Enterprise Community Loan Fund

HIV/AIDS Supportive Housing in Baltimore City: An Impact Report
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Enterprise Community Partners and its subsidiary, Enterprise Community Loan Fund, work to increase the supply of high-quality affordable housing across the country. Enterprise has created or preserved nearly 300,000 affordable homes for more than 1 million people. While these numbers give some indication of how Enterprise has made an impact, there is a compelling story behind every loan, partner and community. Enterprise believes these stories are worth telling, one project at a time.

In an effort to better understand the impact Enterprise financing has on neighborhoods and people, this report provides a detailed analysis of one project, Lakeview Avenue, in Baltimore. Located in Baltimore’s Reservoir Hill neighborhood, the Lakeview property provides housing for formerly homeless individuals diagnosed with HIV/AIDS, a segment of the nation’s population in desperate need of support.

The report includes:

1) A census analysis of the neighborhood and its changing demographics, housing market and economy

2) An examination of the definite need for HIV/AIDS supportive housing in Baltimore City and in the neighborhood where the property is located

3) A description of Enterprise’s partner, AIDS Interfaith Residential Services, Inc. (AIRS)

4) A narrative of one Lakeview resident’s life in his new home

5) An overview of Enterprise’s catalytic impact on the Lakeview property neighborhood and its residents

In the context of this paper, supportive housing services refers to permanent or semi-permanent housing units with associated case management and services provided to residents to support them in leading productive lives. Supportive services can range from rent and utility bill assistance to health care provision, to job placement assistance.

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Background on Lakeview Property

Enterprise provides critical financing to partner organizations to develop affordable housing units and provide support to people across the country. This impact report highlights one such partnership between Enterprise and a nonprofit organization in Baltimore that provides supportive housing to adults diagnosed with HIV/AIDS. Many of the people living at Lakeview were formerly homeless and in desperate need of health care and a steady income. It is difficult to find a population in more need of resources than the one served by the Lakeview property.

In January 2007, Enterprise Community Loan Fund approved an acquisition bridge loan for Lakeview Properties, Inc., a wholly owned subsidiary of Enterprise's partner, AIDS Interfaith Residential Services, Inc. (AIRS), in the amount of $1,150,000.00. The funds were disbursed 11 days later.

AIRS was waiting on permanent financing from the Department of Housing and Urban Development (HUD) Section 811 Supportive Housing for Persons with Disabilities program. The capital provided by the Section 811 program ultimately provides AIRS with an interest-free, 30-year loan to further AIRS' mission of providing supportive services for individuals with HIV/AIDS in the Baltimore region. However, since the application process for the program often lasts longer than 12 months, AIRS needed immediate access to a significant source of capital to acquire the property. Enterprise provided this much-needed financing. Upon receiving the permanent financing from HUD, AIRS repaid the Enterprise loan in full.

AIRS used the loan funds to acquire a recently renovated, 12-unit apartment building at 2425 Lakeview Avenue in the Reservoir Hill neighborhood in Baltimore, Maryland.

Building on its consistent track record of implementing supportive housing services in Baltimore, AIRS wanted to acquire the building in order to increase the city's supply of available supportive housing units for formerly homeless individuals with a confirmed diagnosis of HIV/AIDS. AIRS was attracted to the site for its HIV/AIDS supportive housing program, because it is located near public transportation with excellent access to city destinations and job centers. Further, the site is near the main campus of Baltimore City Community College (BCCC) where AIRS residents attend certificate and training courses.

The building's single occupancy rooms boast hardwood floors; quality kitchens with ceramic tile floors, wood cabinets and granite counters; and high-caliber bathrooms with a shower unit. These amenities are a big step up for people coming from shelters, friends' and families' couches and rehabilitation centers. The total site area is 6,287 square feet with an average 755 square feet per dwelling unit.

History

The Reservoir Hill neighborhood was once a prosperous and thriving part of Baltimore. Beginning in the 1840s, Baltimore experienced a massive population expansion and some of the city's wealthiest families purchased land and developed large homes in the Reservoir Hill area. By the turn of the century, Reservoir Hill was one of the city's affluent neighborhoods as the wealthy were attracted to the area for its comfortable climate and the nearby Druid Hill Park (today the second largest urban park in the country). Much of Reservoir Hill's historic architecture dates to this time period.
With the advent of the automobile and a rising population in the city overall, Reservoir Hill experienced overcrowding and ultimately a deterioration in housing stock quality. By the 1970s, the neighborhood was characterized by high rates of crime and vacancy, disinvestment, significant population loss and segregation. These challenges continue today, with some of the city’s poorest and most needy populations calling this neighborhood home.¹

**Nearby Neighborhood Amenities**

The Lakeview property is located near a number of notable recreational, retail and educational points of interest.

Druid Hill Park, located directly to the north of the subject site, features 745 acres of open fields, bike paths, tennis and basketball courts and natural streams and gardens. Druid Hill Park is also home to the Howard Peters Rawlings Conservatory and Botanic Gardens.

Also located within Druid Hill Park is the Maryland Zoo in Baltimore, a 160-acre property owned by the City of Baltimore and leased to the state. The third oldest zoo in the country (founded in 1876), it now features more than 1,500 birds, mammals, amphibians and reptiles.²

The Mondawmin Mall, a major retail destination located approximately two miles to the west of the Lakeview property, features more than 110 retail stores, a supermarket and a Target. In 2008, the mall was extensively redeveloped. Directly adjacent to the mall is a major transit hub for the city’s bus lines as well as a Baltimore Metro Subway system stop.

Near Mondawmin Mall is the main campus for Baltimore City Community College (BCCC). Students at the college are working towards professional associate degrees and certificates in job fields such as computer information systems, nursing, mental health services, physical therapy, computer-aided design, office administration and many others. Approximately 25 percent of residents in the Lakeview property attend BCCC classes for job training as a component of the AIRS supportive housing program.

A sexually transmitted disease clinic run by the Baltimore City Department of Health is located on North Avenue, within a half mile of the project site.

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Finally, the Lakeview Avenue project site is located within a half mile of three other Enterprise-financed projects. All of these sites are designated for low-income individuals making less than the area median income and have helped establish a supply of high-quality affordable housing units in the neighborhood. Enterprise worked in concert with its nonprofit community partners on these projects, including the Druid Heights Community Development Corporation and the Penn North Development Corporation. These nearby Enterprise-funded projects equated to $8,377,000 in total development costs and over 200 homes in the neighborhood.

Public Transit

In order to obtain an objective assessment of transit access in the neighborhood, this report relied on a web-based tool, Walk Score, to generate a score for the neighborhood. Walk Score calculates neighborhood walkability based on the number of transit stops located near a particular address, service frequency per week, the type of transit (bus, rail, etc.), and distance from one stop to another. A transit score given by Walk Score is a general indicator of the quality of any given area’s public transit network. The transit score for the neighborhood surrounding the Lakeview Avenue site is 66 (“Good Transit”). Baltimore overall is given a 57, indicating residents at the Lakeview property benefit from above average access to transit as compared to the city overall.

The Lakeview site is located near public bus routes number 5 and 13 as well as within approximately a mile of a Metro station. The number 5 bus route follows a general U-shaped pattern as it travels from Northeast Baltimore south into the city’s central business district, then turns north and west again to reach the Mondawmin Mall (see Figure 3). The number 5 route takes riders directly to the central business district without a transfer. This provides residents with superior access to employment opportunities and retail destinations. There is a number 5 bus stop directly adjacent to the Lakeview property.

The number 13 bus route runs along North Avenue (located south of the subject site) and then travels along a predominantly north-south route through the center of the city (see Figure 4). This route runs directly adjacent to one of the main Johns Hopkins Hospital campuses. Johns Hopkins Hospital is the largest employer in Baltimore, and easy, uninterrupted access to the hospital is a true benefit to Lakeview residents. The nearest number 13 bus stop is located approximately a half mile from the subject site.

The Penn/North Avenue subway station is located approximately 0.7 miles from the Lakeview site. The subway provides riders with access to the central business district, Johns Hopkins Hospital and points to the Northwest.

Individuals living at the Lakeview Avenue property benefit from AIRS commitment to seeking locations situated near multiple lines of public transportation. The site offers proximity to a high-quality transit system that provides access to major employment centers and destinations throughout the city.

**HIV/AIDS in Baltimore City**

In Baltimore as in many places across the United States and around the globe, there is a pressing need for more HIV/AIDS supportive housing units. The detailed analysis in this section leads to these conclusions:

1) Maryland has historically ranked within the top five states in the nation in total number of HIV/AIDS diagnoses.

2) Baltimore holds a disproportionate share of the HIV/AIDS diagnoses in Maryland.

3) The number of total living individuals with HIV/AIDS in Baltimore has grown every year since 1985, except for 2010.

Each of these conclusions has policy implications for Baltimore and each helps define the need for HIV/AIDS supportive housing units in Baltimore.

**HIV/AIDS Definition**

Human Immunodeficiency Virus (HIV) is the virus that leads to Acquired Immune Deficiency Syndrome (AIDS). HIV compromises a person's immune system by attacking the T-Cells (CD4 cells) that the body relies upon to fight infection and disease. HIV not only attacks the CD4 cells in a body, but actually uses them to replicate itself. As an individual develops AIDS, he will be increasingly susceptible to a range of infections and disease; he may lose a considerable amount of weight and develop respiratory tract infections with increasing frequency.

When diagnosed with AIDS, people have badly damaged immune systems that put them at risk for opportunistic infections and other syndrome-related conditions. When HIV has progressed to AIDS, many people begin to suffer from fatigue, diarrhea, nausea, vomiting, fever, chills, night sweats and even a loss of muscle mass due to “wasting syndrome.” As the disease progresses, patients will require increasing levels of care from medical professionals.

As a part of its housing program, AIRS ensures residents have access to appropriate health care and receive regular testing to track the progress of the disease.

**HIV/AIDS Statistics**

AIDS was first officially recognized by U.S. officials in 1981 and has since rapidly spread across the globe. Today, 33.4 million people across the world are living with HIV/AIDS, more than one million of them in the United States. In 2009, an estimated 48,100 new HIV infections were diagnosed in the United States, indicating the disease continues to spread and affect lives across the country.

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Since 2000, Maryland has ranged from the fifth to second highest ranked state in the country in HIV/AIDS diagnosis per 100,000 population.

Historically, the states with comparable rates of HIV/AIDS diagnosis to Maryland include the District of Columbia, New York and Florida. The specific rank of these states tends to fluctuate year by year, but each remains high on the national rank due to the major metropolitan regions in the states. For instance, New York City and Miami have historically been centers of HIV/AIDS infection and thus their states overall feature prominently on national rankings of HIV/AIDS diagnoses.

<table>
<thead>
<tr>
<th>Rank</th>
<th>State/Territory</th>
<th>Cases</th>
<th>Rate per 100,000</th>
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<tbody>
<tr>
<td>1.</td>
<td>District of Columbia</td>
<td>469</td>
<td>112.5</td>
</tr>
<tr>
<td>2.</td>
<td>Maryland</td>
<td>861</td>
<td>22.1</td>
</tr>
<tr>
<td>3.</td>
<td>New York</td>
<td>2824</td>
<td>20.6</td>
</tr>
<tr>
<td>4.</td>
<td>Louisiana</td>
<td>814</td>
<td>20.0</td>
</tr>
<tr>
<td>5.</td>
<td>Florida</td>
<td>3122</td>
<td>19.7</td>
</tr>
</tbody>
</table>

Figure 5. Estimated HIV/AIDS Diagnoses by State, 2010

Similarly, Baltimore constitutes a disproportionate number of HIV diagnoses in Maryland (see Figure 6). Baltimore constitutes 44 percent of all Maryland HIV diagnoses, while making up only 11 percent of the total state population. Prince George’s County, the second most populous county in the state after Montgomery County, has 18 percent of the state’s total HIV diagnoses. The “Other” category in Figure 5 represents the 19 counties in Maryland besides Prince George’s and Montgomery. Each has a 2 percent or less share of HIV diagnoses.

Figure 6. Share of Total HIV Cases by Maryland County and County Share of Total Population, 2010

Figure 7 shows the total living HIV case rate per 100,000 population across Maryland. As discussed earlier, Prince George’s and Baltimore City have the highest rates, with Baltimore County and Montgomery County also experiencing high rates of HIV.

Baltimore has a disproportionate share of individuals diagnosed with HIV as compared to the rest of the state. Additionally, Baltimore faces the challenge of providing support for a growing number of individuals living with HIV/AIDS (see Figure 8). Two trends in Figure 8 are worth highlighting in greater detail:

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1) After steadily increasing year after year, the number of individuals with AIDS in Baltimore dropped for the first time in 2010.

This indicates there has been some success in preventing the spread of the disease to new populations in Baltimore. As part of its successful city-wide campaign to lower the HIV/AIDS rate, Baltimore has focused on distributing sterile needles (through a needle exchange program), increasing the poor’s access to health care and increasing testing through public awareness campaigns.8

2) The number of living HIV cases without AIDS has peaked and then fallen twice, in 1992 and 2009.

While a year-on-year drop in the number of living HIV cases without AIDS does not necessarily mean there has been a “victory” in the campaign against the disease, this fact should still be viewed as a sign of success. It is through Baltimore’s persistent HIV awareness campaigns, needle exchange programs and provision of support services to individuals with HIV/AIDS that the number of individuals diagnosed with HIV will come down.

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Additional analysis of the prevalence of HIV/AIDS in Baltimore neighborhoods provides an even better understanding of HIV/AIDS in the city. The Maryland HIV/AIDS Reporting Act of 2007 requires the city to report all new cases of HIV/AIDS to the Center for HIV Surveillance and Epidemiology at the Maryland Department of Health and Mental Hygiene (DHMH). This dataset includes the home origin zip code for each new diagnosis, providing a useful perspective on the distribution and concentration of HIV/AIDS cases in Baltimore.

Figure 9 shows the total number of living HIV cases by zip code in Baltimore. With 1,507 reported cases, Lakeview’s 21217 zip code has the highest total number of HIV cases in the region, followed by 1,200 individuals in the nearby 21218 zip code and 1,128 in 21215. Based on this total HIV case count and the census zip code’s population aged 13 and over, approximately 1 in 21 individuals living within the Lakeview property’s zip code are infected with HIV. This is second only to the 21215 zip code which has a much lower total population.

A final consideration regarding the HIV/AIDS struggle in Baltimore is the degree to which HIV and AIDS disproportionately effects the black population of Baltimore (see Figure 10). In 2009, 86 percent of the population living with an HIV diagnosis in Baltimore was black. This has implications for the Lakeview property and the census tract, as 98 percent of the area’s population is black.

HIV/AIDS can be a debilitating disease for those infected, and the disease is a serious concern for Maryland, Baltimore and the Lakeview property neighborhood in particular. Maryland has historically ranked very high in national rates of HIV/AIDS diagnosis due in large part to the disease’s prevalence in Baltimore. The analysis here demonstrates the need for services targeted at the HIV/AIDS population, particularly in the 21217 zip code.

Figure 9. Total Living HIV Cases by Zip Code, Baltimore City

Figure 10. Total Living HIV Cases by Race in Baltimore City, 2009

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11. Center for HIV Surveillance and Epidemiology, Baltimore City HIV/AIDS Epidemiological Profile, .
Census and Economic Analysis

For much of the analysis in this report, census tract 1301 will be used as a proxy for the neighborhood in which the Lakeview project is located. Additionally, for purposes of comparison, the census tract will either be compared to Baltimore as a whole or to the 2000 census. In as many cases as possible, 2010 census data is used. If 2010 data is not available, the 2006-2010 five-year American Community Survey (ACS) is used.

The detailed analysis in this section leads to these conclusions:

1) Total population in the area declined 10.5 percent from 2000 to 2010.

2) The percentage of people in poverty declined by 8 percent since 2000.

3) Between 2000 and 2010, the area saw an increase in racial diversity.

4) Since 2000, the percentage of blacks in poverty has risen in the area.

5) The pre-existing gender gap decreased (in 2000 the male: female ratio was 0.74; in 2010, it had narrowed to 0.85).

6) Over the 10-year period, the percentage of vacant housing units decreased 1 percent.

7) In 2010, 53 percent of the area's population was rent burdened, an increase of 36 percent since 2000.

How these facts have impacted the neighborhood and who is living at the Lakeview Avenue property is discussed in greater detail in the following sections.

Demographics

By detailing some of the demographic trends that can be drawn from the U.S. Census, this report provides readers with a better understanding of neighborhood living conditions, as well as the current course of those conditions. These trends are also the basis of the assessment of the impact that the funding provided by Enterprise to AIRS had on Lakeview residents and the Reservoir Hill neighborhood.

Population and Poverty

Census tract 1301 experienced a 10.5 percent decrease in population from 2000 to 2010. Of this population decrease, a significant portion of it was in the black population (a drop of 12.5 percent since 2000), moderated by an increase in the white population (35 percent over the same period from a low starting point). For further information, see Figure 11.

In order to properly gauge the area's socio-demographics, it is necessary to note the high number of individuals classified as living in poverty within the neighborhood (see Figure 12). Of the 2,613 individuals living in the census tract in 2010, 938 (or 36 percent) are at or below the poverty level, an 8 percent decline in census tract poverty population since 2000. The white population made up a significant portion of the decline in total individuals in poverty, as the total number of white persons in poverty dropped from 47 in 2000 to 6 in 2010. In contrast, Baltimore as a whole experienced an 18 percent increase in the total number of whites in poverty (rising from 110,022 to 110,810 individuals).
The census tract’s Hispanic population increased (rising from 20 individuals to 38 in 2010), with a decrease in the number of people living in poverty.

This countervailing trend in the Lakeview census tract may be due to localized gentrification forces in the neighborhood or could be explained by resident job skills disparities. The decrease in the total number of individuals living in poverty in the census tract reinforces the notion that the area’s amenities and location are attracting higher income earners and may be displacing the poorest residents. With this in mind, the renovation of the Lakeview property should be viewed as a benefit to the city and the neighborhood’s poor.

As rent increases, the poorest segments of the population may leave the neighborhood in search of affordable housing opportunities elsewhere in the metropolitan region. Druid Hill Park may help to explain increased interest from households with high incomes, along with an attractive mix of amenities, impressive architecture and transportation options.

12. 2000 U.S. Census SF1 Table QT-P3. 2010 Census SF1 Table QT-P3.
13. 2000 U.S. Census SF3 Table QT-P34, P159A, P159B, P159C, P159D, P159H. 2006 – 2010 ACS Table S1701.
Racial Composition

As of 2010, census tract 1301 was 90 percent African American, with the remaining 10 percent consisting of whites and Hispanics (see Figure 13). This racial composition reflects an increase in diversity since 2000 when the census tract was 98 percent black.

![Figure 13. Tract Racial Composition, 2000 and 2010](image)

While the census tract’s racial diversity has improved since 2000, the black share of the population classified as impoverished by the U.S. Census has simultaneously increased. Specifically, in 2000, 89.75 percent of the area’s poverty population was black. By 2010, 98.5 percent of the total population in poverty was black (see Figure 14). According to AIRS staff, the Lakeview property has a correspondingly high percentage of black individuals in its program; 92 percent of the residents are black.

![Figure 14. Tract Poverty, Percentage Share by Race, 2000 and 2010](image)

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14. 2000 U.S. Census SF1 Table QT-P3. 2010 U.S. Census SF1 Table QT-P3.
15. 2000 U.S. Census SF3 Table QT-P34, P159A, P159B, P159C, P159D, P159H. 2006 – 2010 ACS Table S1701.
The concentration of black poverty seen in the census tract runs counter to the trends seen in the city overall. For the city, the black share of individuals in poverty actually shrank by 6 percent, and the white share of poverty grew by 10 percent (see Figure 15). Additionally, the city experienced an increase in the total number of individuals in poverty – rising from 143,514 individuals to 153,961. This increase in the number of individuals living in poverty can be attributed in large part to the 2008 economic recession. These figures further reinforce the possibility that the neighborhood may be experiencing early indicators of gentrification.

The rise and fall in the black share of poverty population is particularly relevant when the disproportionately high number of blacks diagnosed with HIV in the city (see the “HIV/AIDS in Baltimore City” section and Figure 10) is taken into consideration. Individuals living with HIV/AIDS face definite barriers to obtaining proper treatment for their disease since many of them are unable to pay for extreme health care costs and face challenges in accessing health insurance. Since the census tract has experienced a concentration of poverty in the black population and the 21217 zip code area has high rates of HIV/AIDS infection, the burden of HIV/AIDS on the local community is even greater than it was in 2000. Reservoir Hill is well suited to be the location for a high-quality, full-suite supportive housing program for individuals living with HIV/AIDS.

**Age Cohorts and Gender Composition**

One method for assessing the overall health and vibrancy of a neighborhood is to consider the age cohort composition of the census tract. A healthy neighborhood will consist of a diverse range of ages, with younger ages composing a majority of the individuals. A population cohort distribution heavily weighted toward younger individuals is an indicator of a neighborhood’s long-term stability. Census tract 1301 has a healthy population distribution, with 64 percent of the population less than 40 years old (see Figure 16).

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16. 2000 U.S. Census SF3 Table QTQ34, P159A, P159B, P159C, P159D, P159H. 2006 – 2010 ACS Table S1701.

Since 2000, the census tract’s gender balance has been trending toward equality (see Figure 17). In 2000, 57 percent of the population was female and 43 percent of the population was male. A decade later, the female population was 54 percent and the male population stood at 46 percent. This gender balancing stands in contrast to Baltimore overall – the city maintained relatively stable gender proportions over the same time period.

AIRS reports that approximately a third of its residents are female, a figure representative of the overall HIV/AIDS diagnosis gender balance in Baltimore (61 percent male versus 39 percent female). The nonprofit Sisters Together and Reaching (STAR) provides case management, support and outreach to the female HIV/AIDS community in Baltimore, and the office is approximately a mile from the Lakeview property.

18. 2000 U.S. Census SF1 Table QT-P1. 2010 U.S. Census SF1 Table QT-P1.
19. 2000 U.S. Census SF1 Table QT-P1. 2010 U.S. Census SF1 Table QT-P1.
Gender and age cohort characteristics of the subject neighborhood are particularly relevant given corresponding HIV/AIDS gender and age diagnoses in Baltimore. Figure 18 displays the age cohort breakdown of all living HIV cases in Baltimore. Most people living with HIV are between 40 and 60 years old (67 percent of total cases). That fact relates to the census tract age cohorts displayed in Figure 16; between 2000 and 2010, for instance, the neighborhood experienced a 45 percent jump in the number of individuals between 50 and 59 years of age. The city does not track tract-level HIV infection rates, but the 21217 zip code area experienced a jump in the number of individuals infected with HIV since 2000.

![Figure 18. Total Living HIV Cases by Age Cohort, Baltimore City, 2009](image)

**Housing Characteristics**

By examining trends in home values since 2000, the number of loan originations using Home Mortgage Disclosure Act (HMDA) data since 2004, average HMDA loan amounts since 2004, and an analysis of rent burden trends, the analysis in this section will build a point-in-time picture of the housing characteristics of the area where the Lakeview property is located, providing the basis for an assessment of the impact Enterprise's financing had on the neighborhood and wider community.

**Housing Occupancy and Home Values**

Since 2000, census tract 1301 has experienced a slight decline in the percentage of vacant units (22 to 21 percent), and a slight increase in the percentage of rental households (65 to 66 percent). The percentage of homeowner households has remained stable at 13 percent (see Figure 19). Given the housing market crash and foreclosure crisis (foreclosure filings in Baltimore grew by 66 percent from 2007 to 2009), it seems reasonable to conclude that the area performed comparatively

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well over the decade. Simultaneously maintaining the homeownership rate (Baltimore’s owner-occupied housing units dropped by 7 percent since 2000) and reducing the number of vacant units (Baltimore’s number of vacant units grew by 11.5 percent) indicates strength in the local housing market. Indeed, the housing occupancy statistics displayed in Figure 19 establishes a solid argument for the presence of a strong foundation in the area’s housing market.

As discussed in the demographic analysis section, the Lakeview census tract has experienced an absolute decline in the number of individuals living in poverty and is also enjoying stable homeownership rates and reduced vacancy. Establishing high-quality affordable housing units in the neighborhood while property and development costs are still relatively cheap should be a priority. In order to provide adequate affordable housing for low-income individuals, the Lakeview property should be just one example of dozens.

![Figure 19. Tract Housing Occupancy, 2000 and 2010](image)

A basic understanding of Baltimore’s overall vacancy rate is pertinent to understanding the housing market in the Reservoir Hill neighborhood. The city has suffered from high vacancy rate for decades as its population shrunk from a historic high of approximately 950,000 people in 1950 to its current total of 651,000. This population decline is due to a wide range of issues typical of other major urban industrial centers, including: loss of industrial jobs, urban flight and a rise in crime. This drop in total population has left many once thriving neighborhoods with vacant housing units and blight.

The census tract is situated adjacent to a wide region of Baltimore suffering from comparably higher vacancy rates (see Figure 20). To the north, west and southwest, there are census tracts with 32 percent or higher vacancy rates. This widespread vacancy problem has a direct and negative impact on the local housing market for the subject neighborhood. Property values within the project census tract might not rise so long as adjacent areas continue to suffer from extreme and debilitating vacancy. This problem is certainly not unique to the Reservoir Hill neighborhood; it is just one of many Baltimore neighborhoods struggling with vacancy.

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22. 2000 U.S. Census SF1 Table QT-H1. 2010 U.S. Census SF1 Table QT-H1.
Given a sufficient concentration of investment in the community, these vacancy rates may drop. If these projects were also targeted at low-income individuals, the result would be lowered vacancy rates and strengthened affordability in the community. Enterprise has been involved in this effort by financing a total of three projects in the community. Collectively, these projects have invested $8,377,000 in total development costs and constructed over 200 units of affordable housing.

According to 2004 – 2010 HMDA data for the area, home purchase loan originations peaked in 2006 in parallel with the general national trend. Following the real estate crash in 2008, the area experienced a dramatic drop in the number of purchase loan originations, reaching a low of 19 total originations in 2009 (see Figure 21). While the number of home purchase loans originated has rebounded to a total of 31 in 2010, this represents a fraction of the total originations seen from 2005 to 2007. It should be noted that this figure indicates activity and turnover within the market, not the underlying strength and stability of the local real estate market.

Similarly, the average HMDA purchase loan, in dollar terms, peaked in 2007 and then dropped with the real estate crash in 2008. In 2010, the average home purchase loan in the subject area was $152,250 – below the average purchase loan amount as far back as 2004 (see Figure 22). These trends are certainly not unique to the census tract or Baltimore overall. The housing market across the country suffered a severe blow and most areas are still recovering. The census tract is no exception.

24. 2010 U.S. Census SF1 Table QT-H1. Tract shapefile, U.S. Census TIGER/Line Shapefiles.
25. HMDA data downloaded from TRF PolicyMap and includes data from three census tracts (1303, 1302 and 1301).
Figures 21 and 22 demonstrate that the area continues to face significant challenges in its housing market due to the wider economic recession as well as entrenched challenges in the area’s housing market. When examining U.S. census data on median owner-occupied housing value, the trends are somewhat more positive than those seen in the HMDA dataset. According to the census, tract median owner-occupied house value in 2010 was $166,100, up from $73,800 in 2000.

**Rent Burden**

When assessing a neighborhood, it is important to examine trends in the rental market, particularly in the subject census tract where 66 percent of housing units are considered rental units. According to the U.S. Census, the number of rent-burdened households in the subject area has increased since 2000. When reviewing Figure 23, below, note that households spending 30 percent or more of their income on housing are considered rent-burdened.

In 2000, 36 percent of households in the subject area spent 30 percent or more of their income on gross rent. At the end of the following decade, 53 percent of households living in the subject area were rent burdened. Of that 53 percent, 28.7 percent of those households spent 50 percent or more of their income on rent. This last category represents a subset of the census tract’s population suffering from severe rent burden (see Figure 24).

In absolute numbers, the number of households spending 30 percent or more of income on gross rent grew by 148 in the census tract since 2000. This number as well as those in the previous paragraph represent the increasingly difficult challenge faced by many to pay for rent and other necessities.

By investing in the Lakeview property, both AIRS and Enterprise have addressed to a degree the growing number of rent-burdened individuals in the census tract. The Lakeview property is available only to individuals making 30 percent or less of the area median income and receives heavy rental subsidies from AIRS. These individuals are given a high-quality home at a livable

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26. HMDA data downloaded from TRF PolicyMap and includes data from three census tracts (1303, 1302, and 1301).
rent. This rent limit allows residents with small incomes to pay for other necessary items, including groceries and transportation. Considering Figure 24, AIRS clients enjoy a level of housing affordability that is increasingly rare in census tract 1301.

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Figure 23. Tract Gross Rent as Percent of Household Income

Increased rent burden can be attributed to a combination of two factors: rent prices and/or income. According to the Bureau of Labor Statistics (BLS), the Baltimore City metropolitan statistical area (MSA) experienced an increase in unemployment in 2009 and 2010 – corresponding to the national economic recession (see Figure 24). Although the MSA is a high level of analysis not specific to the Lakeview neighborhood, it does indicate that residents of Baltimore City suffered from increased levels of unemployment. This increased unemployment rate may have had a direct impact on the rent burdens seen in the Lakeview property neighborhood. The neighborhood’s census tract also experienced lower rates of income growth than seen in the city overall. Thus, when considering high rates of unemployment and low rates of income growth, it is not surprising that residents of the Lakeview neighborhood are faced with increased rent burden.

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Figure 24. Baltimore/Towson MSA Unemployment Rate

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27. 2000 U.S. Census SF3 Table H069. 2006 – 2010 ACS Table B25070.
While the severe rent burden experienced in the subject area is high, the figures do not seem as dismal when compared to Baltimore’s trend since 2000 (see Figure 25). Indeed, the city experienced a comparable dramatic increase in gross rent burden for its residents over the decade. With this in mind, it is reasonable to conclude that the increased rate of rent burden evidenced in the area is due to broader housing market dynamics rather than specific market forces in the neighborhood.

![Figure 25. Households Spending 30%+ Income on Gross Rent](image)

Finally, it is important to take a wide view of general macro-economic trends in the census tract (see Figure 26). The data in Figure 26 show three critical themes in the Reservoir Hill neighborhood. First, since 2000, the subject area has experienced a 9.37 percent increase in the median household income, compared to a 27.49 percent increase in the city overall. Consider that rate of income growth compared to the rate of median gross rent growth: a 9.37 percent income increase since versus a 44.78 percent increase in median rents. From this evidence, it seems reasonable to conclude the population largely consists of individuals with low-income growth potential as compared to the city overall. Indeed, individuals with lower skills and training have been disproportionately impacted by the recent economic recession. AIRS is addressing this concern by providing residents with workforce and job training. Approximately 25 percent of residents in the program attend workforce training courses.

Second, median gross rent increased considerably for both the subject area (44.78 percent) and the city overall (75.5 percent). This indicates that the subject area may have more room to expand the availability of affordable housing in the coming years before other market forces act to reduce availability. Enterprise’s investment in affordable housing properties, including three nearby properties in addition to the Lakeview building, in the neighborhood may have contributed in part to the census tract’s lower rate of rent growth compared to the city.

Third, the city experienced lower levels of percentage growth since 2000 than did the subject area in median owner-occupied housing value. In this case, the Lakeview property area enjoyed a 165 percent growth in median house value while the city overall experienced a 137.6 percent increase in owner-occupied housing values.
This analysis demonstrates that the area's housing stock may be bifurcated along a rental versus homeownership line. Without Enterprise's investment, there would be a lower supply of high-quality rental units in the area.

Figure 26. Percent Change 2000 to 2010: Income, Rent and Household Value

In a city experiencing pervasive homelessness and high rates of HIV/AIDS diagnosis, AIRS provides critical support and housing for people in need. A 2011 point-in-time count of the homeless population in Baltimore reported historically high rates of homelessness in the city at a time when the national number of homeless had dropped. The city’s homelessness report states that the number of unsheltered homeless grew by 55 percent since 2010, compared to a 34 percent increase for the state overall. Clearly, more supportive housing is needed for the city’s growing homeless population, particularly at a time when the city is losing sheltered beds and the number of homeless individuals is increasing.

All of the individuals living at the Lakeview property were formerly homeless and diagnosed with HIV/AIDS. The range of services provided by AIRS enables residents to be healthy, productive members of the broader metropolitan community.

The Lakeview property in Baltimore is part of AIRS’ adult permanent housing program. The program provides its clients with rental assistance and supportive case management and encourages clients to obtain health care and employment. On a broad level, AIRS adheres to a three-step process for its clients:

1. Intake
2. Housing
3. Self-Sufficiency

The intake component involves an assessment of the individual’s eligibility for AIRS housing (the individual must make 30 percent of area median income, must be sober and must have a qualifying disability), a required course called the AIRS Housing Readiness Program (AHRP) and a psycho-social intake evaluation in order to assess the individual’s well being. For the Lakeview Avenue site in particular, individuals must be diagnosed with HIV or AIDS.

The AHRP course takes place on four consecutive evenings and is meant to prepare residents for the AIRS housing program and the expectations that residents must meet to remain in the program. If a potential client is unable to attend one of the classes, the individual is required to attend a new course the following week. Completion of the AHRP is required prior to an individual’s name being placed on the AIRS waiting list – a requirement that many of those entering the AHRP course find difficult to meet. Indeed, one Lakeview resident said that most of his classmates did not complete the course. The necessity of course completion challenges clients to face the issues in their lives and forces them to prioritize AIRS orientation.

According to Nancy Strohminger, executive vice president of programming at AIRS, the entire intake process is designed to ensure that individuals who are on the waiting list are eligible for housing and prepared to live and function appropriately in AIRS housing and that they will ultimately receive the proper attention and support needed for their success.

The initial goal of the second step in the process – housing – is to stabilize the client’s health and income. Many of the clients are in poor health when they first come into the program, due to a

wide range of issues including homelessness, HIV/AIDS and long-term organ failure caused by previous medical and illegal drug use (historically, 54 percent of Baltimore HIV exposures are from injection drug use\(^3\)). These health needs are addressed as soon as possible in order to enable the client to address other concerns in his/her life.

In addition to stabilization of health and income, a client first entering the AIRS program will meet with a case manager in order to develop a personalized service plan. This plan outlines expectations and benchmarks for the individual to meet, which may include paying rent on time, paying for gas and electric utilities, entering workforce training and other personal markers of progress. An AIRS’ client interviewed by Enterprise staff described the sense of satisfaction he felt when meeting these goals. It is this drive to meet expectations and satisfy particular benchmarks that encourages AIRS clients to stay sober and focused on remaining productive in their lives.

Self-sufficiency is the third step in the process and the ultimate goal for every AIRS client. In AIRS terminology, the client moves into case management on demand (CMOD), meaning that the client is expected to handle problems in his/her life without direct assistance from AIRS case workers. In the event a client faces particularly challenging issues while under CMOD, AIRS will still provide support. An additional component of the self-sufficiency stage is to facilitate client engagement with the neighborhood. Strohminger says clients are expected to give back to the community and remain engaged in a productive manner with community and social groups. One such resident described working for AIRS as a van driver shuttling the homeless from the street to neighborhood soup kitchens, which allows him to actively engage with the community and assist others in need.

Due to considerable demand in Baltimore for housing units, AIRS always has a long list of potential clients. When asked what she would wish for, given all the resources AIRS could possibly need, Strohminger emphatically stated she would ask for more supportive housing units. The need is inexhaustible in Baltimore, and the AIRS housing wait list is always full. Given the slow rate of turnover in apartments at the Lakeview property (approximately 10 percent turnover per year), the permanent housing units that are leased are held for a long time. This low turnover rate indicates a very high satisfaction level with the services and quality of rental units. Strohminger emphasized the critical importance of maintaining stability in the clients’ lives, which is why AIRS does not put time limits on a resident’s tenure at Lakeview. In fact, some AIRS program participants have remained for up to 10 years.

While the adult permanent housing program makes up a majority of AIRS’ total of 180 supportive housing units for people with HIV/AIDS with 110 units, the organization also runs programs for individuals with HIV/AIDS and a severe disability (10 units), formerly incarcerated individuals with HIV/AIDS (20 units), Hispanic/Latino immigrants with HIV/AIDS (20 units) and a program for homeless youth aged 18 – 24 with HIV/AIDS (20 units).

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\(^3\) Center for HIV Surveillance and Epidemiology, Baltimore City HIV/AIDS Epidemiological Profile, 7.
Impact

The ultimate goal of the assessment in this report is to identify the specific impact, if any, of the Lakeview property on the neighborhood and the people living there. The three impacts Enterprise has made through its investment in the Lakeview property are:

1) Increased access to much-needed support services
2) Expanded organizational capacity
3) Increased availability of affordable housing units

Increased Access to Support Services

The Lakeview property provided 12 new supportive housing units to individuals living with HIV/AIDS. As the HIV/AIDS discussion established, these units are desperately needed in the city and in the 21217 zip code area specifically.

When asked what is needed to address the HIV/AIDS issue in Baltimore, Strohminger stated that increasing the supply of supportive housing units would be an effective, and much-needed, approach. Indeed, increasing the number of permanent supportive housing units for individuals diagnosed with HIV/AIDS is a key goal of Baltimore’s HIV/AIDS strategy. The supportive housing units at 2425 Lakeview Avenue provide a stable living environment for a segment of the most underserved and underprivileged communities in Baltimore. The individuals who move into the Lakeview site are given support, training and a healthy living environment in which to build a productive future.

Beyond simply providing a new source of housing units for low-income individuals diagnosed with HIV/AIDS, AIRS also provide the clients living in Lakeview with a range of workforce training services designed to raise their income to sustainable levels. One Lakeview resident, for instance, is attending classes at Baltimore City Community College in pursuit of a commercial driver’s license. He hopes to turn that license into a well-paying, stable position in long-haul trucking.

Expanded Organizational Capacity

By providing much-needed acquisition financing, Enterprise supported AIRS in strengthening its balance sheet through new developer fees, establishing a new source of rental revenue and strengthening organizational coordination with the industry.

The case can be made that AIRS benefited from Enterprise’s financing by an improved capacity to provide necessary support services and a stronger balance sheet. Publicly available 990 tax forms indicate AIRS revenues have increased from $1.5 million in 2002 to $3.9 million in 2010. For an example of AIRS’ expanded organizational capacity, consider the estimated net operating income from the 12 units included in the Lakeview property: $89,860 in the initial year, rising to $102,264 by the tenth year. The Lakeview property was only the beginning of a long and productive partnership between Enterprise and AIRS. Indeed, Enterprise and AIRS continue to work together on projects around Baltimore, as evidenced by a closed site acquisition loan in 2012 for supportive housing for homeless people.

According to AIRS, the Lakeview property generated over $140,000 in developer fees for the organization. These fees helped the organization pay for staff salaries, host community and neighborhood pride events and build its general capacity to support a population in need of care and support. One AIRS resident spoke of an annual party AIRS hosts, giving program residents the chance to have fun, eat food and celebrate their accomplishments.

Additionally, AIRS has expanded its network of contacts and level of communication with other nonprofit organizations in the area. Lakeview attracts a number of volunteers who assist staff in providing support services to Lakeview residents. These volunteers are directed to AIRS through other nonprofit organizations in the greater Baltimore area.

**New Affordable Housing Units**

_In a census tract where 53 percent of the area's population was rent burdened in 2010, Enterprise and AIRS established 12 affordable housing units for individuals making 30 percent or less of area median income._

Since 2000, the number of households in the subject area spending 30 percent or more of income on gross rent grew by 148 percent. Enterprise created 12 units of affordable housing and helped to address, in some small part, the challenge facing households in this community. Indeed, to meet the rising demand for affordable housing units in the area, a dozen more Lakeview properties would need to be developed.

Although Baltimore is not known for having a particularly tight housing market where supply is consistently outstripped by demand, significant subsections of the population suffer from very low incomes and few prospects for income growth in the future. As is the case in communities across the country, these low-skill and low-income individuals may struggle to find decent, affordable housing units to call home. When considering the target population in this case study, the chances of securing affordable housing become even more daunting.

By investing in the Lakeview property, Enterprise made a positive impact on one of the most underserved populations in Baltimore: low-income individuals with HIV/AIDS.
The best argument for the impact that Enterprise’s investment made is in the stories of residents’ lives. Enterprise staff met and interviewed a current resident, Anthony “Tony” Graham, to assess the degree to which AIRS clients found the Lakeview property a suitable home and whether their lives had improved since working with AIRS case management staff.

Graham grew up in the Sandtown-Winchester neighborhood of Baltimore, an area of the city somewhat similar to Reservoir Hill. His parents were largely absent from his young life, and his 15 brothers and sisters were of little support as he became increasingly involved with drugs. At the age of 11, Graham began using heroin. Since that time, he has struggled with addiction, homelessness and now HIV.

Today, he attends weekend classes at Baltimore City Community College, working toward earning his commercial driver’s license, which will give him access to a range of livable wage jobs, including long-haul trucking. Indeed, Graham dreams of driving an 18-wheeler cross country to California while earning a decent wage. He also works as an employee of AIRS driving a van to pick people up from soup kitchens and deliver them to homeless shelters. He enjoys the work because he enjoys interacting with other people.

Graham’s daughters love his new place. When one visited his apartment for the first time, she saw his bathroom with its new shower and his kitchen with new appliances and asked if she could rent a unit too. As he finishes the story, Graham nods and says: “Yeah, she liked the place! Things are much better now.”

Thanks not only to his hard work and dedication but also in part to the support provided by AIRS, Graham’s life is now stable, healthy, and productive. The Lakeview property has been a truly positive force in his life.
Conclusion

Assessing impact can be a difficult task, particularly when the goal is to develop specific metrics of success. In a neighborhood like Reservoir Hill, there are significant entrenched political, economic and social forces aligned in opposition to positive community change and exacerbated by the recession that began in 2008. From high vacancy rates to low levels of educational achievement in the population, Reservoir Hill, and census tract 1301 in particular, have experienced significant disinvestment and decline for decades.

In the face of these challenges, Enterprise provided capital to a nonprofit organization to help it acquire a 12-unit apartment building. Since opening the Lakeview property, AIRS has leased rental units to approximately 20 total formerly homeless low-income individuals living with HIV/AIDS. Many of these people entered the AIRS program in desperate need of medical attention. Graham’s story, which described various stages of homelessness, the challenges of addiction and few job prospects, is representative of much of the homeless and HIV/AIDS stricken population in Baltimore. By helping to expand AIRS’ organizational capacity to provide support to Graham and others like him, Enterprise has had an impact on his life.

When expanding the impact lens to the wider community surrounding the Lakeview property, Enterprise has concentrated investment in three nearby properties. Such concentration of investment helps maintain property values and raises private market investment in the community. These stabilization efforts may have had an impact on decision-making regarding major community investments seen in the nearby Mondawmin Mall renovation and Baltimore City Community College expansion.

Further, Enterprise has established an affordable housing foothold in a community that is showing early signs of potential gentrification: vacancy rates are down, median home values are rising and area median gross rent has risen at four times the rate of median household income. The neighborhood also boasts excellent public transportation (light rail, heavy rail and bus) access to major retail and employment destinations throughout the city. As fuel costs increase, excellent public transportation may make the Reservoir Hill neighborhood an attractive option for wealthy urbanites. Enterprise’s investment in the Lakeview property has secured a long-term home for one of Baltimore’s most vulnerable populations in a neighborhood with a bright future.