Baltimore City Council Meeting  
Wednesday, March 30, 2011  
5:00 pm

Douglas W. Nelson Comments (as Chairperson of EBDI)

Thank you. I am Doug Nelson. At the kind urging of the Mayor and City Council President, I was honored to accept chairmanship of EBDI just over one year ago. Prior to that, I served as the Annie E. Casey Foundation’s representative to the EBDI board, and I headed up our Housing and Relocation Committee. During the eight years I have been involved in EBDI, I have had the privilege to work with some of the city’s and state’s most informed and gifted leaders – representing all sectors of our community. EBDI has benefited from the active involvement of two governors, three mayors, several city council leaders, six of the city’s major foundations, numerous community activists, the Save Middle East Action Coalition, the Johns Hopkins University, as well as finance, real estate and development leaders from some of the region’s preeminent corporations. In my 30 years of advocating increased opportunity for low-income children and families, no initiative that I have been involved with has been more important, more ambitious or more likely to become a model than EBDI.

Mr. Chairman, I was first invited to join this effort to revitalize East Baltimore by then Mayor Martin O’Malley in 2002. I needn’t tell any of you that at that time the once vibrant and proud Middle East Baltimore neighborhood and its families were suffering the consequences of years of disinvestment, job losses, neglect and despair. Two thirds of the homes were vacant – a condition that threatened the environment, safety, housing values and community spirit of those residents who remained. In 2002, the area’s one remaining school was consistently underperforming, and was slated for closure. And the neighborhood as a whole contributed virtually nothing in property tax revenues to the city’s tax base. Not surprisingly, outcomes for residents reflected these neighborhood conditions. Whether measured by poverty rates, unemployment rates, childhood lead exposure, asthma rates, academic achievement, graduation rates, crime, drug involvement or mental health needs— the men, women and children of Middle East were among the most disadvantaged, most isolated, and most vulnerable population in this city.

These bleak conditions were not the fault of Middle East residents. For several decades following the erosion of the region’s manufacturing jobs, the city of Baltimore did too little to address the neighborhood’s challenges; John Hopkins did too little; the city’s churches, philanthropies(including Casey) and non-profits did too little; the region’s private sector did too little; and the public school system did too little as well.

EBDI’s founding in 2001 represented a bold attempt to reverse that neglect. It marked a coming together of the city, state, philanthropy, Hopkins, residents, community organizations, the school system, and others – in a 20- year public/private partnership and commitment to revitalize, reenergize and rebuild the neighborhood – to bring back a mixed income community
where seniors feel safe, where adults have employment and business opportunities, where there are quality housing options, and where low-income children can be healthy, succeed in school and life, and become the future leaders and shapers of this great city.

From the beginning, the city’s East Baltimore initiative has been distinguished by a set of multiple and extremely ambitious goals – goals that have attracted national attention and an unprecedented amount of philanthropic support. Those goals include all of the following.

First, EBDI wanted those neighborhood families directly affected by the city’s large-scale redevelopment plan to be treated more fairly, more supportively, and more respectfully than had been the case in any other major urban renewal project in the country’s history. Of course, we could not avoid all the inevitable trauma associated with uprooting and relocation; nor were we free of mistakes, missed opportunities and miscommunications. But, with the help of relentless advocacy by community residents, city council members and SMEAC – we did implement a relocation program that has been independently judged to be the fairest and most generous of its kind in the nation. Relocated homeowners now have vastly more home equity than when they left. More than 50 former resident renters have become homeowners. And hundreds of other renters have found better and more stable affordable housing units across the city. Finally, we remain committed to assuring that former residents have the right to return to affordable housing options in East Baltimore as fast as new and rehabbed units can be financed and built.

Our second core goal was to leverage the proximity of the Hopkins hospital complex into a stronger economic driver for the neighborhood. We wanted to do this not only by stimulating expanded biotech enterprise in the neighborhood, but also by capturing a greater community contribution from Hopkin’s students, employees, and faculty. We are making real progress on this front. The 275,000 square foot state-of-the-art Rangos Building is completed and almost fully occupied. The state of Maryland has finalized plans for new labs and health department offices within the EBDI footprint. A new student housing complex is currently under construction and will be completed in 2012. And plans for more lab and biotech development – adjusted to current market realities – are being mapped out as we speak. In short, we have made a solid start on our health/biotech strategy and that start will grow in the years ahead.

Our third goal was to make the demolition, construction, and development activities undertaken as part of the initiative produce a significant economic benefit to the residents and businesses of East Baltimore. With the guidance and oversight of city council members, Congressman Cummings, and our Economic Inclusion Committee, EBDI-- and its development partners – are meeting and exceeding our hiring and construction benchmarks. We are also proud that our enhanced, EBDI- supported workforce development programs have helped train, credential and place hundreds of Eastside residents into jobs over the past five years. Of course, we can – and we will – do better, but I would put EBDI’s economic inclusion record to date up against that of any other recent development investment that has occurred anywhere within this region.
Our fourth goal has been to strengthen a revitalizing Middle East with institutions and amenities that will encourage former residents to return and new residents to settle in this neighborhood. Plans for park space, recreation facilities, and quality retail and grocery enterprises continue to be actively pursued, but the centerpiece of this goal is creation of a great K – 8 school – one that can meet the needs and support the success of children from all economic backgrounds. An interim school is already up and running. Most of the funding needed for a permanent school and related community resources has been secured, and we expect construction to begin in 2012. Equally important, we have received the commitment of leaders of Johns Hopkins (and the Baltimore Public Schools) to do whatever it takes to assure that this new school will be a beacon institution for our neighborhood - and a model for urban education elsewhere.

Our final goal was to replace a stock of vacant, aging, energy inefficient and often un-repairable housing with new units of mixed – income rental and ownership homes that meet the needs and wants of today’s families. We have made a start. Innovative demolition protocols have allowed us to clear land with no health risks to our residents, nor any damage to the environment. We have also succeeded in building new and fully- leased up quality apartments for seniors and working families, and we have built and leased scores of mixed-income row house style rental apartments. Five new condos are now on the market, and some 50 existing houses are currently being rehabbed or repaired to enable Phase II residents to acquire new housing without having to leave the EBDI footprint.

That all said, we have a long way to go. As Chris will indicate, we are intensely pursuing financing strategies that will allow us – in this market – to continuously build new housing that is affordable and attractive to low-income and to market rate buyers alike. It won’t be easy, but, I pledge tonight that we will meet our goal of 2000+ new homes in this neighborhood by 2019.

In closing, let me say that in spite of significant accomplishments, EBDI and the city still face big challenges, and we have a number of areas in which EBDI can and must improve its performance.

The challenge is obvious. We are trying to keep an immense and ambitious redevelopment / community building initiative on track during what is the worst national economic crisis in our finance, housing and employment markets in more than 70 years. We are trying to keep this large public/private partnership on track when every level of government – federal, state and local– is coping with reduced revenues and diminished budgets.

There is nothing newsworthy in pointing out that these global realities will require creative and recalibrated responses from the city and EBDI. What is actually newsworthy is how much progress we are making despite these adverse conditions. Maybe even more newsworthy, is that despite these larger economic challenges, every major philanthropic, private and public
investor in the East Baltimore initiative – everyone of them remains fully committed to finishing what we have started – and to achieving the ambitious goals I have just described.

To achieve this, EBDI will have to do some things much better than we have done.

For one thing we have to communicate better. We have to be clearer and more transparent in talking to all audiences about the initiative’s multi-layered project financing – financing which draws on funding from dozens of foundations, from tax credits, and from multi-agency programs at the federal, state and city government levels. **We will redouble our efforts to be even clearer about all of this.**

We must also – as I said before - do even better in our economic inclusion activities. In these tough economic times, the importance of sharing the benefits of our investment with East Baltimore residents and businesses is more critical than ever. **We must do even better – and we will.**

Finally, Mr. Chairman, we must do a better job of engaging / involving / and being guided by community residents – both those who have relocated and those who live in and around the EBDI footprint. We need to find ways of supporting community organizations that can give clear voice to community interests - - as was done during the relocation phase of EBDI. We also need our elected leaders - - you folks - - to help us create the structures, committees and venues through which the community can be better informed about the initiative-- and in a better position to shape its implementation.

In closing, let me thank you for this opportunity to appear. **We look forward to the feedback and guidance from this committee AND folks who will comment. But let my last words today be that the East Baltimore Initiative will succeed, and that success will be of pivotal importance to the families and children of this city for generations to come. This initiative is not “too big to fail”, but it is far too important to Baltimore’s future to be allowed to fail. Thank you.**