

## \$22.2M affordable housing development opens in West Baltimore

By: Adam Bednar Daily Record Business Writer September 11, 2018

A \$22.2 million affordable housing development in West Baltimore the developer says is badly needed celebrated its ceremonial opening on Tuesday.

New Shiloh Village Apartments will provide a mix of affordable and market-rate apartments in a four-story, 73-unit building at 1930 Windsor Ave. across the street from New Shiloh Baptist Church.

"With our existing 199 units (in the area) we have a lot of demand and a lengthy waiting list for people trying to get into family-friendly affordable housing," said George Kleb, executive director, housing and community development for lead developer Bon Secours Baltimore Health System.

Providing affordable housing has emerged as a pressing issue in Baltimore in recent years. Roughly two years ago city voters approved an Affordable Housing Trust Fund to help build cost-effective units as the cost of home ownership or renting became too expensive for a segment of the city's population.

Last month activists and Mayor Catherine Pugh announced a deal to subsidize the trust fund. That agreement involves increasing the city's recordation and transfer taxes on properties that sell for \$1 million or more. Combined with general obligation debt issued by the city, the trust fund is expected to eventually receive \$20 million annually if the deal is approved.

But there's also a great deal of uncertainty for affordable housing developers. Builders and advocates expressed concern that federal tax reform passed earlier this year may slow production of economical housing.

Federal tax reform, championed by President Donald Trump, slashed the corporate tax rate from 35 percent to 21 percent. Those in the affordable housing industry worry that will hurt demand for the industry's primary financing tool, Low Income Housing Tax Credits.

The tax credits are generally purchased by companies and business looking to reduce their tax liability. Slashing corporate taxes, developers worry, will reduce demand for the credits.

Chickie Grayson, president & CEO of affordable housing developer Enterprise Homes Inc., said in February she anticipated production of housing could fall as much as 14 percent due to reduced demand for the tax credits.



George Kleb, executive director, housing & community development at Bon Secours Baltimore Health System, stands in front of the \$22.2 million New Shiloh Village Apartments in West Baltimore. (The Daily Record/Adam Bednar)

New Shiloh Village Apartments include eight market-rate apartments, 19 units for residents making at or below 30 percent of the area median income and 10 apartments for people making 40 percent or below that measure.

Another 30 are set aside for tenants making 40 percent of the area median income. Thirty-six units are for families making 50 to 60 percent of area median income or less.

Bon Secours developed the building in partnership with subsidiary Unity Properties Inc. and with Enterprise Homes Inc., New Shiloh Community Development Corp., and New Shiloh Baptist Church.

Hord Coplan Macht served as the project's architect. Aumen Asner provided interior design services. Whiting-Turner Contracting Co. built the structure and Edgewood Management operates the facility.

Bon Secours affordable housing portfolio currently consists of 800 units. The near term goal, Kleb said, is to expand that number to 1,200. New Shiloh Village Apartments were financed primarily using competitive Low Income Housing Tax Credits from the state. It also used "soft debt" from government sources.

After running into construction difficulties the project was also granted roughly \$600,000 in Project C.O.R.E., or Creating Opportunity for Renewal and Enterprise, funds to complete building.

Project C.O.R.E. was launched in early 2016 with the goal of using nearly \$100 million in government funds to demolish blighted properties in Baltimore and package the land for redevelopment.

New Shiloh Village Apartments is the second project Bon Secours and its partners have completed on the New Shiloh Baptist Church campus. The first was the 80-unit New Shiloh Senior Apartments that were completed on an adjacent site in 2008.

New Shiloh Baptist Church purchased the properties about 30 years ago, Kleb said. The church has expanded its sanctuary and provides a variety of community services.

The property is part of the old Cloverland Farms Dairy site. Light Health & Wellness operates out of an old dairy administrative building, and the YMCA sponsors a head start program on the campus.

The new apartment building is near the old Baltimore Coliseum site that is home to the Center for Urban Families, which runs a family support and workforce development program.

New Shiloh Village Apartments also is in the Mondawmin Mall area, which has a mass transit hub with Metro Subway and bus service to all areas of Baltimore.

"It's become a service-enriched campus," Kleb said. "It's not just demand that drives this. It's also what's a good location, and this is a very good location."

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