uses. We are concerned this is not affordable for the City and will divert resources from neighborhoods with greater needs. Instead, these parks and green spaces will primarily serve as amenities that enhance the value of the Under Armour properties and those of the owners of the office space, apartments, and retail uses and their tenants. The Commission should, therefore, recommend that the developer retain ownership of the green space, paying taxes on it and maintaining it. In consideration for the fact that public financing will cover 77% of the land development costs, including the parks and other green spaces, these spaces should remain open to the general public.

A more fundamental question exists as to why such a substantial portion of the TIF (27%) should be used to build park amenities when uses of equal (or arguably greater) public purpose are currently left out of the budget and receive no TIF proceeds? This includes affordable housing — a legal requirement — as well as civic uses such as a school and fire station. The Planning Commission should recommend that the developer contribute more to build the open space amenities, and/or, seek funding from alternate sources such as Program Open Space.

### **Multi Modal Transportation**

The state's FastLane application to the federal Department of Transportation cites the employment needs of West Baltimore residents in making its case for \$76 million to improve access from I-95 to/from Port Covington.<sup>17</sup> However, this section of the Master Plan indicates that the I-95 interchange improvements that are the gist of the "FastLane Phase I" application are designed to facilitate access to Port Covington from the south, i.e. Anne Arundel and Howard counties, and the DC metro area. (Master Plan, p. 50).

We see nothing in the Master Plan that addresses connectivity to West Baltimore, the part of the City and its people most in need of better job access. There is a vague discussion of transit (Master Plan, p. 25) noting only the "potential to add additional local and express MTA routes as well as Baltimore City Circulator buses." But here again, transit access does not seem to have been thought out — we learn more about bicycle access than buses. Moreover, it appears that whatever transit improvements result will have to be paid for out of unidentified public sources, uses that could place Port Covington in competition with disinvested parts of the City or connectivity to other job centers of the region (Master Plan, p. 50):

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<sup>17</sup> Maryland Transportation Authority. (2016). *FastLane Application*.

“Separate coordination will be required between BCDOT and MTA regarding proposed infrastructure improvements to MTA transit facilities within the development. Separate funding mechanisms will be utilized in order to implement these proposed improvements.”

Similarly, both the Master Plan and TIF are silent as to desperately needed improvements to the Hanover Street Bridge, the connection between Cherry Hill and Port Covington. Yet here too, the FastLane application relies heavily on the needs of the low-income African American population of Cherry Hill for job access to make the argument that the federal grant will promote equity for disadvantaged populations and racial minorities.

### **III. Civil Rights Reviews**

In planning this new ‘city within a city,’ the City, State and developer should be conducting Fair Housing, Environmental Justice Review, and Title VI reviews to guide the planning and to assure the engagement of low-income and minority populations. Our review of the Master Plan and the other Port Covington planning documents so far made available (the TIF application, the MOU’s, and the federal FastLane application) reveals a lack of compliance with the substantive or planning requirements of Title VI and Title VIII that are triggered when projects are applying for federal funds, or when federal grantees, such as the City and State, are involved.

### **IV. What would a Master Plan worthy of our investment look like? Equitable Growth and Shared Prosperity**

As the events of April 2015 demonstrated, Baltimore will continue to suffer decline and further instability unless we shift our priority from public investment in private real estate deals to investments in:

- the human capital of our people; and
- improvements in their quality of life and upward mobility.

The Port Covington project could be designed as this kind of investment of our \$660 million. But it is crystal clear that it was not.

The ACLU of Maryland and Public Justice Center calls on the Planning Commission to recommend that the Port Covington Master Plan be sent back to the developer with direction to conduct the required civil rights reviews, to authentically engage with disadvantaged groups and a broad array of stakeholders and communities, and to pursue more inclusive and less discriminatory alternatives, ones with bigger benefits for the people of Baltimore City. Such a plan would include, at minimum, a Community Benefits Agreement with the neighboring Cherry Hill and South Baltimore Communities, strong and binding local hiring and training requirements, robust opportunities for small disadvantaged businesses and those owned by minorities and women, strong connectivity to provide job access to economically distressed neighborhoods, and the following specific elements:

- **Build a truly inclusive and diverse community where families and children can thrive**, not just high rise studio and one-bedroom apartments for millennials with no children and an average income of \$100,000, as depicted in the Master Plan and TIF application;
- **Residential units on the Port Covington site must be affordable at the full spectrum of income levels in the workforce and City**, including food prep workers, janitors and retail clerks, home health aides, daycare workers, construction workers, carpenters, nurses aides, carpenters, teachers, firefighters, plumbers, and disabled persons. To ensure this diversity, at least 25% of the units must be affordable at or below the workforce housing level (60% of AMI), and half of those units must be affordable to households with incomes at or below 30% of AMI. The housing must be affirmatively marketed to attract a racially and ethnically integrated community, not one that simply replicates existing patterns of segregation in Baltimore and the virtually all-white Locust Point peninsula;
- **As authorized by the City Charter, a portion of the \$660 million TIF proceeds, as well as a substantial portion of profit derived from the rezoning, should be used to provide affordable housing.** While it is reasonable to use 4% Low Income Housing Tax Credits (LIHTC), housing vouchers, and housing program funds controlled by the City and HABC to fill financing gaps, it is not acceptable to deplete Maryland's small allocation of highly competitive 9% LIHTC to build affordable housing instead of a portion of the TIF and profits created by the rezoning. A portion of the profits generated by the rezoning should also be recaptured and placed into a Baltimore City Affordable Housing Trust Fund for use in other locations;
- **Create a Baltimore City Affordable Housing Trust Fund.** To the extent that 'value recapture' from public actions and investments such as the rezoning and TIF is in excess of on-site affordable housing needs, the excess should be placed into the Trust Fund;
- **A binding "hold harmless" agreement from developers to make up any loss of state education aid due to the increasing property values of Port Covington**, thus protecting public education funding;
- **Work with City Schools to put forward a plan that furthers racial and socioeconomic integration in schools** that will benefit students in the new development as well as students in nearby school zones;
- **A Good Jobs guarantee** with family supporting wage standards and full time work, enforceable, verifiable commitments to filling at least 51% of jobs generated at Port Covington with city residents (including low income populations and year round youth hiring), not the 33% projected by the TIF application, and apprenticeship programs;
- **Exceed the City's usual MBE/WBE requirements;** and
- **Middle wage job creating investments like an Under Armour manufacturing facility, whether on-site or in a disinvested area of the City like West Baltimore.**

The success of these principles must also be inextricably linked to a democratic process that is transparent at every juncture and provides for real community engagement.

While the proposed Master Plan and tax-increment financing (TIF) plan does not currently accomplish these goals, we believe there is still potential for Port Covington to chart a new path for Baltimore. With a complete change in permitted land uses and massive public subsidies constituting the 77% of the capital investment needed for land development in Port Covington, we should all have an historic opportunity to build it together --- and to get it right.

Yours truly,

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