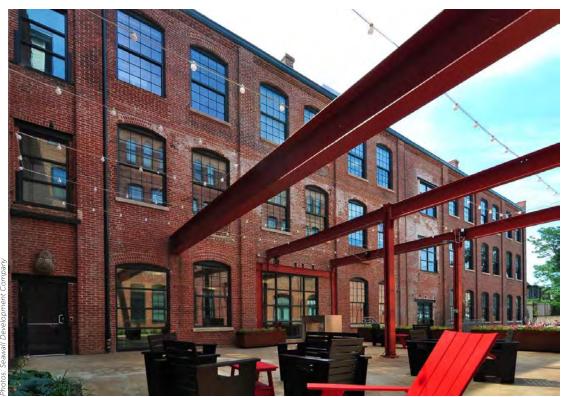
## Miller's Court Baltimore, Maryland

A supportive living and working environment for school teachers and education-related nonprofits





This is an excerpt from:

## Challenging Conventions

The 2015 Rudy Bruner Award for Urban Excellence



BRUNER FOUNDATION, INC.

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## Overview

Submitted by: Enterprise Community Investment, Inc.

Completed: 2009

Total Development Cost: \$21.1 million

Miller's Court in Baltimore, Maryland seeks to build a safe, welcoming community for teachers and a home for education-focused nonprofits in a way that strengthens the neighborhood and local economy. The project was conceived and developed by Seawall Development Company, a small, socially-minded, mission-oriented business founded by Donald and Thibault Manekin. Miller's Court is Seawall's response to the challenges facing the Baltimore school system and professionals entering the field through programs like Teach for America.

Seawall, along with Marks, Thomas Architects, pursued a collaborative, integrative design approach to Miller's Court that included focus group meetings with teachers and local residents to inform the building's program and development processes. The resulting LEED Gold certified complex includes 40 rental apartments and 30,000 square feet of office space and shared meeting rooms with contemporary, loft-like interiors. A teacher resource center provides copiers for printing class materials and includes a lending library. Charmington's, a cooperatively owned independent café

## "MILLER'S COURT OFFERS A COMPELLING, INNOVATIVE APPROACH TO ADDRESSING THE ISSUE OF EDUCATION. IT BUILDS ECONOMIC VALUE AND SOCIAL CAPITAL BY CONNECTING TEACHERS AND NONPROFITS AND IMPROVING THE NEIGHBORHOOD." -2015 Selection Committee

in the building, has become a popular gathering spot for teachers, tenants, and the community, hosting a visit from President Obama in February 2015 which highlighted the company's living wage policy.

Interaction is a key component of life and work in Miller's Court. The presence of Teach for America and other education, youth, and community service nonprofit tenants creates ongoing opportunities for information sharing, collaboration, and networking. Monthly brown bag lunches featuring guest speakers help promote connections among the nonprofits and with the broader community. The complex's central, landscaped courtyard offers outdoor space for informal gatherings and community events. Public areas feature artwork made by students from the nearby Maryland Institute College of Art with materials salvaged during the construction process.

The \$21.1 million Miller's Court development was financed with a combination of Historic Preservation and New Market Tax Credits, funding from Enterprise Community Investment, Inc. (which submitted the application for the Rudy Bruner Award) and SunTrust Bank, and low-interest loans from the City of Baltimore and State of Maryland. A \$300-\$600 discount on the monthly rental rate for apartments is offered to teaching professionals.

The award-winning project has generated additional investment in the surrounding community of Remington as well as interest from other cities. At the urging of several building residents, Seawall purchased and renovated 30 vacant neighboring houses to create Miller's Square. Baltimore public school teachers and police officers were eligible for \$25,000 grants toward purchase of these homes, several of which are now owned by former Miller's Court residents. The company also converted a former tire shop

across the street from Miller's Court into a home for two nonprofit theater organizations and a butcher shop and restaurant offering locally sourced meat and food products. Seawall has also developed Union Mill, a local initiative similar to Miller's Court, and is currently working with Enterprise and other partners to extend its "Center for Educational Excellence" community-building model to 10 other cities.

Miller's Court offers a compelling, innovative approach to addressing the quality of education, a critical issue for American cities. More than a building, it builds economic value and social capital by connecting teachers and nonprofits and improving the surrounding neighborhood by encouraging investment and development. The project illustrates the value of collaborative partnerships that tap into local and federal programs and resources and demonstrates that a for-profit business can have a significant social impact.







## Project at a Glance

- The renovation of an abandoned, historic manufacturing building into a supportive living and working environment for school teachers and education-related nonprofit organizations.
- Forty apartments, with discounts for teachers and rent-restricted units for low-income households.
- Shared resident amenities including a fitness center, lounge, outdoor courtyard, and teacher resource center.
- Office space totaling 30,000 square feet, with 11 tenants and 5,000 square feet of shared conference and training rooms.
- Charmington's, a neighborhood café.
- On-site property management with active social programs and events.

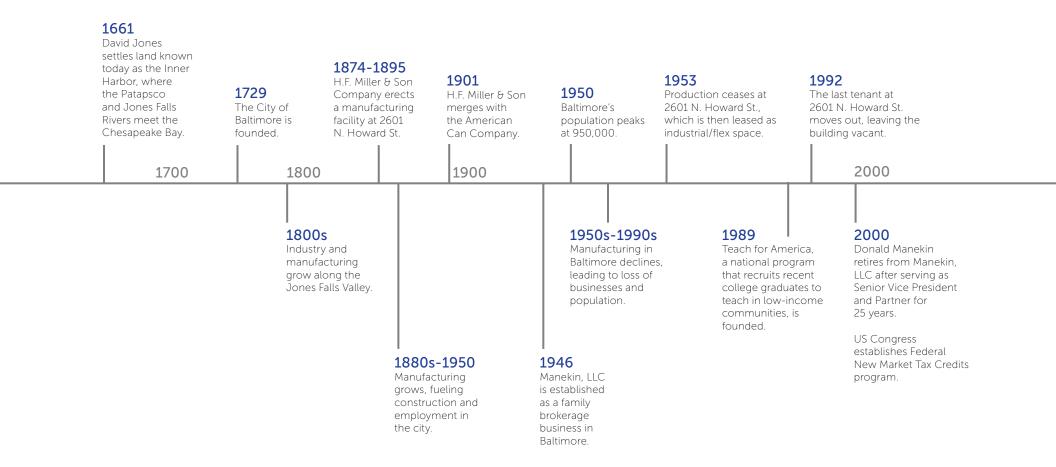




## Project Goals

- Create high-quality, affordable housing for teachers in a supportive community environment, improving teacher retention and ultimately benefiting Baltimore's schoolchildren.
- Create shared nonprofit office space, providing opportunities for growth and collaboration.
- Spark revitalization in the surrounding Remington neighborhood, which experienced decades of high vacancy and disinvestment and had a reputation as a crime-ridden area.
- Generate economic activity, increase tax revenues, and create new jobs in a low-income community.

## Chronology



#### 2007

JANUARY: Seawall
Development Company,
LLC is established by
Donald and Thibault
Manekin to repurpose
obsolete buildings in
Baltimore.

JULY: Seawall acquires 2601 N. Howard St. to develop Miller's Court.

#### 2008

Seawall closes on financing for Miller's Court in the midst of a challenging economic climate and construction begins.

#### 2010

Charmington's café opens in Miller's Court.

#### 2012

All of the available rehabilitated houses that comprise Miller's Square in Remington sell out in one day.

#### 2015

President Obama visits Charmington's.

Miller's Court is refinanced.

#### 2002

2000-2002

Donald Manekin

Schools.

serves as Interim Chief

Operating Officer of

Baltimore City Public

Donald Manekin approaches Teach for America with concept for creating supportive housing for teachers.

#### 2007-2008

Marks, Thomas Architects and Seawall hold focus group meetings with local teachers.

#### 2009

Miller's Court opens its doors, 100% preleased.

#### 2011

Union Mill, Seawall's first adaptation of the Miller's Court model, opens in nearby Hampden neighborhood.

Teach for America approaches Seawall about replicating the Miller's Court concept in other cities while Miller's Court residents approach the Manekins about renovating vacant homes in the neighborhood.

#### 2014

Former tire shop across from Miller's Court, renovated by Seawall, reopens as an arts and food destination.

Oxford Mills, a project modeled on Miller's Court and developed by Seawall in partnership with D3 Development, opens in Philadelphia.

Seawall's Remington Row retail and residential development receives master plan approval.

Seawall acquires an 11-acre proposed Walmart site in Remington.

Enterprise Community Partners, Inc. completes Miller's Court Impact Case Study.

# POINTS OF INTEREST 1. Miller's Court 2. Tire Shop 3. Remington Row 4. Wyman Park 5. Johns Hopkins University BALTIMORE, MD

## Project Description

#### **INTRODUCTION**

Miller's Court is the story of how Seawall Development Company, a small, mission-based, visionary developer, created an innovative development model to address one of our country's most pressing challenges: the quality of urban public education. They did so by renovating a historic, abandoned, and blighted building into supportive housing for teachers and collaborative office space for educational nonprofits. The Seawall team engaged teachers and the community in a thoughtful planning process that informed the building design, activated neighborhood organizations, and inspired subsequent investment in the neighborhood. The project effectively leveraged federal financing tools, including Historic Preservation and New Market Tax Credits (federal programs that promote preservation of historic buildings and private investment in low-income communities) as well as state and local programs, to fund a total of \$21.1 million in development. In the process, a community eyesore was transformed into a symbol of renewed interest and investment in Remington, one of Baltimore's most socially and economically diverse neighborhoods. Miller's Court has attracted national interest as a model for workforce housing and has already been successfully replicated elsewhere in Baltimore and in Philadelphia.

#### CONTEXT

#### **Baltimore**

Like other older American cities that have struggled with loss of industry, population decline, white flight, and urban blight over the second half of the last century, Baltimore is enjoying a modest renaissance as its historic character, neighborhoods, and relatively low cost of living attract a new generation of urban residents. In 2013, the city's population increased 3% to 622,104, ending decades of population loss since its peak of 950,000 in 1950. In contrast to the city's population decline, the Baltimore Metropolitan Area has grown steadily to approximately 2.7 million residents in 2010, making it the twentieth largest in the country.

Founded in 1729, the city of Baltimore has long been a center for manufacturing and national and international trade that initially centered on the city's strategic port and shipbuilding. Over time it expanded inland with development of mills along the Jones Falls River in the eighteenth century, the establishment of the Baltimore and Ohio Rail Road Company (B&O)—the nation's first common carrier—in 1828, and the introduction of steel manufacturing in the late nineteenth century.

Following the decline in manufacturing between 1950 and 1995, Baltimore shifted to a service-oriented economy with education, health care, and financial and professional services as the key industries. Johns Hopkins Hospital, Johns Hopkins University, and the University of Maryland Health System were the city's top three employers in 2015. The city is also home to several Fortune 500 and 1,000 companies including T. Rowe Price and Black+Decker.

Baltimore has been the site of several major urban renewal and development projects, including the Charles Center in 1958, Harborplace in 1980, and Oriole Park at Camden Yards, one of the first "retro" major league ballparks, completed in 1992. In the early 1980s, Baltimore received national attention

for its innovative Dollar Home Program, which offered low-interest purchase and renovation loans for houses the city had acquired for a highway that was never completed, transforming blocks of blighted, vacant structures into some of Baltimore's most charming neighborhoods.

Often referred to as a "city of neighborhoods" and "Charm City," Baltimore continues to evolve. It is home to a growing population of Hispanics and millennials. Locals refer to the role of the popular HBO crime drama series *The Wire* (2002-2008)—which was set and produced in and around Baltimore and highlighted the city's gritty character and neighborhoods—in generating a sense of civic awareness and pride in the city's post-industrial architecture, culture, and history.

In early 2015, there was a sense of growing optimism and energy in the city. Well into her first full term, Mayor Stephanie Rawlings-Blake was focused on growing the city, improving public safety and education, and strengthening



A view of Baltimore's Inner Harbor in 1909.

rary of Congre

neighborhoods. As part of that agenda, Deputy Commissioner of Code Enforcement Michael Braverman implemented Vacants to Value, a new program designed to encourage neighborhood investment by using data mapping and code enforcement to encourage property owners who are not maintaining their buildings to improve them or sell. A variety of programs offered by the city, employers, and local foundations encourage homeownership investment by offering incentives for the purchase and improvement of houses, such as Live Near Your Work grants of \$2,000 and more that can be applied towards down payment and closing costs. Data tracked by city staff indicates that these programs are succeeding in attracting new investment in Baltimore neighborhoods, often in places where little has occurred in decades, and that the local real estate market is beginning to improve with increased demand and rising prices.

#### Central Baltimore

Miller's Court sits in the heart of what's referred to as Central Baltimore, at the intersection of North Howard and 26th Streets, approximately two miles north of downtown Baltimore and the Inner Harbor. The area is comprised of 11 neighborhoods and includes the Baltimore Development Corporation Enterprise Zone, the Charles Street National Scenic Byway, the Station North Arts and Entertainment District, six historic districts, two community benefits districts (districts in which property owners pay a tax surcharge that funds supplemental services such as sanitation and safety), and numerous community-based organizations. In its 2013 "Projects, Plans, and Major Developments" map, Central Baltimore Partnership, a coalition of neighborhood, private, public, and institutional interests working together to implement a comprehensive community development strategy, states that "Central Baltimore is rapidly changing and revitalizing, with dozens of major development and infrastructure projects underway, including ten completed plans and development strategies, and millions of dollars invested in recent, in-progress, and planned developments from block level to large-scale redevelopment projects."

Current planning and investment includes the Homewood Community Partners Initiative (HCPI), a partnership between Johns Hopkins University, 10 Central Baltimore neighborhoods, and one adjacent commercial district. Initiated in 2012 by the university, it seeks to improve the quality of life, housing, education, and commercial retail development in the community surrounding its Homewood campus and promote local hiring, contracting, and purchasing. HCPI is pursuing a shared vision for a vibrant, livable, and active community with strategies and programs that address quality of life issues including transit, safety and sanitation, recreation, and open space; blight elimination and housing creation, including attracting 3,000 new households in 10 years; education; commercial retail development; and local hiring and purchasing.

#### Remington

Miller's Court is located at the juncture of three Central Baltimore neighborhoods: Remington, Charles Village, and Old Goucher. Although it is technically within the neighborhood of Charles Village, it is most closely associated with Remington, a historically working-class community considered by many to be one of most socioeconomically and racially diverse neighborhoods in the city. Settled around 1850 and named for a local landowner who donated land for what is now Wyman Park, it has long been associated with industry, housing workers from the mills and railroad shops along Jones Falls Valley. The neighborhood is predominantly residential, comprised of modest two- and three-story narrow brick row houses dating from the late nineteenth to early twentieth centuries, interspersed with neighborhood retail and occasional warehouses.

Like other city neighborhoods, Remington's population declined over the latter half of the twentieth century as residents left for housing and job opportunities elsewhere, leading to deterioration, vacancies, and increased crime and prostitution. According to the US Census, the residential vacancy rate in the neighborhood immediately surrounding Miller's Court increased

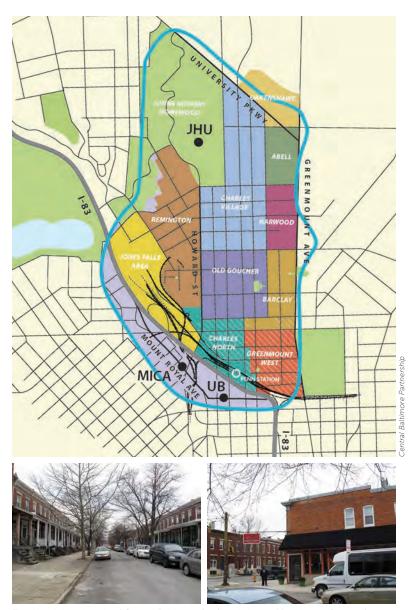
from 9.7% in 1990 to 19.3% in 2000 and remained constant around 19% through 2005-2009, a figure consistent with the city of Baltimore as a whole. The area had a median household income of just over \$28,000 from 2005-2009, compared to just under \$39,000 for the city.

The impact of this slow decline in prosperity is evident throughout the neighborhood where there are occasional vacant lots and properties with signs of deferred maintenance, such as peeling paint and haphazard repairs. However there are also signs of new investment, such as recently renovated homes and the arrival of businesses like Sweet27, a "multi-cultural bar and restaurant" catering to the diversity of residents in the area.

In interviews, Remington residents reported that conditions in the neighborhood have improved over the past five years; they and others in the city believe that it stands at a point of inflection. Many residents remarked on Remington's strong "culture of community," even in the midst of a growing influx of new residents and investment. Long-time residents commented that, for the most part, people who are new to the neighborhood make a conscious effort to be respectful of existing residents and become part of the community.

#### PROJECT HISTORY AND LEADERSHIP

The success of Miller's Court is due to the convergence of several factors, including the vision and contributions of a charismatic and socially-minded development team, the evolution of the city of Baltimore and the Remington neighborhood, and the availability of federal programs like Historic Preservation and New Market Tax Credits. In contrast to larger and more expensive redevelopment efforts in Baltimore's past, such as the Inner Harbor, Miller's Court offers a smaller-scale, neighborhood-based model of investment.



The 11 neighborhoods of Central Baltimore (top) and views of Remington (bottom).

#### Seawall Development Company

Miller's Court was created by Seawall Development Company and is the brainchild of Donald and Thibault Manekin, a father and son team who drew upon their collective experience and interests in education, nonprofits, and real estate as well as their personal commitment and connections to the city of Baltimore to found a socially minded real estate development company.

In 2000, Donald Manekin retired from Manekin, LLC, a family-owned real estate company based in Columbia, Maryland, after serving as senior vice president and partner for 25 years. The company was founded in 1946 and focused on suburban commercial real estate development.

Following his retirement, Donald Manekin was tapped by Baltimore leaders to lend his business expertise to helping the public school system. He served as interim chief operating officer of Baltimore City Public Schools from 2000 to 2002. Afterwards, he focused on his lifelong interest in education through consulting and setting up the Foundation for Education in rural Maryland. In the process he got to know educational nonprofit organizations throughout the state and joined the board of Teach for America. Through these roles he became familiar with the challenges of the public education system, including the need for affordable nonprofit office space and for recruiting and housing new school teachers like those participating in Teach for America, a program dedicated to enlisting and supporting new teachers to provide "educational equity and excellence" across the nation.

In the meantime, Thibault Manekin, who was not interested in joining the family real estate business, worked abroad on several social impact initiatives in Africa, Costa Rica, Ireland, and the Middle East and helped a friend start PeacePlayers International, a nonprofit that promotes lifelong friendships among children, youth, and adults from different cultures and groups



Seawall Development Company partners (left to right): Jon Constable, Donald Manekin, Thibault Manekin.

in conflict, using sports to help participants find common ground. When he returned to Baltimore, he approached his father about starting a real estate company to repurpose obsolete buildings in the city.

The Manekins decided to address the need for supportive housing for teachers entering the workforce in Baltimore. In January 2007, they founded Seawall Development Company, named for a beach in Maine where Donald Manekin served as a camp counselor for many years and the family continues to vacation.

Over time, Seawall grew to include two additional partners, Evan Morville and Jon Constable. According to Thibault Manekin, Seawall's partners don't look at themselves as real estate developers but rather as "social entrepreneurs who use the built environment to make neighborhoods

better places by breathing new life into forgotten old buildings and filling the finished product with people who in their everyday lives are doing the most important work in our city."

#### Miller's Court

Miller's Court was Seawall's first project. The idea grew out of the Manekins' desire as developers to support the local school system, drawing upon Donald's experience serving on the board of Teach for America and working for Baltimore City Public Schools and Thibault's desire to create a real estate company to repurpose functionally obsolete buildings. They set out to create a place that provided a "soft landing" for new teachers in order to support their vital work as educators and encourage them to fall in love with the city and stay. As Thibault Manekin explained, "Our vision is to roll out the red carpet for those individuals doing some of the most important work in Baltimore by creating beautiful, affordable, energy-efficient places to live."



Looking south along N. Howard Street towards Miller's Court.

This vision addressed a real need in Baltimore, which hires some 1,000 new teachers each year. *Building Teacher Quality in Baltimore City Public Schools*, a report by the National Council on Teacher Quality, found that only 49% of the Teach for America teachers hired in the 2006-2007 school year were still teaching in Baltimore three years later, and the overall retention rate for Baltimore City Public Schools teachers was just 57%. In 2002, Donald approached the local Teach for America office with the idea of creating a supportive living environment for teachers to help increase retention, and they agreed it was an appealing concept.

With this intention in mind, the Seawall team began looking for properties. Along the way they engaged Baltimore-based Marks, Thomas Architects, a Women's Business Enterprise certified firm with expertise in adaptive reuse, historic rehabilitation, and urban development to help flesh out ideas for the development and evaluate potential sites. Community building, social impact, and sustainability were core goals from the beginning.

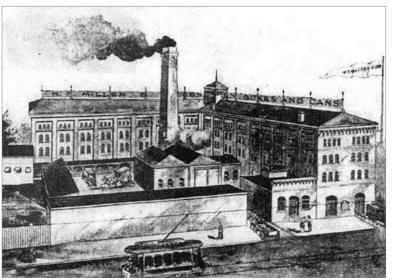
After considering several properties, the team settled on a vacant manufacturing building at the edge of Remington. Although the building was in need of significant renovation, the location had potential. It was close to the headquarters of the Baltimore City Public Schools and Johns Hopkins University School of Education, where many Teach for America participants earn master's degrees while teaching in the city school system. The property offered easy access to the Jones Falls Expressway (Interstate 83), which connects the city with the suburbs. There were also convenient connections to public transportation, including bus links to downtown and other neighborhoods as well as Baltimore's Union Station and Amtrak service. Amenities within walking distance included Wyman Park, grocery stores and pharmacies, and locally owned businesses and shops, including a bakery, bars, restaurants, a dry cleaner, and a car wash.

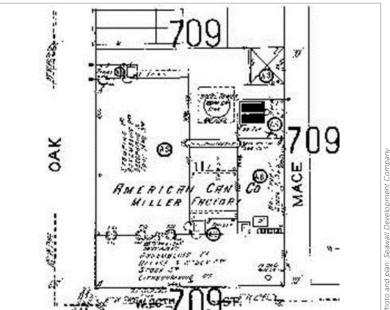
Seawall spent time talking with people in the community to solicit support for the project. Two previous developers had proposed to renovate the building for residential use but struggled to secure community support and financing. According to a representative from the Remington Neighborhood Alliance, part of Miller's Court's appeal was that the education focus might help to address Remington's lack of a neighborhood school.

The layout of the proposed site provided the opportunity to incorporate commercial space along North Howard Street. Through his work as an educational consultant, Donald Manekin realized the need for affordable, quality office space for nonprofit organizations with modest operating budgets. Teach for America Baltimore agreed to become an anchor tenant. The corner of North Howard and East 26th Street was targeted for retail space, and members of the community indicated a desire for a neighborhood coffee shop, ideally one that was locally owned.

#### **DESIGN AND DEVELOPMENT**

The development of Miller's Court repurposed a blighted, vacant industrial building into an attractive, inviting residential and office compound. The 85,500-square-foot brick complex and 1.12-acre site that now houses Miller's Court was initially home to the H.F. Miller & Son Company, which later merged with the American Can Company, at one point the largest tin can manufacturer in the US. It was erected in three stages between 1890 and 1910 and is listed on the National Register of Historic Places as an example of late nineteenth century industrial architecture in Baltimore. More recently known as the Census Building (after the building's last tenant), the highly visible structure sat vacant and deteriorating for almost two decades, attracting vandalism and contributing to the perception of disinvestment and blight in the neighborhood.





A rendering of (top) and plot plan (bottom) for the American Can Company.

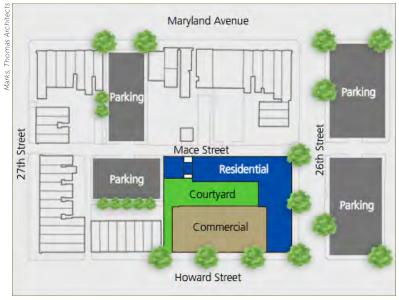








Before and after photographs of Miller's Court's exterior (top) and courtyard (bottom).



Site plan

The Miller's Court complex is comprised of three connected brick buildings that wrap around three sides of a central outdoor courtyard. The renovated building includes:

- 40 one-, two-, and three-bedroom rental apartments
- shared resident amenities, including a fitness center, courtyard, lounge, and teacher resource center
- nonprofit office space with 11 tenants
- shared conference and training rooms for nonprofit office tenants
- Charmington's, a neighborhood café.

The three-story section of the building facing North Howard Street houses nonprofit offices while the four-story L-shaped section that anchors the corner of North Howard and faces West 26th Street and the adjoining alley (Mace Street) contains the majority of the apartments and Charmington's café. An adjoining two-story carriage house, also on Mace Street, includes townhouse-style apartments. Offices are entered from a recessed courtyard on North Howard Street and the apartment entrance lobby is on West 26th Street. Access to all of the apartments except the carriage house and boiler room units (located in the four story building) is through this lobby; the carriage house and boiler room units are entered directly from the courtyard.

Once the building was identified, Seawall and Marks, Thomas convened focus group meetings targeted towards end users, including Teach for America participants, to inform the design. During the process, the design team proposed providing a common laundry room to save energy and contribute to the sense of community. This idea reminded the many recent college graduates of dorm life and was rejected in favor of in-unit laundries. Potential residents were much more enthusiastic about having a teacher resource center with copiers and a lending library, an idea that emerged from a common story among teachers about running out late at night to make copies for class and a desire to share resources such as lesson plans. Discussions also led to the decision that apartments have a one-to-one ratio of bathrooms to bedrooms so two or more teachers could share a unit and each person could have his or her own bathroom. According to Seawall, this iterative design process continued throughout the development, involving consultants, contractors, and end users.

Miller's Court apartment and office interiors feature airy, loft-like spaces with exposed brick walls and wood beams. There are a diversity of apartment types and layouts—including open, loft, and townhouse plans—all of which respond to distinctive building conditions, including multilevel loft units on



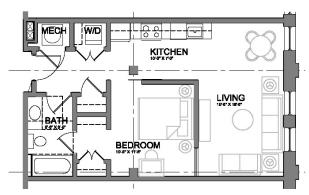
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the upper floors and a unique "cupola" unit. There are 17 one-bedroom, 16 two-bedroom, and seven three-bedroom units. Overall there is a ratio of one bathroom for each bedroom, with the expectation that units would be shared. All of the units feature laundries and most have kitchens that open onto living spaces. Common areas include a first floor fitness room, a second floor teacher resource center, and a third floor room that can be used for informal gatherings and meetings.

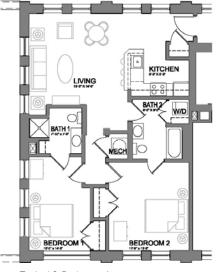
Nonprofit offices vary in size and are outfitted in accordance with tenant needs. The spaces feature exposed brick walls and beams, and common areas and hallways are decorated with artwork including historic images and "before" photos of the building. A lower level conference center includes 5,000 square feet of shared meeting and training rooms that can be used by office and residential tenants.



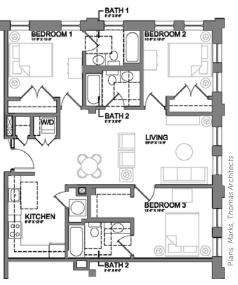
Apartment interior



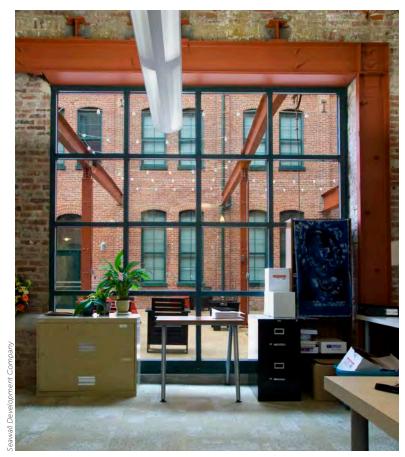
Typical 1-Bedroom Apartment



Typical 2-Bedroom Apartment



Typical 3-Bedroom Apartment







Clockwise from top: Office interior, office entry, apartment lobby with student artwork.

The building lobbies and courtyard feature permanent artwork created by students in a freshman art studio at the nearby Maryland Institute College of Art using materials salvaged from the building during renovation. The students embraced the idea of the project, creating two wall-mounted "dragons" for the entrance lobby as symbols of strength and wisdom and a "snake," fabricated from an old electric meter and metal from reclaimed fire doors, displayed in the courtyard and symbolizing rebirth.

Free off-street, shared parking for Miller's Court residents, office tenants, and visitors is located in four adjacent, fenced asphalt parking lots. One is located directly behind the building, across from another facing Maryland Avenue. Two more are located across 26th Street from the building. The latter two were purchased by Seawall in order to secure property control and ensure there was ample parking for Miller's Court. All are accessed from 26th Street and Mace Street, the alley behind the building. The parking exceeds the city's code requirements of one space per four units of multifamily housing. Seawall leases some of the spaces to Tire Shop tenants.

Miller's Court is LEED Gold certified by the US Green Building Council, receiving a total of 40 points. The development does not include any particularly distinctive or innovative sustainability features, although the architectural team highlighted the energy recovery unit that serves the commercial office.

There have been a few issues associated with the start-up and ongoing operation of the building, to which Seawall has been largely responsive according to office and residential tenants. For example, office tenants reported problems with dust and some third floor roof leaks immediately following move-in. Seawall responded by installing additional sealing and caulking, replacing two printers for one organization, and repairing the roof leaks. There was also some frustration with the entry system (visitors are unable to access the tenant floor unless the door is open) and with

functionality of the lower level conference space (the absence of a kitchen is problematic for catering needs and there are issues with Internet access, lighting, and sound control). The commercial and residential tenants were very positive about Seawall's responsiveness to their concerns.

#### ACTIVITIES, PROGRAMS, AND ADDITIONAL DEVELOPMENT

Seawall prides itself on quality property management and devotes considerable attention to building relationships and a sense of community among the residential and educational tenants of Miller's Court. According to Seawall and several education and residential tenants, interest in Miller's Court spread through word-of-mouth marketing among the Manekins' contacts in educational organizations and the community. All of the apartments and most of the commercial office spaces were leased when the building opened in 2009.

#### Residential Community

Approximately 70 to 75 residents live in Miller's Court at any one time. The majority of the residents are teachers working for public, private, and charter schools in the city of Baltimore and adjoining communities. Sixty to 70% are Teach for America members. Many residents are just starting their careers and moved to Baltimore from other places across the country for their teaching positions. Most reported that they found Miller's Court through word of mouth referrals and Teach for America. Seawall, which does not track demographic data for its tenants, estimates that residents typically range in age from 21 to 30 years old and that approximately 60% are women and 35% minorities. There are generally about five married couples living in the building at any one time, and on average the building welcomes one baby a year.

Residents indicated that affordability, convenience, and safety were important considerations when looking for a place to live, and these features contribute significantly to the appeal of Miller's Court. Many also value the free parking, on-site fitness center, and outdoor courtyard, where they are welcome to take part in events and gatherings hosted by Seawall and nonprofits in the building or host their own. Building maintenance issues are addressed promptly. There is a Miller's Court mobile phone app that provides a convenient way to report problems, receive notifications about deliveries, and learn about activities and events taking place.

As one Teach for America representative suggested, Miller's Court "provides a comfortable space" for the "transition from dorm to independence." The organization brings new program participants to Miller's Court when they start and offers tours of the residential building. Many teachers bring their parents, who feel more comfortable knowing that their son or daughter will be living in an attractive, safe, and supportive environment.

Residents remarked on the personal care and attention of the Seawall team. New tenants are welcomed with gift baskets containing coupons and tickets to local businesses and venues, and quarterly "bagels and coffee" mornings in the lobby as well as frequent courtyard events contribute to the sense of community. Several residents shared stories of how Seawall staff went out of their way to check in and help, such as assisting with the move-in process, dropping off flowers when one had a particularly bad day, and assembling a new bike for another.

Despite these efforts, one resident suggested there was potential to introduce additional programming and enhance communications to promote information and skill sharing among residents who don't necessarily know much about each other. Another questioned how the waiting list was managed after receiving a call that an apartment was available shortly after being told there was a long waiting list.





Resident amenities include a fitness room (top) and comfortable lounge (bottom).

While Seawall plans for 50% annual turnover, during the 2014/2015 year, turnover was only 30%. Seawall's goal is for residents to stay for about two years, at which point they will likely move on to another place due to changes in their personal lives or employment or purchase a home, hopefully in Remington or other Baltimore neighborhoods. This mirrors information collected from interviews with current and past residents. Seawall fields hundreds of inquiries a year for Miller's Court and nearby Union Mill—a subsequent development that adapted the Miller's Court model—and maintains a waiting list for apartments in both buildings. Over the course of a year, the list tends to grow to about 100-200 people, then shrinks as apartments are turned over and leased in spring. Prospective tenants are placed on the waiting list after completing an application and contacted in the order in which their applications were received. Residents who no longer teach can continue to live in Miller's Court, but they are no longer eligible for the rent discount (one person per unit must be a teacher to be eligible). According to Seawall, there have been only one or two occasions when this has happened.

#### Nonprofit Tenants

Seawall works equally hard to create a sense of community among the nonprofit tenants within the building. Many of the organizations found out about the office space being developed at Miller's Court through existing relationships with the Manekins and mutual nonprofit network connections. Teach for America Baltimore is the primary tenant, and many teachers in the program live in the building. Other tenants include a variety of nonprofits, all of which share an interest in education.

In early 2015, the tenants included:

- Baltimore Urban Debate League
- Building Educated Leaders for Life
- Catholic Charities Center for Family Services
- Experience Corps

- GiveCorps
- Goucher College
- Megaphone Project
- Playworks
- Teach for America Baltimore
- Wide Angle Youth Media
- Young Audiences

A lower level conference center is available at no charge to tenants and residents as well as other nonprofits in Baltimore. Seawall and Donald Thibault use the conference center for monthly brown bag lunch presen-







Clockwise from top: courtyard, brown bag lunch gathering, office hallway.

tations with guest speakers for tenants of Miller's Court and Union Mill. Approximately 30 people attended the presentation that took place in March 2015. The outdoor courtyard is a popular spot for nonprofit gatherings and events as well as periodic cookouts, happy hours, and ice cream socials hosted by Seawall. Playworks uses the space for 15-minute "office recesses."

There has been some tenant turnover and change due to organizational growth. One of the original tenants, Young Audience, grew out of its space and moved into the Tire Shop across the street. Others have renovated and/or expanded their offices in connection with recent lease renewals.

Criticisms were relatively minor. The majority of concerns revolved around the building, such as issues with the entry system and lower level conference center. Several expressed a desire for an on-site day care center that could serve tenants and their employees and were in discussions with Seawall about the concept.

#### Charmington's Café

In many ways the heart of Miller's Court and of Remington is Charmington's café, located on the first floor at the corner of North Howard and 26th Streets. The busy café, which serves coffee and other beverages, pastries, and light meals, is a popular meeting spot for residents, nonprofit staff, and the community. The menu features organic and local food, including certified direct-trade coffee. Catering is available for companies and nonprofit organizations.

Charmington's is cooperatively owned by eight individuals who, like Donald and Thibault Manekin, are mission-driven with a vision: "to serve organic coffee and locally produced food in a comfortable and relaxed setting." According to one of the owners, they found the right space in Miller's Court and, in turn, met the community's strong desire for a locally owned coffee





President Obama visits Charmington's cafe; cafe interior.

shop. The company is a proponent of "living wages" and provides paid time off to its employees. In February 2015, President Obama visited the café and met with the owners as part of his national tour to promote guaranteed paid family and sick leave. In early 2015, Charmington's was planning to expand into adjacent first floor space.

#### **Neighborhood Organizations**

From the beginning, Seawall reached out to residents and businesses in Remington because the team believed their input was most important. The neighborhood is known for its strong community process. Previous developers who sought to redevelop the building did not seek community input and were unable to move ahead without its support. As one person familiar with the area said, "The neighborhood is tough on developers; they don't get carte blanche."

In early 2015, the community was represented by two organizations: the Greater Remington Improvement Association (GRIA) and the Remington Neighborhood Alliance (RNA). Both are committed to neighborhood improvement. GRIA refers to itself as "an independent, resident-based group that provides an open forum for the development and discussion of

Remington community issues and neighborhood improvement initiatives." In the spring of 2015, GRIA was focused on activating small businesses, influencing Seawall's development, and creating a community land trust.

The Remington Neighborhood Alliance defines itself as "committed to building the community of Remington." According to local residents, GRIA was created to offer an alternative to the existing RNA, which was dominated by "old timers" resistant to change. Both GRIA and RNA were active participants in discussions about the development of Miller's Court and subsequent Seawall developments. Several people cited Thibault Manekin's success in winning over a well-known community leader who was a critic of the project as indicative of Thibault's willingness to listen, his sensitivity to neighborhood concerns, and his ability to build relationships and trust.

#### *Investing in Remington*

Following the success of Miller's Court, Seawall continued to invest in Remington, largely due to the partners' growing passion for and commitment to the neighborhood and engagement with local residents who shared their desire for its continued improvement. As of early 2015, completed or planned additional investment in the community that complements Miller's Court includes:

- Miller's Square: Renovation of 30 houses scattered throughout
   Charles Village and Remington, several of which have been purchased
   by former residents of Miller's Court, completed in 2012.
- Tire Shop: Conversion of a one-story building into an arts and food destination hosting a butcher shop, restaurant, and two theatre companies, completed in 2014.
- Remington Row: A new construction, mixed-use development including apartments, a community health center, and first-floor retail that broke ground in early 2015 and is scheduled to be completed in summer 2016.

A few years after Miller's Court opened, five couples living in the building approached Thibault Manekin during one of the building's happy hours with a proposal. They told him they liked living in Remington and wanted to buy homes there. They'd looked at the vacant houses in the neighborhood and suggested that by investing in additional development, Seawall could help to stabilize the neighborhood and reduce crime. The couples proposed that Seawall purchase the houses, renovate them, and sell the homes to people like them who were living in Miller's Court.

Seawall accepted the challenge, purchasing and renovating 30 houses on the blocks surrounding Miller's Court that collectively became known as Miller's Square. They completed a model unit and invited the community to an open house in 2012. According to Thibault Manekin, 300 people showed up and all the houses that were marketed were sold within an hour. Seawall retained eight of the houses as rental properties, two of which are kept for tenants who have pets (which are not permitted at Miller's Court). The majority of the houses were sold at cost for \$150,000 to \$260,000. Many purchasers took advantage of homebuyer incentives, including \$25,000 grants offered by the Abell Foundation to Baltimore city public school teachers and fire fighters.

Following the success of the Miller's Square, the Seawall partners realized that they wanted to invest in the ongoing change in Remington. They assembled a team of investors and funding to purchase and develop additional properties in the neighborhood.

In 2014, Seawall opened the Tire Shop, a one-story former automobile tire shop across the street from Miller's Court renovated into a 5,500-square-foot arts and food destination. By early 2015, the building was home to Parts & Labor, a locally owned butcher shop and restaurant, and two nonprofit theatre companies, Single Carrot Theatre and Young Audience. The latter moved into the larger quarters here after outgrowing its previous space in Miller's Court.







Clockwise from left: Tire Shop, Miller's Square house, Union Mill.

Construction on Remington Row, the largest project to date, broke ground in early 2015. The \$35.5 million, 250,000-square-foot building, located on the 2700 block of Remington Avenue, will include 15,000 square feet of first-floor retail, 108 apartments, and about 270 underground parking spaces. Johns Hopkins Community Physicians will be the anchor tenant, leasing 30,000 square feet, reflecting its commitment to the Homewood Community Partners Initiative.

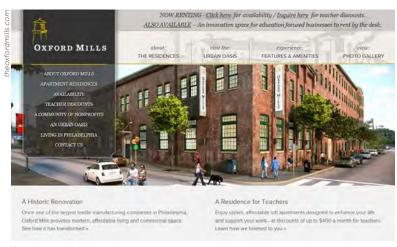
In addition to these developments, Seawall has acquired additional property in the neighborhood to protect its investments and prevent vacant properties from falling into the hands of out-of-state developers who might not work as inclusively with the community. These acquisitions include the 2014 purchase of an 11-acre site on which a Walmart was proposed but

ultimately rejected by the community. As of early 2015, Seawall owned 12 properties totaling more than 400,000 square feet in Remington.

#### Centers for Educational Excellence

In addition to investing in community development in Remington, Seawall continued to adapt and refine the Miller's Court supportive living and working model for other locations. In 2011, the company opened Union Mill, the renovation of a historic mill building located two and a half miles away in nearby Hampden, in an area known as Woodberry in the Jones Falls Valley. The stone complex includes 56 one- and two-bedroom apartments, 25,000 square feet of nonprofit office space, and Artifact Coffee, a locally owned coffee shop.

About three years later, a team from Enterprise Community Investment, Inc. and Teach for America approached Seawall about taking the Miller's Court model to ten other cities. The first three cities included Philadelphia, Chicago, and Springfield, Massachusetts. The business model presumes that Seawall will partner with local developers in each city.



Oxford Mills in Philadelphia

The first completed project outside Baltimore was Oxford Mills in Philadelphia, a joint venture between Seawall and D3 Developers, a local, "civic-minded" company. The 175,000-square-foot complex opened in 2014 and includes 114 apartments, 40,000 square feet of offices leased to nonprofit educational organizations, and a locally owned coffee shop.

The development's financing structure is modeled on Miller's Court, using Historic and New Market Tax Credits. D3 handled the day-to-day local development process and property management while Seawall focused on the global picture, transferring experience gained from Miller's Court including financial and lending expertise and recruiting relationships with educational nonprofits. Sixty percent of the apartments are rented to teachers, who are offered a 25% discount. Nonprofit tenants include Teach for America and Education Design Studio Inc., an education business incubator created in partnership with the Graduate School of Education at the University of Pennsylvania.

Additional opportunities are being explored with a focus on cities with a Teach for America presence, including Detroit, New Orleans, and St. Louis. A group of business leaders in Springfield, Massachusetts recently engaged Seawall and a local contractor to assist in identifying potential buildings to develop as housing for teachers and possibly participants in the local hospital's residency and nursing programs downtown.

As of early 2015, Seawall was making a conscious shift away from ownership and development towards a fee-for-service management and consulting business model, preferring to "over manage" and take care of properties already in hand rather than pursue new development.

#### **FINANCING**

The ability of Seawall to secure financing and develop the \$21.1 million project with commercially available credits and incentives in the midst of the 2008 economic downturn speaks to the reputation of the developers in the community. The development was financed with a mix of public and private capital, including a significant share of New Market and Historic Tax Credits.

#### Development

Seawall acquired the property at 2601 North Howard Street, which was appraised at \$3 million, for \$2.5 million. The building was in foreclosure and the company purchased the existing bank note from the lender for the previous owner, a developer from Washington, DC who purchased the building for \$4 million and was in significant default. Total acquisition costs were \$2.9 million.

A limited liability corporation, Smallpoint, was established for the development of Miller's Court. Ownership is shared by four individuals. The \$21.1 million project was financed using market rate bank debt, federal and state Historic Tax Credit equity, New Market Tax Credit equity, a deferred developer fee, and low-interest loans from the City of Baltimore and the State of Maryland. Additional equity for financing was provided by interest income as well as the below market acquisition of the property (referred to as "book up" in Table 1). Equity was provided by Enterprise Community Investment, SunBank, and state tax credit investors.

The developers and investors note the significance of financing made possible through New Market Tax Credits (NMTC), an innovative federal financing program established in 2000 as a vehicle to bring private capital investment to low-income communities. The development received \$18.8 million in NMTC through Enterprise Community Investment, Inc. and Sun-Trust Bank. Enterprise is primarily a low-income housing syndicator and is

one of the largest recipients of NMTC allocations in the country. SunTrust became involved in the project through Donald Manekin. The Enterprise and SunTrust investments were in the form of seven-year, interest-only loans that are scheduled to be paid back beginning in 2015. Seawall was in the process of refinancing the project in spring 2015.

Development financing was not without challenges. The entire construction contingency (7%) was utilized during the construction of Miller's Court, and Seawall deferred \$1.5 million of its \$2.3 million developer fee. The total cost was \$236 per square foot.

#### **Operating Costs**

Annual operating expenses for Miller's Court (not including building debt service) total approximately \$550,000. Administrative expenses, including a property manager, bookkeeping, and administrative personnel, account for 27%. Seawall has made a conscious decision to manage its own properties, hiring its own staff and budgeting modest line items for resident programs and gifts. Debt service payments to Enterprise and SunTrust constitute an additional \$621,500 in annual expenses, which includes Enterprise's \$50,000 asset management fee.

In 2015, the development was expected to generate nearly \$1.3 million in income, with 50% from apartment rent and 48% from office and retail space. After deducting operating expenses and guaranteed debt payments to Enterprise and SunTrust, and adding in \$50,000 in income released from reserve, Miller's Court is expected to net about \$100,000 for the year.

Apartment rental rates for teachers range from approximately \$800 to \$1,900, including \$300-600 per month discounts. The average monthly rental for a new one-bedroom apartment in downtown Baltimore is \$1,800-\$2,000. A 3% annual rent increase is budgeted.

TABLE 1: DEVELOPMENT SOURCES AND USES				
Sources				
Small Point Manager Loan	\$5,800,000			
New Market Tax Credit Equity	\$5,734,170			
Historic Tax Credit Equity	\$3,203,168			
State Historic Tax Credit Loan	\$2,662,662			
State Tax Credit Investor Equity	\$57,338			
City Loan	\$750,000			
State Loan	\$700,000			
Book Up	\$500,000			
Interest Income	\$162,938			
Deferred Developer Fee	\$1,538,177			
Total	\$21,108,453			
<u>Uses</u> Acquisition (including Book Up)	\$3,359,678			
Soft Costs	\$1,926,000			
Construction Hard Costs	\$11,012,673			
Financing Costs	\$2,314,675			
Developer Fee	\$2,495,427			
Total	\$21,108,453			

Income	
Rent - Apartments	\$637,12
Rent - Office	\$605,45
Rent - Retail	\$19,02
Rent - Storage	\$2,10
Miscellaneous Income	\$5,10
Common Area Maintenance	\$18,00
Rental Vacancy	(\$3,600
Subtotal	\$1,283,20
Expenses	
Administration	\$149,45
Operating and Maintenance	\$176,46
Taxes and Insurance	\$98,14
Utilities	\$133,31
SunTrust Payment	\$281,16
Enterprise Payment	\$340,36
Subtotal	\$1,178,90
Net Profit	\$104,30

	TABLE 3: UNIT MIX AND RENTAL RATES						
Unit Type	Quantity	Square Footage	Teacher Rental Rates	Market Rental Rates			
1 BR	16	537-790	\$837-\$1,300	\$1,300-\$1,700			
2 BR	17	790-1190	\$1,339-\$2,086	\$1,700-\$2,386			
3 BR	7	1000-1260	\$1,796-\$1,912	\$2,096-\$2,212			

Commercial spaces rent for \$18 to \$21 per square foot, including heat and air conditioning, with three- to five-year leases. Shared meeting spaces are available for rent at additional cost.

#### IMPACT

Miller's Court offers a compelling, innovative approach to addressing the quality of education, a critical issue for American cities. It builds economic value and social capital by connecting teachers and nonprofits, improving the surrounding neighborhood, and contributing to Baltimore's ongoing renaissance. The project illustrates the value of collaborative partnerships and innovative financing that taps into local and federal programs designed to encourage investment in the urban core. Perhaps most compellingly, Miller's Court demonstrates that it's possible for a modest, privately developed project to make a significant social impact, and that the concept can be replicated in other places.



View along Remington Avenue.

In 2014, the Knowledge, Impact, and Strategy team at Enterprise Community Partners, Inc.—the parent company of Enterprise Community Investment, Inc.—completed an impact case study on Miller's Court. The study utilized surveys, interviews, economic analysis, and census data to evaluate the success of the project in its first five years of operation. The report concluded, "Miller's Court has brought new life and economic activity to a distressed neighborhood, while providing resources and a collaborative environment to strengthen the work of teachers and related nonprofits."

Although the development is having a positive impact on the quality of life for teachers living in the building, it is too soon to be able to evaluate its impact on the quality of education in Baltimore public schools. As one person suggested, the "story of the project's impact on the city is still being written." Even so, there is already much interest in replicating the Miller's Court model in other cities, and Seawall has completed a similar project in Philadelphia in collaboration with a developer in that city.

#### The Mission-Driven Developer

The role of Donald and Thibault Manekin as charismatic, trusted leaders resonated in interviews with members of the community. People valued the Manekins' commitment to the educational and social goals of the project and their thoughtful approach to engaging the neighborhood and teachers in the planning and development process. Donald Manekin's track record as a developer and his civic and professional connections in the community lent credibility and attracted resources to the effort. Thibault Manekin's earnest and "infectious enthusiasm" and passion helped build support for the project and trust among people in Remington and city hall.

Many people characterized Seawall's leaders, particularly Thibault Manekin, as humble, self-aware, and willing to listen and learn. One person commented that the developers "understand their own weaknesses, which helps them to be good community members." In a city "notorious for not





A Teach for America teacher works with students (top); Teach for America Baltimore's office (bottom)

reaching out to communities," Seawall reached out to people. In so doing, the company "gave voice to community needs," and, as one person said, "When you engage the community, the community will give back," enabling Seawall and Remington to grow together.

Several people suggested that Seawall reflects Baltimore's "socially oriented development community," born from decades of historic preservation, rehabilitation, and community development work. One Remington resident commented that the company's focus on teachers "struck a chord deeply felt in the community," and its approach to the project signaled that authenticity—something important to the neighborhood—would be valued.

#### Collaborative Partnerships and Innovative Financing

Miller's Court made use of national programs—such as Historic Tax Credits, New Market Tax Credits, and Teach for America—created to spur invesment of private capital and talent in America's older urban centers. The development also utilized local and state financing and leveraged recently created city programs, such as Vacants to Value, designed to incentivize investment in underutilized buildings and neighborhoods.

The project would not have been possible without the extensive network of relationships that the Manekins had established with the City of Baltimore, local foundations and nonprofits, and national entities such as Enterprise, SunTrust, and Teach for America. It was also helped by the substantial credibility and trust the Manekins had earned over years of working in Baltimore and their patient, thoughtful approach to engaging the community during the development of Miller's Court. Tapping into this network for resources—funding as well as expertise—enabled Seawall to undertake a new kind of development and navigate challenges such as community buy-in, adaptive reuse of a historic building, and financing and leasing the building in difficult economic times.

#### Creating a Supportive Community

The Seawall team works hard to maintain a supportive living and working environment and to connect residents and nonprofit tenants with each other and the community of Remington. This sense of community is valued by residents and tenants, who suggest that it enables them to be more effective in their work. They also appreciate the strong connection to Remington, and many have put down roots, purchasing homes and starting families in the community.

Teachers in Miller's Court appreciate the support structure that offers access to copiers and curricula in the teacher resource center, the ability to tap into the knowledge and experience of their neighbors, and the opportunity to collaborate on lesson plans and projects. Participants in the Teach for America program value the close proximity and support available from the program's staff.



A street party celebrating Miller's Court's medal brings together residents, tenants, and members of the community.

Among other things, the Enterprise report acknowledged that the project created high-quality affordable housing for young teachers within a supportive community environment. The affordable apartments, supportive environment, and available resources address some of the financial and professional challenges facing new public school teachers. Through resident surveys, residents report that Miller's Court has had a positive impact on their quality of life, personal financial security, and commitment to teaching.

Nonprofit organizations in Miller's Court also cite advantages of the collaborative office space. According to the Enterprise report, an annual tenant benefit survey conducted by Seawall indicated that the majority of tenants benefited from having more affordable and higher quality space than is typically available to nonprofits. The Enterprise report also found strengthened collaboration among tenants and increased professionalism and opportunities for growth.

A deep passion for community and commitment to living in Remington resonated among those living and working in Miller's Court. A number of employees of nonprofit organizations in the building and the Tire Shop live in the neighborhood and some, like many former Miller's Court residents, have purchased homes in the area.

#### *Investing in the Community*

Overall, the consensus among community organizations, institutions, and residents as well as Baltimore City Council representatives and city employees is that Miller's Court has had a positive impact on the neighborhood of Remington—both in converting a large, visibly vacant building that had become an eyesore and magnet for vandalism into a positive anchor and in attracting a "critical mass" of new residents and investment in Remington. As one person put it, the project contributed to the stabilization and revitalization of a "quietly declining" neighborhood. Another referred to the

project's "ripple effect" in contributing a sense of hopefulness, energy, and optimism in the community.

While some specifically credit Miller's Court for the improvements in and around Remington, others suggest positive changes were due to a combination of factors. These include increased interest and overall improvement in the Baltimore real estate market, the mayoral administration's focus on neighborhood development and housing, city programs such as Vacants to Value, and state and federal tax incentives for urban development that are encouraging community investment in places like Remington. One person noted that the change in the perception of Remington happened in less than ten years and suggested that Miller's Court marked the tipping point. Another person working in city hall observed, "Miller's Court is a signature project that embodies Baltimore—who we are and what we want to do."

#### A City at the Point of Inflection

As a city emerging from decades of declining population and loss of industry, Baltimore appeared poised for change and growth at the turn of the century. Mayoral leadership has infused new attention and energy on neighborhoods. New residents have been drawn to the city and its low cost of living and interesting architecture. Neighborhoods are attracting new residents including millennials, many of whom are committed to urban living and making a difference in their communities.

Some people suggest that the relatively small scale of Baltimore-commenting that it is more like a big town ("Smalltimore") than a city-has played a role in the city's transformation and the success of Miller's Court by enabling a small group of individuals to access a powerful network of resources. As one person offered, "When people are proximate to each other, they are more likely to talk."

#### The Threat of Gentrification

The question of whether or not gentrification will become an issue for the community was discussed. One person referred to research by Paul Brophy, a national development consultant who has focused on development strategies for weak-market cities, that suggests there is a difference in the dynamic of gentrification between strong-market (growing) and weak-market (declining or shrinking) cities. According to Brophy, change in weak-market cities is likely to take longer–15 to 20 years versus 15 to 20 months for strong market cities—so the displacement discussion is different. One of the newer residents of Remington bristled at the question, responding, "The city was abandoned by the people who should have been stewarding it...Socially responsible people are moving back to the city and putting their money where their mouth is."

While in general most people in Remington are pleased with the changes in their community, there are concerns, particularly among long-term residents, that rents and property values are rising and existing residents will be pushed out. City officials acknowledge that they are thinking about the issues associated with rising property values and rents and are working on affordable housing preservation strategies. Baltimore has a 4% cap on annual property tax increases, which helps to protect existing homeowners. In general, the attitude among people working in the community and in city





Site and plans for Remington Row (left), Remington Avenue homes.

hall is that gentrification does not present a significant, immediate threat in a city that has experienced significant population loss and vacancy, and that ongoing development of new housing will add to the supply and help to meet demand, thereby preventing rents from escalating.

#### ASSESSING IMPACT IN RESPECT TO PROJECT GOALS

GOAL: Create high-quality, affordable housing for teachers in a supportive community environment, improving teacher retention and ultimately benefiting Baltimore's school children.

The Enterprise study identified positive financial changes, improved quality of life, and increased commitment and positive teaching experience among Miller's Court residents. Research included online surveys that were completed by 46 of the 75 residents, 30 of whom were working as teachers during the 2013-2014 school year. Almost 90% of respondents indicated they "were getting a better value at Miller's Court than they would in other apartments," and 81% of respondents indicated that "living in the building made their jobs easier," with two-thirds reporting that "they'd utilized resources from the nonprofit tenants in the building." The experience of living in Miller's Court has also had a positive effect on residents' perception of the neighborhood; more than 70% think the neighborhood is improving and would recommend local restaurants and amenities to a friend, as well as owning or renting a Remington area home.

One resident interviewed in early 2015 referred to Miller's Court as "an oasis in the inner city" and said that living in "a safe, secure building helps to maintain balance." Another reflected on the potential to influence the quality of education: "When your physical and emotional needs are taken care of, you'll be a better teacher."

GOAL: Create shared nonprofit office space, providing opportunities for growth and collaboration.

Nonprofit tenants value the quality of the office space, collaborative working environment, and sense of community created by Seawall that has resulted in resource sharing and new partnerships. One nonprofit leader reported partnering with every organization in the building in some way. Examples of nonprofit collaborations include sharing equipment and paper shredding services, arranging for catered meals from Charmington's for meetings and workshops, and a partnership between Wide Angle Media, Teach for America, and the Maryland Disability Law Center to build a multilingual classroom curriculum. The same spirit of collaboration emerged in conversations with Tire Shop tenants across the street.

The opportunities for collaboration extend beyond the building, including the joint brown bag lunches with Union Mill tenants that encourage interaction and provide opportunities for regular updates on each other's activities and networking with the broader Baltimore community. As one person noted, Donald and Thibault Manekin "are good at leveraging opportunities for tenants and will make introductions on their behalf." Nonprofit tenants appreciate Seawall's commitment to Remington and consider the diversity of the neighborhood and the presence of community organizations a plus.

GOAL: Spark revitalization in the surrounding Remington neighborhood, which experienced decades of high vacancy and disinvestment and had a reputation as a crime-ridden area.

Findings from the Enterprise study indicated an increased "sense of place," reduction in crime, increased new investment, and greater long-term neighborhood commitment in the Remington community.

Miller's Court has encouraged additional interest and investment in the community. According to the US Census, the residential vacancy rate in the

surrounding neighborhood decreased from 19% in 2005-2009 to 16% in 2010. Interviews with local stakeholders conducted by the Bruner Foundation and Enterprise indicate that the opening of Miller's Court was a "game changer" for the neighborhood, shifting people's perception of the area and catalyzing new development and investment. As one person commented, "Seawall didn't just do Miller's Court; they focused on the neighborhood and transformed it."

Community members referred to the transformation of a formerly "dark, dangerous corner" that people were afraid to walk by and attracted vandalism and crime into a highly visible beacon and hub for the community. According to the Enterprise study, reports of theft dropped by 38% in the years following the building's opening, and there has been a steady decrease in the number of total reported crimes since 2009 (although crime was still a concern in early 2015).

There has also been a 40% increase in the number of home sales in recent years in the neighborhood. These home sales include those in Miller's Square, Seawall's rehabilitation of 30 row houses scattered throughout Charles Village and Remington, a project inspired by Miller's Court residents interested in investing in homes in the neighborhood.

One neighborhood resident credited Sewall for galvanizing neighborhood organizations to become better organized in order to respond to challenges and opportunities created by new development interest.

## GOAL: Generate economic activity, increase tax revenues, and create new jobs in a low-income community.

The Enterprise study suggests that the development of Miller's Court has resulted in increased economic activity and local spending, job growth, and new tax revenue generation. The Enterprise report concluded that Miller's Court created significant economic opportunity within a low-

income neighborhood. According to the report, "Residents of Miller's Court now spend a combined \$97,000 annually at the establishments within walking distance of the property, providing an influx of revenues to small, locally owned businesses. Construction of Miller's Court created 150 jobs, ongoing operations have created approximately 16 full-time jobs, and the office tenants have brought 139 full-time and 21 part-time employees into the neighborhood." However, the report also acknowledged that some indicators, such as employment growth in the immediate neighborhood, had not changed, and that other measures, such as residential vacancy, were consistent with the overall trends in the city of Baltimore.

#### Recognition

Miller's Court has received significant local and national recognition, including a March 2015 visit by President Obama to Charmington's as part of his promotion of living wages. It has also been the recipient of numerous real estate development awards, including:

#### 2011

- President Obama's Champion of Change Award
- Novogradac Real Estate Investment of the Year

#### 2010

- US Environmental Protection Agency National Award for Smart Growth Achievement
- Urban Land Institute Jack Kemp Models of Excellence in Work Force Housing Award
- Council of State Community Development Agencies Presidential Award for Innovation
- Baltimore Heritage Preservation Partnership Award
- NAIOP Commercial Real Estate Development Association Best Historical Renovation Award

- NAIOP Commercial Real Estate Development Association Community Impact Award
- Baltimore Business Journal Heavy Hitters Best Residential Development Award
- US Green Building Council Maryland Chapter Special Recognition Award

#### 2009

- Urban Land Institute Wavemaker Award
- American Institute of Architects Residential Knowledge Community Green Housing Award



The courtyard offers a welcome outdoor space for tenants and residents.

#### **SELECTION COMMITTEE DISCUSSION**

In selecting Miller's Court as the 2015 RBA Gold Medalist, the committee drew attention to the need for creative solutions that help to improve the quality of public education in American cities. Committee members praised the project for its compelling, innovative approach to addressing the need for teachers in the city by providing affordable, high-quality housing in a supportive living environment. The committee commended the project for its impact on the occupants as well as the surrounding neighborhood and city of Baltimore. Members were impressed by its replicability and noted the potential for significant influence, particularly with national partners like Enterprise and Teach for America.

When identifying Miller's Court as a finalist, the committee noted that "it's more than a building"—it serves as a community hub that creates social capital as well as economic value. The project increases the capacity of individuals, organizations, and the community by connecting them with each other and with resources in the surrounding neighborhood and city. The support offered to those living and working in Miller's Court minimizes the feeling of isolation, particularly among new teachers beginning their careers in some of the most challenging educational settings. The committee was impressed by the Enterprise case study detailing the impact of Miller's Court and by the fact that the model had already been adapted to other urban settings in Baltimore and Philadelphia.

Like the other 2015 winners, Miller's Court was a collaborative effort that engaged multiple participants including a private developer, the neighborhood of Remington, teachers and nonprofits, the City of Baltimore and State of Maryland, and local and national investors. The committee observed that the project made use of federal programs designed to encourage investment in older urban areas including Historic Preservation and New Market Tax Credits, as well as other turn-of-the-century initiatives like Teach for America and charter schools that offer resources to

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FDUCATION IN AMERICAN CITIES."

increase the quality of education in American cities. The partnership with Teach for America, with its focus on supporting new teachers, has proven to be particularly valuable by providing a strong educational connection and anchor tenant, a steady stream of prospective apartment tenants, and interest in replicating the model in other cities.

The committee commented on the significance of the project being led by a private developer, demonstrating that it is possible to do social good and make money, and commended Seawall's leadership and vision as well as its continued commitment to Remington, acknowledging that Seawall's ongoing development efforts not only help to improve the neighborhood but also to protect its own investments. The committee appreciated that the developer renovated and repurposed a historic structure that had become a community eyesore as well as the modest and contextual approach to the building design.

#### **RELATED RBA WINNERS**

Miller's Court offers an innovative approach to addressing the quality of education by providing a supportive living and working environment for teachers and education-related nonprofits. Several previous RBA winners have used housing in conjunction with incentives and supportive programs for specific populations, such as artists and service workers, to encourage investment in a targeted geographic area.



THE ARTIST RELOCATION PROGRAM in Paducah, Kentucky (2005 Silver Medalist) encourages artists from across the country to relocate to Paducah's Lower Town neighborhood. The city provides relocation incentives and has contributed to the revitalization of a blighted historic neighborhood, strengthened Paducah's creative economy, and renewed the downtown residential community.



PROJECT ROW HOUSES (1997 Silver Medalist) in Houston reclaimed an inner-city neighborhood by rehabilitating 22 historic "shotgun" style houses to provide art gallery and installation space for prominent African-American artists, housing and support services for single working mothers, and daycare and after school programs for neighborhood youth.



CABRILLO VILLAGE (1989 Silver Medalist) was purchased by farm workers led by Caesar Chavez who, in the face of eviction from grower-owned substandard housing, organized and found a way to buy the property in Ventura County, California as a limited equity cooperative. They improved the village, making it into a place they could afford and were proud to call home.

Other RBA winners have addressed the role of education and schools in community building, such as 2011 Silver Medalist Gary Comer Youth Center/College Prep in Chicago, and 2009 Gold Medalist Inner-City Arts and 2003 Gold Medalist Camino Nuevo Charter Academy, both in Los Angeles.

More information about these and other RBA winners can be found at www.rudybruneraward.org.

### Resources

This case study was compiled from information gathered from the project application, an extensive site visit in March 2015, discussions with the RBA Selection Committee, and research and interviews conducted during these processes and throughout the writing and editing of this book. Titles and positions of interviewees and URLs listed below were effective as of the site visit unless otherwise noted.

#### **INTERVIEWS**

Seawall Development Company, LLC: Jon Constable, Partner Donald Manekin, Partner Thibault Manekin, Partner

Marks, Thomas Architects: Tom Leibel, Principal\* Nancy Leibrecht, Associate

#### City of Baltimore:

Mary Pat Clarke, Baltimore City Council District 14
Carl Stokes, Baltimore City Council District 12
Eric Booker, Assistant Commissioner, Code Enforcement Inspections
Michael Braverman, Deputy Commissioner, Baltimore Housing
Colin Tarbor, Deputy Mayor, Office of Economic and Neighborhood Development

Community Representatives:
Bill Cunningham, Living Classrooms
Joseph McNealy, Executive Director, Central Baltimore Partnership
Elaine Stevens, Manager, The Dizz
Joan Floyd, Remington Neighborhood Alliance\*
Peter Burkill, Greater Remington Improvement Association
Ryan Flanigan, Greater Remington Improvement Association
Ronald J. Daniels, President, Johns Hopkins University\*
Andrew Frank, Special Advisor to the President on Economic Development,
Johns Hopkins University\*

#### Funders:

David Bowers, Vice President and Market Leader, Mid-Atlantic;

Enterprise Community Partners, Inc.

Elaine Dipietro, Vice President, Structured Finance;

Enterprise Community Partners, Inc.

Tina Hike-Hubbard, Director of Education; Enterprise Community Partners, Inc.

Tiffany Manuel, Vice President, Knowledge, Impact and Strategy;

Enterprise Community Partners, Inc.

Michael Forry, Senior Vice President, Community Capital Mid-Atlantic; SunTrust Bank Nora Viahoyiannis, First Vice President, SunTrust Community Capital; SunTrust Bank

#### Miller's Court Commercial and Nonprofit Tenants:

Laurie Vozella Bell, Center for Family Services, Catholic Charities Center for Family Services Michael Burke, Senior Secretary, Experience Corps

(also a Miller's Square homeowner)

Caroline Glass, Communications, Marketing and Operations Manager,

Teach for America\*

Susan Malone, Executive Director, Wide Angle Youth Media Ali Shah Rasool Smith, Executive Director, Holistic Life Foundation Amanda Rothschild, Managing Partner, Charmington's Diane Sellars, Chief of Staff, Teach for America Baltimore

#### Miller's Court Residents:

Jackie Clary\* Tracy Evans Alana Simon Purvis\* Nycole Stawinoga\* Matt Vaselkiv (former resident)\*

Miller's Square Homeowners: Michael Burke Andrew and Ashley Gorby Julie Oxenhandler

#### Tire Shop Tenants:

Stacie Evans, Executive Director, Young Audience Theatre Baita Feldman, Development Director, Single Carrot Theatre Allision Garvey, Food Shed Manager, Parts & Labor

#### Centers for Educational Excellence Developers:

Gabriel Canuso, D3 Developers (Oxford Mills in Philadelphia, PA)\*
Paul Doherty, Doherty, Wallace, Pillsbury & Murphy, P.C. Attorneys at Law (Springfield, MA)\*

<sup>\*</sup>Interviews conducted by phone

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