Mayor and Council
Executive Session and Work Session
January 13, 2026
Agenda

"The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe, and vibrant neighborhoods."
"The City of Hagerstown shall be a community focused municipality"

EXECUTIVE SESSION

3:00 PM 1. **The Mayor and Council will meet in Open Session only for the purpose of voting to close its meeting to discuss matters that the Open Meetings Act permits it to discuss in Executive/Closed Session.**

3:00 PM 2. EXECUTIVE SESSION – Council Chamber, 2nd floor, City Hall

4:00 PM WORK SESSION

4:00 PM 1. Ethics Commission Update

4:15 PM 2. Hagerstown Choice Neighborhoods Initiative Implementation Grant – Margi Joe, Community Development Manager, Rachel Paul, Planning & Outreach Coordinator and Sean Griffith, Executive Director Hagerstown Housing Authority

4:30 PM 3. 10 Year Downtown Plan. Doug Reaser, Economic Development Manager

5:00 PM 4. Preliminary Agenda Review

5:10 PM 5. Meter Transceiver Units (MXUs) Trade-In Program with LB Water – Nancy Hausrath, Director of Utilities and Tyler Puffenberger, Deputy Director of Water and Wastewater

5:15 PM 6. Review of Lease Holdover - Development of Labor, Licensing and Regulation - *Doug Reaser, Economic Development Manager*

5:20 PM 7. Hamilton Run Stream Restoration-Northern Avenue - *Jim Bender, City Engineer*

5:30 PM 8. Easements for Speed Camera on Marshall Street School and North High – *Jim Bender, City Engineer*

5:40 PM 9. Amendment to Memorandum of Understanding with State Highway Administration (SHA) - *Jim Bender, City Engineer*

5:50 PM 10. Anti-Camping Sunset Provision Renewal Discussion and 2025 Crime Recap - *Chief Paul 'Joey' Kifer and Mayor & City Council*

6:10 PM 11. Renewal of The Ferguson Group Contract for 2026 – *Scott Nicewarner, City Administrator*

6:15 PM 12. Warehouse Zoning/Federal Immigration Plans – *Scott Nicewarner, City Administrator*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
The Mayor and Council will meet in Open Session only for the purpose of voting to close its meeting to discuss matters that the Open Meetings Act permits it to discuss in Executive/Closed Session.

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
EXECUTIVE SESSION – Council Chamber, 2nd floor, City Hall

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
January_13__2026_Executive_Session.pdf	Executive Session Agenda

MAYOR AND CITY COUNCIL
EXECUTIVE SESSION
JANUARY 13, 2026
AGENDA

Vision Statement:
The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe and vibrant neighborhoods."

Mission Statement:
"The City of Hagerstown shall be a community focused municipality."

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

****

3:00 p.m. EXECUTIVE SESSION

1. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State; (#4)

   * *Three Business Proposals*

***AUTHORITY: Annotated Code of Maryland, General Provisions Article: Section 3-305(b)**
(Subsection is noted in parentheses)

CITY OF HAGERSTOWN, MARYLAND

PUBLIC BODY: *Mayor & City Council* **DATE:** *January 13, 2026*

PLACE: *Council Chamber, 2nd floor, City Hall* **TIME:** *3:00 p.m.*

AUTHORITY: ANNOTATED CODE OF MARYLAND, GENERAL PROVISIONS ARTICLE: Section 3-305(b):

1. To discuss:

[_] (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or

[ ] (ii) any other personnel matter that affects one or more specific individuals;

[ ] 2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business;

[ ] 3. To consider the acquisition of real property for a public purpose and matters directly related thereto;

[X] 4. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

[ ] 5. To consider the investment of public funds;

[ ] 6. To consider the marketing of public securities;

[ ] 7. To consult with counsel to obtain legal advice;

[ ] 8. To consult with staff, consultants, or other individuals about pending or potential litigation;

[ ] 9. To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

[ ] 10. To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
(i) the deployment of fire and police services and staff; and
(ii) the development and implementation of emergency plans;

[ ] 11. To prepare, administer or grade a scholastic, licensing, or qualifying examination;

[ ] 12. To conduct or discuss an investigative proceeding on actual or possible criminal conduct; or

[ ] 13. To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or

[ ] 14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

[ ] 15. Administrative Function

EXECUTIVE SESSION AGENDA

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Ethics Commission Update

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Hagerstown Choice Neighborhoods Initiative Implementation Grant – Margi Joe, Community Development Manager, Rachel Paul, Planning & Outreach Coordinator and Sean Griffith, Executive Director Hagerstown Housing Authority

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
011326_WS_Packet_Choice_Implementation_Application.docx.pdf	Choice NOFO Memo, Motion, Resolution, NOFO

CITY OF HAGERSTOWN, MARYLAND

Department of Housing & Community Development
One East Franklin Street • Hagerstown, MD 21740
E-mail: codecompliance@hagerstownmd.org
Telephone: 301-739-8577, ext. 103 • Website: www.hagerstownmd.org

To: Scott Nicewarner, City Administrator

From: Margi Joe, Community Development Manager
Rachel Paul, Planning & Outreach Coordinator
Sean Griffith, Executive Director, Hagerstown Housing Authority

Date: January 9, 2026

RE: Hagerstown Choice Neighborhoods Initiative Implementation Grant

Staff, along with Sean Griffith, Executive Director of the Hagerstown Housing Authority, will attend the January 13, 2026 Work Session to request approval for the City to serve as a co-applicant with the Hagerstown Housing Authority for the U.S. Department of Housing and Urban Development (HUD) Choice Neighborhoods Implementation Grant. The grant application deadline is March 9, 2026.

The proposed request for this grant is $26 million to implement the previously developed Choice Neighborhoods Transformation Plan. The Implementation Grant represents the next phase of this work and would provide funding to carry out the strategies outlined in the Transformation Plan.

Approval of this request will allow the Hagerstown Housing Authority and the City to jointly submit an application and, if awarded, move forward with implementation activities that will uplift residents and the surrounding community.

City Role as a Partner in the Implementation Grant

As a co-applicant, the City's responsibility regarding leverage is limited to supporting the application through documentation of existing or planned investments that are consistent with the Transformation Plan. Any leveraged resources identified in the application are subject to future budgetary approval processes and do not constitute a binding financial obligation of the City.

These resources may include already-planned capital projects, programmatic investments, or policy commitments that support housing, neighborhood improvements, and resident services within the Choice Neighborhood. The City is not required to provide new or unbudgeted funding as a condition of the application; rather, the City's participation demonstrates coordination, alignment of priorities, and long-term commitment to the neighborhood.

Background of Hagerstown Choice Neighborhoods Initiative

In September of 2023, the Hagerstown Housing Authority, in partnership with the City of Hagerstown, was awarded a $500,000 Choice Neighborhoods Planning Grant from HUD. Key details of the award were as follows:

- Lead Grantee: Hagerstown Housing Authority
- Co-Applicant: City of Hagerstown
- Grant Period: October 2023 through October 2025 (two-year term)
- Hagerstown was 1 of 14 cities selected nationally from 28 applicants.

The Planning Grant supported extensive data analysis, resident engagement, and coordination among public and private partners.

Outcome of the Planning Grant

The Planning Grant resulted in the development of a comprehensive, community-based Transformation Plan for the designated Choice Neighborhood. The plan includes:

- A neighborhood-wide needs assessment
- Robust and ongoing community engagement
- A coordinated strategy focused on strengthening the neighborhood through three core pillars:

1. **People:** Health and wellness, education, childcare, employment, and job training
2. **Neighborhood:** Transportation, open space, and infrastructure improvements
3. **Housing:** Housing quality, affordability, a mix of housing types, and pathways to homeownership

The full Transformation Plan can be viewed at https://www.hagerstownha.com/wp-content/uploads/2025/03/Hagerstown-Choice-Neighborhoods-Plan_DRAFT_03.13.25.pdf.

Next Steps

Staff seeks approval at the January 20, 2026 Regular Session for the City to serve as co-applicant for the Choice Neighborhoods Implementation Grant.

Attachments: Motion
Resolution
Choice Boundary Map
Choice Neighborhoods Implementation Grant – Notice of Funding Opportunity (NOFO)

c: Amanda Gregg, Chief Housing & Community Development Officer
Michelle Hepburn, Chief Financial Officer
Brooke Garver, Accounting and Budget Manager
Karen Reese, Grants Coordinator

REQUIRED MOTION

MAYOR & CITY COUNCIL
HAGERSTOWN, MARYLAND

DATE: **January 20, 2026**

TOPIC: **Approval of a Resolution: Approval to Serve as Co-Applicant with the Hagerstown Housing Authority for the HUD Choice Neighborhoods Implementation Grant**

Charter Amendment	__
Code Amendment	__
Ordinance	__
Resolution	X
Other	__

MOTION: I hereby move that the Mayor & City Council adopt a resolution authorizing the City to serve as co-applicant with the Hagerstown Housing Authority for the Choice Neighborhoods Implementation Grant as offered by the U.S. Department of Housing and Urban Development (HUD). The grant would provide up to $26 million to implement the previously developed Choice Transformation Plan for revitalization of the designated Choice Neighborhoods area. City staff is authorized to execute all documents necessary to submit this application.

The Notice of Funding Opportunity for the grant is attached.

DATE OF INTRODUCTION:	01/20/2026
DATE OF PASSAGE:	01/20/2026
EFFECTIVE DATE:	01/20/2026

CITY OF HAGERSTOWN, MARYLAND

A RESOLUTION AUTHORIZING THE CITY OF HAGERSTOWN TO SERVE AS CO-APPLICANT WITH THE HAGERSTOWN HOUSING AUTHORITY FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

WHEREAS, The U.S. Department of Housing and Urban Development (HUD) offers the Choice Neighborhoods Implementation Grant Program to support comprehensive neighborhood revitalization efforts; and

WHEREAS, the City of Hagerstown (hereinafter referred to as "the City") and the Hagerstown Housing Authority previously collaborated to develop a Choice Neighborhoods Transformation Plan for the designated Choice Neighborhoods area; and

WHEREAS, the Choice Neighborhoods Implementation Grant, if awarded, would provide up to **$26 million** to implement the strategies and investments outlined in the approved Transformation Plan; and

WHEREAS, pursuant to HUD program requirements for the Choice Neighborhoods Implementation Grant, the City of Hagerstown is required to serve as co-applicant with the Hagerstown Housing Authority, thereby necessitating authorization by the Mayor and City Council in order to be eligible to apply for funding and to support coordinated implementation of the Choice Neighborhoods Transformation Plan; and

WHEREAS, the Mayor and City Council have determined that it is in the best interest of the City of Hagerstown and its residents to authorize the City's participation as co-applicant and to proceed with submission of the Choice Neighborhoods Implementation Grant application in accordance with HUD program requirements.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Hagerstown, Maryland as its duly constituted legislative body as follows:

1. That the City of Hagerstown is hereby authorized to serve as co-applicant with the Hagerstown Housing Authority for the U.S. Department of Housing and Urban Development (HUD) Choice Neighborhoods Implementation Grant, in accordance with HUD program requirements.
2. That the Mayor, City Administrator, and/or their designees are authorized to prepare, submit, and execute all applications, certifications, assurances, and related documents necessary to submit the Choice Neighborhoods Implementation Grant application and to

carry out the City's responsibilities as co-applicant, subject to review by the City Attorney.

3. This authorization is limited to submission of the grant application and related pre-award requirements and does not obligate the City to accept an award or commit City funds unless and until further action is taken by the Mayor and City Council.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

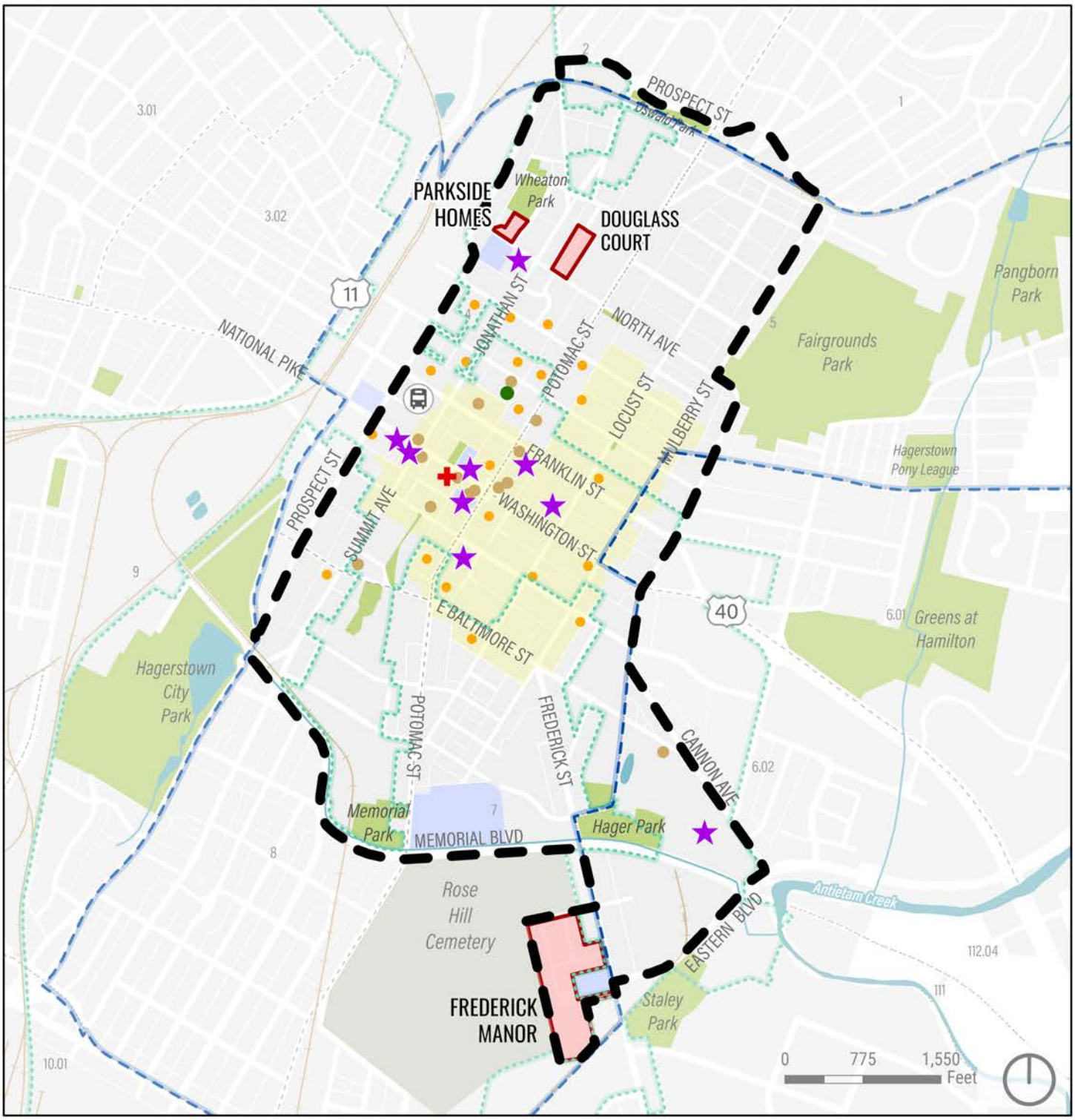
MAYOR AND COUNCIL OF THE CITY
OF HAGERSTOWN, MARYLAND

_____
Donna K. Spickler, City Clerk

By:_____
William McIntire, Mayor

Date of Introduction: January 20, 2026
Date of Passage: January 20, 2026
Effective Date: January 20, 2026

PREPARED BY:
SALVATORE & MORTON, LLC
CITY ATTORNEYS



- Hagerstown Choice Neighborhood
- Target Housing Sites
- School
- Cemetery
- Park /Open Space
- 2022 Census Tract
- Downtown
- Enterprise Zone
- Opportunity Zone
- Medical
- Place of Interest
- Farmers Market
- Place of Worship
- Government
- Transit Hub

Hagerstown Choice Neighborhood Map

Hagerstown, MD

U.S. Department of Housing
and Urban Development

Choice Neighborhoods Implementation Grants for Fiscal Year 2025

FR-6900-N-34

Applications are due by 11:59:59 PM Eastern Time on 03/09/2026.

Public and Indian Housing

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BEFORE YOU BEGIN

If you believe you are a good candidate for this funding opportunity, register in the appropriate systems now and review the application package. If you are already registered, make sure your registration is active and up-to-date.

SAM.gov Registration

You must have an active and up-to-date account with SAM.gov, at the time of application and throughout the life of any award.

To register, go to SAM.gov Entity Registration and click Get Started. From the same page, you can also click on the Entity Registration Checklist for the information you will need to register.

It can take several weeks to register in SAM.gov, so please get started now if you are planning to apply. SAM.gov also provides each organization with a unique entity identifier (UEI). A valid UEI is required to apply for funding.

Grants.gov Registration

You must have an active Grants.gov registration. This requires a Login.gov registration as well. See step-by-step instructions at the Grants .gov Quick Start Guide for Applicants. You must apply for funding using Grants.gov, unless HUD has approved your waiver request.

See Section VI.B. Submission Methods.

Find the Application Package

Use the Grants Search at Grants.gov and search for opportunity number FR-6900-N-34 . The application package has all the online forms you need to apply. You also need to access the Download Instructions link and review the content before you apply.

If you have other technical difficulties using Grants.gov, access the Support Center on Grants.gov for assistance.

To get updates on changes to this notice of funding opportunity (NOFO), click Subscribe from the View Grant Opportunity page for this NOFO on Grants.gov.

Application Deadline
Applications are due by 11:59:59 PM Eastern Time on 03/09/2026.

HUD Listserv
If you are interested in email notices about upcoming funding opportunities, subscribe to HUD's Funding Opportunities listserv.
Note: To help you find what you need, this NOFO uses internal links. In Adobe Reader, you can go back to where you were by pressing Alt + Left Arrow (Windows) or Command + Left Arrow (Mac) on your keyboard.

I. BASIC INFORMATION

I. Basic Information

A. Summary

B. Agency Contact(s)

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I. BASIC INFORMATION

See Contact and Support section of this NOFO.

A. Summary

Federal Agency Name:
United States Department of Housing and Urban Development (HUD)

HUD Program Office:

Public and Indian Housing

Announcement Type:

Initial

Program Type:

Discretionary

Paperwork Reduction Act Information:

2501-0044; 2577-0269

Due Date for Intergovernmental Review:

See Section VI.C.1.

Key Facts

Opportunity Name:
Choice Neighborhoods Implementation Grants for Fiscal Year 2025

Opportunity Number:
FR-6900-N-34

Federal Assistance Listing:
14.889

Key Dates

Application Due Date: 11:59:59 PM Eastern Time on:
03/09/2026

Anticipated Award Date:
08/31/2026

Estimated Performance Period Start Date:
08/31/2026

Estimated Performance Period End Date:
09/30/2034

1. NOFO Summary

The Choice Neighborhoods program focuses on the revitalization of severely distressed public housing. Implementation Grants provide funding to support the redevelopment of the target housing project, supportive services for residents of the target housing project, and physical improvements in the surrounding neighborhood. Only local governments and public

housing agencies that previously received a Choice Neighborhoods Planning Grant are eligible to apply for an Implementation Grant under this NOFO.

2. Funding Details

Type of Funding Instrument

G (Grant)

Available Funds

Funding of approximately **$75,000,000** is available through this NOFO. Subject to appropriations, HUD reserves the right to award fiscal year 2026 funds based on this NOFO competition.

Additional funds may become available for award. Use of these funds is subject to statutory constraints. All awards are subject to the selection process contained in this NOFO.

To determine the most you can request with your application, you need to:

1) **Calculate the development cost** for housing activities outlined in your Transformation Plan.

2) **Add funding** for non-housing activities.

See Section IV.B for detailed instructions on how to do these calculations.

You may request either the calculated amount or $26,000,0000, whichever is less. HUD reserves the right to award a lower amount.

Make sure to use the FY 2025 Implementation Grant Sizing worksheet (HUD-53235) and include it with your application.

Number of Awards
HUD expects to make approximately 4 awards from the funds available under this NOFO.

Length of Performance Period:

Other

Length of Periods Explanation:

Per the FY 2025 Appropriations, the cancelation date for this funding is September 30, 2034.

B. Agency Contact(s)

See Contact and Support section of this NOFO.

II. ELIGIBILITY

II. Eligibility

A. Eligible Applicants

B. Cost Sharing or Matching

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II. ELIGIBILITY

You are invited to apply if your organization is an eligible entity type and meets the funding conditions included in the NOFO. HUD will review applications from eligible applicants using the criteria in Section V. of this NOFO.

A. Eligible Applicants

1. Eligible Entity Types:

01 (County governments)

02 (City or township governments)

08 (Public housing authorities/Indian housing authorities)

Additional Information on Eligibility

Individuals are ineligible applicants.

2. Restrictions

a. Statutory and Regulatory Requirements Affecting Eligibility

You must comply with the current General Statutory and Regulatory Requirements Affecting Eligibility for HUD's Competitive Programs. HUD will review your eligibility before issuing an award. As part of this review, HUD uses SAM.gov and Department of Treasury data.

b. Application Eligibility

Your application is considered for funding if it satisfies the application review requirements in Section V. of this NOFO.

Key Eligibility Criteria. There are three main eligibility requirements for Choice Neighborhoods funding: you must be an eligible applicant entity; your application must target an eligible housing project; and your application must target housing in an eligible neighborhood.

1. Applicant Entity. Local government and public housing agencies (PHAs) must apply jointly. Either one can be the lead applicant.

a. Troubled Status for PHAs. Under section 24(j) of the 1937 Act, a "troubled" PHA might still be eligible to apply if:

(1) Its troubled status is mainly due to reasons that don't stop it from carrying out a revitalization program;

(2) It's making substantial progress in fixing its deficiencies that resulted in its troubled status;

(3) It hasn't been found to violate fair housing or civil rights laws; or

(4) HUD determines it can carry out a revitalization program.

If a PHA is on the most recent Operational Troubled List, HUD will use available documents and information to decide if that PHA is still eligible for funding. Troubled PHAs may also consult HUD's field office to discuss how the troubled designation affects their ability to manage a Choice Neighborhoods Implementation Grant.

2. Target Housing. Each application must focus on the revitalization of at least one severely distressed public housing project.

a. To be eligible for a grant under this NOFO, the Target Housing project must have been part of a FY 2023 or earlier Choice Neighborhoods Planning Grant. Your application may focus on *fewer* projects/units than were included in the Target Housing in the Planning Grant. But *no additional* housing projects/units may be included as the Target Housing for your application under this NOFO.

b. Severely distressed. The definition of "severely distressed housing" (from section 24(j)(2) of the 1937 Act) is included in the Appendix. HUD recognizes that the determination of severe physical distress was certified when the Choice Neighborhoods Planning Grant application was submitted. Thus, your application under this NOFO must include a letter from the PHA confirming that it has not done any rehabilitation work that would make the previous Certification of Severe Physical Distress invalid.

c. Prior Choice Neighborhoods Implementation Grants. The Target Housing of a previously funded Choice Neighborhoods Implementation Grant may not be the Target Housing of a subsequent Implementation Grant application.

3. Target Neighborhood. Each application must focus on one neighborhood. The Target Neighborhood for this grant must be the same neighborhood as funded by a FY 2023 or earlier Choice Neighborhoods Planning Grant. The Target Neighborhood boundary submitted with your application must match the neighborhood boundary for your CN Planning Grant as approved by HUD prior to publication of this NOFO. You must submit an updated report for the Target Neighborhood created with HUD's online Choice Neighborhoods Mapping Tool. This report is not needed to establish eligibility, but is still used for HUD to assign points for certain rating factors.

B. Cost Sharing or Matching

This Program requires cost sharing or matching, as described below.

Section 24(c)(1)(A) of the 1937 Act (42 U.S.C. 1437v(c)(1)(A)) establishes a matching requirement for Choice Neighborhoods grants. In addition, Section 24(c)(1)(B) of the 1937 Act states that if a grantee uses more than five percent of the grant amount for Supportive Services, it must provide matching funds in an amount equal to the amount used in excess of five percent. By the end of the CN grant term, grantees must secure and use at least five percent of the CN grant amount in cash or in-kind donations. Other section 24 funding CANNOT be considered match. Generally other federal sources are only allowed to count as cost share or match if permitted by a program's authorizing statute. Grantees must show evidence that matching resources were received and used for their intended purposes through quarterly reports. Sources of matching funds may be substituted after grant award, as long as the dollar requirement is met. Grantees must pursue and enforce any commitment (including commitments for services) obtained from an entity for any contribution or commitment to the project or surrounding area that was part of the match amount.

III. PROGRAM DESCRIPTION

III. Program Description

A. Purpose

B. Goals and Objectives

C. Authority

D. Unallowable Costs

E. Indirect Costs

F. Program History

G. Other Information

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III. PROGRAM DESCRIPTION

A. Purpose

The Choice Neighborhoods program aims to transform severely distressed public housing and the surrounding areas. Local governments, public housing agencies, residents, and other partners (like schools, police, business owners, nonprofits, and private developers) work together to create and carry out neighborhood plans to accomplish these goals. These plans improve public housing, help residents become self-sufficient, and revitalize the neighborhood. Choice Neighborhoods uses public and private money to support local plans for struggling neighborhoods. The program has three main goals:

1. **Housing:** Redevelop severely distressed public housing into good quality, mixed-income housing that meets residents' needs and helps revitalize the community.
2. **People:** Help residents in the Target Housing improve their lives through upward mobility, employment, and self-sufficiency.
3. **Neighborhood:** Revitalize distressed neighborhoods by attracting long-term reinvestment from private and other public sources, leading to economic development, better amenities, services, and job opportunities for residents.

HUD offers two types of Choice Neighborhoods grants: Planning Grants and Implementation Grants. This specific funding opportunity is for **Implementation Grants**. Successful applicants will use these funds to carry out a comprehensive neighborhood revitalization strategy, or “Transformation Plan,” which they've already developed through a Planning Grant. (Planning Grants are awarded separately and help fund the creation of a Transformation Plan.)

B. Goals and Objectives

Each Transformation Plan should address these objectives:

Housing Objectives: Transform severely distressed public housing:

1. **Redevelop and Reposition Distressed Housing.** Convert public housing projects to Section 8 properties and make them part of a mixed-income development with affordable units for all income levels.
2. **High Quality.** Housing is well-designed, well-built, connected to, and improves the surrounding neighborhood.
3. **Financially Viable.** Housing is built within budget and is able to support itself financially over the long term.

People Objectives: Promote upward mobility, employment and self-sufficiency, and improved quality of life for residents in the target housing, including:

1. **Income and Employment.** Resident employment and income increase, which supports economic stability and provides residents a path for moving out of subsidized housing.
2. **Training and Education.** Children and youth have access to services that improve

their education and prepare them for college or careers.

3. **Maintaining Independence.** Elderly people and people with disabilities have access to services that help them stay independent.

Neighborhood Objectives: Support long-term neighborhood revitalization:

1. **Economic Opportunity.** Neighborhood has or is connected to a variety of businesses and employers, offering good jobs and economic opportunities for residents.
2. **Assets and Amenities.** Neighborhood has amenities typically found in areas with more opportunities, such as grocery stores, retail goods and services, financial institutions, health facilities, parks, public transit, and high-quality educational opportunities.
3. **Community Confidence.** Neighborhood has a more positive public image with improved appearance and a strong sense of place.
4. **Safety.** Neighborhood has lower crime rates and residents feel safer.

C. Authority

The funding authority for Choice Neighborhoods grants under this NOFO is provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4, approved March 15, 2025) (FY 2025 Appropriations). The program authority for the Choice Neighborhoods Initiative is section 24 of the 1937 Act (42 U.S.C. 1437v), as applied by the FY 2025 Appropriations.

D. Unallowable Costs

Ineligible activities include, but are not limited to:

a. Any activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods grant.

b. Gifts/prizes for participation incentives (e.g. gift cards provided to residents that complete a survey or needs assessment and meals provided at planning meetings).

c. Construction or rehabilitation of a K-12 school building or a higher educational institution.

E. Indirect Costs

This program is subject to an OMB-approved deviation from the negotiated rate requirements. The deviation is as follows:

In accordance with section 24 of the 1937 Act, as amended, funding under this program may only be used for direct costs. Therefore, indirect costs are not permitted under this NOFO.

F. Program History

Here are the major changes to this NOFO since the version published in FY 2023.

- Simpler NOFO format: to align with Appendix I of 2 CFR 200.
- Updated project eligibility: only public housing can be the Target Housing and must

have been the subject of a previously awarded Choice Neighborhoods Planning Grant.

- Reduced maximum grant award: maximum award reduced from $50 million to $26 million.
- The definition of “Replacement Housing” no longer includes public housing units.
- The amount of CN funding that can be allocated to Supportive Services is back to 15 percent and for Critical Community Improvements (CCIs) is now 10 percent.
- Streamlined application: deleted several rating factors and restructured other rating factors.

G. Other Information

For Choice Neighborhoods Implementation Grants, the ultimate beneficiaries are the residents of the target neighborhood, including those living in the target housing development. Cities or other municipalities also benefit from the neighborhood plans that help revitalize low-income communities.

1. Eligible Activities - Choice Neighborhoods grants must be used for activities approved by HUD and be conducted in accordance with section 24 of the US Housing Act of 1937, as amended, by the Choice Neighborhoods Appropriations, and the requirements of this NOFO. Eligible activities include:

(a) Costs related to the development of housing to be Replacement Units, Affordable Housing (as defined in this NOFO), or Homeownership Units, including demolition, construction, acquisition or rehabilitation, architectural and engineering fees, legal fees, and other related expenses.

(b) Providing supportive services for residents, primarily focused on case management, service coordination and assistance to enable residents to access programs from other key agencies and local service providers that will promote upward mobility, employment and self-sufficiency, and improved quality of life for households living in the target housing. Programs and services include those that will increase income and employment; improve education outcomes and ultimately prepare students to graduate from high school college- and/or career-ready; maintain independence for elderly persons and persons with disabilities; and remove impediments to these goals (such as those related to transportation, substance abuse and health, housing stability, and childcare).

(c) Relocation assistance, including tenant-based rental assistance renewable under section 8 of the United States Housing Act of 1937, and supportive services for families that are displaced, including mobility and relocation counseling over multiple years, reasonable moving costs, and security deposits.

(d) Critical Community Improvements, as defined in this NOFO.

(e) Supportive Services Endowment.

(f) Administrative costs of the applicant directly related to carrying out grant activities.

2. Program Requirements.

a. Right to Return for Tenants. Grantees must provide each tenant who occupies a unit at

the Target Housing under a valid lease or occupancy on the date of the grant award the opportunity to return to a replacement unit if the tenant was lease-compliant at the time of departure from the housing prior to relocation and remained lease-compliant during the relocation period. A returning tenant shall be provided the highest-level preference for occupancy of replacement units before such units are made available to any other households. Accordingly, the Housing Plan must provide an adequate number of replacement housing units that can be occupied by households with incomes up to 80 percent AMI (e.g., units that are not limited by another funding source such as LIHTC equity that has a lower income limit) and provides a sufficient number of bedrooms per unit and accessible units to ensure families are not displaced. The tenant also has the option not to occupy a replacement unit and may retain tenant-based voucher assistance provided under section 8(o) of the United States Housing Act of 1937 for relocation from the properties revitalized under this NOFO. These preferences are retained even if the resident has already received permanent relocation assistance. This preference remains available until the initial lease-up of the replacement units. If a household is “rightsized” (e.g., splits into two separate households) through the relocation resulting from Choice Neighborhoods, the original head of household will have the right to return. Once all the original heads of household have been housed, the Grantee is required to offer the second household any units that are available. If no units are available, then the second household will be moved to the top of the waiting list for the replacement units in this project. Both the original household and the second household are required to be lease-compliant at the time of relocation and throughout relocation.

b. One-for-One Replacement of Units. Each Transformation Plan that provides for public housing dwelling units to be demolished or disposed must provide as follows:

(1) **Existing Units.** For all public housing dwelling units still physically standing as of the application due date which will be demolished or disposed, the Transformation Plan must provide for replacement of the same number of units. The number of bedrooms replaced may be greater or fewer than those still physically standing, provided that the overall unit mix first meets the needs of the existing residents, then considers the needs of households on the waiting list and is aligned with the results of a recent housing market study.

(2) **Types of Units.** Replacement Housing is rental housing that will replace demolished, disposed of, or otherwise reduced public housing. Refer to the definition of Replacement Housing in Appendix II.

(a) **Section 8 Project-Based Voucher Units by Other (PBV by Others).** Section 8 project-based vouchers (PBV) developed by an entity other the Housing Implementation Entity and without Choice Neighborhoods funding (referred to as ‘PBV by Others’) can count as Replacement Housing if the PHA with jurisdiction over the geographic area where the project will be located has an established PBV program in accordance with 24 CFR Part 983. Units must be in mixed-income developments and, if located outside the target neighborhood, must satisfy the location requirements listed below. PBV by Others can only account for up to one-third of the Replacement Units. If an application qualifies for the exception that allows tenant-based vouchers to count as Replacement Housing and the plan proposes to exercise that option, the sum of tenant-based vouchers and PBV by Other cannot exceed one-half of the

replacement units. If awarded a grant, information will be provided to the Choice Neighborhoods office as projects are identified for review and approval to count as Replacement Units. In the event the proposed PBVs are not developed, the Lead Applicant and Housing Implementation Entity will still be responsible for meeting the one-for-one requirement.

(b) **Tenant-based Vouchers as Replacement Housing.** Tenant based vouchers can only count as Replacement Housing in housing markets where there is an adequate supply of affordable rental housing in areas of low poverty. As part of the Choice Neighborhoods mapping tool, HUD has included the counties that meet the standards in (i) Vacancy and (ii) Voucher Dispersion below. This information will be included in the pdf report sent via email after you draw the neighborhood's boundary on the mapping tool that you must include as an attachment in your application. If the report indicates those criteria are met, then Choice Neighborhoods applicants working in an eligible community may submit a grant application based on qualifying for this exception.

(1) Criteria.

(i) Vacancy: Be located in a county/parish with a rental vacancy rate (as measured in the American Communities Survey (ACS)) that exceeds the HUD conventional range for a "balanced" rental market by a percentage point or more in accordance with the table below. For example, in a market with slow population growth (population growth of one percent annually or less), HUD has determined that market to be "soft" or "loose" if rental vacancy rates in the county are greater than 5.9 percent.

Annual Population Growth	**Vacancy Rate of Loose Rental Market**
Slow (<1%)	>5.9%
Moderate (1-2.9%)	>7.4%
Rapid (>3%)	>9.0%

(ii) Voucher Dispersion: Be located in a Core Based Statistical Area (CBSA) or non-CBSA County where vouchers currently in use are primarily in lower poverty neighborhoods. Data from IMS/PIC shows the location of current housing choice voucher holders in the CBSA (or county/parish outside a CBSA). To qualify on this standard, the median neighborhood poverty rate or extremely low-income percentage for voucher holders in the CBSA (or county/parish outside a CBSA) must be 20 percent or less. In other words, at least 50 percent of all voucher holders in the CBSA must be in neighborhoods with a 20 percent poverty rate (or extremely low-income rate) or less. An applicant may also meet this requirement if the success rate of only the housing agency that will administer the replacement vouchers meets the criteria above.

(2) If eligible for this exception, the tenant based-vouchers can count for up to one-third of the Replacement Housing. Please note that this exception does not supersede an entity's obligation to comply with other one-for-one replacement requirements associated with other program requirements/funding sources (e.g., the Rental Assistance Demonstration, Section

104(d) of the Housing and Community Development Act, etc.).

(3) **Location.** Replacement Housing units developed by the Housing Implementation Entity must be located within the target neighborhood. The exception is that 'PBV by Others' (described below) may be located outside the target neighborhood if they meet the following criteria:

(a) Are located within the metropolitan area up to 20 miles from the target housing site;

(b) Offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services and facilities that are comparable to those that will be provided in the target neighborhood; and
(c) Meet the site and neighborhood standards listed in 24 CFR 983.55, or successor regulation.

c. Project Milestones. In order to ensure grant funds are expended prior to the expenditure deadline, grantees must proceed in a timely fashion. Early milestones that must be met include:
(1) Key Supportive Services programs and activities must be made available to residents within 120 days of grant award.
(2) An updated budget and program schedule must be submitted within 120 days after grant award.
(3) A copy of the executed development services agreement with the Housing Implementation Entity must be submitted within 120 days after grant award.
(4) A detailed/updated People Plan must be submitted within 12 months of grant award.
(5) A detailed/updated Neighborhood Plan must be submitted within 12 months of grant award.
(6) The financial closing for the first housing phase using grant funds must occur within 18 months of grant award, and the construction Notice to Proceed or equivalent must start within 90 days after the closing date.

d. Replacement Housing Development Activities.
(1) All Replacement Units must meet the definition provided in the Appendix. Such units must also be developed in mixed-income projects, with the exception of projects designated for seniors and/or residents with disabilities. For phases using grant funds, HUD will review the development proposal in accordance with the regulations at 24 CFR 905.606 and the Cost Controls and Safe Harbor Standards for Rental Mixed-Finance Development, dated April 2003, or subsequent guidance.
(2) Any RAD conversion must be done in accordance with the protocol for reviewing RAD/Choice Neighborhoods projects or subsequent guidance (available on the Choice Neighborhoods website at https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/cn/grants).
(3) For Replacement Units to be provided as PBV by Others, the PHA that administers the vouchers must comply with 24 CFR part 983. In addition, the Choice Neighborhoods office must review project information in advance of the AHAP or HAP contract to confirm the

project satisfies the CN program objectives (e.g., is in a mixed-income development and, if located outside the target neighborhood, meets the location requirements set forth in this NOFO).

e. Affordable Housing Development Activities. Affordable Housing units (non-replacement rental units, as defined in the NOFO) developed with Choice Neighborhoods funds must be done in accordance with a proposal approved by HUD. Such units must be available to families earning up to 120 percent of AMI for at least 20 years. Affordable Housing units must be in the same building with replacement units, except for buildings with one to four units total. Further, Affordable Housing units cannot include other funding that has a lower income restriction (such as LIHTC equity). The affordability restrictions shall be contained in a legally enforceable document recorded in the appropriate recorder's office or registry of deeds and consistent with the long-term viability of the project. HUD will review the development proposal in accordance with the regulations at 24 CFR 905.606 and the Cost Controls and Safe Harbor Standards for Rental Mixed-Finance Development, dated April 2003, or subsequent guidance.

f. Homeownership Development Activities. Homeownership units developed with Choice Neighborhoods funds must be developed in accordance with a homeownership proposal, which must be consistent with fair housing and civil rights requirements, approved by HUD. Such units must be sold to families earning up to 120 percent of AMI and grantees shall commit to an affordability period of at least 20 years.

g. Acquisition.

(1) Acquisition Proposal. Site Acquisition Proposal. If a Grantee proposes to use Grant Funds to acquire vacant land (or land with existing dilapidated structures to be torn down prior to redevelopment) for the future development of new replacement housing units but is not yet prepared to submit a Development Proposal, the Grantee must submit a site acquisition proposal to HUD for review and approval prior to acquisition in accordance with 24 CFR 905.608. Once the Grantee finalizes its plan for development of the site, the Grantee must submit a Development Proposal to HUD for review and approval in accordance with 24 CFR 905.606.

(2) Land for Replacement Units outside the target neighborhood. For acquisition of land for replacement housing outside the target neighborhood, grantees must comply with 24 CFR part 905.602(d) (site and neighborhood standards).

(3) Land for Economic Development-Related Activities.

(a) Acquisition of land for this purpose is eligible only if the economic development-related activities specifically promote the economic self-sufficiency of residents.

(b) Limited infrastructure and site improvements associated with developing retail, commercial, or office facilities, such as rough grading and bringing utilities to (but not on) the site, are eligible activities with prior HUD approval.

(4) Acquisition of land for Federally funded projects is subject to the Uniform Relocation

Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and its implementing regulations at 49 CFR part 24.

h. Building Codes and Design Standards. Housing units must meet all federal, local and state building regulations/codes and be built to market rate standards. HUD is seeking excellence in design. Applicants are encouraged to design projects that are compatible with and support revitalization of the surrounding neighborhood. Local architecture and design elements should be incorporated so the housing blends in with and enhances the physical character of the neighborhood. Amenities should be provided that address the needs of residents and support self-sufficiency. Housing units should be able to withstand severe weather events. Site and building designs must incorporate all federal accessibility requirements as referenced in Section VII of the NOFO and should seek to incorporate Universal Design concepts, such as livability and visitability.

i. People Plan and Supportive Services.

(1) **Term Period.** Supportive Services activities and case management must last for either the end of the grant term or when the last phase with replacement units is leased, whichever is sooner. Activities should be carefully planned so that they will last after the grant period ends. Outreach and basic supportive services, including household-level assets and needs assessments and service referrals for immediate needs, should start within 120 days of grant award.

(2) **Allowed Funding Mechanisms:**

(a) Maximum Supportive Services Amount. Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act, grantees may use up to 15 percent of the total Choice Neighborhoods grant to pay the costs of Supportive Services activities. Grantees may spend additional sums on Supportive Services activities using donations; other HUD funds made available for that purpose; and other federal, state, local, PHA, or private-sector donations (leverage). After award, successful applicants must provide a detailed plan, for HUD's review and approval, for how Choice Neighborhoods funds will be used in combination with other resources to increase income and employment; improve education outcomes and ultimately prepare students to graduate from high school college, attend college or start a career; and maintain independence for elderly persons and persons with disabilities.

(b) Supportive Services Endowment Trust. Each grantee may elect to establish an endowment with some Supportive Services funding under this grant. HUD will release funds into the Supportive Services Endowment Trust during the last year of the grant term or one year prior to lease up of the last housing phase with replacement units if the grantee demonstrates that it has made substantial progress on a subset of performance indicators. If the grantee has not met these performance indicators, then it may forfeit this portion of the total grant, unless otherwise approved by HUD. To establish an endowment trust, grantees must first execute with HUD an Endowment Trust addendum to the grant agreement. Grantees must submit this addendum as part of an Endowment Trust proposal. When reviewing the Endowment Trust proposal, HUD will take into consideration the grantee's ability to pay for current supportive services activities with Choice Neighborhoods or other

funds and the projected long-term sustainability of the endowment trust to carry out those activities. If established, the endowment trust should be part of a broader sustainability plan and should consider the full scope of services, including leveraged services, that are needed to support effective strategies.
(3) **Dedicated Project Manager.** The People Implementation Entity must dedicate an experienced full-time project manager to oversee the People Plan implementation.
(4) **Data Sharing.** The Lead Applicant, People Implementation Entity, and current property management entity must develop a data sharing agreement among all parties to ensure resident data can be shared on an 'as needed' basis to achieve the goals of the People Plan. At a minimum, the data sharing agreement should cover resident contact information, eviction risk status, safeguards to ensure data security, and other basic information to facilitate case management outreach and housing stability supports. Grantees are reminded that all medical and reasonable accommodation information shall be maintained, kept confidential, and disclosed consistent with the requirements of and the authorized purposes under Section 504 of the Rehabilitation Act and the Americans with Disabilities Act.
(5) **People Plan.** Grantees must submit a detailed People Plan within 12 months of grant award. After grant award, new household-level assets and needs assessments should be conducted with at least 65 percent of households living in the Target Housing prior to the development of the People Plan so that strategies are informed by the results. If the target housing was demolished five or more years ago, the grantee must explain and justify the target population for the proposed People Plan. HUD reserves the right to negotiate plan details and must approve the final plan.

(6) **Case Management and Service Coordination.** Case Management and supportive services must be available to all original residents living in the target housing at the date of grant award as well as to residents who move into the target housing prior to relocation. At the grantee's discretion, case management and supportive services may also be extended to residents who occupy the Replacement Housing units. Case management and supportive services under this grant cannot be extended to residents who do not live in the housing specifically targeted for this grant. When households include multiple family members, case management services must be offered to the entire family. As part of case management, in-depth individual or family development plans must be created and updated at least once a year to identify needs, strengths, and goals of residents and to tailor supportive services coordination, programming, and referrals. To effectively serve residents, HUD recommends a case manager ratio of no more than 1:50 households. In addition to Case Management, Service Coordination must be provided to improve target residents' access to high-quality services that meet their needs, as well as remove impediments, such as transportation, health, housing stability, and childcare.
(7) **Income & Employment.** Grantees, with their partners, must offer services to increase income and employment for working-age adults. Services must include: creating/coordinating a career pathway pipeline available to working-age adults, including career exploration, coaching, and training; developing direct connections to employers; and supporting residents in retaining new jobs for at least the first 90 days of their employment.
(8) **Training & Education.** Grantees, with their partners, must offer services to improve education outcomes and ultimately prepare students to graduate from high school ready for college- and/or a career. Services may include: supporting the attendance of children from

birth to kindergarten in high-quality early education programs, evidence-based programs for caregivers, developmental screening, and, if a delay is identified, early behavioral health services; supporting the attendance of school-aged children in high-quality, out-of-school time programs; providing wrap-around supports; securing school data sharing agreements and tracking student-level data consistent with the Family Educational Rights and Privacy Act (FERPA); and working with school staff to meet individual students' needs.
(9) **Maintaining Independence.** Grantees, with their partners, must offer services to help elderly persons and persons with disabilities maintain their independence. Services may include connecting residents to: a regular place of healthcare, needed health and mental health services, and wrap-around supports to maintain independence.

j. Neighborhood Development Activities and Critical Community Improvements (CCIs).
(1) **Neighborhood Investment.** Grantees must implement a locally-driven Neighborhood Plan to improve the target neighborhood and attract public and private investment. Your Neighborhood Plan must be tailored to the opportunities and challenges within your neighborhood, while also addressing the program's Neighborhood Objectives. The Neighborhood Plan should also reflect input from a broad set of partners, community residents, and target housing residents
(2) **Critical Community Improvements.**
(a) Purpose and Funding. CCIs are community and economic development projects funded by the Choice Neighborhoods grant. These activities must support the broader goals and strategies of your Neighborhood Plan. Grantees may use up to 10 percent of the Choice Neighborhoods grant to support CCI activities.
(b) Requirements. CCI funds can only be spent on physical improvements. CCI activities must be highly visible and strategically located (e.g. near replacement housing or on key commercial corridors). HUD expects CCI activities to leverage additional public and private dollars.
(c) Eligible Uses. CCIs must address at least one Neighborhood Objective of the Choice Neighborhoods program. Accordingly, possible uses of funds include:

- Economic Opportunity: Activities that attract or retain jobs within the neighborhood, such as development or rehabilitation of commercial and retail space; tenant build-out; business façade improvement programs; or kitchen and food incubators.
- Community Assets and Amenities: Commercial and retail development; funding towards grocery stores, early childhood education centers, parks, or green space.
- Community Confidence: Enhanced corridor improvements; place-making and public art; homeowner façade improvement programs; redevelopment of vacant lots and buildings; blight elimination; or community gardens.
- Public Safety: HUD will consider physical public safety improvements on a case-by-case basis.

(d) Ineligible Uses. HUD will not fund the following activities: development of social services facilities (e.g., "one stop shops," community centers, employment and/or training centers, citywide or regional social service facilities); providing programs, services, or operating funding; the commission of plans and studies; water and sewer line repair or infrastructure; bike share stations, car/rideshare stations, and electric vehicle charging stations; standard

street, sidewalk and lighting installation or repair; landbanking; land acquisition not related to a CCI activity/future use. CCI funds cannot be used for infrastructure or substitute for basic municipal services.

(3) **Neighborhood Plan.** Successful applicants must submit an updated Neighborhood Plan to HUD describing each CCI activity and how it supports the broader neighborhood strategy within 12 months of grant award. At that time, HUD will review the proposed CCI activities and reserves the right to negotiate and/or disapprove CCI activities as the use of grant funds is subject to HUD approval.

k. **Procurement criteria to assemble the Choice Neighborhoods Grant Application.** All grantees must comply with applicable procurement regulations, including 2 CFR 200. If partners identified in this grant application submit an application in response to this NOFO (i.e., Principal Team Members) were not selected through a procurement process, then the grantee must take steps necessary to ensure compliance with the applicable procurement requirements for all expenditure of grant funds. The Housing Implementation Entity may be selected in accordance with 24 CFR 905.604(h).

IV. APPLICATION CONTENTS AND FORMAT

IV. Application Contents and Forms

A. Standard Forms, Assurances, and Certifications

B. Budget

C. Narratives and Non-Form Attachments

D. Other Application Content

TABLE OF CONTENTS

IV. APPLICATION CONTENTS AND FORMAT

Applications must include three main elements: a) standard forms, assurances, and certifications; b) budget; and c) narratives and other attachments. The content, forms, and format for each element are included in this section.

You may use this section as a checklist to ensure you submit a complete application.

If you don't provide the required documents in the correct format, your application is incomplete.

Do not submit password protected or encrypted files.

Element	Submission Form
Standard Forms, Assurances, and Certifications	Upload using each required form.
Budget	Use the required budget form.
Narratives and Other Attachments	Insert each in the Attachments form.

240 pages is the total maximum length of all narratives.

Double spaced 12-point Times New Roman font on letter sized paper (8 1/2 x 11 inches) with at least 1-inch margins on all sides.

A. Standard Forms, Assurances, and Certifications

You must properly complete and submit with your application the standard forms, assurances, and certifications identified below. You can find all forms in the application package or review them and their instructions at Grants.gov Forms.

Forms/Assurances/ Certifications	Submission Requirement	Notes/Description
Application for Federal Assistance (SF-424)	Required with the application	Page limit: Not applicable File name: SF-424 More form information
Applicant and Recipient Assurances and Certifications (HUD 424-B)	Required with the application	Page limit: Not applicable File name: HUD-424B More form information
Applicant/Recipient Disclosure/Update Report	Required with the application	Page limit: Not applicable File name: HUD-2880

Forms/Assurances/ Certifications	Submission Requirement	Notes/Description
(HUD 2880)		More form information
Certification Regarding Lobbying	Required with the application	Page limit: Not applicable File name: Lobbying Certification form More form information
Disclosure of Lobbying Activities (SF-LLL)	If applicable, required with the application	Page limit: Not applicable File name: SF-LLL More form information
Certification of Consistency with Promise Zone Goals and Implementation (HUD-50153)	If applicable, required with the application	Page limit: Not applicable File name: HUD-50153
Certification for Opportunity Zone Preference Points (HUD 2996)	If applicable, required with the application	Page limit: Not applicable File name: HUD-2996
Certification for a Drug-Free Workplace (HUD-50070)	If applicable, required with the application	Page limit: Not applicable File name: HUD-50070
Certification of Consistency with the Consolidated Plan (HUD-2991)	Required with the application	Page limit: Not applicable File name: HUD-2991

B. Budget

You must submit a budget with your application to support your project narrative.

Refer to the Choice Neighborhoods Implementation Grant Budget Guidance for details about eligible costs and how to classify them.

Budget Form/Document	Submission Requirement	Notes/Description
Choice Neighborhoods Implementation Grant Budget form (HUD-	Requi	Page

Budget Form/Document	Submission Requirement	Notes/Description
53236)	red with the application	limit: Not Applicable File name: HUD-53236
Grant Sizing Worksheet (HUD-53235). **Grant Sizing Methodology.** An applicant may request the lesser of $26,000,000 or the amount calculated in accordance with the methodology below. The formula calculates a development cost for the replacement housing units to be developed in the Transformation Plan with grant funds and allows for additional funding for non-housing activities. **a. Funding for Housing Activities.** To establish the replacement housing unit development cost, HUD will use the Total Development Cost limits (TDC Limit) in effect at the time this Choice Neighborhoods NOFO is published (2024 TDC limits are dated November 13, 2024) as a proxy for the costs of all types of replacement housing units. Note: The TDC limit, as defined at 24 CFR 905.314, refers to the maximum amount of public housing capital assistance that HUD will approve for development of public housing. It applies only to the costs of development of public housing that are paid directly with HUD public housing funds; a grantee may exceed the TDC limit using non-public housing funds such as CDBG, low-income housing tax credit equity, etc. The total cost of development, which includes relocation costs, is limited to the sum of (a) up to 100 percent of HUD's published TDC limits for the costs of demolition and new construction, multiplied by the number of target housing replacement units and (b) 90 percent of the TDC limits, multiplied by the number of target housing units after substantial rehabilitation and reconfiguration. Extraordinary Site Costs are not considered in the calculation of the maximum grant award. If	Required with the application	Page limit: Not Applicable File name: HUD-53235

Budget Form/Document	Submission Requirement	Notes/Description
selected for funding, HUD will evaluate such costs in conjunction with reviewing the housing development proposal for each phase. **b. Funding for Non-Housing Activities.** These costs are in addition to the funding for housing activities calculated above. (1) Supportive Services. Up to 15 percent of the total Choice Neighborhoods grant may pay the costs of Supportive Services activities, as defined in this NOFO. (2) Critical Community Improvements. Up to 10 percent of the total Choice Neighborhoods grant may pay the costs of Critical Community Improvements (CCI), as defined in this NOFO. Applicants may choose to allocate less CN funding to Supportive Services and CCI than the maximum caps. **Cost Control Standards** **a.** Hard development costs must be realistically developed using technically competent methodologies, including cost estimating services, and should be comparable to industry standards for the kind of construction to be performed in the proposed geographic area. **b.** Cost estimates must represent an economically viable preliminary plan for designing, planning, and carrying out your proposed activities, in accordance with local costs of labor, materials, and services. **c.** Projected soft costs must be reasonable and comparable to industry standards and in accordance with the applicable policy, statute and/or regulations. **d.** HUD shall establish cost limits on eligible activities under this NOFO sufficient to provide for effective transformation programs. Refer to the Choice Neighborhoods Implementation Grant budget guidance and other guidance posted on the Implementation Grants page of the program website (www.hud.gov/cn).		
Housing Plan All Sources and Uses by Phase	Required with the	Page limit: Not Appli

Budget Form/Document	Submission Requirement	Notes/Description
	application	cable File name: HousingBudget

C. Narratives and Other Attachments

If applicable, you must upload narrative and other attachments in Grants.gov using the Attachments Form. When using the Attachments Form, you can upload PDF, Word or Excel formats.

Document	Submission Requirement	Notes/Description
Code of Conduct	If not included in HUD's eLibrary, this document is required with the application	Page limit: Not applicable File name: Code Acceptable Content
CN Implementation Grants Table of Contents (HUD-53230)	Required with the application	This form is updated annually. Make sure to use the FY25 version provided in the grants.gov application package download File name: HUD-53230
Attachment 1: Key Eligibility Data form (HUD-53233)	Required with the application	File name: Att1KeyEligData
Attachment 2. Eligible Applicant		File name: Att2EligApplicant
Attachment 3. Eligible Target Housing.	Required with the application	File name: Att3EligTargetHousing
Attachment 4. Eligible	Required with the application	File name:

Neighborhood - Eligible Neighborhood Data. Respond to the requirement in II.A.2.b by providing the PDF received via email that contains data generated from the mapping tool provided on www.hud.gov/cn		Att4EligNeighborhood
Attachment 5: Existing Units, Occupancy, Vacancy	Required with the application. Complete form HUD-53234.	File name: Att5ExistingUnits
Attachment 6: Planned Units	Required with the application. Complete form HUD-53234.	File name: Att6PlannedUnits
Attachment 7: One-for-One Replacement Certification	Required with the application. Provide the One-for-One Replacement Certification form (HUD-53238) committing to compliance with the one-for-one replacement requirements. If the target site has already been demolished or the Housing Plan is 100 percent rehabilitation of the units with the current bedroom configuration, the certification form does not need to be provided. If the report generated from the HUD CN Mapping Tool indicates that this neighborhood qualifies for the exception allowing tenant-based vouchers as replacement housing, fill out the form accordingly.	File name: Att7ReplaceCert
Attachment 8: RAD Documentation	If applicable, required with the application. If you are proposing to carry out the Housing Plan in conjunction with a RAD conversion, provide documentation identifying the target public housing project(s) and the	File name: Att8RAD

	status of your RAD application (e.g., waiting list, CHAP approved, etc.).	
Attachment 9: Resident and Community Involvement	Required with the application. Complete form HUD-53231.	File name: Att9ResidentInvolve
Attachment 10: Partnership Certifications	Required with the application	File name: Att10Partnership
Attachment 11: Site Control for Target Housing and Replacement Housing Sites to be Developed by the Housing Implementation Entity	Required with the application	File name: Att11SiteControl
Attachment 12: Threshold Narrative	Required with the application	File name: Att12Threshold
Attachment 13: Introduction	Required with the application	File name: Att13Intro
Attachment 14: Narrative response to Rating Factors	Required with the application	See Section V.B. File name: Att14RatingFactorNarrative
Attachment 15: Supplemental Information (Photos, etc.) response to Need Rating Factors	Required with the application	See Section V.B. File name: Att15NeedSupple
Attachment 16: State and Local Government Leverage	Required with the application	See Section V.B. File name: Att16StateLocalLev
Attachment 17: Neighborhood Investment Leverage	Required with the application. Include the cover sheet provided (form HUD-53239).	See Section V.B. File name: Att17NeighLev
Attachment 18: Housing Leverage	Required with the application. Include the cover sheet provided (form HUD-53239).	See Section V.B. File name: Att18HousingLev
Attachment 19: People	Required with the application. Include the cover sheet	See Section V.B.

Leverage	provided (form HUD-53239).	File name: Att19PeopleLev
Attachment 20: City and Neighborhood Maps	Required with the application. Provide to-scale city and neighborhood maps that clearly label the items listed below in the context of existing city streets, the central business district, other key city and neighborhood sites, and census tracts. The neighborhood map must show the same boundaries used to draw the neighborhood through the mapping tool that generated the eligible neighborhoods data required in Attachment 4. Because the City and Neighborhood Maps provide essential context for HUD reviewers, it is essential that applicants provide maps that are readable, at a reasonable scale, and clearly label the key information below: (a) the existing housing project and target neighborhood; (b) other properties on which replacement housing will be developed, if any; (c) other subsidized housing; (d) neighborhood assets; (e) job centers and applicable transportation connections (highways, streets, bus/rail transit service, bike and pedestrian facilities) from the neighborhood to these job centers; (f) Opportunity Zone, Promise Zones, Promise Neighborhoods, and Byrne Criminal Justice Grant	File name: Att20Maps

	neighborhood boundaries, if applicable; and (g) other useful information to place the project in the context of the city, county/parish, or municipality, and other revitalization activity underway or planned	
Attachment 21: Current Site Plan	Required with the application. Provide a Current Site Plan that shows and clearly labels the target housing site's various buildings. Demolished buildings should be shown and labeled as such. Label all uses and buildings adjoining the existing development.	File name: Att21CurrentSitePlan
Attachment 22: Conceptual Site Plan	Required with the application. Provide the conceptual site plan that shows the layout of the proposed site plan post-transformation, indicating where your plan's proposed construction and rehabilitation activities will take place and any planned acquisition of adjacent property and/or buildings.	File name: Att22ConceptSitePlan
Attachment 23: Photographs of the Target Housing and Neighborhood	Required with the application. Please provide photographs of the target housing development, any off-site parcels for housing, and the neighborhood, especially photos of the areas immediately surrounding the development and proposed CCI projects.	File name: Att23Photos
Attachment 24: Neighborhood Investment Map	Required with the application. Provide a to-scale city and neighborhood map(s) that	File name: Att24NeighInvestMap

	clearly labels the items listed below in the context of existing city streets: (a) Proposed housing development/s; (b) Planned CCI projects; (c) Neighborhood investments described the application; and (d) Identification of any applicable designated TIF, redevelopment, or other legally designated revitalization area	
Attachment 25: Market Analysis	Required with the application. Provide a summary of the market analysis conducted that supports the information provided in the introduction/neighborhood narrative and Housing Plan.	File name: Att25MarketAnalysis
Attachment 26: Housing Plan Schedule	Required with the application. Provide a schedule indicating key milestones for the Housing Plan.	File name: Att26HousingPlanSched
Attachment 27: Letter regarding proposed PBV by Others	If applicable, required with the application.	File name: Att27PBVbyOtherLetter

D. Other Application Content

See Section VI.C.2. for information about resolving technical application errors.

V. APPLICATION REVIEW INFORMATION

V. Application Review Information

A. Threshold Review

B. Merit Review

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V. APPLICATION REVIEW INFORMATION

A. Threshold Review

HUD reviews each application to make sure it meets the following threshold requirements. If you meet all threshold requirements, your application will advance to a merit review. If you fail to meet one or more threshold requirements, your application is not eligible for HUD funding.

1. Eligible Applicant

You must meet the applicant eligibility criteria in this NOFO. Applications from ineligible applicants are not rated or ranked and will not receive HUD funding.

2. Resolution of Civil Rights Matters

Applicants with outstanding, unresolved judgments against them for violations of civil rights laws must resolve those judgments before the application submission deadline or the applicant will be deemed ineligible.

a. An applicant is ineligible for funding if the applicant has received notice of a judgment imposed against them for violations of:

1. the Fair Housing Act or a substantially equivalent state or local fair housing law for discrimination because of race, color, religion, sex, national origin, disability or familial status; or
2. Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Americans with Disabilities Act, or the Violence Against Women Act or substantially equivalent state or local laws.

b. HUD will determine if actions to resolve the judgment taken before the application deadline date will resolve the matter. Examples of actions that may be sufficient to resolve the matter include, but are not limited to:

1. Current compliance with a voluntary compliance agreement signed by all the parties;
2. Current compliance with a HUD-approved conciliation agreement signed by all the parties;
3. Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;
4. Current compliance with a consent order or consent decree; or
5. Current compliance with a final judicial ruling or administrative ruling or decision.

3. Timely Submission of Applications

Late applications are not eligible for funding. See deadlines in Section VI of this NOFO.

4. Separability. HUD recognizes that the grant award amount may only fund a portion of the redevelopment of the Target Housing project. Thus, in accordance with section 24(j)(2)(A)(v) of the 1937 Act, this application may target only a portion of the Target Housing project for

redevelopment provided the building "is sufficiently separable from the remainder of the project of which the building is part, such that the revitalization of the building is feasible." If so, provide a detailed justification in the Threshold Narrative attachment, describing your overall plan for the Target Housing Project and specifying your plan to redevelop only a portion of the Target Housing project with this grant. Only those units (both current and planned) that will be covered by this grant should be included in attachments such as the Implementation Grants Key Eligibility Threshold Data Form; Existing Units; Planned Units; One-for-One Replacement Certification; Grant Sizing Worksheet, etc.

5. Number of Applications. A local government, as Lead Applicant or Co-Applicant, may only submit one application under this NOFO. If HUD receives electronically multiple versions of an application, HUD will rate and rank the last version of the application received by Grants.gov that meets the timely receipt requirements. All other applications (i.e., prior versions) will not be considered eligible. If applicants find after submitting an application that they want to amend or adjust their application and it is prior to the deadline date, applicants should be aware that they must resubmit the entire application.

6. Relation to Rental Assistance Demonstration (RAD) Applicants. PHAs that have received a RAD Commitment to enter into a Housing Assistance Payments Contract (CHAP) (either a Portfolio award that covers the Target Housing or portion of the Target Housing identified for this grant that covers the Target Housing or portion of the Target Housing proposed) and are planning on demolition and new construction or major rehabilitation or reconstruction may apply for a Choice Neighborhoods Implementation Grant provided they have not yet received a RAD Conversion Commitment (RCC) at the time of the application deadline for this NOFO. In the case where there is a Portfolio award, only public housing units at the Target Housing site that are not included in an RCC can still be eligible. The Office of Recapitalization will offer flexibility regarding the RAD milestones so that PHAs and their partners may take advantage of the Implementation Grants.

B. Merit Review

HUD expects to evaluate and score your application using the following merit criteria and process. Merit reviewers evaluate and score all applications that pass the threshold review. Merit reviewers may include Federal and non-Federal persons. Reviewers receive a copy of your application to evaluate and score each application separately.

Merit Review Summary

Criterion	Max points = 104
Rating Factor 1: Capacity	**21 max points**
Overall Project Leadership Capacity of the Lead Applicant	6
Capacity of Neighborhood Implementation Entity	4
Capacity of Housing Implementation Entity	6
Capacity of People Implementation Entity	5
Rating Factor 2: Need	**12 max points**
Structural Deficiencies	4
Design Deficiencies	4

Neighborhood Poverty/ELI Rate	2
Need for affordable housing in the community	2
Rating Factor 3: Neighborhood Plan	**9 max points**
Overall Neighborhood Transformation Strategy	7
Reducing Regulatory Barriers to Affordable Housing Development	2
Rating Factor 4: Housing Plan	**21 max points**
Overall Housing Plan	9
Repositioning Public Housing	2
Financial Feasibility	3
Mixed-Income Development	5
Project Readiness	2
Rating Factor 5: People Plan	**9 max points**
Income and Employment Strategy	7
Letter of Support from WIOA Partner	2
Rating Factor 6: Leverage	**13 max points**
State and Local Government Leverage	2
Neighborhood Investment	2
Housing Development Leverage	3
People Leverage	6
Rating Factor 7: Soundness of Approach	**14 max points**
Resident and Stakeholder Involvement	3
Project Management	3
Impact of the Transformation Plan	8
Section 3	**1 max point**
Policy Preference Points	**4 max points**

1. Rating Factors

Your application must include a response to the following criteria.

Rating Factors Details

A. INTRODUCTION

Applicants must provide a narrative which describes the target neighborhood and provides HUD with an overall understanding of its strengths and challenges and discusses the Transformation Plan. Provide a summary of your Transformation Plan, including highlights of the Housing, People, and Neighborhood components, including:

Neighborhood Description.

- Explain the basis of how the neighborhood boundaries were established. (Please note that HUD reserves the right to ask applicants to provide evidence during the review process that the target neighborhood boundary is generally accepted and aligned with the Planning Grant.)

- Describe your neighborhood, including history, location, economics, community assets, transit, educational institutions, jobs and employment centers, organizations etc.
- Describe the current assets and critical challenges facing the neighborhood.
- Describe the neighborhood's current patterns of disinvestment and poverty concentration.
- Identify ongoing or recent revitalization activities and new investment that may be taking place in the neighborhood or on its periphery.

Neighborhood Data. Please provide a quantitative description of the neighborhood. This should include:

- Crime rates in relation to the city and region;
- School(s) location, performance, enrollment, and catchment areas;
- Housing stock information (other public/HUD-assisted/subsidized housing in the neighborhood, property values, rental/homeownership rates, sales prices, rents, vacancy rates etc.);
- Vacant land, if applicable; and
- Other information you feel is important to understanding the neighborhood.

Housing Description and Relationship to Neighborhood. Please describe the target housing development(s) including age, condition, and current impact on the surrounding community. Describe the critical housing challenges facing the neighborhood, paying particular attention to the housing in the area immediately surrounding the target housing.

People Narrative. Please provide key demographics of the residents of the target housing development, surrounding neighborhood, and city (population, age, income, race, employment, etc.). Describe any key human services and assets in the neighborhood related to employment, health, school-aged education, and early learning. Indicate what support services are missing or needed as identified by the community.

Vision. What is your long-term vision for the neighborhood? What changes do you want to occur in the neighborhood?

Grantees may use information gained during the planning process, as well as secondary sources (e.g., Census, HUD's Inventory Management System/Public Housing Information Center, health department, school system, police department, etc.). Sources should be identified. HUD does not expect applicants to undertake new studies or generate new data for this neighborhood. HUD will take this narrative into account when evaluating the Transformation Plan and the extent to which the strategies relate to the strengths and challenges identified.

B. CAPACITY

1. Overall Project Leadership Capacity of the Lead Applicant (6 points). You, the Lead Applicant, must articulate and demonstrate that you have the capacity, qualifications, and experience to lead the implementation of the comprehensive neighborhood Transformation

Plan which you have presented in this application. This rating factor only looks at the capacity of the Lead Applicant. Describe the work your organization is engaged in and how this work relates to and makes you qualified to lead the implementation of your Transformation Plan. In addition, describe key roles and responsibilities of staff and how these positions will support your role as Lead Applicant. Provide and discuss at least one specific, recent example of a comparable comprehensive neighborhood transformation project, which demonstrates the experience of your organization to successfully implement a neighborhood transformation plan, including strategies for housing development, resident self-sufficiency and neighborhood revitalization. Discuss relevant experience of senior leadership or key staff who will be assigned to this grant, as well. Staff experience can be while working at your organization or for a different organization. The example project must be at least substantially complete and have achieved measurable outcomes. Include relevant dates for the project. The planning process leading up to this grant application is not an acceptable demonstration of capacity in this rating factor. Demonstrate this experience and capacity through narrative description, charts, and other documentation. Points will be awarded based on how well the application demonstrates capacity and relevant staff experience, as well as the extent to which the example demonstrates how well you led implementation of a comprehensive neighborhood transformation plan including engaging residents and community members, managing key partners to ensure performance, coordinating public and private funding sources, and how those efforts led to positive, measurable outcomes. In accordance with section V.C Risk Review, HUD will also consider the history of performance of the Lead Applicant.

2. Capacity of Neighborhood Implementation Entity (4 points). You must articulate and demonstrate why the Neighborhood Implementation Entity is qualified to implement the neighborhood component of the proposed Transformation Plan. This rating factor looks only at the capacity of the Neighborhood Implementation Entity. Describe the organization, the work it is engaged in, and how this work relates to and makes it qualified to be the Neighborhood Implementation Entity. In addition, you must provide one recent example of a neighborhood-level planning and implementation effort in which the Neighborhood Implementation Entity directly undertook a substantial leadership role or had a leadership role in an entity that led a neighborhood revitalization effort. Include relevant dates for the project in the description and describe what has been accomplished to date. Points will be awarded based on the extent of the Neighborhood Implementation Entity's qualifications, role, and relevant experience, as well as how well the application demonstrates that the Neighborhood Implementation Entity led the implementation of a neighborhood transformation plan which effectively and substantially contributed to moving a neighborhood of distress toward a neighborhood of opportunity. You may demonstrate this by providing evidence that your neighborhood transformation efforts succeeded in their objectives, such as storefront rehabilitation being completed or a park project being completed and opening to the public. In accordance with section V.C Risk Review, HUD will also consider the history of performance of the Neighborhood Implementation Entity.

3. Capacity of Housing Implementation Entity (6 points). You must articulate and demonstrate that the Housing Implementation Entity has successfully developed a range of housing projects, including affordable, market rate, mixed-income (affordable and market

rate) and/or mixed-use development, which are comparable in scope and complexity to the activities described in the Housing Plan section of the NOFO, and which align with the housing objectives of Choice Neighborhoods. This rating factor looks only at the capacity of the Housing Implementation Entity. Provide background information on the organization and discuss why it is qualified to be a Housing Implementation Entity. Also, provide a detailed example of a recent comparable housing development project in which the Housing Implementation Entity had primary responsibility for implementing the project, including securing financing and providing completion guarantees, providing day-to-day project management, and performing ongoing property management activities. Identify the Housing Implementation Entity's role and identify funding sources secured for the development. Describe outcomes as they relate to Choice Neighborhoods housing objectives. Include the project's start and end dates and provide recent photographs of the housing. The example project must be substantially complete and have achieved measurable outcomes. If the Housing Implementation Entity is a joint venture, articulate the role of each member and provide one example for each member that is representative of its role in the Housing component of this Transformation Plan. HUD will weigh the points based on the proportion of responsibility each member has (e.g., if one member of the joint venture is responsible for most of the housing, the example given demonstrates that the entity's capacity will carry more weight in assigning points under this rating factor). Points will be awarded based on relevant experience and the extent to which the application demonstrates that the Housing Implementation Entity effectively managed the development/rehabilitation of a housing project which resulted in high-quality, mixed-income housing which is financially viable and which enhances the surrounding neighborhood. In accordance with section V.C Risk Review, HUD will also consider the history of performance of the Housing Implementation Entity.

4. Capacity of People Implementation Entity (5 points). Demonstrate that the People Implementation Entity has implemented supportive services that have substantially increased income and employment and are comparable in scope to the Choice Neighborhoods supportive services requirements for income and employment (see section III.G.2.i). This rating factor looks only at the capacity of the People Implementation Entity. Provide one example from the last 10 years, describing what services were provided and what measurable outcomes were achieved. Points will be awarded based on the extent to which the application demonstrates how the People Implementation Entity: quickly hired and deployed staff; established service provider partnerships; coordinated services among various providers; engaged residents; provided tailored case management to meet the needs of a specific population; created/coordinated a career pathway pipeline; developed direct connections to employers; supported job retention; and improved outcomes among participants. In accordance with section V.C Risk Review, HUD will also consider the history of performance of the People Implementation Entity.

C. NEED

- If this application is for more than one public housing project, descriptions must be submitted for each site and HUD will consider documentation provided for all properties.
- If the target units are public housing that HUD has already approved for demolition under Section 18, submit a copy of HUD's approval letter to receive full points.

1. **Structural Deficiencies** (4 points). HUD will evaluate the extent to which the application demonstrates significant deficiencies in the physical structural elements, building systems, on-site infrastructure, and environmental conditions of the target housing units such that significant rehabilitation or demolition is required. Examples of structural elements include roofs, foundations, and structural walls. Building systems include electrical, plumbing, heating and cooling, and mechanical systems. On-site infrastructure includes site work, internal sidewalks/streets, sewer and storm drain laterals, or other on-site utilities. Environmental hazards include internal hazards such as lead-based paint, radon, and mold, and external hazards such as air pollution, water or soil contamination, or other conditions impacting the target housing site(s). Provide a narrative description, which can be supplemented by physical inspection information, and/or pictures. Fewer points may be awarded for descriptions that are inadequate and/or demonstrate less severe distress.
2. **Design Deficiencies** (4 points). HUD will evaluate the extent to which the application demonstrates that there are fundamental design deficiencies that require substantial rehabilitation or reconstruction to fully address, related to

- substantially inappropriate building design or site layout and street connectivity when compared to the surrounding neighborhood;
- inadequate room sizes and/or unit configurations to accommodate the needs of residents and meet market rate standards;
- poorly designed site plan, which lacks connectivity with the neighborhood; lacks defensible space, i.e., how the building layout and orientation does or does not provide a sense of personal space for residents; and creates space/access for criminal behavior; and
- physical inaccessibility for persons with disabilities regarding individual dwelling units (e.g., fewer than the minimum requirement of five percent designated accessible mobility units and an additional two percent designated accessible sensory units), entrances/entryways, and public and common areas.

The application will receive full points if it demonstrates fundamental design deficiencies that require substantial rehabilitation or reconstruction to fully address in at least 3 of these deficiencies. Fewer points will be awarded for applications that address fewer than 3 items, demonstrate less severe distress, or for inadequate responses.

3. **Neighborhood Poverty/ELI Rate** (2 points). Points awarded based on the concentration of households in poverty or with extremely low incomes (whichever is greater) residing in the target neighborhood. HUD will use data from the CN Mapping Tool.

4. **Need for Affordable Housing in the Community** (2 points). An application will receive two points if the Choice Neighborhoods project is in a county/parish where the shortage of housing affordable to very low-income (VLI) renter households (0 to 50 percent AMI) is greater than the national rate using the most currently available census data. HUD will use data included in the mapping tool for this rating factor.

D. NEIGHBORHOOD PLAN

As a past Planning Grantee, you have developed a comprehensive neighborhood Transformation Plan involving many partners and strategies. For the Neighborhood Plan rating factor, HUD is interested in how a Choice Neighborhoods grant will jump-start or further catalyze your long-term transformation effort. Please focus on the activities you can accomplish during the grant term in this section.

1. **Overall Neighborhood Transformation Strategy** (7 points). Please state the key goals of your Neighborhood Plan based on your local planning process. Then, describe the primary strategies and activities you will coordinate to achieve those goals during the grant term. As part of your discussion, please include the following as applicable:

- Major investments in the neighborhood or other activities that demonstrate positive momentum for revitalization.
- The use of Choice Neighborhoods Critical Community Improvement (CCI) funding, as described in Section III.G.2.j of the NOFO. Up to three CCI projects may be proposed.
- How your locality will prioritize this neighborhood for investment during the grant term.
- Alignment with official designations such as an Opportunity Zone or Neighborhood Revitalization Strategy Area (NRSA), and how these designations will compliment or accelerate your transformation effort.
- How the strategies/activities address long-term neighborhood distress, such as lack of jobs, businesses, and amenities. Please identify key strategies that will create jobs or attract new businesses to the neighborhood.
- How the strategies/activities will visibly improve the neighborhood, especially the area immediately surrounding the target housing site or along key commercial corridors.
- How the strategies/activities will reduce crime and improve safety.
- How the strategies/activities address the neighborhood's specific challenges and opportunities identified throughout the application.
- Other key factors which you feel are important to understanding your Neighborhood Plan.

In its evaluation of the Neighborhood Strategy rating factor, HUD will consider how the plan accelerates neighborhood revitalization through coordinated investments, addresses local goals and needs, and contributes to the program's goals and neighborhood objectives.

2. **Reducing Regulatory Barriers to Affordable Housing Development** (2 points). To increase the development and availability of affordable housing, including single family housing, describe the specific de-regulatory actions your jurisdiction has taken or plans to take in the next 12 months to reduce the costs and timeline of construction, both city-wide and in the Target Neighborhood. Possible examples include: limiting discretionary review and expanding by-right zoning; eliminating or revising policies, building codes, rules and/or regulations, including removing energy efficiency requirements; fast-tracking the construction permitting process; reducing construction fees; and removing restrictions to manufactured and modular housing.

E. HOUSING PLAN

Redevelopment of the target housing project is a key element of your Choice Neighborhoods Transformation Plan. Therefore, HUD will evaluate the Housing Plan presented in this application to ensure it meets program goals and objectives. HUD recognizes that grant funds may not be sufficient to fully fund the redevelopment of the entire target housing project within the grant term. Therefore, Choice Neighborhoods funds may be used to fund only a portion of the units included in the target housing project, with the remainder of the units redeveloped outside the grant. **For this application, only those units to be redeveloped as part of the grant should be included in the Housing Plan.** Given this limited scope, HUD expects plans that are feasible to implement with the grant funding and will only consider minor changes after grant award. Applicants are expected to continue to pursue redevelopment of the entire Target Housing project using other funding sources.

The Housing Plan may only include housing to be constructed or rehabilitated by the Housing Implementation Entity (HIE) and units to be replaced by PBV by Others (PBVs awarded by a PHA through a competitive RFP to other housing developments which are not being developed by the HIE). Any proposed housing development in which the HIE does not have material control may not be included in the Housing Plan and will not be considered for the rating factors in this section (though it may be included in the Neighborhood Plan.) No units completed prior to the date of NOFO publication may be included in the Housing Plan.

1. **Overall Housing Plan (9 points).** Applicants should use this rating factor to present their Housing Plan. HUD will rate your response based on the extent to which your Housing Plan addresses the program's housing goal and objectives, demonstrates a well-designed, sound and feasible plan, is responsive to local needs, and supports neighborhood revitalization. Applications should fully discuss the following information when describing and justifying the Housing Plan:

- Provide a brief narrative which broadly describes the existing target housing project, your long-term plans for redevelopment, and how your plan supports and enhances the surrounding neighborhood. If the Housing Plan includes redevelopment of only a portion of the Target Housing project, you must discuss how this portion fits in with the larger project, why you selected to only redevelop these units, at this time, and how you intend to redevelop the remainder of the target housing project in the future. Note: use the CN Unit Information form (form HUD-53234) to present the overall mix of housing units included in the Housing Plan, i.e. those units to be redeveloped as part of the grant.
- If the Housing Plan includes more than one phase of housing, then describe each phase, including the number of units and the type of units (replacement, LHITC, unrestricted, etc.) The Conceptual Site Plan in Attachment 22 should clearly demonstrate your phasing plan.
- Describe the proposed design and site plan for the proposed project. Is it appropriate for its location? How does it support revitalization of the neighborhood? How is it supported by the housing market analysis?
- What other alternatives to the Housing Plan were considered, e.g. on-site vs. off-site, renovation vs. new construction, building types, etc.? Discuss the appropriateness of

this proposal relative to the alternatives.

- Identify the proposed mix of bedroom sizes. Will there be enough replacement units in the appropriate bedroom mix to accommodate the return of all original residents, should they choose to return? This includes units to accommodate residents with incomes up to 80% of Area Median Income (AMI). Justify any proposed changes to the existing bedroom mix.
- Discuss the proposed mix of unit types. Does the Housing Plan include units available to people with a broad range of incomes, including units available to families with incomes between 81-120% of AMI and units with no income restrictions?
- If the Housing Plan includes the use of PBV by Others for replacement units, what is your strategy for assuring these developments are mixed-income and, if located outside the target neighborhood, are located in areas of opportunity? If you intend to use PBV by Others for any phase of the Housing Plan, provide a letter signed by the Executive Director of the PHA which will be administering the vouchers, which states that the PHA has an existing PBV program and that it commits to dedicating PBVs as replacement housing for this project in Attachment 27.
- If you are eligible for the exception to the hard one-for-one replacement requirement, and you plan to use tenant-based vouchers as replacement units, describe your strategy for assuring these projects offer residents an opportunity to relocate to areas of opportunity.
- Other key factors which you feel are important to understanding your Housing Plan.

2. **Repositioning Public Housing** (2 points). If the target housing project is the last project of the housing authority's repositioning of its entire public housing portfolio to another affordable housing platform, after which the housing authority will no longer manage public housing units, the application will receive 2 points. To receive these points, you must provide a brief narrative describing the status of the housing authority's portfolio repositioning efforts and certify that redevelopment of the target housing project is the public housing authority's final public housing project.

3. **Financial Feasibility** (3 points). To allow HUD to assess the financial feasibility and long-term viability of your Housing Plan, provide a Sources & Uses budget for the entire Housing Plan (and each phase) and discuss the following:

- The overall financing plan for the Housing Plan
- The status of your funding commitments and any potential gaps in financing.
- Your plan to pursue Low-Income Housing Tax Credits, as applicable, and if there are any state preferences or set asides for Choice Neighborhoods or public housing repositioning projects.
- Your ability to close on the financing for the first phase of the Housing Plan within 18 months of grant award.
- Proposed property management plan for the completed housing

4. Mixed-Income Development (5 points). Grantees must develop housing which is

available to households with a broad range of incomes, including housing that is available to households with moderate to middle incomes. HUD will evaluate your application based on the extent to which the Housing Plan includes additional rental units, which are not Replacement Housing and which will be available to households earning more than 80 percent of AMI, such as units affordable to households between 81-120% AMI and unrestricted market rate units. To earn points for this rating factor, at least 45 percent of the new or rehabbed rental units developed by the HIE must be non-replacement units. Points will be awarded in accordance with the table below based on the percentage of rental units that will be available to households earning more than 80 percent of AMI. This calculation does not include replacement units developed through PBV by Others or the other units included in those developments. If the Housing Plan contains more than 55 percent replacement units, the application will earn zero points.

Rental Units Available to Households Earning Above 80% AMI as a Percentage of Total Rental Units in the Housing Plan	Points Awarded
20 percent or more	5
Between 15.00 and 19.99 percent	3
Between 10.00 and 14.99 percent	1
Less than 10.00 percent	0

For example, the Housing Plan includes 100 replacement units and a total of 200 rental units. The replacement units will include: 95 PBV/LIHTC units and 10 PBV-only units. The non-replacement units will include: 5 units partially financed with CN funding and affordable to households with AMIs between 81-120%, 55 LIHTC-only units, and 35 unrestricted, market rate units. In this case, 50 percent (105/200) are replacement units and thus the application will earn points in accordance with the above table. It would earn full points since 20 percent (40/200) of the units will be Affordable Housing and unrestricted market rate rental units.

5. **Project Readiness (2 points)**. Grantees will be expected to implement their Housing Plans expeditiously and within the time frames provided in the NOFO. Provide a narrative which demonstrates your ability to move forward with the implementation of your Housing Plan. Points will be awarded based on how well you demonstrate your ability to move forward quickly and with minimal disruptions. The following should be included in your discussion:

- Have you received the required local land use and/or zoning approvals?
- Are there any significant financing gaps for your first phase of development?
- Have you completed a Phase 1 Environmental Assessment and are there any environmental impediments to development?
- Have you consulted with your State Historic Preservation Office? Are there any issues which would prevent timely implementation of the Housing Plan?

- Provide a schedule showing the closing, start of construction, and construction completion dates for each phase of the Housing Plan.
- Do you own or control all parcels of land needed to implement the Housing Plan?

F. PEOPLE PLAN

The People component of the Transformation Plan (People Plan) aims to promote upward mobility, employment and self-sufficiency, and improved quality of life for the residents who live in the target housing. Twelve months after award, grantees will submit an updated plan for HUD approval to increase residents' income and employment, improve education outcomes and ultimately prepare students to graduate from high school ready for college and/or a career, and maintain independence for elderly persons and persons with disabilities. In this section, applicants must discuss and provide details about their strategy to substantially increase resident income and employment. HUD will evaluate the strategy based on the extent to which the application demonstrates a well-defined, sound, and results-oriented plan to achieve the priority income and employment outcomes.

1. **Income and Employment (7 points)**. Describe the key strategies and services that you will use to achieve substantial gains in resident income and employment. In particular, you must:

- Provide current data for: 1) the number and percentage of target residents who are employed and 2) the average household income of target residents.
- Identify your desired outcomes by the end of the grant term for: 1) the number and percentage of target residents who are employed and 2) the average household income of target residents.
- Describe what your strategies are for each of the Choice Neighborhoods supportive services requirements for income and employment (see section III.G.2.i). Specifically, describe how you will, with your partners: create/coordinate a career pathway pipeline; develop direct connections to employers; and support residents in retaining new jobs for at least the first 90 days of their employment.
- Discuss how your strategies have been tailored to the target residents' specific needs and goals and how you and your partners will remove residents' specific impediments to these goals.
- Identify the People Implementation Entity's staff position(s) and the name of the partner(s) that will support your work and the services they will provide, specific to each of the above requirements. For each service, identify the number of target housing residents that will be served. For example, City Workforce Investment Board will provide WIOA-funded Individual Training Account slots to 30 residents for five years.
- Discuss *how* residents will be connected to these services, *how* you or a partner will oversee and manage all partnerships and services in this area to ensure they are working for residents, and *how* residents will be supported in completing services and achieving the selected area outcomes.

HUD will evaluate the narrative based on the extent to which it demonstrates a detailed,

sound, and results-oriented plan to achieve substantial gains in resident income and employment.

2. **Letter of Support from WIOA Partner (2 points).** In order to better coordinate Workforce Innovation and Opportunity Act (WIOA) funds with the Choice Neighborhoods program, HUD encourages applicants to partner with their local Workforce Development Board (WDB) and/or local American Job Center (AJC). An application will receive 2 points if it contains a signed letter from either the local WDB or AJC that states that this entity will assist the Choice Neighborhoods Implementation Grant efforts to increase incomes and employment for residents of the target housing. The letter should also indicate whether the entity is a WDB or AJC.

G. LEVERAGE

1. General Leverage Documentation Requirements. Leverage must be firmly committed, explicit, in writing on the organization's letterhead, and signed by a person authorized to make a commitment on behalf of the organization.

- Endorsements or general letters of support from organizations or vendors alone will not count as resources and should not be included in the application or on a resources summary form in the attachments section of the application.
- Documents submitted must represent valid and accurate commitments for activities in the Transformation Plan.
- Documents must detail the dollar amount and term of the commitment.

2. Federal Funds. Funding provided under the U.S. Housing Act of 1937, as amended, (e.g., Public Housing and MTW funds) may not be used for match or leverage. Other federal sources (e.g., non-public housing funds provided by HUD as well as funds from other federal agencies) may be counted as leverage under this rating provided the funds are permitted to be used as match by the statute or regulation governing the funds. If a PHA provides a leverage commitment of non-Federal funds, the documentation must identify the specific source of funding. Please note that 2 CFR 200.306 applies and particular attention should be given to the provisions concerning the use of federal funds for matching requirements.

3. Physical Development Resources for Housing and Neighborhood Leverage. Types of Development Resources may include but are not limited to:
(a) Permanent Phase Loans and Debt. This includes private mortgage-secured loans, insured loans and other debt that can remain in place throughout the permanent phase of the project. HUD will not accept loan commitments that require take-out sources or have balloon payments which jeopardize the project's long-term financial feasibility, unless there is a permanent take-out loan that will replace a construction/bridge loan. If this is the case, you must provide documentation of both loans, but only the value of the permanent loan will be counted. Your application or commitment letters must include each loan's interest rate and term and provide only commercially reasonable conditions to closing. Award of Choice Neighborhoods funds or receipt of documentation showing tax-exempt bond approval is an acceptable condition to closing. Without this information, HUD will not be able to count the commitment. For privately financed homeownership, acceptable documentation of construction loans only will be considered. Projected sales prices will not be counted as a

development resource.

(b) Bonds. This includes tax-exempt bonds and private activity revenue bonds. Your application should include the documentation showing the bond resolution has been passed by the public entity with appropriate authority. In addition, the application should include the dollar amount, a description of the use and term, and how the bonds will be issued. Otherwise, it may not be possible for HUD to count the bonds at the level claimed. HUD will NOT accept a bond commitment where you plan to pay that bond off with Choice Neighborhoods or other public housing or other HUD funds. If you are proposing to use volume capped tax-exempt bond authority (in tandem with 4 percent tax credits), you must provide evidence that such bond authority has been allocated to this project.

(c) Low-Income Housing Tax Credits (LIHTC).
(i) Only LIHTC allocations (nine percent or four percent) that have been secured as of the application deadline date will be considered for leverage scoring under this NOFO. Applications must provide evidence from the allocating agency that the allocation or reservation is secured. Evidence may be in a form other than a letter, provided that it comes from an official agency source such as a website or public announcement. LIHTC allocations that are not secured (i.e., documentation in the application does not demonstrate they have been reserved by the state or local housing finance agency) will not be counted for leverage scoring. Only tax credits that have been reserved specifically for revitalization performed through this NOFO will be counted.
(ii) Other resource commitments that are contingent on the receipt of tax credits that have not yet been secured cannot be counted.

(d) Other Tax Credit equity commitments (i.e., New Market Tax Credits, Historic Tax Credits and other state tax credits) will only be counted as leverage if the application demonstrates that the tax credits are secured.

(e) Donations and Contributions of Funds.

(f) Sale of Land and Buildings. Cash proceeds realized as of the application deadline date from the sale of land and/or buildings not associated with the target housing may be included as a resource. Absent a completed sales transaction, the value of land and/or buildings will not be counted.

(g) Donations of Land and Buildings. Donations of land and/or buildings may be counted as a resource, only if the donating entity owns the land/buildings to be donated. Donating entities may include a city, county/parish, tribe, church, community organization, etc. The land upon which the target housing is located will not be counted as leverage. The application must include documentation of this ownership, and the donation of land, signed by the appropriate authorizing official. The dollar amount attributed to the donated land and/or buildings must be verified through an appraisal by an independent, state-certified appraiser, or other appropriate means, the documentation of which must be provided in the attachments. (Please note that acquisitions of real property via donation are subject to the URA’s acquisition policies.)

(h) Housing Trust Funds.

(i) Program Income. Program income from previous HOPE VI or other public housing development must be already earned. Projected program income will not be counted.

(j) Waived Government Fees. The value of fees for services/activities necessary to the revitalization effort may be counted if they have been waived by the authorizing government entity and documented in writing by the local government.

(k) Developer Fees. Projected developer fees to be waived or put back into the project will not be counted.

(l) Homeownership down payments from homebuyers will not be counted. Down payment assistance may be counted as a physical development resource if it is provided by a third-party entity not related to the homebuyer.

(m) Equity or permanent financing committed to build private sector housing in direct connection with the Choice Neighborhoods Transformation Plan may be counted toward Neighborhood leverage only.

(n) Tax Increment Financing (TIF). A TIF will only be considered for leverage scoring under this NOFO if, as documented in a letter from the unit of local government responsible for approving the TIF: the TIF district has been formally created; the unit of local government responsible for approving the TIF has issued a commitment letter (as of the application deadline) reserving all or a portion of the TIF to benefit the Choice Neighborhoods Transformation Plan; the letter includes an estimate of the amount of resources anticipated to be generated by the TIF over the Choice Neighborhoods grant period; and the letter includes a detailed explanation of how that estimate was derived.

4. Supportive Services Requirements for People Leverage

a. No more than 20 letters can be submitted. The commitment resources must be for supportive services purposes and must fall under one of the eligible types of people leverage resources listed below. The commitment letters must:

- Explicitly state the committed services/amount is specifically for the residents of the target housing site(s). If the target housing was demolished five or more years ago, you must indicate that the services are for your selected target population.
- Indicate the number of residents to be served and the total value of the resource:
    - Example: Y Organization is committed to providing professional staff time on-site for residents of the targeted ABC public housing development to conduct new intensive career exploration and coaching services to 80 residents. The total value of this new commitment is $196,700.
    - Example: Q Agency will reserve 10 slots for new enrollees only in its Quality Stars Tutoring Program for residents of the targeted XYZ public housing

development each year, for a total value of $150,000 over five years

- Indirect calculations for funding or leverage commitments will **not** be counted. For example, the following commitment would not count: "X foundation funds several non-profits in the target neighborhood. It is assumed that X% of total funding for local non-profits will be connected to target housing residents."
- If the organization offers multiple services or resources, the details for each service must be provided separately in the letter.
- Identify that the commitment is new leverage. To count as a new commitment, the financial or in-kind resources must be newly generated for this Choice Neighborhoods grant. If an existing service provider increases the financial or in-kind commitment, or expands services for *additional* target housing residents, the increased amount may be counted.
- Identify that the commitment is for services to be provided during the grant term. Funds committed to a Supportive Services Endowment will not be counted.

b. In-Kind Leverage for Supportive Services.

In order to count toward People strategy leverage rating factor points, resources can be financial and/or in-kind. In-kind contributions may be in the form of staff time (including salaries and benefits), donated materials, or services. All assistance provided to meet this requirement must be identified by their dollar equivalent based upon accepted salary or regional dollar values. For materials, the items must be donated to the Lead Applicant or People Implementation Entity. Donated materials can include physical items such as computer equipment, supplies or materials, office and meeting space, or the use of a vehicle. Staff time can include PHA and/or Lead/Co-applicant staff time.

c. Eligible Types of People Leverage Resources. HUD requires applicants to submit leverage letters that focus on sustained, intensive commitments rather than one-off workshops, speaker series, resource fairs, and other events. **Only the types of leverage listed below are eligible.** HUD encourages grantees to seek leverage in each of the People areas listed below (i.e., income and employment, training and education, and maintaining independence). Therefore, no more than 10 leverage letters (out of a possible 20) can be submitted for a single area. Commitment letters should state which area the leverage falls under. For example, "Leverage for the City Apprenticeship program falls under the Income and Employment area."

- Income and Employment
    - Employer commitments to hire residents, such as wages and benefits projected to be paid to residents through jobs
    - Staff time for those coordinating or providing employment services (such as workforce navigation, career exploration and coaching, employer recruitment, job placement, and job retention services)
    - Job training programs (such as vocational training programs, pre-apprenticeship and apprenticeship training programs, on-the-job training and direct-to-hire programs)

- Individual Training Accounts
- Adult and continuing education programs

- Training and Education
  - Early education programming for children ages 0-5 in the form of early education slots, evidence-based programs for caregivers, developmental screening services, and/or early behavioral health services.
  - Out-of-school time or school-based education programs (such as school-based, after-school, summer, and other expanded-learning-time programs, and programs that prepare students for college and career success)
  - Staff time for coordinating and providing individualized wrap-around services for children and youth, identifying student needs, supporting enrollment and participation in out-of-school time or school-based education programs, securing school data sharing agreements and tracking student-level data, and/or working with school staff to meet individual students' needs.
- Maintaining Independence
  - Staff time for health navigation services, community health worker services, and/or nurse/medical provider home visits
  - Medical/dental/vision/mental health services
  - Substance abuse treatment and counseling programs
  - Aging in place supports (such as home health-aide services and Meals on Wheels)

NOTE: Even though an in-kind Supportive Services contribution may count as a resource, it may not be appropriate to include on the Sources and Uses attachment. Each source on the sources and uses attachment must be matched by a specific and appropriate use. For example, donations of staff time may not be used to offset costs for infrastructure.

4. Rating Factors

a. **State and Local Government Leverage (2 points).** HUD recognizes that neighborhood transformation is an evolving, locally-driven process that requires more than just federal funds to truly succeed. Please provide up to five financial commitment letters or other documentation from your state and/or local government. Letters must indicate the dollar amount and indicate how the committed funds directly contribute to your Transformation Plan. Commitments must be beyond basic municipal services or maintenance activities a locality is otherwise responsible for. HUD will also consider these leverage commitments towards the Neighborhood, Housing, and People Leverage rating factors.

Leverage Ratio (100% of Choice Neighborhoods grant request vs. state/local funds)		Points Awarded

Metropolitan Statistical Area (MSA) greater than 500,000	MSA less than 500,000	
1:1.00 or higher	1:0.5 or higher	2
1:0.5 and 1:0.99	1:0.25 to 1:0.49	1
Below 1:0.5	Below 1:0.25	0

b. Neighborhood Investment (2 points). HUD recognizes that neighborhood transformation is an evolving, locally-driven process that requires more than just federal funds to truly succeed. Please provide a list of planned projects (including proposed CCI projects) supported by documented commitments along with the dollar value of each investment in the target neighborhood that will directly contribute to the Neighborhood strategies described in the application. This rating factor only includes committed public and private investments for future projects that are not yet underway. Applicants may submit up to five commitment letters for this rating factor. Points will be awarded based on the table below:

Leverage Ratio (maximum allowed request for CCI CN grant funds vs. non-Choice Neighborhoods funds)		Points Awarded
MSA greater than 500,000	MSA less than 500,000	
$40,000,000 or more	$25,000,000 or more	2
Between $25,000,000 and $40,000,000	Between $15,000 and $25,000,000	1
Less than $25,000,000	Less than $15,000,000	0

c. Housing Development Leverage (3 points). For this rating factor, the resource commitments must be for development of the housing included in the Housing Plan. Resource commitments being used for housing already completed or by an entity other than the Housing Implementation Entity will not be counted as Housing Development Leverage, nor will resources related to housing not included in the Housing Plan. HUD will calculate the ratio of 75 percent of the Choice Neighborhoods grant amount requested (i.e., excluding Supportive Services and CCIs) to the dollar value of the documented, committed Housing resources leveraged from other sources. HUD will round figures to two decimal points, using standard rounding rules.

Leverage Ratio (75% of Choice Neighborhoods grant request vs. non-Choice Neighborhoods grant funds)		Points Awarded
Metropolitan Statistical Area (MSA) greater than 500,000	MSA less than 500,000	
1:2.50 or higher	1:2.00 or higher	3
1:2.00 and 1:2.49	1:1.50 and 1:1.99	2
1:1.00 and 1:1.99	1:0.51 and 1:1.49	1
Below 1:1.00	Below 1:0.50	0

d. People Leverage (6 points). For the purposes of the People Leverage Rating Factor, up to 20 commitment letters for new services to the residents of the target housing project(s) will be counted. To receive points under this rating factor, leveraged resource commitments must indicate which People area under “Eligible Types of People Leverage Resources” it falls under. No more than 10 leverage letters can be submitted for a single area (i.e., income and employment, training and education, and maintaining independence). Each letter must comply with leverage requirements. Applicants are strongly encouraged to include the following table in each letter to summarize key leverage information and create separate rows for each service or resource provided. A sample chart is provided

People Area (Income and Employment, Training and Education, or Maintaining Independence)	Type of funds: monetary or in-kind services	Identify the number of years the services will be provided during the grant term	Identify if the resource is a new or expanded service	Brief description of service or eligible resource (see page XX)	Number of target housing residents to be served, i.e., slots dedicated (*do not use an indirect estimate*)	Total value of the commitment
Income and Employment	In-Kind	5 years	New	Slots for job training	30	$XX,000
Maintaining Independence	Financial	5 years	New	Funding for staff time for 3 community health workers	110	$XX,000

				focused on older adults		

HUD will calculate the ratio of the total allowable Choice Neighborhoods funds that can be requested for supportive services activities (15 percent of the total Choice Neighborhoods grant amount requested) to the dollar value of documented, committed People resources leveraged from other sources. HUD will round figures to two decimal points, using standard rounding rules.

Leverage Ratio (15% of Choice Neighborhoods Grant Request vs. non-Choice Neighborhoods funds)		**Points Awarded**
MSA greater than 500,000	MSA 500,000 or less	
1:1.00 or higher	1:0.50 and 1:0.99	6
1:0.50 and 1:0.99	1:0.25 and 1:0.50	4
1:0.25 and 1:0.50	1:0.10 and 1:0.24	2
Less than 1:0.25	Less than 1:0.10	0

H. SOUNDNESS OF APPROACH

1. Ongoing Resident and Stakeholder Involvement (3 points). Involving residents of the target housing is critical to the success of a Choice Neighborhoods grant. How will you conduct outreach to residents and resident organizations so that they are able to participate in the implementation process and can make meaningful contributions to the implementation process? How do you plan to engage other relevant stakeholders, such as other residents of the community, assisted housing owners, philanthropic, civic, business, or social service organizations?

2. Project Management (3 points). Grantees are expected to have in place a strong organizational structure for implementing the overall grant, including the housing, people and neighborhood components. Provide a narrative which discusses how the grant will be managed. HUD will award points based on how well you demonstrate that you have a strong plan for grant management with sufficient staffing in place to ensure positive final outcomes are achieved within the grant term. The following should be included in your discussion:

- Identify and discuss key staffing positions and their roles for each of the Principal Team Members
- Who will be responsible for coordinating all aspects of the grant and managing day-to-day activities? How much of their time will be dedicated to the grant?
- Who will be responsible for holding partners accountable?

- Will outside consultants be hired to provide professional services to supplement grant staff? If so, describe.

3. Impact of the Transformation Plan (8 points). To ensure the maximum impact of Choice Neighborhoods funds, the Transformation Plan, as presented in your grant application, must demonstrate a clear connection between the needs identified in the application related to Housing, People, and Neighborhood; the improvements the plan will make; and the strategies proposed to achieve those outcomes. Successful Transformation Plans will redevelop/reposition a distressed public housing project into financially viable mixed-income housing; spur outside investment into the surrounding community; and support employment and upward mobility for residents. The application should demonstrate that the plan is achievable, financially feasible, and can be completed within the grant term, as reflected in the proposed budgets and schedule. The application itself must be well organized, well written and internally consistent. For this rating factor, HUD will evaluate your overall Transformation Plan and rate it based on the extent to which the strategies presented in your application achieve the core goals of the program, addresses the key needs of the targeted neighborhood, and has a likelihood of success (e.g., financial feasibility, support from local government, long-term commitments). Points will be awarded by demonstrating you have devised a Transformation Plan that will accomplish the core goals of the program, catalyze your neighborhood transformation by attracting long-term public and private investment, and is likely to succeed. Fewer points will be awarded if the application demonstrates that your Transformation Plan will accomplish some of the core goals of the program, has a minimal impact on the neighborhood, and/or is less likely to succeed.

I. SECTION 3

If your application includes a quality Section 3 plan, you may receive one point for this criterion. HUD will consider the following in evaluating the quality of the Section 3 plan:

- types and amounts of employment, training, and contracting opportunities to be generated as a result of proposed grant activities;
- specific actions to be taken to give Targeted Section 3 workers (as defined at 24 CFR 75.21) and Section 3 business concerns (as defined at 24 CFR 75.5) priority consideration for employment, training, contracting, and other economic opportunities in accordance with HUD's regulations at 24 CFR part 75, subparts A and C;
- written criteria to be used for determining the respective eligibility of individuals and businesses as Targeted Section 3 workers and Section 3 business concerns;
- written procedures to be used for notifying Targeted Section 3 workers and Section 3 business concerns about the availability of training, employment, and contracting opportunities;
- methodology to be used for monitoring subrecipients and contractors to assure compliance with Section 3 requirements;
- strategies for meeting or exceeding the Section 3 benchmarks that HUD may establish as provided by 24 CFR 75.23; and
- contact information and qualifications for staff persons who will be responsible for the

day-to-day implementation of Section 3.

2. Policy Initiative Preference Points

This NOFO supports the following policy initiatives, for which a maximum of four (4) preference points may be awarded.

Preference points are added to your overall application score. You do not need to address the policy initiatives in this section to receive an award. If you choose to address a policy initiative in your application, you must adhere to the information with any award.

a. Promise Zones

You may receive up to two (2) points, if your proposed activities support the goals of a Promise Zone. To receive points, you must complete and submit form HUD-50153, Certification of Consistency with Promise Zone Goals and Implementation. An authorized office of the Promise Zone must certify the project meets the criteria included on the form.

b. Opportunity Zones

You may receive up to two (2) points, if your proposed activities are within an Opportunity Zone. To receive points, you must complete and submit form HUD-2996, Certification for Opportunity Zone Preference Points. If you expect to use less than 50% of the award in Opportunity Zones, you won't receive preference points. Exceptions may be made if your application justifies the lower percentage or demonstrates a significant impact within those zones.

3. Other Factors

Your application must respond to the following other additional criteria.

a. Budget

The panel will review but not approve the budget. The panel will assess whether the budget aligns with planned program activities and objectives. Panel members will consider whether the budget and the requested performance period are fully justified and reasonable in relation to the proposed project.

b. Certification of Consistency with the Consolidated Plan

You must make sure your application activities are consistent with your local Consolidated Plan.

c. Partnership and Joint Venture Certifications. Provide a letter or other document from each Principal Team Member (including the Lead Applicant and any Co-Applicant) confirming their roles and responsibilities.

- An authorized representative of each entity must sign and date the certification.
- If the Housing Implementation Entity is a joint venture, the joint venture's certification must affirm that a contract governing the rights and responsibilities of the parties is in legal force and effect for that joint venture, identify each member, and describe each member's role. The Housing Implementation Entity's certification must also indicate that it will be responsible for implementing day-to-day activities related to development

of the Housing Plan.

- Note: If a Lead Applicant proposes to change a Principal Team Member HUD must approve it prior to dismissing and/or replacing any Principal Team Member or effecting any material change to the roles and responsibilities of the Principal Team Member.

d. Site Control for Target and Replacement Housing Sites to Be Developed by the Housing Implementation Entity.

- Either the Lead Applicant, Co-Applicant (if any), or the Housing Implementation Entity must have site control for the target housing site and all parcels proposed for replacement housing under the Transformation Plan. Site control means the Lead Applicant, Co-Applicant, or Housing Implementation Entity either owns the property(ies), including land and buildings, or that such parties have a legally binding purchase agreement for it as of the application due date and will maintain site control through the later of the end of the grant term or until all replacement housing is built/rehabbed, unless otherwise approved by HUD.
- The entity that has site control of each parcel must provide a signed certification in the application.
- The certification(s) must identify each parcel (e.g., by address or specific location), describe how the site is controlled, and be signed by the Executive Officer of the entity that has site control.
- Evidence of site control is not needed for the 'PBV by Others' component of your Housing Plan. However, HUD will review the required letter from the PHA that will administer the vouchers as required in the Overall Housing Strategy rating factor.
- If you do not provide an acceptable certification of site control, the entire application will be disqualified.
- If after grant award, HUD determines that the Lead Applicant, Co-Applicant, or Housing Implementation Entity does not have the site control claimed in the certification, HUD reserves the right to rescind the grant award.
- Post grant award, a change in site due to unforeseeable environmental compliance issues will only be permitted if the environmental issues are beyond the control of the grantee.

e. One-for-One Replacement of Units. Provide the One-for-One Replacement Certification form (HUD-53238). If the target site has already been demolished or the Housing Plan is 100 percent rehabilitation of the units with the current bedroom configuration, the certification form does not need to be provided. If the report generated from the HUD CN Mapping Tool indicates that this neighborhood qualifies for the exception allowing tenant-based vouchers as replacement housing, fill out the form accordingly.

f. Resident and Community Involvement. In accordance with section 24(e)(2)(D) of the 1937 Act, applicants must involve affected residents and other stakeholders at the beginning of and throughout the planning and implementation of their Transformation Plans. You must demonstrate compliance with this requirement by providing the Resident and Community Involvement certification (form HUD-53231) in the attachments section of the application. The

certification form must include the name of the Target Housing site, the date of the meeting, and be signed and dated by the Lead Applicant's Executive Officer.

(a) Resident and Public Meeting. Prior to submission of your application, you must conduct at least one meeting with the residents of the Target Housing project who occupy units that will be redeveloped as part of this grant as well as the broader community to discuss your intention to submit a Choice Neighborhoods Implementation Grant application.

(b) Content and Structure. The agenda must include a presentation of the Choice Neighborhoods Transformation Plan and discussion about the Implementation Grant process, including application and post-award implementation. At each meeting residents and community must be given opportunities to express their support or lack of support for the proposed application. Meetings held virtually through an accessible, interactive platform (such as Zoom or Teams) are acceptable to satisfy this threshold requirement. The meeting must be held in a facility that is physically accessible to persons with disabilities, and auxiliary aids or services and reasonable accommodations must be provided to ensure equal participation by individuals with disabilities. Where physical accessibility is not achievable, recipients and subrecipients must give priority to alternative methods of resident involvement that are accessible to and usable by individuals with disabilities and must ensure effective communication during such meetings or during other methods of engaging the residents in accordance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and HUD's implementing regulations at 24 CFR Part 8, and Title II of the Americans with Disabilities Act (42 U.S.C. §§ 12131-12134) and the implementing regulation at 28 CFR Part 35. All successful applicants must take reasonable steps to ensure meaningful access to programs and activities for persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964.

C. Risk Review

Before making an award, HUD will evaluate each applicant's likelihood of successfully implementing an award based on the following criteria.

- OMB-designated repositories of governmentwide data, as noted in 2 CFR 200.206(a)
- Other public sources such as newspapers, Inspector General or Government Accountability Office reports or findings, or other complaints that have been proven to have merit
- Financial stability
- Quality of management systems and ability to meet the management standards prescribed in 2 CFR part 200
- History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, failing to make significant progress in a timely manner, failing to meet planned activities in a timely manner, conformance to the terms and conditions of previous Federal awards, and, if applicable, the extent to which any previously awarded amounts will be expended prior to future awards
- Reports and findings from audits performed under 2 CFR part 200, subpart F—Audit

Requirements or the reports and findings of any other available audits

- The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities
- Capacity of the applicant, including staffing structures and capabilities
- History of timely completion of activities and receipt and expenditure of promised matching or leveraged funds
- Ability to promote self-sufficiency and economic independence
- Ability to produce positive outcomes and results

HUD may use the results of the risk review to make funding decisions and to apply award conditions.

D. Selection Process

When making funding decisions, HUD will consider:

- Eligibility requirements, including threshold review results.
- Merit review results.
- Risk review results.

To the extent allowed by law, HUD may:

- Fund applications in whole or in part.
- Fund applications at a lower amount than requested.
- Choose to fund no applications under this NOFO.
- Adjust funding for an application, to ensure funding or geographic dispersion, and alignment with program or administrative priorities.
- Withdraw an award offer and make an offer of funding to another eligible application, if terms and conditions are not finalized or met.
- Use additional funds made available after NOFO publication to either fully fund an application or fund additional applications.
- Correct HUD review and selection errors. If HUD commits an error that causes an applicant not to be selected, HUD may make an award to that applicant when and if funding is available.
- Release another NOFO, if funding is available and if HUD does not receive applications of merit.

HUD will first screen each application to determine if the Key Eligibility Criteria in Section II.A are met. If it does not, the application will be deemed ineligible and will not receive further review.

Then HUD will screen the application to determine if it meets the other threshold criteria listed in Section V.A.

HUD will not rate or rank applications that are deficient at the end of the cure period or that have not met the Threshold Requirements.

Reviewers will rate each eligible application based SOLELY on the rating factors and assign a preliminary score for each rating factor and total score.

Preliminary Rating and Ranking. The preliminary review will be conducted in two stages:

(a) In **Stage 1**, HUD will evaluate the application based on the Capacity, Need, Leverage, and Soundness of Approach (except for the Impact of the Transformation Plan subfactor) rating factors. Applications must earn at least 70 percent of the points in Capacity and at least 50 percent of the points in Need in order to move on to Stage 2. However, HUD reserves the right to lower these criteria to allow enough applications to move on to Stage 2 that reflect a cumulative funding request up to approximately four times the amount of funding available. For those applications that do not move onto Stage 2, HUD will not review the rest of the application. The number of the most highly rated applications that reflects a cumulative funding request of up to or approximately two times the amount of funding available will move on to Stage 2 as Finalists.

(b) In **Stage 2**, HUD plans to conduct a site visit or virtual meeting with each Finalist so that HUD may gain a better understanding of the Transformation Plan. Information gained during these visits will be taken into consideration while assigning scores in response to all the rating factors. HUD expects to meet with the Lead Applicant, Co-Applicant, Principal Team Members and other key partners that HUD will identify to ensure that they are committed to and able to implement the Transformation Plan described in the Choice Neighborhoods grant application. These meetings are being conducted as part of a competition covered by the HUD Reform Act and thus will not be open to the public. Given the short time frame for conducting these visits, HUD will determine the schedule of site visits and notify you in advance.

A Final Review Panel will:

- Review the preliminary rating of competitive applications to ensure documentation accurately reflects the contents of the application.
- Assign a final score to each application and rank them in score order.
- Recommend the most highly rated applications for selection, subject to the amount of available funding. However, HUD reserves the right not to fund an application in a city with an active Choice Neighborhoods Implementation Grant if there is still substantial work needed to complete under that grant.

Tie Scores. If two or more applications have the same score and there are insufficient funds to select all of them, the following procedures will be used to break ties:

1. Highest overall score for the Capacity rating factors.
2. Then, the highest score for the Soundness of Approach rating factors.
3. Then, the highest overall score for the Need rating factors.

E. Award Notices

If you are successful, HUD will email an award notice to the authorized official representative

from the SF-424. HUD will also notify unsuccessful applicants.

The award notice communicates the amount of the award, important dates, and the terms and conditions you need to follow. HUD may impose specific conditions on an award as provided under 2 CFR 200.208.

You agree to the award terms and conditions by either drawing funds from HUD's payment system or signing the agreement with HUD. If you do not agree to the award terms and conditions, HUD may select another eligible applicant.

Anticipated Announcement and Award Date. HUD anticipates announcing awards approximately five months after the application due date.

Choice Neighborhoods Grant Agreement. After grant award, HUD will send a grant agreement to each successful applicant. This document constitutes the contract between you (and any Co-Applicant) and HUD to fund Choice Neighborhoods Implementation Grant activities.

HUD reserves the right to negotiate the award terms and conditions, including payment terms, prior to executing a grant agreement.

VI. SUBMISSION REQUIREMENTS AND DEADLINES

VI. Submissions Requirements and Deadlines

A. Deadlines

B. Submission Methods

C. Other Submissions

D. False Statements

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VI. SUBMISSION REQUIREMENTS AND DEADLINES

You must apply electronically. See Find the Application Package to make sure you have everything you need to apply online. See Application Waiver if you qualify to submit a paper application.

Make sure you are current with SAM.gov and UEI requirements before applying for the award. See the Before You Begin section of this NOFO.

A. Deadlines

1. Application submission deadline:

The application deadline is 11:59:59 PM Eastern time on:

03/09/2026

HUD must receive your application by the deadline. Applications received after the deadline are late. Late applications are not eligible for HUD funding.

If HUD receives more than one application from you, HUD will review only the last submission.

HUD may extend an application due date based on emergency situations such as Presidentially-declared natural disasters. Improper or expired registration and password issues are not causes to allow HUD to accept applications after the deadline date.

2. Grace Period for Grants.gov Submissions

If Grants.gov rejects your application before the deadline, you have up to 24 hours after the application deadline to correct and resubmit your application. Any application submitted during the grace period but not received and validated by Grants.gov will not be considered for funding. There is no grace period for paper applications.

B. Submission Methods

1. Electronic Submission

You must register and submit your application through Grants.gov. See Before You Begin.

For instructions on how to submit in Grants.gov, see the Quick Start Guide for Applicants. Make sure that your application passes the Grants.gov validation checks or we may not get it.

Grants.gov will record the date and time of your application submission. HUD will use this information to determine timely applications.

Need Help? See the Contact and Support section of this NOFO.

2. Electronic Submission Application Waiver

You may request a waiver from the requirement to submit your application electronically. The request must show good cause and detail why you are technologically unable to submit electronically. An example of good cause may include: a valid power or internet service disruption in the area of your business office. Lack of SAM.gov registration is not good cause.

Use the information in the Contact and Support section of this NOFO to submit a written

request to HUD. You must **submit your waiver request at least 15 calendar days before the application deadline**.

C. Other Submissions

1. Intergovernmental Review

This NOFO is not subject to Executive Order 12372. No action is needed.

2. Technical Application Errors

HUD may contact you to fix a technical error with your timely application after the due date. Technical errors that you may fix are not submitted to satisfy merit review criteria. And you may not fix technical errors related to threshold review except eligibility entity documentation. Examples of technical errors include: inconsistencies in funding requests; improper signature on a form; a missing or incomplete form; and nonprofit status documentation.

HUD will send notice to the authorized organization representative from the SF-424 to fix a technical error.

Your application is not eligible for funding, if you fail to fix the error to HUD's satisfaction and by the due date in HUD's notice. HUD will not review information submitted after the application due date in HUD's notice.

a. Fix Errors in Electronic Applications

To fix an error in response to a HUD notice, you must email the corrections to HUD at applicationsupport@hud.gov. The subject line of the email to applicationsupport@hud.gov must state "Technical Fix" and include the Grants.gov application tracking number (e.g., Subject: Technical Fix - GRANT123456). If you do not email applicationsupport@hud.gov or if you do not include the appropriate subject line, HUD may mark your application as ineligible.

HUD allows no less than 48 hours and no more than 14 calendar days from the date of the HUD notice to fix an error. If the due date to fix an error falls on a Saturday, Sunday, Federal holiday, or on a day when HUD's Headquarters office in Washington, DC is closed, then the due date is the next business day.

For this NOFO, corrections are due within three business days after HUD notifies you. Examples include: omissions on the Key Eligibility Data form and failure to submit a signature and/or date on a certification.

b. Fix Errors in Paper Applications

You must fix an error in your paper application, in accordance with HUD's notice. If your paper application includes an incorrect UEI, HUD will request you supply the correct UEI.

D. False Statements

By submitting an application, you acknowledge your understanding that providing false or misleading information during any part of the application, award, or performance phase of an award may result in criminal, civil or administrative sanctions, including but not limited to: fines, restitution, and/or imprisonment under 18 USC 1001, 18 USC 1012, 18 USC 1010, 18 USC 1014, or 18 USC 287; treble damages and civil penalties under the False Claims Act, 31

USC 3729 et seq.; double damages and civil penalties under the Administrative False Claims Act, 31 USC Sections 3801-3812; civil recovery of award funds; suspension and/or debarment from all federal procurement and non-procurement transactions, FAR Part 9.4 or 2 CFR Part 180; and other remedies including termination of active HUD award.

VII. POST - AWARD REQUIREMENTS AND ADMINISTRATION

VII. Post-Award Requirements and Administration

A. Administrative, National and Departmental Policy Requirements and General Terms and Conditions

B. Environmental Requirements

C. Remedies for Noncompliance

D. Reporting

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VII. POST-AWARD REQUIREMENTS AND ADMINISTRATION

A. Administrative, National and Departmental Policy Requirements, and General Terms and Conditions

You must follow the applicable provisions in the Administrative, National & Departmental Policy Requirements and Terms for HUD Financial Assistance – 2025. You must comply with these applicable provisions:

1. The Fair Housing Act (42 USC 3601-3619) and Civil Rights laws which encompass the Fair Housing Act and related authorities (24 CFR 5.105(a))

2. Affirmatively Furthering Fair Housing (AFFH) requirements, (42 USC § 3608(e)(5)) and implementing regulations at 24 CFR 5.150 et seq.as amended by 90 FR 11020.

3. Economic Opportunities for Low-and Very Low-income Persons (12 USC 1701u) requirements, including those listed at 24 CFR part 75

4. Compliance with Immigration Requirements (8 U.S.C. 1601-1646; Executive Order 14218)

5. Accessible Technology requirements, (29 USC § 794d, 29 USC 794, 42 USC 12131-12165) and implementing regulations at 36 CFR part 1194 (Section 508 regulations),24 CFR § 8.6 (Section 504 effective communication regulations), 28 CFR part 35, subpart H (DOJ Web Access Rule), and 28 CFR part 35, subpart E (DOJ's Title II communications regulations)

6. Ensuring, when possible, small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms receive consideration consistent with 2 CFR 200.321

7. Equal Participation of Faith-based Organizations in HUD Programs and Activities consistent with 42 U.S.C. 2000bb et seq.; 42 U.S.C. 2000d et seq.; 24 CFR 5.109; and Executive Orders 14202, *Eradicating Anti-Christian Bias* and EO 14205, *Establishment of the White House Faith Office*.

8. Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 USC § 4601 et seq.) (URA) requirements, 49 CFR part 24, and applicable program regulations

9. Participation in HUD-Sponsored Program Evaluation (12 USC 1701z-1; 12 USC 1702z-2; 24 CFR part 60; and FR-6278-N-01)

10. OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200)

11. Drug-Free Workplace requirements (2 CFR part 2429)

12. HUD requirements related to safeguarding resident/client files (e.g., 2 CFR 200.303(e))

13. The Federal Funding Accountability and Transparency Act of 2006 (2 CFR part 170) (FFATA), as amended

14. Eminent Domain

15. Accessibility for Persons with Disabilities requirements (29 USC § 794) and implementing regulations at 24 CFR parts 8 and 100; 28 CFR part 35

16. Applicable Violence Against Women Act requirements in the Housing Chapter of VAWA (34 USC § 12491-12496) 24 CFR part 5, subpart L, and program-specific regulations.

17. Conducting Business in Accordance with Ethical Standards/Code of Conduct, including 2 CFR 200.317, 2 CFR 200.318(c) and other applicable conflicts of interest requirements

18. Build America, Buy America (BABA) Act procurement purchase requirements

19. Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 USC § 7104(g)) and implementing regulations at 2 CFR part 175

20. Environmental requirements that apply in accordance with 24 CFR part 50 or part 58

21. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment (41 USC § 3901 note prec., 2 CFR 200.216)

22. Unless prohibited by law and to the extent permitted under the Freedom of Information Act (FOIA), your application and post-award content may be released to the public in response to FOIA requests, except to the extent that certain information may be withheld under a FOIA exemption (5 USC § 552(b); 24 CFR 15.107(b)). HUD may also share your information within HUD or with other Federal agencies if HUD determines that sharing is relevant to the respective program's objectives.

23. Waste, Fraud, Abuse, and Whistleblower Protections. 41 USC § 4712, which includes informing your employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a contractor, subcontractor, grantee, subgrantee, and personal services contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. (See Federal Contractor or Grantee Protections | Office of Inspector General, Department of Housing and Urban Development (hudoig.gov))

24. Implementing Presidential Executive Actions affecting federal financial assistance programs, as advised by the Department, unless otherwise restricted by law: Executive Order (EO) 14219 (Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative); 14218 (Ending Taxpayer Subsidization of Open Borders); guidance resulting from the White House Task Force established by 14202 (Eradicating Anti-Christian Bias) and the Senior Advisor to the White House Faith Office assigned by 14205 (Establishment of the White House Faith Office); 14182 (Enforcing the Hyde Amendment); 14173 (Ending Illegal Discrimination and Restoring Merit-Based Opportunity); 14168 (Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government); 14151 (Ending Radical and Wasteful Government DEI Programs and Preferencing); and 14148 (Initial Rescissions of Harmful Executive Orders and Actions)

B. Environmental Requirements

1. Environmental Review

You must follow these environmental review requirements, including regulations at:

24 CFR part 50

24 CFR part 58

Limitations on activities pending clearance. The grantee, and any participant in the development process, may neither undertake any actions with respect to the project that limit the choice of reasonable alternatives or could have environmentally adverse effects, including demolishing, acquiring, rehabilitating, converting, leasing, repairing, or constructing property (i.e. “physical activities”) proposed to be assisted under this NOFO, nor commit or expend HUD or non-HUD funds for these activities, until (i) HUD has approved a Request for Release of Funds following a responsible entity's environmental review under 24 CFR part 58, or (ii) if HUD has determined to perform the environmental review under paragraph "Responsibility" below, HUD has completed the environmental review and given approval for the action under 24 CFR part 50. In addition, grantees must carry out any mitigating/remedial measures required by the responsible entity (or HUD), or select an alternate eligible property, if permitted by HUD.

Environmental Review and Choice Neighborhoods Supplemental Submissions. The environmental review must be completed before development activities commence, which means either the responsible entity has submitted and HUD has approved a Request for Release of Funds (RROF) or HUD has completed and signed off on its environmental review, as documented in the HUD Environmental Review Online System (HEROS) or appropriate HUD environmental review format. Grantees must carry out any mitigating/remedial measures required by the responsible entity (or HUD), or select an alternate eligible property, if permitted by HUD. If a mitigating measure, where required, is not approved by the responsible entity (or HUD) and/or other jurisdictional authority HUD reserves the right to determine that the grant is in default. If a fully funded contract with a qualified contractor licensed to perform the required type of mitigation is not executed, HUD reserves the right to determine that the grant is in default.

Responsibility. If your application is selected for funding and an environmental review has not been conducted on the targeted site, the responsible entity should assume the environmental review responsibilities for projects being funded by Choice Neighborhoods. If you object to the responsible entity conducting the environmental review, based on performance, timing, or compatibility of objectives, HUD will review the facts and determine who will perform the environmental review. At any time, HUD may reject the use of a responsible entity to conduct the environmental review in a particular case based on performance, timing, or compatibility of objectives, or in accordance with 24 CFR 58.77(d)(1). If a responsible entity objects to performing an environmental review, or if HUD determines that the responsible entity should not perform the environmental review, HUD may designate another responsible entity to conduct the review or may itself conduct the environmental review in accordance with the provisions of 24 CFR part 50.

Site selection and control. A change in site due to unforeseeable environmental compliance

issues will only be permitted if the environmental issues are beyond the control of the grantee. In the event of unforeseeable environmental compliance issues beyond your control, HUD may permit you to propose a site at a different location than the site originally proposed. If you are permitted to propose a different site, a re-evaluation or environmental review update and information concerning the proposed site will be required.

Supporting Documentation. You must provide any reports and documentation that are needed to perform the environmental review to the responsible entity (or HUD, where applicable). Depending on the funding source, applicants should follow the documentation guidance as discussed in PIH Notice 2016-22 (Environmental Review Requirements for Public Housing Agencies, https://www.hud.gov/sites/documents/pih2016-22.pdf) or Chapter 9 of the MAP Guide. Guidance on environmental review is available on HUD's environmental website: https://www.hudexchange.info/environmental-review/.

Scoping, Aggregation, and Cumulative Effects. The environmental review must cover all activities and actions that are logically related to the project, regardless of whether they are also assisted by HUD. An Environmental Impact Statement must be prepared for projects that are determined to have a significant impact on the environment.

The environmental review must group together and evaluate as a single project all individual activities which are related either on a geographical or functional basis or are logical parts of a composite of contemplated actions, regardless of funding sources. However, where the Choice Neighborhoods project includes housing development on multiple parcels, separate environmental reviews for the off-site and on-site housing may be performed. In addition, CCI activities may be addressed in a separate environmental review which must commence immediately upon HUD's written approval of the CCI Plan.

In approaching the risks and solutions, applicants should be cognizant of the cumulative impacts and effects of their project when considered with other efforts in an area. Cumulative effects are the effects on the environment that result from the incremental effects of the action when added to the effects of other past, present, and reasonably foreseeable actions regardless of what agency or person undertakes such other actions. Cumulative effects can result from individually minor but collectively significant actions taking place over a period of time. An Environmental Impact Statement must be prepared for projects that are determined to have a significant impact on the environment.

Phase I and Phase II Environmental Site Assessments. If your application is selected for funding, you must have a Phase I Environmental Site Assessment (Phase I ESA) completed in accordance with ASTM 1527-21 for each affected site. A Phase I ESA is required whether the environmental review is completed under 24 CFR part 50 or 24 CFR part 58. The Phase I ESA must incorporate a Vapor Encroachment Screen in accordance with ASTM E 2600-10 to assess the potential for vapor migration. The results of the Phase I ESA must be included in the documents that must be provided to the responsible entity (or HUD) for the environmental review. If the Phase I ESA concludes that there are recognized environmental conditions or if the results are inconclusive, a Phase II environmental site assessment will be required. If a contamination remediation plan, where required, is not approved by a state or other jurisdictional authority (whether under Part 50 or Part 58) and a fully funded contract with a qualified contractor licensed to perform the remediation is not executed, HUD reserves the right to determine that the grant is in default.

Radon. Any new construction projects must be built with radon-resistant construction techniques. Radon analysis is required for new construction and rehabilitation projects, in compliance with HUD's contamination requirements at 24 CFR 50.3(i) and 58.5(i)(2). Testing of existing structures at projects funded for activities other than new construction or rehabilitation is strongly encouraged, as well as mitigation of any structures with elevated radon.

Failure to meet environmental requirements. HUD may rescind the grant award if the site or application fails to comply with environmental requirements or the environmental process under 24 CFR Parts 50 and 58.

Reference: HUD's environmental website is https://www.hudexchange.info/environmental-review/.

Section 106 Pre-Identification of Historic Properties. If your target housing project buildings are 45 years old or older, it is strongly recommended that you contact the State/Tribal Historic Preservation Officer (SHPO/THPO) prior to submission of this grant application to confirm whether the buildings are eligible for inclusion in the National Register of Historic Places, and therefore considered historic properties under Section 106 of the National Historic Preservation Act. Failure to do so may hinder your ability to expend federal grant funds. Section 106 review will be conducted during the environmental review process. Extensive information about 36 CFR 800, the Section 106 process, and the identification of historic properties is available at: https://www.hudexchange.info/environmental-review/historic-preservation/.

2. NOFO Impact Determination Related to the Environment

This NOFO has no significant impact related to the environment. HUD has made a Finding of No Significant Impact (FONSI) as required by HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 USC § 4332(2)(c)). To learn more about this FONSI, go to HUD's Funding Opportunities web page.

3. Lead-Based Paint Requirements

You must follow the lead-based paint rules below if you fund any work on pre-1978 housing. This includes buying, leasing, support services, operating, or work that disturbs painted surfaces.

- HUD's rules (Lead Disclosure Rule; and Lead Safe Housing Rule).
- EPA's rules (Renovation, Repair and Painting Rule, and Lead Abatement, Inspection and Risk Assessment Rule).

You must discuss the Lead Disclosure Rule if you fund education or counseling on buying or renting housing that may have been built before 1978. You must also discuss the Lead Safe Housing Rule if the education or counseling focuses on buying or renting HUD-assisted pre-1978 housing.

C. Remedies for Noncompliance

HUD may terminate all or a part of your award as described under 2 CFR 200.340 through

200.343 pursuant to the terms and conditions of your award, including, to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities. HUD may also impose specific conditions on your award or take other remedies as described by 2 CFR 200.339 through 200.343, if you do not comply with your award terms and conditions.

In accordance with Section 24(i) of the 1937 Act, if a Grantee defaults, HUD may withdraw any unobligated grant funds or pursue other actions as described in the grant agreement. HUD shall redistribute any withdrawn amounts to other applicants or to other entities capable of proceeding expeditiously in the same locality in carrying out the grant activities of the original Grantee, subject to provisions of the appropriations law. HUD will give the Grantee written notice of any default. The notice will give the Grantee the opportunity to cure such default within 30 days of the date of the notice, or to demonstrate within this time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default can not be cured within the 30-day period, the Grantee will demonstrate, to HUD's satisfaction, that the Grantee has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Grantee must agree to carry out such cure diligently and to complete the cure within the 90-day period.

D. Reporting

HUD requires recipients to submit the performance, financial, and program reports as outlined below. You must comply with these reporting requirements to remain eligible for HUD funding. See Section VII.C. of this NOFO.
HUD is implementing new grants management and reporting tools, which will be rolled out for your use in the near term. As a grantee, you will be required to report on grant performance and financial activities (including vendor and cash disbursement supporting details for yourself and your sub-recipients) using these new tools when they are released. HUD will work with you to support your transition to this new reporting environment. Once implemented, timely reporting in this new environment will be mandatory. HUD reserves the right to exercise all available rights and remedies for any noncompliance with these grants management and financial reporting requirements, to include requiring 100% review or stopping future disbursements altogether if reporting is not timely submitted.

Report	Description	When
Federal Funding Accountability and Transparency Act (FFATA)	• Awards equal to or greater than $30,000 • Data on executive compensation and first-tier subawards • See Public Law 109-282 and 2 CFR part 170 • HUD reports initial prime recipient data to	See 2 CFR Appendix A to Part 170(a)(2)(ii)

Report	Description	When
	usaspending.gov • Submit via SAM.gov	
Reporting on Recipient Integrity and Performance Matters	• Total value of all current Federal awards exceeds $10,000,000 for any period of time during the period of performance of this Federal award • See Appendix XII to 2 CFR 200 • Submit via SAM.gov	See 2 CFR Appendix-XII to Part 200 I.(d)
Progress Report	• Summary of progress status • Work to be performed during the next reporting period • Any anticipated risks and plans to mitigate those risks	Quarterly
Federal Financial Report, SF-425	• Summary of key financial data • See 2 CFR 200.328	See 2 CFR 200.328 or award terms
Audited financial statement	Recipient's organizational structure, any sub-grantees or sub-recipients, and how each disbursement of grant funds was applied to an eligible cost throughout the life of the grant to receive disbursements of Federal funds.	No less than annually

E. Other Post-Award Requirements

1. Long-term Affordability for Grant-funded Units. Replacement Housing units developed with Choice Neighborhoods funds must remain affordable to low-income households for at least 40 years. Non-replacement rental units and homeownership units developed with Choice

Neighborhoods funds must remain affordable to households earning up to 120 percent of AMI for at least 20 years.

2. Relocation and Mobility Counseling. Choice Neighborhoods program aims to support the successful relocation of households; the successful return of households who choose to occupy a replacement unit; and the stability of households who choose not to occupy a replacement unit.
(a) Projects involving real property acquisition, rehabilitation, or demolition are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. §§ 4601-4655), and the government-wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24 (except for displacement resulting from demolition or disposition activities subject to section 18 of the 1937 Act). As required by the URA, residents must be provided with certain notices prior to relocation. In the context of a Choice Neighborhoods Implementation Grant, applicants should provide the General Information Notice (GIN) that meets the requirements of the URA as soon as feasible after the date of submission of the grant application. The date of Initiation of Negotiations (ION) **s**erves as a milestone in determining a person's eligibility for relocation assistance and payments under the URA. Therefore, the ION date triggers the issuance to each resident the Notice of Eligibility for Relocation Assistance or a Notice of Non-displacement. The ION date for Choice Neighborhoods Implementation Grants is the execution date of the Grant Agreement. As of the Grant Agreement execution date, residents of the project who qualify as displaced are entitled for relocation payments and other relocation assistance in accordance with the URA. If HUD determines that there are circumstances under which a single ION would be impracticable and/or detrimental to the smooth relocation of residents, demolition of the existing units, and reconstruction of the project, HUD may approve multiple ION dates based on phased demolition as proposed by a grantee in its Transformation Plan. (For example, a project is large or is located in a community with limited housing resources to absorb large numbers of residents who will be displaced by the project.) Each demolition phase should propose an ION date which is at least 6 months prior to the planned start date for demolition in that phase (e.g., for a demolition phase that will begin June 1, the proposed ION date should be no later than the preceding January 1). These phased ION dates will enable the grantee to concentrate advisory services and resources on assisting affected residents to find replacement housing in a timely manner as each demolition date approaches. Grantees may opt to send Notices of Eligibility sooner than required, but these Notices must be sent no later than the established ION date for each phase.

(b) A Grantee should offer housing mobility counseling beyond what is required by the URA. Grantees are required to:

- Fully inform families of their right to return and their relocation options, including the availability of tenant-based vouchers;
- Ensure that families who receive a tenant-based voucher are made aware of and have access to high-quality rental housing in areas of opportunity;
- Assist families transitioning into new housing, neighborhoods, and (when applicable) schools;

- Provide supports and develop an early warning system to mitigate housing instability and help residents maintain lease compliance;
- Track 100 percent of the relocated residents until the last phase with replacement units is leased; and
- Conduct outreach to residents before each phase when replacement units become available and provide relocation assistance for residents who choose to occupy a replacement unit.

3. Capital Fund Financing Program (CFFP). If the target housing is from the inventory of a PHA with an outstanding, approved CFFP proposal, the PHA must take necessary steps to remain in compliance with the terms of that approval, as applicable. To the extent HUD determines that the Capital Fund projections in its CFFP Proposal did not accurately or completely incorporate the reduction in public housing units that would be caused by the Choice Neighborhoods activity, prior to undertaking the Choice Neighborhoods activity, the PHA will use Capital Funds, or other eligible funds to defease, redeem, or otherwise prepay the CFFP financing. This prepayment must be sufficient to maintain the same debt coverage ratio in the year immediately following any reduction in Annual Contribution Contract (ACC) Units related to the Choice Neighborhoods grant (based on the then-current year's capital fund allocation, but giving effect to the change in ACC Units in a manner acceptable to HUD) as existed prior to any reductions occurring as a result of the Choice Neighborhoods grant.

4. Public Housing Demolition. You may not carry out nor permit others to carry out the demolition of the targeted project or any portion of the project until HUD approves, in writing, one of the following ((a) – (c) of this section), and until HUD has also: (i) approved a Request for Release of Funds submitted in accordance with 24 CFR part 58, or (ii) if HUD performs an environmental review under 24 CFR part 50, has approved the property for demolition, in writing, following its environmental review.

(a) Information regarding demolition in your Choice Neighborhoods Application, along with Supplemental Submissions requested by HUD after the award of the grant. Section 24(g) of the 1937 Act provides that severely distressed public housing that is demolished pursuant to a transformation plan is not required to be approved through a demolition application under section 18 of the 1937 Act or regulations at 24 CFR part 970. If you do not receive a Choice Neighborhoods grant, the information in the application will not be used to process a request for demolition;

(b) A demolition application under section 18 of the 1937 Act; or

(c) A section 33 Required Conversion Plan, in compliance with regulations at 24 CFR part 972 and other applicable HUD requirements, if the project is subject to Required Conversion (section 33 of United States Housing Act of 1937 as amended by section 537 of the Quality Housing and Work Responsibility Act of 1998). A Required Conversion Plan concerns the removal of a public housing project from a PHA's inventory.

5. Public Housing Disposition. Public Housing disposition is authorized through Section 18 regulations or through RAD.

(a) Disposition of a severely distressed public housing site, by sale or lease, in whole or in part, may be done in accordance with section 18 of the 1937 Act and implementing

regulations at 24 CFR part 970.

(b) The Grantee will comply with the provisions of section 18 of the 1937 Act, 24 CFR part 970, as may be modified or amended from time to time, and the provisions of its approved disposition application (the approved "Disposition Application"), unless otherwise modified in writing by HUD. The Grantee will also comply with procedures for processing dispositions associated with mixed-finance projects as set forth by HUD.

(c) A lease of one year or more that is not incident to the normal operation of a development is considered to be a disposition that is subject to section 18 of the 1937 Act.

(d) Alternatively, disposition of a public housing site may be done in accordance with RAD requirements in a development seeking RAD conversion

6. Federal Labor Standards. Federal labor standards are applicable to Choice Neighborhoods grants. These labor standards involve the payment of not less than prevailing wage rates to laborers and mechanics, and may include overtime requirements (premium pay for hours worked over 40 in a workweek), and record keeping and reporting requirements.

(a) Davis-Bacon wage requirements apply to the development of any replacement housing rental units or homeownership units developed with Choice Neighborhoods Implementation Grant funds. The grantee must obtain the appropriate Davis-Bacon wage decision, which sets forth the minimum wage rates that may be paid to construction laborers and mechanics. This wage decision and provisions requiring compliance with federal labor standards must be included in any bid specifications and construction contracts. Development work undertaken directly by the grantee, with its own employees, is also subject to Davis-Bacon wage requirements.

(b) HUD-determined wage rates are applicable to all maintenance laborers and mechanics engaged in the operation of revitalized housing.

(c) If other federal programs are used in connection with Choice Neighborhoods activities, federal labor standards requirements apply to the extent required by the other federal programs on that portion of the project which is not subject to Section 12 of the 1937 Act.

7. Match Donations and Leverage Resources – Post Award. Sources of match and leverage funds may be substituted after grant award, as long as the dollar requirement is met. Grantees must pursue and enforce any commitment obtained from an entity for a contribution or commitment to the project or surrounding area that was part of the match or leverage amount.

VIII. CONTACT AND SUPPORT

VIII. Contact and Support

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VIII. CONTACT AND SUPPORT

Individuals who are deaf or hard of hearing, as well as individuals who have speech or communication disabilities may use a relay service. To learn more about how to make an accessible telephone call, visit the webpage for the Federal Communications Commission.

A. Agency Contact

1. Program and Application Requirements

Name: Choice Neighborhoods

Phone: 202-402-4100

Email: ChoiceNeighborhoods@hud.gov

Note: HUD's assistance is limited by the standards at 24 CFR 4.26.

2. Paper Application Waiver Request

Name: _____

Email: ChoiceNeighborhoods@hud.gov

Phone: 202-402-4100

HUD Organization: _____

Street: _____

City: _____

HUD Reform Act. HUD is prohibited from disclosing covered selection information during the selection process. The selection process includes NOFO development and publication, and concludes with the announcement of selected recipients of financial assistance. HUD will not assist you with completing your application.

B. Grants.gov

Grants.gov provides 24/7 support. You can call 800-518-4726 or email support@grants.gov. Hold on to your ticket number.

C. SAM.gov

If you need help, you can call 866-606-8220 or live chat with the Federal Service Desk.

D. Debriefing

After public announcement of awards, HUD will debrief you on your application upon your written request. Submit your written request to the agency contact for program and application requirements in this NOFO. HUD may limit the information provided to protect the integrity of the competition.

E. Applicant Experience Survey

You are encouraged to provide feedback on your application experience by completing our

Applicant Experience Survey. Your feedback is optional; you are not required to provide personal information. HUD may use your feedback to improve future NOFOs. Your feedback has no impact on funding decisions.

F. Other Online Resources

You are encouraged to review the online resources for context on some of the NOFO requirements.

www.hud.gov/cn

APPENDIX

Appendix

Appendix I Definitions

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APPENDIX

Appendix I. Definitions

1. Standard Definitions

For standard definitions not listed below, refer to 2 CFR 200.1.

Affirmatively Furthering Fair Housing (AFFH) - statutory obligation to affirmatively further the purposes and policies of the Fair Housing Act (see also 24 CFR 5.151, as amended by 90 FR 11020).

Authorized Organization Representative (AOR) is the official within your organization with the legal authority to: give assurances, make commitments, submit your application to HUD, enter into agreements, and execute such documents on behalf of your organization. The AOR is not necessarily the Project Director. The AOR has defined privileges within Grants.gov.

Consolidated Plan has the same meaning as defined at 24 CFR part 91.

E-Business Point of Contact (E-Biz POC) is defined at Grants.gov.

Eligibility requirements are mandatory requirements for an application to be considered for funding.

Grants.gov is the website serving as the Federal government's central portal for searching and applying for federal financial assistance.

Minority-Serving Institutions (MSIs) are

(1) an HBCU as defined in 20 U.S.C. § 1061(2)and included on this list of accredited HBCUs;

(2) a Hispanic-serving institution (as defined in 20 U.S.C. § 1101a(5));

(3) a Tribal College or University (as defined in 20 U.S.C. § 1059c(b)(3));

(4) an Alaska Native-serving institution or a Native Hawaiian-serving institution (as defined in 20 U.S.C. § 1059d(b));

(5) a Predominantly Black Institution (as defined in 20 U.S.C. § 1059e(b)(6));

(6) an Asian American and Native American Pacific Islander-serving institution (as defined in 20 U.S.C. § 1059g(b)(2)); or

(7) a Native American-serving nontribal institution (as defined in 20 U.S.C. § 1059f(b)(2)).

Opportunity Zone (OZs) are defined in 26 U.S.C. 1400Z-1. In general, OZs are census tracts located in low-income communities where new investments, under certain conditions, may be eligible for preferential tax treatment.

Primary Point of Contact (PPOC) is the person HUD may contact with questions about the application submitted. The PPOC is listed in item 8F on the SF-424.

Promise Zones (PZs) are designated high poverty areas in select urban, rural and tribal communities. The communities prioritize: increasing economic activity, improving educational opportunities, leveraging private investment, reducing violent crime, enhancing public health

and addressing other priorities identified by the community.

Small business is defined as a privately-owned corporation, partnership, or sole proprietorship that has fewer employees and less annual revenue than regular-sized business. The definition of "small"—in terms of being able to apply for government support and qualify for preferential tax policy—varies by country and industry. The U.S. Small Business Administration defines a small business according to a set of standards based on specific industries. See 13 CFR part 121.

System for Award Management (SAM) has the same meaning as 2 CFR 25.100(b).

Threshold Requirements are eligibility requirements you must meet before HUD advances to a merit review of your application.

Unique Entity Identifier (UEI) has the same meaning as 2 CFR 25.100(a).

2. Program Definitions.

Affordable Housing. Housing units funded by a Choice Neighborhoods Implementation Grant that is available to households earning between 81-120 percent of Area Median Income (AMI). The owner of the project/unit must record a HUD-approved affordability use restriction in effect for at least 20 years. These units are not Replacement Housing and do not count toward fulfilling the one-for-one replacement requirement.

Case Management. Case Management uses a coaching approach, in which case managers work one-on-one to help residents achieve the goals they identify for themselves in the areas of income and employment, training and education, and maintaining independence. The intensity and frequency of case management services should be tailored to the level of an individual's or family's needs. Active case management requires a minimum of monthly client contact. This approach should include:

- Screening, assessment, and risk management,
- Individualized service planning based on resident needs and choices,
- Providing options and information,
- Referring and connecting to services and supports,
- Monitoring resident progress,
- Evaluating timeliness and effectiveness of service delivery, and
- Maintaining necessary records.

Co-Applicant. An entity with which the Lead Applicant applies for funding under this NOFO. A Co-Applicant can be the local government or PHA. The local government of jurisdiction must be the Co-Applicant if it is not the Lead Applicant. The Co-Applicant must also meet each Threshold Requirement listed in Section III.A, will sign the Grant Agreement, and will be responsible for implementing the activities identified in the Transformation Plan.

Critical Community Improvements (CCIs). Grant funded, physical community and economic development projects that advance the neighborhood outcomes proposed in the Transformation Plan.

Housing Implementation Entity. The entity responsible for implementing the Housing component of the Transformation Plan. It is at-risk and financially responsible for development and the long-term asset management of the housing. A joint venture with an executed agreement that establishes clear roles and responsibility can be the Housing Implementation Entity.

Individual and Family Development Plans (IDP/FDP). A flexible but time-bound action plan created with the household that identifies specific goals and related supportive service needs in the areas of income and employment, training and education, and maintaining independence. These plans will be updated annually, guide the frequency and intensity of case management services, identify and remove impediments, and track household outcomes.

Local Government. Same meaning as “unit of general local government” in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302): The term “unit of general local government” means any city, county, town, township, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions that, except as provided in section 5306(d)(4) of this title, is recognized by the Secretary; the District of Columbia.

Neighborhood. The geographic area within which the activities of the Transformation Plan will take place. HUD understands neighborhood boundaries are not fixed like municipal or county boundaries. The Department also recognizes neighborhoods do not necessarily follow statistical boundaries, such as census tracts. For Choice Neighborhoods, HUD relies on applicants to identify generally accepted boundaries for the target neighborhood. In many communities, major streets or physical topography (such as rivers) typically delineate neighborhood boundaries. The neighborhood must be larger than the footprint of the target housing and should incorporate nearby places where residents may shop, receive services, work, and interact. The neighborhood cannot encompass more than one municipal jurisdiction and is typically an area less than two miles wide.

Neighborhood Implementation Entity. The entity responsible for coordinating, overseeing and implementing the Neighborhood Plan, including Critical Community Improvements. The Neighborhood Implementation Entity must be the local government or a redevelopment authority in which the target housing resides. A joint venture or other type of partnership cannot be the Neighborhood Implementation Entity.

People Implementation Entity. The entity that has primary responsibility for implementing day-to-day case management and facilitating the achievement of the supportive services strategy, the People component of the Transformation Plan ("People Plan"). A joint venture or other type of partnership cannot be the People Implementation Entity.

Principal Team Member. The Lead Applicant, Co-Applicant (if any), Housing Implementation Entity, People Implementation Entity, and Neighborhood Implementation Entity.

Public Housing. Housing that receives funding under an Annual Contributions Contract (ACC) and in accordance with section 9 of the 1937 Act. A public housing project is a group of such housing units that has a single Project Number assigned by the Director of Public Housing of a HUD Field Office and has, or had (in the case of previously demolished units),

housing units under an ACC and in accordance with section 9 of the 1937 Act. Applicants must be clear throughout their application as to the project they are targeting.

Replacement Housing. Rental housing that will replace demolished, disposed of, or otherwise reduced public housing. It must be assisted with funding under section 8 of the 1937 Act (42 U.S.C. 1437f and 42 U.S.C. 1437g) either as Project-based vouchers (section 8(o)(13) of the 1937 Act) or Project-Based Rental Assistance. For RAD conversions, this includes Restore-Rebuild. Tenant-based vouchers are excluded except as permitted by HUD. For acquisition of existing housing, the units must not have any use restrictions that already limit occupancy to low-income households.

Service Coordination. The coordination of services across agencies within a community, based on the needs and goals of the target resident population. Service coordination often requires partnership, network building, and the negotiation of tailored services to address specific resident needs and goals, as well as gaps in available services.

Severely Distressed Housing.

a. In accordance with section 24(j)(2) of the 1937 Act, the term means a public housing project (or building in a project) that:

(1) Requires major redesign, reconstruction, or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plan of the project;

(2) Is a significant contributing factor to the physical decline of, and disinvestment by, public and private entities in, the surrounding neighborhood;

(3) Is:

(i) Occupied predominantly by families who are very low-income families with children, have unemployed members, and are dependent on various forms of public assistance;

(ii) Has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area; or

(iii) Is lacking in sufficient appropriate transportation, supportive services, economic opportunity, schools, civic and religious institutions, and public services, resulting in severe social distress in the project;

(4) Cannot be revitalized through assistance under other programs, such as the Capital Fund and Operating Fund programs for public housing under the 1937 Act, or the programs under sections 9 or 14 of the 1937 Act (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, approved October 21, 1998)), because of cost constraints and inadequacy of available amounts; and

(5) In the case of an individual building that currently forms a portion of the Target Housing project: (a) Is sufficiently separable from the remainder of the project of which the building is part, such that the revitalization of the building is feasible; or (b) was part of the targeted public housing project that has been legally vacated or demolished, but for which HUD has not yet provided replacement housing assistance (other than tenant-based assistance). “Replacement housing assistance” is defined as funds that have been furnished by HUD to

perform major rehabilitation on, or reconstruction of, the public housing that have been legally vacated or demolished.

b. A severely distressed project that has been legally vacated or demolished (but for which HUD has not yet provided replacement housing assistance, other than tenant-based assistance) must have met the definition of physical distress not later than the day the demolition application approval letter was signed by HUD.

Supportive Services. In accordance with section 24(j)(3) of the 1937 Act, the term includes all activities that will promote upward mobility, self-sufficiency, or improved quality of life for the residents of the [target] housing, including literacy training, activities that promote early learning and the continuum of educational supports, remedial and continuing education, job training, financial literacy instruction, day care, youth services, aging-in-place, physical and mental health services, economic development activities, and other programs for which the community demonstrates need.

Transformation Plan. A comprehensive neighborhood revitalization strategy proposal which, when implemented, will achieve the three core goals of Choice Neighborhoods (Housing, People, Neighborhood).

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
10 Year Downtown Plan. Doug Reaser, Economic Development Manager

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
011326_WS_10_Year_Downtown_Plan.pdf	10 Year Downtown Plan.

Hagerstown
PLANNING & ECONOMIC DEVELOPMENT

TO: Scott Nicewarner, City Administrator

FROM: Doug Reaser, Economic Development Manager

DATE: January 9, 2026

RE: 10 Year Downtown Plan

Staff will attend the January 13, 2026 Work Session of the Mayor and City Council to present the final 10-Year Downtown Plan. Staff will be joined by Urban Partners and MKSK.

An Executive Summary of the Downtown Plan was presented to the Mayor and City Council at the December 16, 2025 Work Session. The Consultants have completed the full plan document in booklet format, and staff seek Mayor and City Council adoption of the plan at the January 20, 2026 Regular Session.

The project was funded in part by a $100,000 Appalachian Regional Commission grant.

The project is intended to provide data and community support for realistic and achievable strategies that will continue to generate momentum and help the City and investors make decisions that create value, manage risk, and improve the prospects for success.

The planning effort includes extensive community engagement, evaluates current market conditions in Downtown Hagerstown, assesses the feasibility of specific catalyst projects and provides recommendations that will guide downtown redevelopment and growth for the next 10 years.

The plan highlights a number of opportunities including:

- Catalytic Site Opportunities of various downtown properties
    - Summit Avenue Row
    - N Potomac Street
    - 50 E Washinton Street
    - Future Hotel and Office Development
    - 101-109 South Potomac Street
    - Holly Building
    - YMCA Building
    - Hospital Hill Site
- Street and Open Space Opportunities

    - Humanize Downtown Streets
    - Create a Cultural Loop
    - Invest in Alleyways
    - Be Uniquely Hagerstown
- Programmatic Opportunities
    - Reinforce Adjacent Neighborhood Housing
    - Improve the Downtown Public Safety Perception
    - Enhance University Coloration

The public can view the plan and learn more at mydowntownhagerstown.com.

Attachments: 10-Year Downtown Plan, Draft Motion

c: Jill Thompson
Brittany Arizmendi
Stephen Bockmiller
Valerie Feinberg
Kristian Broche
Emily Conrad

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

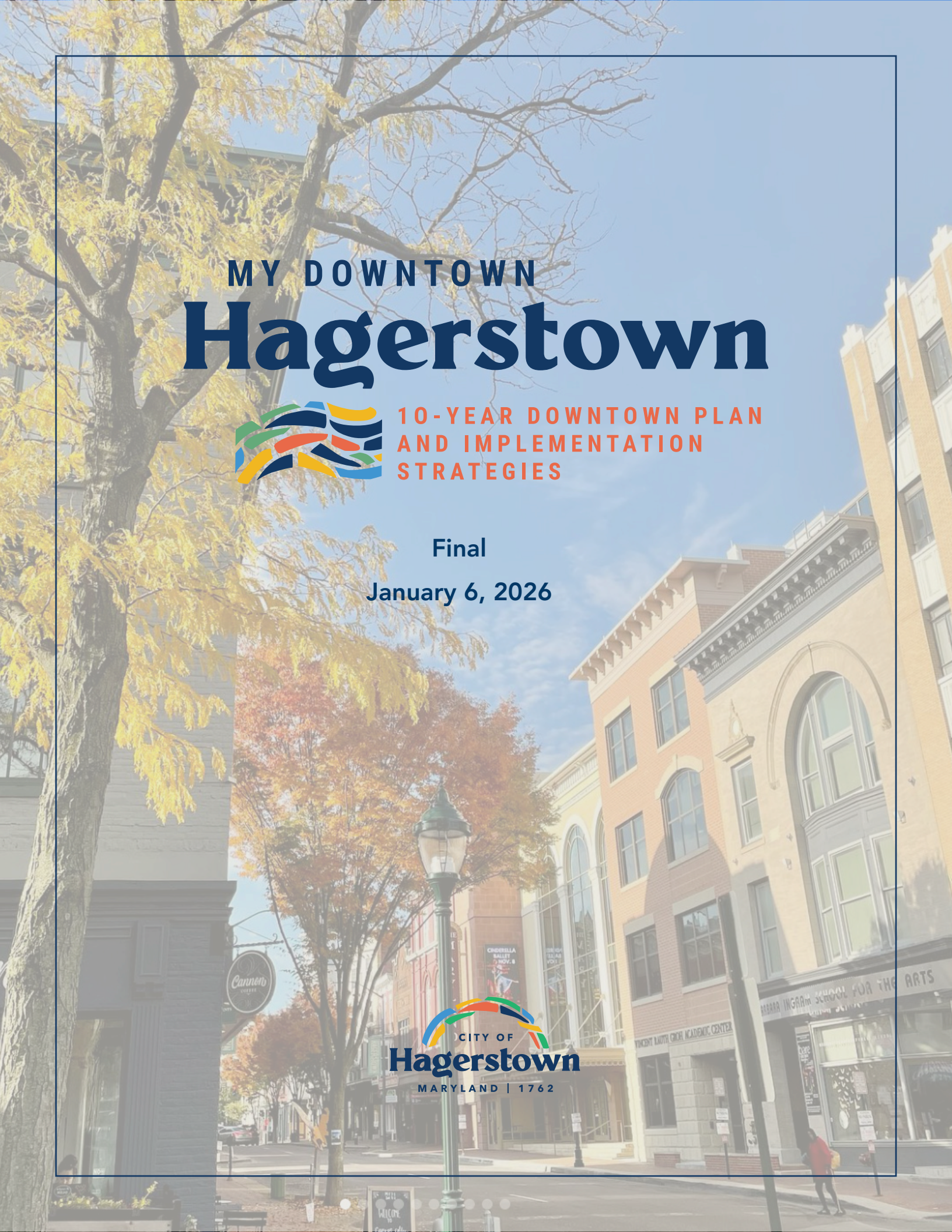
Date: January 20, 2026

TOPIC: **Approval of a Motion: Approval of the 10-Year Downtown Plan and Implementation Strategies**

Charter Amendment	__
Code Amendment	__
Ordinance	__
Resolution	__
Other	_X_

MOTION: I hereby move that the Mayor and City Council approve the attached 10-Year Downtown Plan and Implementation Strategies. The Plan provides data and community support for realistic and achievable strategies that will help the City and investors make decisions that create value, manage risk, and improve the prospects for success.

DATE OF INTRODUCTION:	N/A
DATE OF PASSAGE:	01/20/2026
EFFECTIVE DATE:	01/20/2026



MY DOWNTOWN Hagerstown

10-YEAR DOWNTOWN PLAN AND IMPLEMENTATION STRATEGIES

Final

January 6, 2026

CITY OF Hagerstown

MARYLAND | 1762

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1. Introduction

Project Purpose

Urban Partners, in association with MKSK, has been retained by the City of Hagerstown to prepare the City's 10-Year Downtown Plan—an update to the 2014 Community's City Center Plan. The project is intended to provide data and community support for realistic and achievable strategies that will continue to generate momentum and help the City and investors make decisions that create value, manage risk, and improve the prospects for success.

The planning effort includes extensive community engagement, evaluates current market conditions in Downtown Hagerstown, assesses the feasibility of specific catalyst projects and provides recommendations that will guide downtown redevelopment and growth for the next 10 years. Key components of the plan are an analysis of significant public and private catalyst projects and programs, visual renderings, and implementation strategies designed to advance the recommended downtown projects. The resulting plan will be used to market opportunities to private-sector investors, inspire community enthusiasm for the City's vision, and bring the vision to life.

Project Goals and Objectives

Over the past decade, Hagerstown's downtown redevelopment has been guided by the 2014 Community's City Center Plan. The goals of this effort are to build off the city's achievements since then, outline actions that can further support downtown housing and the arts, entertainment, and education economy, and recommend catalytic projects capable of energizing Hagerstown's urban core.

The City has built a solid foundation for downtown planning, demonstrated in the Community's City Center Plan. At the core of all revitalization planning efforts is a single, unifying vision: to reestablish Downtown Hagerstown as the commercial, institutional, and cultural heart of the community. The past efforts reveal that this vision must be achieved by enhancing the downtown image so it is broadly seen as a strong, appealing place for investment, business activity, and public use; and ensuring the downtown offers a mix of distinctive destinations and compelling features that attract people for social, cultural, educational, and economic experiences. As the City's work has progressed, the following objectives have shaped the strategies developed to achieve its vision:

- Enhance the public realm to make the downtown easier, "safer," and more attractive to navigate and visit for business patrons, employees and residents.

- Recruit new businesses and jobs to the downtown that support the unique atmosphere of our mixed-use downtown environment.

- Upgrade housing in and around the downtown to attract residents who will diversify the income mix downtown and will support downtown events and businesses.

- Improve evening and weekend activity; and create and support efforts that bring people downtown for events and to patronize businesses.

- Create and support amenities and assets that make Hagerstown unique and a place of choice to live and visit by all income groups - focus efforts on continued concentration and nurturing of arts, education, culture, and entertainment enterprises and protection of architectural assets and urban scale.

- Recruit residents with more discretionary spending power and more interest in the social engagement possible in a mixed-use downtown environment.

- Turn blighted conditions into opportunities for economic development and implementation of the community's goals for the downtown.

The City's 10-Year Downtown Plan aims to address each of these objectives through its variety of recommended projects and implementation strategies.

Project Background

The City of Hagerstown

Hagerstown is an historic industrial city of 43,490 residents situated at the center of a suburban metropolitan area of roughly 110,000 people. Its origins trace back to the early 19th century, when it emerged as a crossroads community serving the surrounding agricultural region. By the mid- to late-1800s, Hagerstown had evolved into a major railroad hub, attracting industry and commercial activity that solidified its role as the region's center of trade and manufacturing.

From the late 19th century into the early 20th century, the city experienced rapid residential growth as its thriving economy drew a steady demand for workers. In the early 1900s, Hagerstown and nearby Cumberland competed for recognition as Maryland's second-largest city. However, between 1950 and 2000, the suburbs around Hagerstown expanded nearly fourfold as residents and businesses moved outward, leaving the urban core increasingly concentrated with lower-income households and contributing to a gradual decline from its pre-1960 economic strength.

Today, the City is working to broaden its economic base and pursue annexation to support future growth. The surge in e-commerce in 2020 sparked a wave of speculative warehouse development in and around Hagerstown, generating new jobs and increasing the need for additional housing. Developers are now responding with new residential projects within the city limits.

Strengthening Hagerstown's economy, image, and overall quality of life remains one of the City's core priorities, ensuring it becomes an appealing place to live, work, and prosper. Central to this mission is the continued revitalization of the downtown area.

Downtown Hagerstown

Downtown Hagerstown emerged as the center of a thriving economic engine in the late 1800s and early 1900s. During its peak, the area supported a diverse mix of manufacturing operations, retail shops, commercial businesses, theaters, hotels, banks, churches, government offices, apartments, and townhouses. The City Center Mixed-Use (CC-MU) zoning district—which encompasses the core of the central business area—covers 162 acres. Although suburban growth throughout the late 20th century drained much of the activity from the city's downtown and urban core, the area still boasts an impressive collection of historic buildings and cultural assets from its earlier years. The downtown and the three adjacent historic residential neighborhoods are protected through local historic zoning.

A growing challenge in the urban core is the increase in unhoused individuals, many of whom face addiction or mental health struggles. Addressing this issue is essential to improving downtown's image and enhancing the sense of safety for residents and visitors.

Downtown is home to many of Washington County's major arts, cultural, educational, and entertainment institutions, including the recently-expanded Maryland Theatre Performing Arts Center, the Maryland Symphony Orchestra, the University System of Maryland at Hagerstown, the relatively new Washington County Free Library, the Washington County Arts Council, the Barbara Ingram School for the Arts, the Hagerstown Cultural Trail with more than a dozen public art installations, a community theater, a dinner theater, a small live-music venue, and a private art gallery.

Meritus Park, which opened in spring 2024, serves as the home field for the Hagerstown Flying Boxcars, an Atlantic League professional baseball team. By the end of the 2024 season—after 60 home games—the stadium had drawn 175,079 fans, averaging nearly 3,000 attendees per game. The City also recently completed the Hagerstown Field House, a 114,000-square-foot indoor sports complex at the edge of downtown. The facility features two turf fields, hardcourt areas, fitness spaces, and concessions.

As the crossroads of the "Hub City," downtown sees substantial daily traffic, with approximately 21,200 vehicles traveling along the two east–west U.S. 40 routes and roughly 12,000 vehicles using the major north–south corridors of Potomac and Locust Streets.

The Hagerstown Region

Hagerstown is strategically located in Maryland's Great Valley, just 70 miles from Baltimore and Washington, D.C., and 156 miles from Pittsburgh, with excellent transportation connections via I-70, I-81, freight rail, a regional airport, and proximity to three international airports. This central location makes it ideal for logistics, warehousing, and distribution, sectors currently experiencing strong growth.

The metropolitan area is home to approximately 110,000 residents within six miles of the Public Square, supported by a tri-state workforce of nearly 425,000 and a median household income of $69,244. Hagerstown offers a high quality of life, with strong educational institutions including Hagerstown Community College, the University System of Maryland Center, and top-ranking public schools, as well as Meritus Medical Center and a new College of Osteopathic Medicine.

The region is rich in parks, heritage sites, and recreational amenities, and its affordable cost of living and doing business, combined with a highly connected transportation network, positions Hagerstown as an attractive location for economic development and growth.

The Plan: My Downtown Hagerstown

Building on Hagerstown's history, prior achievements, and community spirit, the project team has branded the new City's 10-Year Downtown Plan as My Downtown Hagerstown. The focus area for My Downtown Hagerstown is contiguous with the City's defined City Center (see Figure 1). Generally, this area is bound by Church Street, Williams/Harmon Avenue, and Center Alley on the north, by North and South Cannon Avenue on the east, East and West Baltimore Street and East Antietam Street on the south, and the railroad tracks on the west. This area is also the City Center-Mixed Use (CC-MU) Zoning District.

Following sections on demographic trends, key market findings, and community engagement, the main recommendations of My Downtown Hagerstown are organized into three categories of projects: catalyst sites, open space/street improvements, and programmatic improvements. For each there is a site or project description and suggested preliminary implementation steps as well as an economic feasibility analysis for select catalytic site opportunities.

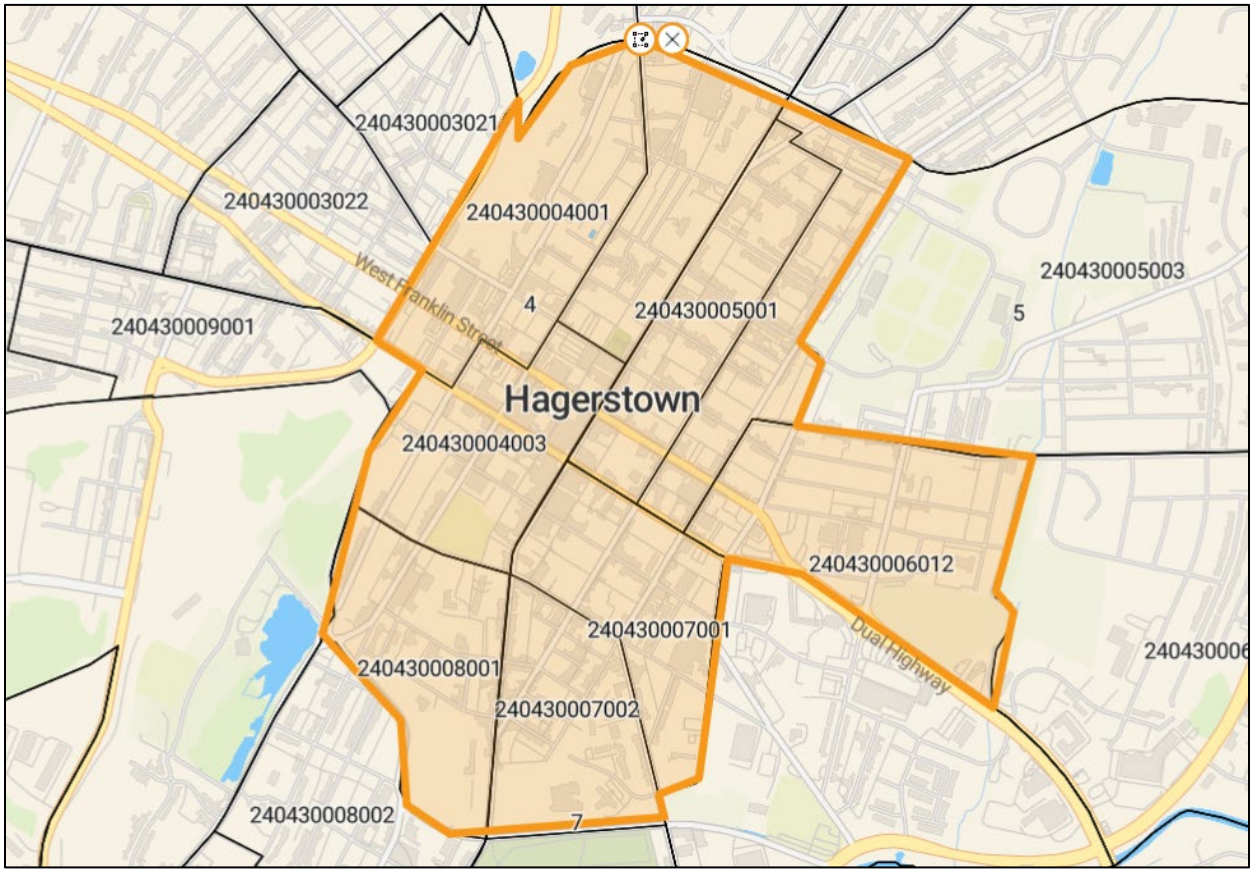
Figure 1: Hagerstown City Center

2. Demographic Trends

A demographic trends analysis identifies how a local community is changing compared to the larger region. Specific elements of these trends include population and households, mobility patterns, housing, and income and poverty.

The primary data source for this socio-economic analysis is the U.S. Census Bureau's American Community Survey (ACS)—providing data based on calculated estimates for 2013 and 2023, the latest year for which detailed data is available for most demographic trends. For the analysis summarized in this section, we've examined available data for the one Census Tract and six Census Block Groups that constitute the Greater Downtown Market Study Area (see Figure 2). This has been compared to the surrounding City of Hagerstown and Washington County for demographic trends.

Figure 2: Greater Downtown Market Study Area Census Tracts and Block Groups



Source: Policymap, Urban Partners

Population & Households

According to the 2023 American Community Survey 5-Year Estimates (ACS), the total population of the Greater Downtown Market Study Area (referred to henceforth as Market Study Area) is 9,011. From 2013 to 2023, the total population for the Market Study Area grew by 2.7%, compared to an 8.1% increase for the City of Hagerstown and 4.4% for the Washington County (Table 1).

Table 1: Population Trends, 2013-2023

	2013 ACS	2023 ACS	Change (2013-2023)	% Change (2013-2023)
Market Study Area	8,778	9,011	233	2.7%
City of Hagerstown	40,243	43,490	3,247	8.1%
Washington County	148,435	155,033	6,598	4.4%

Source: U.S. Census Bureau ACS B01003, Urban Partners

There was an increase in the total number of households in the Market Study Area between 2013 and 2023, but at a faster rate (6.4%) than the rate of population increase. Likewise, the City and the County also experienced household growth (11.3% and 6.2%, respectively) that outpaced their rates of population growth (Table 2).

Table 2: Household Trends, 2013-2023

	2013 ACS	2023 ACS	Change (2013-2023)	% Change (2013-2023)
Market Study Area	4,240	4,511	271	6.4%
City of Hagerstown	16,603	18,472	1,869	11.3%
Washington County	55,960	59,411	3,451	6.2%

Source: U.S. Census Bureau ACS S1101, Urban Partners

The proportion of family households in the Market Study Area (19.3%) is less than that of the City and County (23.3% and 26.8%, respectively) (Table 3).

Table 3: Population by Household Type, 2023

	Market Study Area	City of Hagerstown	Washington County
Total Households	4,511	18,472	59,411
In Family Households (% of Total)	19.3%	23.3%	26.8%
In Non-Family Households (% of Total)	77.8%	19.7%	12.8%

Source: U.S. Census Bureau ACS B11001, Urban Partners

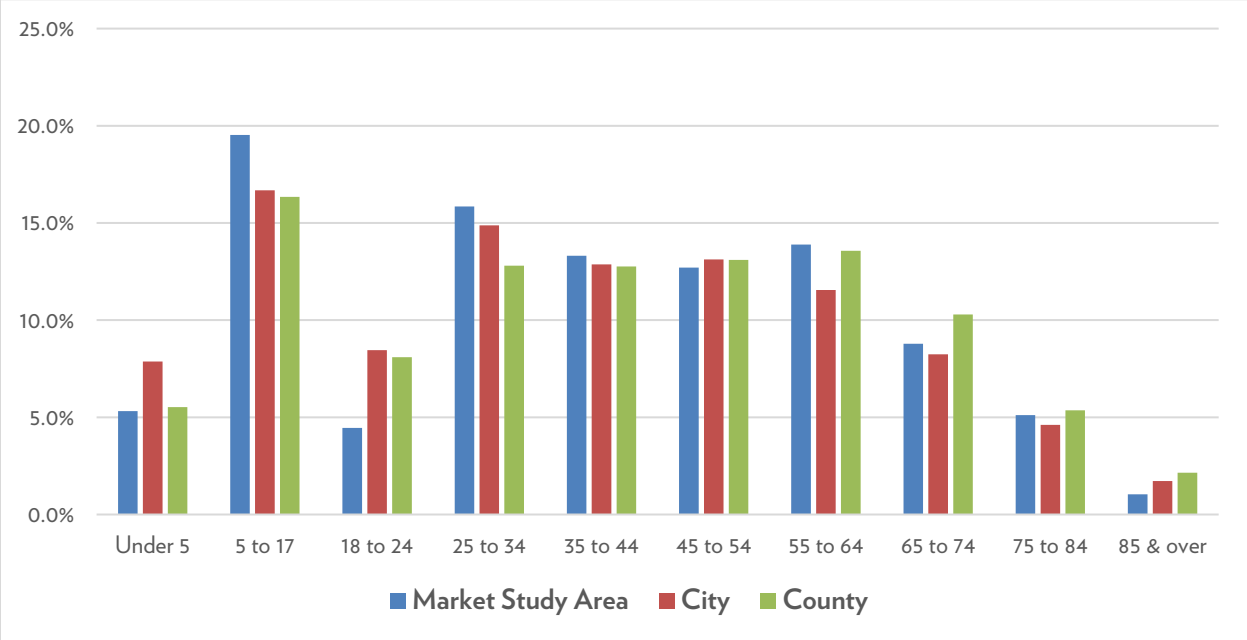
Table 4 and Figure 3 below compare the age distribution patterns in the Market Study Area to the City and the County. First, in the Market Study Area, children from 5 to 17 years-of-age represent 19.5% of the total population, slightly higher than the percentages in the City (16.7%) and the County (16.3%). Second, the Market Study Area has a higher percentage of 25 to 34-year-olds (15.9%, compared to the City's 12.9% and the County's 12.8%).

Table 4: Distribution of Age, 2023

	Market Study Area	%	City of Hagerstown	%	Washington County	%
Under 5 Years-of-Age	477	5.3%	3,422	7.9%	8,571	5.5%
5 To 17 Years-of-Age	1,752	19.5%	7,254	16.7%	25,333	16.3%
18 To 24 Years-of-Age	400	4.5%	3,678	8.5%	12,551	8.1%
25 To 34 Years-of-Age	1,422	15.9%	6,649	14.9%	19,846	12.8%
35 To 44 Years-of-Age	1,194	13.3%	5,595	12.9%	19,782	12.8%
45 To 54 Years-of-Age	1,140	12.7%	5,707	13.1%	20,312	13.1%
55 To 64 Years-of-Age	1,246	13.9%	5,025	11.6%	21,040	13.6%
65 To 74 Years-of-Age	788	8.8%	3,586	8.2%	15,951	10.3%
75 To 84 Years-of-Age	459	5.1%	2,005	4.6%	8,314	5.4%
85 Years-of-Age & Over	93	1.0%	749	1.7%	3,333	2.1%

Source: U.S. Census Bureau ACS B01001, Urban Partners

Figure 3: Comparison of Age Distribution, 2023



Source: U.S. Census Bureau ACS B01001, Urban Partners

The Market Study Area has a lower educational attainment level of residents over the age of 25 than the City of Hagerstown, with 23.2% of its residents having associate's degree or higher as the highest educational attainment (see Table 5). From 2013 to 2023, the percentage of Market Study Area residents without high school diplomas decreased, from 6.8% in 2013 to 4.6% in 2023. Additionally, the percentage of Market Study Area residents with graduate or professional degrees decreased from 3.3% in 2013 to 3.0% in 2023.

Table 5: Educational Attainment for Population 25 Years and Over, 2013-2023

	Market Study Area		City of Hagerstown	
	2013	2023	2013	2023
Less Than 9th Grade	6.8%	4.6%	4.8%	4.2%
9th to 12th Grade, No Diploma	19.9%	13.0%	12.7%	10.3%
High School Graduate (Includes Equivalency)	36.9%	45.0%	35.2%	35.7%
Some College, No Degree	13.3%	13.0%	24.2%	21.4%
Associate's Degree	13.3%	13.0%	6.7%	8.7%
Bachelor's Degree	6.6%	8.5%	10.2%	12.4%
Graduate or Professional Degree	3.3%	3.0%	6.3%	7.3%

Source: U.S. Census Bureau ACS B15003, Urban Partners

As shown in Table 6, most of the shifts in ethnic/racial composition for the Market Study Area mirrored the trends that are observable for the City of Hagerstown as a whole:

- The share of African Americans residents is growing (25.6% of Market Study Area in 2013 to 27.9% in 2023).
- Conversely, the share of White residents is decreasing (59.3% of Market Study Area in 2013 to 46.1% in 2023).
- The share of Hispanics is increasing rapidly (5.2% of Market Study Area in 2013 to 10.2% in 2023).
- Though still a small fraction of the overall population, the percentage of Asian Americans is increasing (0.6% of Market Study Area in 2013 to 0.9% in 2023).
- The share of Two-or-More Races is increasing (7.5% of Market Study Area in 2013 to 13.6% in 2023).

Table 6: Ethnic/Racial Composition, 2013-2023

	Market Study Area				City of Hagerstown			
	2013		2023		2013		2023	
White Alone	5,488	59.3%	4,631	46.1%	29,328	68.8%	26,493	55.1%
Black or African American Alone	2,373	25.6%	2,801	27.9%	7,628	17.9%	9,980	20.7%
American Indian and Alaska Native Alone	76	0.8%	13	0.1%	152	0.4%	15	0.1%
Asian Alone	60	0.6%	87	0.9%	731	1.7%	578	1.2%
Native Hawaiian & Pacific Islander Alone	11	0.1%	-	-	15	0.1%	72	0.1%
Some other Race Alone	75	0.8%	116	1.2%	320	0.8%	1,179	2.5%
Two or More Races	695	7.5%	1,363	13.6%	2,069	4.9%	5,173	10.8%
Hispanic (All Races)	477	5.2%	1,029	10.2%	2,387	5.6%	4,619	9.6%

Source: U.S. Census Bureau ACS B03002, Urban Partners

Geographic Mobility

The geographic mobility data, which is a measure of how households move, indicates that City of Hagerstown households are more mobile than Washington County. According to the 2023 ACS, the percentage of people in the City who changed residences between 2022 and 2023 was 17.5%, compared to 12.5% for the County. Approximately 10% of the residents moved from within Washington County, 3.6% moved from a different county in Maryland, 3.1% moved from a different state, and 0.6% moved from abroad (See Table 7).

Table 7: Geographic Mobility, 2023

	City of Hagerstown	%	Washington County	%
Total Population 1 Yr and Over:	42,801		153,454	
Same House 1 Year Ago	35,314	82.5%	134,236	87.5%
Different House 1 Year Ago	7,487	17.5%	19,218	12.5%
Moved; within Washington County	4,365	10.2%	10,868	7.1%
Moved; from different county in Maryland	1,537	3.6%	4,638	3.0%
Moved; from different state	1,327	3.1%	3,266	2.1%
Moved; from abroad	258	0.6%	446	0.3%

Source: U.S. Census Bureau ACS B07001, Urban Partners

Current Housing Characteristics

In 2013, 15.7% of the housing units in the Market Study Area were vacant. By 2023, the vacancy rate declined to 11.4%, while the number of occupied units grew by 271, reflecting a 6.4% increase. The homeownership rate grew from 19.4% in 2013 to 20.5% in 2023, with owner- and renter-occupied housing units increasing by 925 and 3,586 units, respectively (Table 8).

Table 8: Housing Occupancy and Tenure, 2013-2023

	Housing Units 2013	(%)	Housing Units 2023	(%)	Change 2013-23	% Change 2013-23
Total housing units	5,029	-	5,090	-	61	1.2%
- Occupied units	4,240	84.3%	4,511	88.6%	271	6.4%
- Vacant units	789	15.7%	579	11.4%	-210	-26.6%
Total occupied housing units	4,240	-	4,511	-	271	6.4%
- Owner occupied	823	19.4%	925	20.5%	102	12.4%
- Renter occupied	3,417	80.6%	3,586	79.5%	169	4.9%

Source: U.S. Census Bureau ACS B25003, Urban Partners

Table 9 below is a detailed breakdown of the age of housing stock for the Market Study Area based on tenure. It shows that 46.6% of all housing units in the Market Study Area were built before 1940. The U.S. Census Bureau also reports that owner-occupied homes are newer than renter-occupied homes (5.1% of renter-occupied homes were built in 2000 or later, compared to 24.9% of owner-occupied homes).

Table 9: Age of Housing Stock by Tenure, 2023

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	4,511	-	925	-	3,586	-
Built 2020 or later	0	-	0	-	-	-
Built 2010 to 2019	315	6.2%	202	21.8%	74	2.1%
Built 2000 to 2009	186	3.7%	29	3.1%	106	2.9%
Built 1990 to 1999	196	3.9%	43	4.6%	106	2.9%
Built 1980 to 1989	190	3.7%	0	-	166	4.6%
Built 1970 to 1979	653	12.8%	26	2.8%	549	15.3%
Built 1960 to 1969	377	7.4%	137	14.8%	240	6.7%
Built 1950 to 1959	486	9.5%	14	1.5%	459	12.8%
Built 1940 to 1949	314	6.2%	65	7.0%	229	6.4%
Built 1939 or earlier	2,373	46.6%	409	44.2%	1,657	46.2%

Source: U.S. Census Bureau ACS B25036, Urban Partners

The largest share of homes (41.8%) in the Market Study Area are one-unit structures (both attached and detached types). According to the 2023 ACS, 95.6% of homeowners live in residential structures with just one unit. Renter households are more evenly distributed in terms of units in structure, but the largest number of renters (1,240 households, or 34.5% of all rental units) live in one-unit structures (see Table 10).

Table 10: Units in Structure by Tenure, 2023

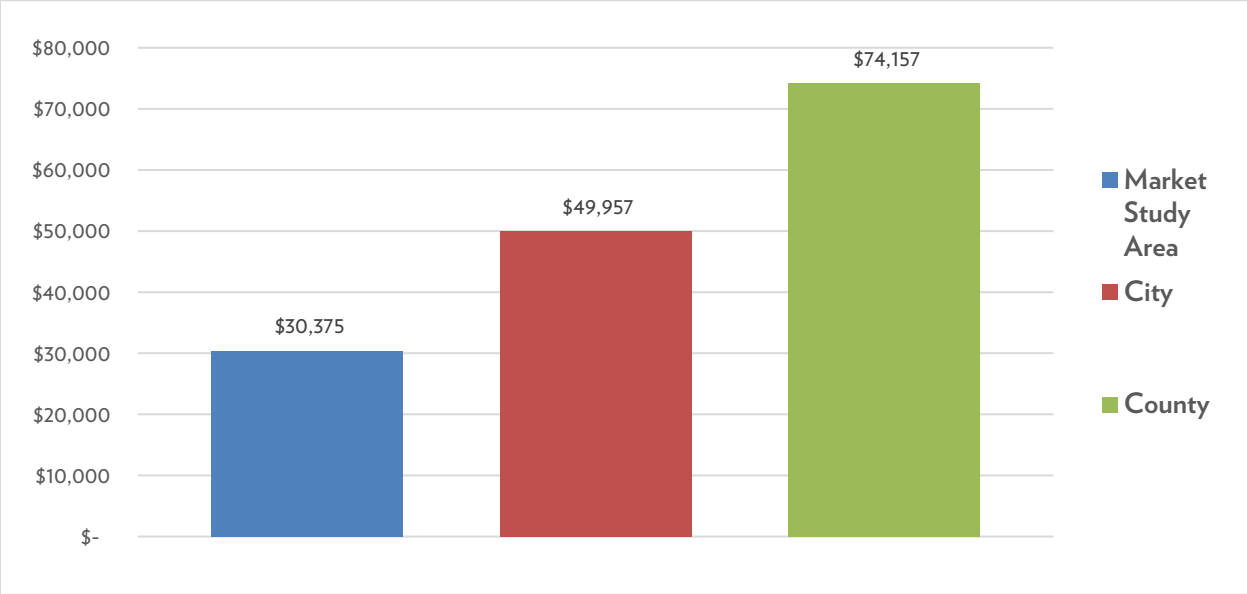
	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	4,511	-	925	-	3,586	-
1 Unit, detached	828	16.3%	458	49.5%	370	10.3%
1 Unit, attached	1,296	25.5%	426	46.1%	870	24.2%
2 Units	511	10.0%	-	-	511	14.2%
3 or 4 Units	864	17.0%	22	2.4%	842	23.4%
5 to 9 Units	667	13.1%	7	0.7%	660	18.4%
10 to 19 Units	262	5.1%	-	-	262	7.3%
20 to 49 Units	153	3.0%	-	-	153	4.3%
50 Units or more	509	10.0%	12	1.3%	497	13.8%
Mobile Home	-	-	-	-	-	-
Boat, RV, Van, etc.	-	-	-	-	-	-

Source: U.S. Census Bureau ACS B25032, Urban Partners

Household Income & Poverty Rate

Households in the Market Study Area have significantly lower income levels compared to those in the City and County. According to the 2023 ACS, median household incomes in the Market Study Area census tracts range from $17,683 to $51,691, with a weighted average of $30,375—far below the City's median of $49,957 and the County's $74,157 (Figure 4).

Figure 4: Median Household Income, 2023



Source: U.S. Census Bureau ACS B19013, Urban Partners

Nearly three-quarters (71.3%) of Market Study Area households earn less than $35,000 annually, compared to 63.3% for the City and 23.2% for the County. On the other end of the household income spectrum, only 4.6% of Study Area households earn more than $100,000 annually, compared to 22.1% for the City and 36.5% for the County (Table 11).

Table 11: Distribution of Household Income, 2023

	Market Study Area	City of Hagerstown	Washington County
Household Incomes less than $10,000	15.3%	7.5%	5.1%
Household Incomes from $10,000 to $14,999	15.5%	6.0%	3.5%
Household Incomes from $15,000 to $24,999	24.7%	12.4%	6.7%
Household Incomes from $25,000 to $34,999	15.8%	10.9%	7.9%
Household Incomes from $35,000 to $49,999	8.4%	13.3%	10.7%
Household Incomes from $50,000 to $74,999	10.0%	17.7%	16.6%
Household Incomes from $75,000 to $99,999	3.7%	10.2%	13.1%
Household Incomes from $100,000 to $149,999	3.6%	13.8%	18.2%
Household Incomes from $150,000 to $199,999	0.9%	5.1%	9.2%
Household Incomes from $200,000 or more	0.1%	3.2%	9.1%

Source: U.S. Census Bureau ACS B19001, Urban Partners

According to the 2023 ACS, 18.5% of Market Study Area residents live below the poverty line. The poverty rate for the County is 22.7% and 12.5% for the State (Table 12 shown on the following page).

Table 12: Population Living Under Poverty Level, 2023

	Market Study Area	City of Hagerstown	Washington County
Population Below Poverty Level	1,638	9,681	18,367
Population Below Poverty Level (%)	18.5%	22.7%	12.5%

Source: U.S. Census Bureau ACS B06012, Urban Partners

Over half of renter households in the Market Study Area are cost burdened (shaded in blue below) meaning that they pay more than 30% of their income toward housing costs, while 33.5% of owner households are cost burdened, according to the 2023 ACS. The cost-burden rates for Hagerstown City households are higher than Washington County—50.3% of renter households and 29.3% of owner households in the City are cost-burdened, compared to 45.3% and 14.0% for the County, respectively (see Table 13).

Table 13: Tenure by Housing Costs, 2023

	Owner Occupants	%	Renter Occupants	%
Market Study Area Households	2,261		5,586	
Less than 20%	1,142	50.5%	977	17.5%
20 to 29%	306	13.5%	1,560	27.9%
30% or more (cost burdened)	758	**33.5%**	2,909	**52.1%**
Zero or negative income/no cash rent	55	2.4%	140	2.5%
Hagerstown Households	8,022		10,450	
Less than 20%	4,455	55.5%	2,191	20.9%
20 to 29%	1,436	17.9%	2,630	25.2%
30% or more (cost burdened)	2,354	**29.3%**	5,257	**50.3%**
Zero or negative income/no cash rent	232	2.9%	372	3.5%
Washington County Households	39,145		20,266	
Less than 20%	26,525	67.7%	4,989	24.6%
20 to 29%	6,733	17.2%	5,164	25.5%
30% or more (cost burdened)	5,484	**14.0%**	9,178	**45.3%**
Zero or negative income/no cash rent	403	1.0%	935	4.6%

Source: U.S. Census Bureau, Urban Partners

As illustrated in Table 14 on the following page, the most cost burdened households in the Market Study Area are renters with annual household incomes under $35,000. A total of 3,161 such renter households reside in the Market Study Area and 2,514 (or 79.5%) are cost burdened.

Table 14: Tenure by Housing Costs as a Percentage of Household Income, 2023

	Owner Occupants	%	Renter Occupants	%
Households earning less than $20,000	170		1,661	
Less than 30% (not cost burdened)	32	18.8%	270	16.2%
30% or more (cost burdened)	138	**81.2%**	1,391	**83.7%**
Households earning $20,000 to $34,999	332		1,500	
Less than 30% (not cost burdened)	158	47.6%	377	25.1%
30% or more (cost burdened)	174	**52.4%**	1,123	**74.9%**
Households earning $35,000 to $49,999	340		622	
Less than 30% (not cost burdened)	182	53.5%	323	51.9%
30% or more (cost burdened)	158	**46.5%**	299	**48.1%**
Households earning $50,000 to $74,999	483		874	
Less than 30% (not cost burdened)	234	48.4%	797	91.1%
30% or more (cost burdened)	249	**51.6%**	77	**8.9%**
Households earning $75,000 or more	881		789	
Less than 30% (not cost burdened)	842	95.5%	770	97.5%
30% or more (cost burdened)	39	**4.5%**	19	**2.5%**

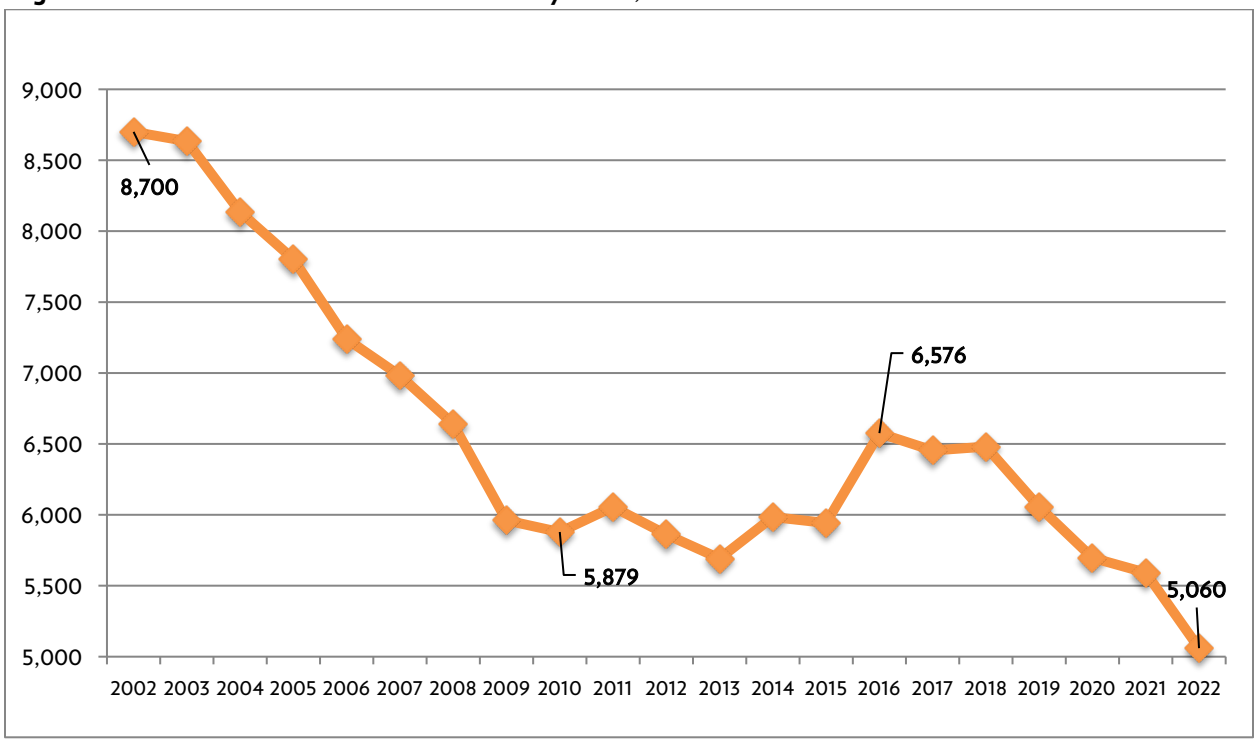
Source: U.S. Census Bureau, Urban Partners

3. Employment Trends

Jobs in the Market Study Area

According to the U.S. Census Bureau's *OnTheMap* application, which uses employer payroll tax information to geo-locate jobs within a defined area, the Market Study Area has experienced significant job loss in recent years. The Market Study Area experienced a decline in jobs between 2002 and 2010, dropping from 8,700 to 5,879. By 2011, the number had recovered slightly to 6,056 before starting another cycle of decline and recovery. In 2022, a total of 5,060 jobs were reported in the Market Study Area, which represents a loss of 3,640 (or -41.8%. See Figure 5).

Figure 5: Jobs Located in the Market Study Area, 2002 to 2022



Source: U.S. Census Bureau LEHD, Urban Partners

As detailed in Table 15 below, *Public Administration* remained the top sector between 2002 and 2022, adding 189 employees during that period. The 1,753 jobs in *Public Administration* represent 34.6% of all jobs within the Market Study Area. The *Health Care & Social Assistance* sector, which lost 109 jobs between 2002 and 2022, is the second largest with 965 jobs in the Market Study Area.

All 20 industrial sectors lost jobs apart from *Public Administration* and the following three sectors:

- *Educational Services*: 30 jobs
- *Utilities*: 24 jobs
- *Real Estate & Rental & Leasing*: 3 jobs

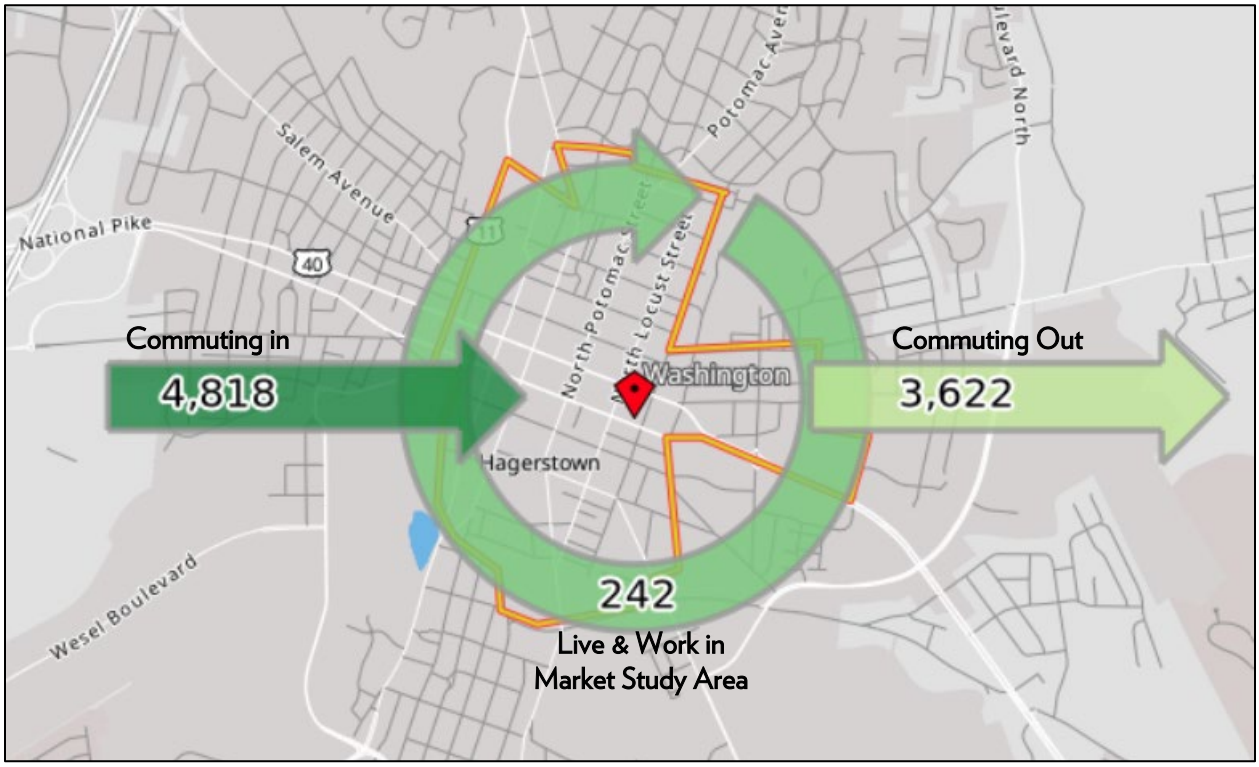
Table 15: Jobs Located in the Market Study Area by Industrial Sectors, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change in Jobs 2002-22	% Change in Jobs 2002-22
Total Employment	**8,700**	**-**	**5,060**		**-3,640**	**-48.1%**
Public Administration	1,564	18.0%	1,753	34.6%	189	12.1%
Health Care & Social Assistance	1,074	12.3%	965	19.1%	-109	-10.1%
Accommodation & Food Services	518	6.0%	346	6.8%	-172	-33.2%
Retail Trade	796	9.1%	291	5.8%	-505	-63.4%
Professional, Scientific, & Technical Services	494	5.7%	290	5.7%	-204	-41.2%
Construction	551	6.3%	199	3.9%	-352	-63.8%
Manufacturing	1,140	13.1%	179	3.5%	-961	-84.3%
Admin & Support, Waste Mgmt/Remed.	263	3.0%	147	2.9%	-116	-44.1%
Educational Services	116	1.3%	146	2.9%	30	25.8%
Information	364	4.2%	118	2.3%	-246	-67.5%
Wholesale Trade	281	3.2%	111	2.2%	-170	-60.4%
Finance & Insurance	387	4.4%	111	2.2%	-276	-71.3%
Other Services (excluding Public Admin)	341	3.9%	111	2.2%	-230	-67.4%
Arts, Entertainment, & Recreation	177	2.0%	102	2.0%	-75	-42.3%
Utilities	41	0.5%	65	1.3%	24	58.5%
Real Estate & Rental & Leasing	59	0.7%	62	1.2%	3	5.1%
Transportation & Warehousing	449	5.2%	46	0.9%	-403	-89.7%
Management of Companies & Enterprises	85	1.0%	18	0.4%	-67	-78.8%
Mining, Quarrying, & Oil & Gas Extraction	0	0.0%	0	0.0%	-	-
Agriculture, Forestry, Fishing & Hunting	0	0.0%	0	0.0%	-	-

Source: U.S. Census Bureau LEHD, Urban Partners

The *OnTheMap* application reports that 242 out of the 5,060 employees also lived within the Market Study Area in 2022 (Figure 6 shown on the following page). The largest segment of workers employed in the Market Study Area live within the City of Hagerstown (897, or 17.7% of all employees). In 2002, Market Study Area residents that lived and worked in the City totaled 2,061, or 23.7% of the total workforce, a 56.5% reduction since 2022. Aside from the City of Hagerstown, the remaining top 10 origins of workers also decreased in employees except for the St. James area (see Table 16).

Figure 6: Inflow/Outflow for All Jobs in the Market Study Area, 2022



Source: U.S. Census Bureau

Table 16: Where Market Study Area Workers Live, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change 2002-22
Hagerstown City, MD	2,061	23.7%	897	17.7%	-1,164
Halfway CDP, MD	588	6.8%	240	4.7%	-348
Fountainhead-Orchard Hills CDP, MD	256	2.9%	131	2.6%	-125
Robinwood CDP, MD	218	2.5%	95	1.9%	-123
Frederick City, MD	103	1.2%	88	1.7%	-15
St. James CDP, MD	69	0.8%	81	1.6%	12
Maugansville CDP, MD	109	1.3%	69	1.4%	-40
Waynesboro Borough, PA	106	1.2%	68	1.3%	-38
Boonsboro Town, MD	67	0.8%	50	1.0%	-17
Paramount-Long Meadow CDP, MD	118	1.4%	50	1.0%	-68
All Other Locations	5,005	57.5%	3,291	65.0%	-1,714
Total	**8,700**		**5,060**		**-3,640**

Source: U.S. Census Bureau Center for Economic Studies, Urban Partners

Market Study Area Resident Employment

According to the *OnTheMap* application, there were a total of 3,864 employed residents of the Market Study Area in 2022, a decrease of 1,300 (-25.1%) from 2002. In 2002, more Market Study Area residents were employed in *Manufacturing* than any other industrial sector (724, or 14.0% of the total. See Table 17). Five sectors among Market Study Area residents added jobs between 2002 and 2022—*Admin & Support* (92 jobs), *Professional, Scientific, and Technical Services* (20 jobs), *Transportation & Warehousing* (68 jobs), *Management of Enterprises & Companies* (32 jobs), and *Agriculture, Forestry, Fishing, & Hunting* (5 jobs).

Among industries that lost employed Market Study Area residents, most notably there were 419 fewer employees in the *Manufacturing* sector, which amounts to a 57.8% loss from 2002 to 2022. Other sectors that experienced reductions in jobs among employed residents include:

- *Finance & Insurance* -219 jobs
- *Construction* -210 jobs
- *Public Administration* -126 jobs
- *Retail Trade* -104 jobs

Table 17: Employed Residents of Market Study Area by Sectors, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change in Jobs 2002-22	% Change in Jobs 2002-22
Total Employment	**8,700**	**-**	**3,864**	**-**	**-1,300**	**-25.1%**
Retail Trade	715	13.8%	611	15.8%	-104	-14.5%
Healthcare & Social Assistance	607	11.8%	563	14.6%	-44	-7.2%
Accommodation & Food Services	428	8.3%	376	9.7%	-52	-12.1%
Admin & Support, Waste Mgmt. & Rem.	230	4.5%	322	8.3%	92	40.0%
Manufacturing	724	14.0%	305	7.9%	-419	-57.8%
Professional, Scientific, & Technical Services	246	4.8%	266	6.9%	20	8.1%
Transportation & Warehousing	171	3.3%	239	6.2%	68	39.7%
Construction	429	8.3%	219	5.7%	-210	-48.9%
Educational Services	300	5.8%	206	5.3%	-94	-31.3%
Public Administration	326	6.3%	200	5.2%	-126	-42.0%
Wholesale Trade	190	3.7%	121	3.1%	-69	-36.3%
Other Services (excluding Public Admin)	190	3.7%	115	3.0%	-75	-39.5%
Finance & Insurance	305	5.9%	86	2.2%	-219	-71.8%
Arts, Entertainment, & Recreation	78	1.5%	64	1.7%	-14	-17.9%
Information	96	1.9%	54	1.4%	-42	-43.7%
Management of Companies & Enterprises	15	0.3%	47	1.2%	32	213.3%
Real Estate & Rental & Leasing	80	1.5%	35	0.9%	-45	-56.2%
Agriculture, Forestry, Fishing & Hunting	15	0.3%	20	0.5%	5	33.3%
Utilities	13	0.3%	11	0.3%	-2	-15.4%
Mining, Quarrying, & Oil & Gas Extraction	6	0.1%	4	0.1%	-2	-33.3%

Source: U.S. Census Bureau LEHD, Urban Partners

With *OnTheMap* reporting that only 242 out of the 3,864 employed residents worked inside the Market Study Area in 2022, 93.7% commute elsewhere for work. The largest number of residents (834) commute to other areas within the City of Hagerstown for work, followed by 224 in Frederick and 103 in the Ballenger Creek area (see Table 18).

Table 18: Commuting Destinations for Employed Market Study Area Residents, 2002-2022

	Jobs in 2002	% of All Jobs 2002	Jobs in 2022	% of All Jobs 2022	Change 2002-22
Hagerstown, MD	1,728	33.5%	834	21.6%	-51.7%
Frederick City, MD	237	4.6%	224	5.8%	-5.4%
Ballenger Creek CDP, MD	110	2.1%	103	2.7%	-6.3%
Halfway CDP, MD	113	2.2%	103	2.7%	-8.8%
Robinwood CDP, MD	76	1.5%	97	2.5%	27.6%
Baltimore City, MD	83	1.6%	91	2.4%	9.6%
Fountainhead-Orchard Hills CDP, MD	99	1.9%	87	2.3%	-12.1%
Rockville City, MD	71	1.4%	65	1.7%	-8.5%
Gaithersburg City, MD	41	0.8%	53	1.4%	29.2%
Washington City, DC	0	0.0%	47	1.2%	-
All Other Locations	2,606	50.5%	2,160	55.9%	-17.1%

Source: U.S. Census Bureau LEHD, Urban Partners

4. Key Market Findings

The market analysis is a key component of My Downtown Hagerstown. It examines specific markets representing potential future downtown development objectives identified by the City. These markets include retail, for-sale housing, rental housing, office, hotel, and entertainment. Following is a summary of suggested potential in Downtown Hagerstown for each of the examined markets. The full market analysis can be found in Appendix 1.

For Sale Housing Market

Our for-sale housing market research for the Market Study Area has demonstrated that the Downtown Hagerstown housing market is showing signs of market activity and improvement, with more than 1,100 homes sold over the past seven years and a median sales price that has risen at an annualized rate of 12.6% since 2019. Within this market, different housing types are performing in distinct ways that highlight opportunities for investment and policy support.

Townhouses, which account for nearly half of all sales, are emerging as the most common and attainable form of housing in the Market Study Area. With a median price of just under $150,000, they are more affordable than detached homes and present an opportunity to be marketed as an entry point for first-time buyers and working families. Continued targeted programs to support townhouse renovation, infill development, and first-time homebuyer assistance could strengthen this segment of the market and expand access to ownership in the Downtown Study Area.

Detached single-family homes remain in demand, particularly among owner-occupants, who make up more than half of the buyers in this category. With median sales prices approaching $185,000, these homes are both more expensive than townhouses and are viewed as desirable for families, reinforcing their role as the foundation for neighborhood stability. However, given the pace of appreciation, preserving affordability will be important. The continued promotion of tools such as down payment assistance and renovation grants can help protect opportunities for local families to remain in or enter this segment of the market.

Although duplexes and triplexes represent only a small share of recent transactions, their higher median sales prices suggest untapped potential. They can provide “missing middle” housing—smaller-scale multifamily options that balance affordability with higher value per property. Encouraging new construction or adaptive reuse of this housing type could diversify the housing stock while meeting a growing demand.

Condominiums, while a modest share of sales at just under seven percent (7%), stand out for their high per-square-foot value. With most purchased by owner-occupants, condos appeal to

an increasing number of buyers seeking lower-maintenance living in a walkable, downtown setting.

Figure 7: A Townhouse Recently Sold on E. North Avenue in 2025

Photo Credit: Redfin

Investor activity also plays a significant role in the market, accounting for about 35% of sales. While this signals the attractiveness of Downtown Hagerstown to both local and out-of-state buyers, it also raises the need for balance between investor-driven turnover and long-term owner occupancy. Policies that encourage responsible investment—such as quality standards, long-term ownership incentives, or partnerships tied to affordability commitments—can help align investor activity with community priorities.

Overall, with median sales prices in Downtown Hagerstown below replacement costs, the Downtown for-sale housing market remains challenged in terms of new housing construction potential. The cost to build would significantly exceed the return, making it unlikely that most developers would invest in new construction in the near term. Therefore, ***the City should focus more on interventions to improve the existing housing stock that will continue to increase home values and in turn sale prices at a level that will encourage investment.***

Rental Housing Market

Our housing market research for the Market Study Area has revealed that rental supply includes mainly apartments for rent in smaller buildings and single-family townhouses on residential blocks. These units offer relatively affordable rents with modest features for renters seeking attainable housing options.

More significantly, there are two new market-rate apartment developments in renovated historic downtown buildings introducing a new high-end rental product to Downtown Hagerstown—The Updegraff and The Aria. The rents at these new developments exceed all others in the Market Study Area and require residents with incomes higher than Downtown Hagerstown has traditionally been able to support. The addition of both buildings, particularly The Updegraff, signal that Downtown Hagerstown is beginning to test the upper end of its rental market and their success will likely determine the near-term viability of additional new rental product at the highest end. However, their relatively high vacancy rates suggest that while there is some interest in upscale housing, the depth of demand for luxury units may be limited at this stage. This creates an opportunity for future development to focus more on the middle of the market—units that are modern, well-amenitized, and attractive, but priced more affordably than the newest luxury options.

Figure 8: Downtown Hagerstown's Newest Market-Rate Apartment Buildings

The Updegraff

The Aria

Source: Apartments.com

The existing stock of individual rentals in smaller buildings and townhouses reinforces this potential. Many of these units are attainable, but they lack modern conveniences and appeal. Demand therefore appears to be robust for moderately priced new or renovated one-bedroom units that can accommodate singles and couples. At the same time, there are relatively few options for households seeking two- or three-bedroom units of a similar quality. This points to an opportunity to deliver more moderately priced larger units that can accommodate

families, roommates, or young professionals looking for additional space. Incentives will likely be required to address possible financing gaps.

Overall, there appears to be potential for new rental housing in Downtown Hagerstown. This product should prioritize moderately priced rentals that fill the gap between the city's low-cost older stock and the newly built luxury units. More modestly-priced developments with studios and one-bedroom units will appeal to young professionals starting their careers, while limited two- and three-bedroom options will help broaden the appeal to a wider range of residents. At the same time, it will be important to monitor the leasing of the existing luxury product and phase any additional luxury development carefully, giving The Updegraff and The Aria time to stabilize before introducing more units at that price point. Across all new projects, developers should aim to provide in-demand features such as in-unit washer/dryers, updated kitchens, and well-designed shared amenities, while balancing cost considerations to keep rents within reach of the local market. Pairing residential uses with ground-floor retail or mixed-use redevelopment can further enhance downtown's vibrancy and create stronger long-term value.

Regarding income-restricted housing, the Market Study Area currently has almost 750 units. While subsidized housing is always in demand, it's important for it to be distributed equitably throughout the region to avoid high concentrations of low-income residents. Consideration should be made for affordable units to be incorporated into new multi-family residential projects as mixed-income developments containing a combination of market-rate and below-market units. Developer incentives or bonuses can help offset the additional expense of these affordable units.

Retail Market

The comparison of retail supply and demand reveals the retail surplus or gap/potential for additional retail stores in Downtown Hagerstown. Since downtown retailing functions within a larger regional marketplace, we defined three trade areas centered on City Hall: a 1.5-mile radius, a 6-mile radius, and a 12-mile radius. This comparison enables us to identify the degree to which customers from each of these areas patronize retailers in the other respective areas, understand how this impacts the downtown's retail supply and demand, and confirm a primary trade area for Downtown Hagerstown.

The supply of retailing in the 1.5-Mile Trade Area exceeds demand by more than $949 million, indicating that the immediate area is significantly oversupplied for its population, and the customer base comes from beyond this 1.5-mile ring for most retail goods and services. However, for select miscellaneous retail categories, there is some limited demand that could serve local downtown residents.

The 6-Mile Trade Area contains significantly more commercial centers with retailers (including the area's malls and big box centers) and population than the 1.5-Mile Trade Area. Within this 6-mile radius, total retail supply still exceeds demand by a significant $1.1 billion surplus. Almost all retail categories remain oversupplied at this distance from downtown. With the region's primary concentration of retail located within this area, it is logical that customers from beyond this radius would come to Hagerstown for their shopping needs beyond daily items.

Within the 12-Mile Trade Area, the store supply does not increase substantially for many retail categories since the mostly rural outer portions of the geography don't contain many retail establishments. The population, however, grows significantly. As a result, while there is still a surplus of $388 million, it is considerably less than in the other two smaller trade areas. Key retail categories within that 12-mile radius, particularly food-related, experience a significant opportunity gap that could be filled in Downtown Hagerstown with additional businesses. Combined with demand from the employee and visitor retail base, appropriate opportunities include:

- The potential to further exploit the significant number of downtown employees and visitors and supplement the current restaurant offerings with additional **food and dining establishments;** and
- Selected **miscellaneous retailing** to serve downtown residents.

Food/Dining Hub

Within the 12-Mile Trade Area, a significant opportunity exists for a variety of restaurants and establishments offering various foods. The downtown is already a regional culinary destination with such long-standing restaurants as Schmankerl Stube and Rhubarb House as well several newcomers that are creating a buzz. Adding establishments with diverse cuisine could further strengthen Downtown Hagerstown as a food and dining hub. These opportunities include:

- **Full-Service Restaurants**. Significant opportunity exists for full-service restaurants within the 12-Mile Trade Area. Over 200,000 SF of such space could be supported by the $55.2 million gap. Downtown Hagerstown could capture a significant portion of that demand.
- **Bars/Drinking Places**. With a gap of $5.1 million, bars, particularly ones offering live music and entertainment, could be supported totaling up to 18,000 SF of space.
- **Coffee Shop/Ice Cream Shop**. A gap of $2.9 million in the Snack and Nonalcoholic Beverage Bars category could support an additional coffee shop and ice cream shop totaling up to 9,000 SF of store space that could supplement the popular Cannon Coffee.

- **Specialty/Fresh Food Store**. The retail data suggests that $6.5 million in specialty food stores expenditures are leaking from the 12-Mile Trade Area annually. This category includes stores that sell fresh fruits, vegetables, and meats. The leakage can support 22,000 SF of fresh food store space that could complement nearby Cameron's Seafood, a regional destination.

Miscellaneous Retailing

There are limited gaps in supply within the 1.5-Mile Trade Area in some miscellaneous retail categories that could serve the Downtown Hagerstown population, as well as residents from outside the downtown area and visitors, including:

- **Home Furnishing Store.** An opportunity exists for a small home furnishing stores in in Downtown Hagerstown. The $0.5 million gap translates to approximately 2,000 SF in store space.
- **Pet Store**. A $0.7 million gap in retail supply exists for pet stores. This leakage can support a 3,000 SF store.
- **Art Dealer.** The data indicates that $0.9 million in expenditures on art are leaving the Trade Area annually. This leakage can support 2,000 SF of gallery space that could complement the theme of the Arts and Entertainment District. This opportunity grows to 13,000 SF of space at the 12-Mile Trade Area. Art dealers could appeal to visitors as well as area residents.

While such retailers could potentially locate anywhere within the Trade Area—including near other retail concentrations such as the Valley Mall—these opportunities are appropriate for a revitalizing Downtown Hagerstown. In general, they would be smaller store types that could occupy any vacant storefronts of downtown commercial buildings.

Hotel Market

From 2017 to 2023, the annual growth in demand was 8,200 room-nights per year. The additional supply from the introduction of the higher quality Fairfield and Home2Suites was fully absorbed with occupancy remaining above 72% in 2022 and 2023. This suggests that improved quality of supply triggered at least some positive incremental demand response.

If we assume that an annual average room-night increment in demand in the 5,000 to 8,000 range continues for several years and that 65% is a healthy average occupancy rate, then we can conclude that the new Tru by Hilton can be absorbed in the market by the end of 2026 and that *the Hagerstown area can absorb 60-100 new hotel rooms every two-three years, beginning in 2027 or 2028. This demand could potentially be accommodated in a downtown hotel.*

Office Market

Our research of the commercial/office market indicates that among the advertised spaces for rent in the Market Study Area, there are a significant number of smaller office space footprints currently available for rent as of August 2025, ranging from 185 SF to 12,300 SF. These spaces are listed for rents ranging from $12.00 to $30.00 per SF in a variety of office settings, including larger historic/renovated commercial buildings as well as former homes-turned-office buildings. Most are categorized as Class B and C. It appears that the supply of smaller mid-quality office space is therefore adequate for its demand. This space could appeal to the professionals affiliated with city and county governments and courts, particularly attorneys. At the same time, Downtown Hagerstown is home to two co-working spaces that offer several short- and long-term office space options from daily to monthly or yearly. As the two sites continue to grow in membership, ***it appears that demand is not quite sufficient to support a third co-working location in the downtown***.

Figure 9: Buildings with Office Space Available for Rent in the Market Study Area

Grand Piano Building – 20 W. Washington Street

The Franklin Building – 100 W. Franklin Street

Professional Arts Building – 5 Public Square

10 Public Square

Source: Loopnet

On the other hand, there are currently limited opportunities for a business in need of a floorplate larger than 12,000 square feet that's move-in ready or a total building size of more than 30,000 square feet to accommodate a large company or agency that's move-in ready. Furthermore, no available space of that size meets Class A or higher-quality standards. This scale of office development would require a committed user. To attract this larger dedicated tenant, Downtown needs to offer a well-situated site that could accommodate a building of this magnitude. The site then needs to be heavily marketed to prospective companies potentially seeking new Class A build-to-suit space.

Entertainment Market

Potential uses examined include a small movie theater and bowling alley as opportunities to expand the region's entertainment-oriented uses within Downtown Hagerstown.

Movie Theater

It appears that the greater Hagerstown region is currently overserved by movie facilities. However, a small and unique theater could still potentially be a complementary use in Downtown Hagerstown, specifically *a single cinema that could supplement other entertainment and cultural activities taking place in the Arts & Entertainment District*. Several concepts exist for this type of movie theater, including a "micro cinema", a movie tavern, and a non-profit community-based theater.

Bowling Alley

Despite the additional bowling lanes that will be introduced to the market with the opening of Stratosphere Social, *it appears that Downtown Hagerstown could support a small bowling center due to the existing undersupply of bowling lanes* within the 12-mile radius. As with a cinema, a small bowling alley—particularly one combined with other offerings such as a restaurant, bar, and live music—could supplement the concentration of other entertainment and cultural activities taking place in the Arts & Entertainment District and provide an experience that cannot be found in a suburban location, including a venue like Stratosphere Social.

5. Community Engagement Methods

Through community meetings, stakeholder roundtables, online surveys and activities, and booths at events, engagement with Hagerstown residents, visitors, and stakeholders guided the ideas and recommendations in this plan. This section of the plan summarizes the methods used by the planning team to engage in conversations, the key things we heard from these activities, and how these comments and feedback guided the plan. Through this yearlong process, the planning team engaged with more than **1,800 Hagerstown voices**, including (see Figure 10):

- 90 attendees at three community meetings
- 200 residents and visitors engaged at local events.
- 1,000 unique visitors to the project website www.mydowntownhagerstown.com
- 41 contributions to an online interactive map
- 10 stakeholder roundtable meetings with community leaders, elected officials, business owners, and key constituents.

Figure 10: Community Engagement Methods

Community Meetings

The planning team hosted three community meetings in each of the three plan's main phases. These meetings were an invaluable tool in engaging residents and stakeholders and consisted of open houses, presentations by the consultant team, interactive activities, small group discussions, and one-on-one conversations. The three community meetings attracted more than 70 attendees, with each meeting providing valuable insight and feedback to guide the plan's development.

Community Meeting 1

The planning team hosted the first community meeting at the downtown location of the Washington County Public Library on June 26, 2025. An open-house event, this meeting included four interactive stations, each with activities designed to help us to understand what Hagerstown residents would like to see in downtown. The stations included map exercises where residents shared where they lived, sticker activities where residents could share what types of new housing and development they would like to see happen, questions about downtown's mobility and transportation, and a board where people could tell us their big idea for downtown (see Figure 11).

Figure 11: Community Meeting 1

Community Meeting 2

The planning team held a second community meeting at City Hall's Council Chambers on October 1, 2025 to share a presentation with Hagerstown residents and stakeholders. This presentation included an update on the process, key results from the online survey and engagement conducted to date, a draft map of potential catalyst sites for redevelopment, and draft ideas for parks, placemaking, open space, and mobility. Following the presentation, the 20+ attendees were divided into two smaller groups for a roundtable discussion. The two groups were asked to select a facilitator and discuss the catalyst sites, open space ideas, and programmatic opportunities. Following the discussion, each group selected a representative to report back the discussion's key points with the larger group. This meeting was also broadcast online on Facebook Live using the City's social media channel (see Figure 12).

Figure 12: Community Meeting 2

Community Meeting 3

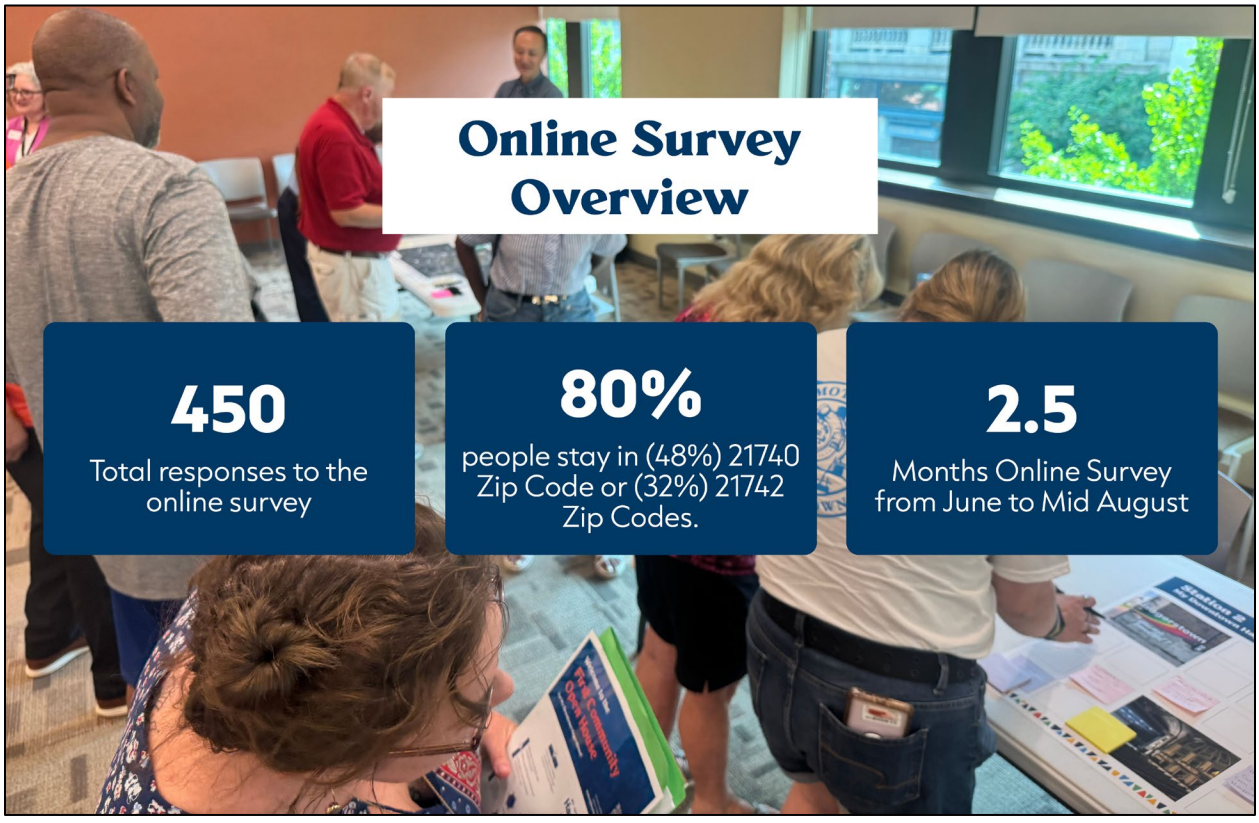
A third and final community meeting was held at the Downtown Washington County Free Library on December 16, 2025 to share the plan's final vision for downtown. Attended by more than 40 residents, this meeting included a presentation by the planning team sharing the key aspects of the 10-Year Master Plan, including catalyst site opportunities, open space and

placemaking improvements, and programmatic recommendations. The presentation was followed by a Q&A session facilitated by the planning team with support from City Staff.

Online Survey Results

The planning team developed an online survey to understand community perspectives regarding downtown and gather feedback for this plan's ideas. The survey was open for approximately 2.5 months, from June to mid-August, and was shared by City of Hagerstown staff through the city's social media channels and email distribution lists. A total of 450 responses were received, reflecting broad community interest across various age groups and demographics. The survey responses are largely from Hagerstown locals – out of the 450 responses, about 80% live in either the 21740 ZIP Code (48%) or the 21742 (32%) ZIP code. Their responses form the foundation of the key findings in this report (see Figure 13).

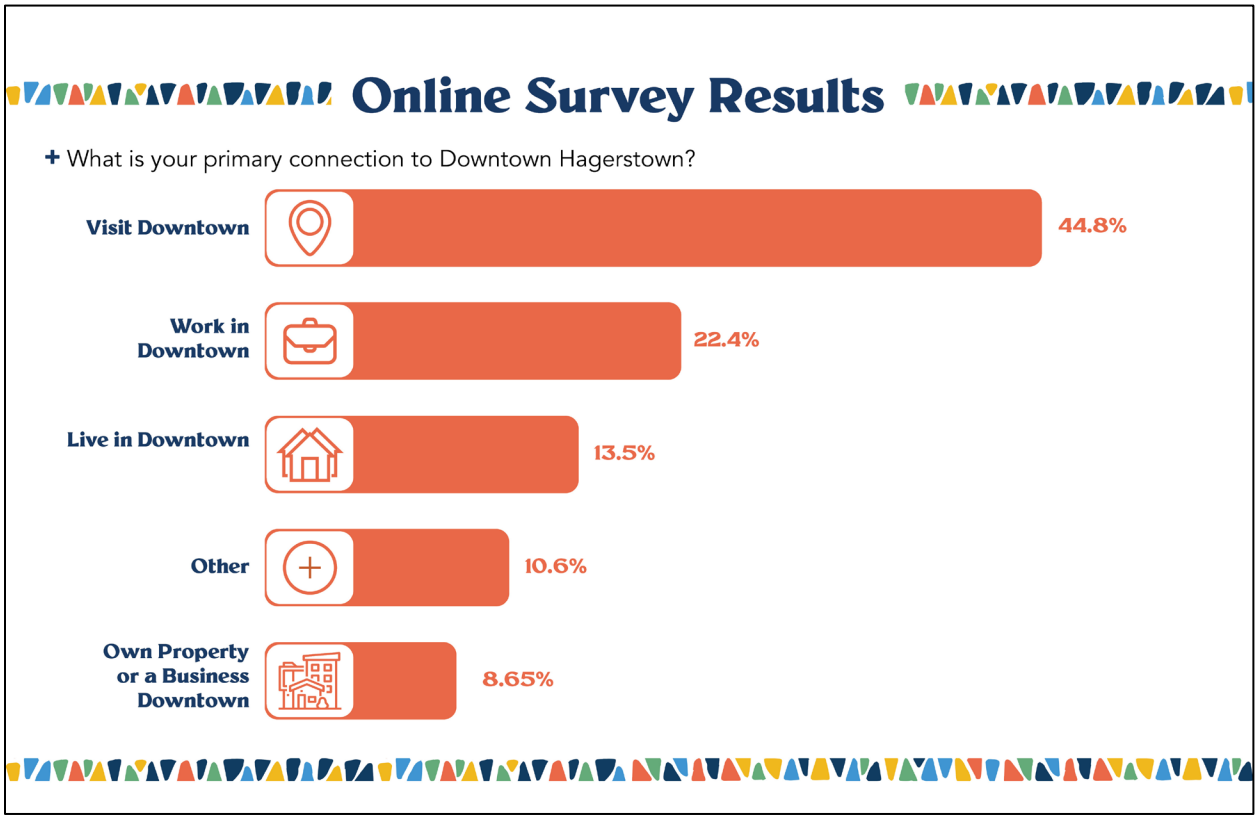
Figure 13: Online Survey Summary



Primary Connection to Downtown

Survey responses indicate that nearly half of participants (44.8%) who answered this survey primarily visit downtown, while about a quarter of participants (22.4%) reported that they work in downtown, while 13.5% live within the area (see Figure 14).

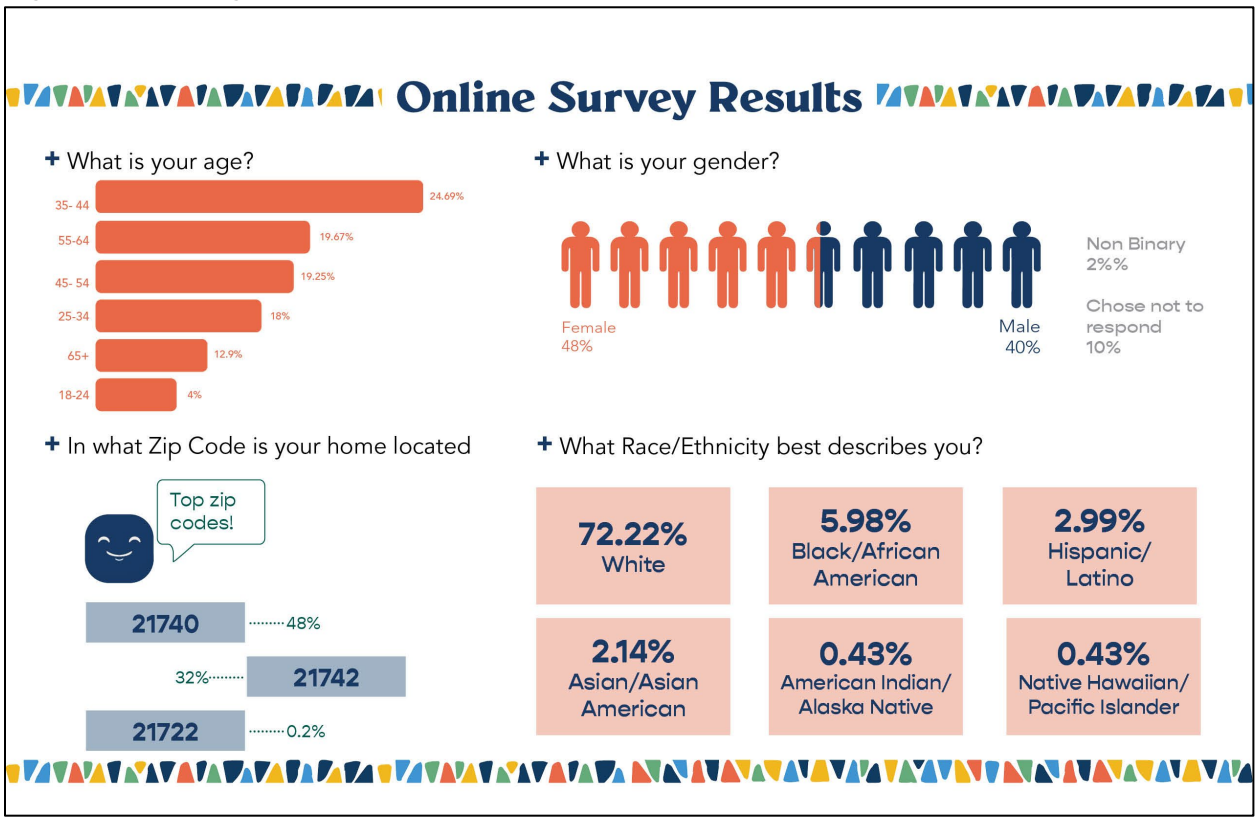
Figure 14: Primary Connection to Downtown



Survey Demographics

Out of the 450 responses that were received, a majority of the participants (63%) are in the range of 35 to 54 with about 24.6% participants in the 35 to 44 age group. There is an almost even split between male and female respondents, and about 80% participants are in the 21740 (48%) and 21742 (32%) ZIP Codes. The majority of survey respondents identified as white (72.22%), followed by Black/African American (5.98%) and Hispanic/Latino (2.99%). Smaller shares included Asian (2.14%. See Figure 15).

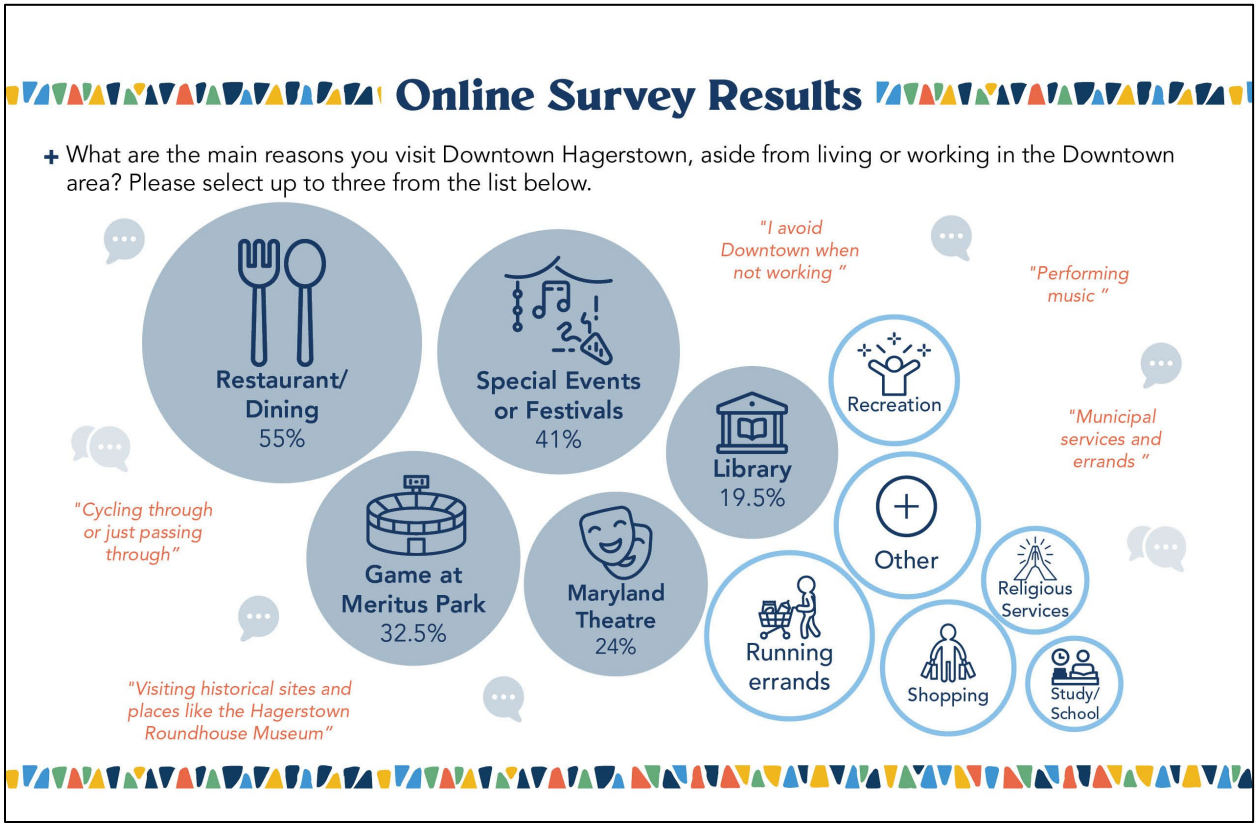
Figure 15: Demographics



Reasons for Visiting Downtown Hagerstown

Most people visit downtown for its restaurants and dining scene (55%) and to attend special events (41%). Other notable reasons are games at Meritus Park (32.5%), shows at the Maryland Theatre (24%) and visiting the downtown library (19.5%). Additional mentions include running errands, recreation, shopping, religious services, and for educational purposes (see Figure 16).

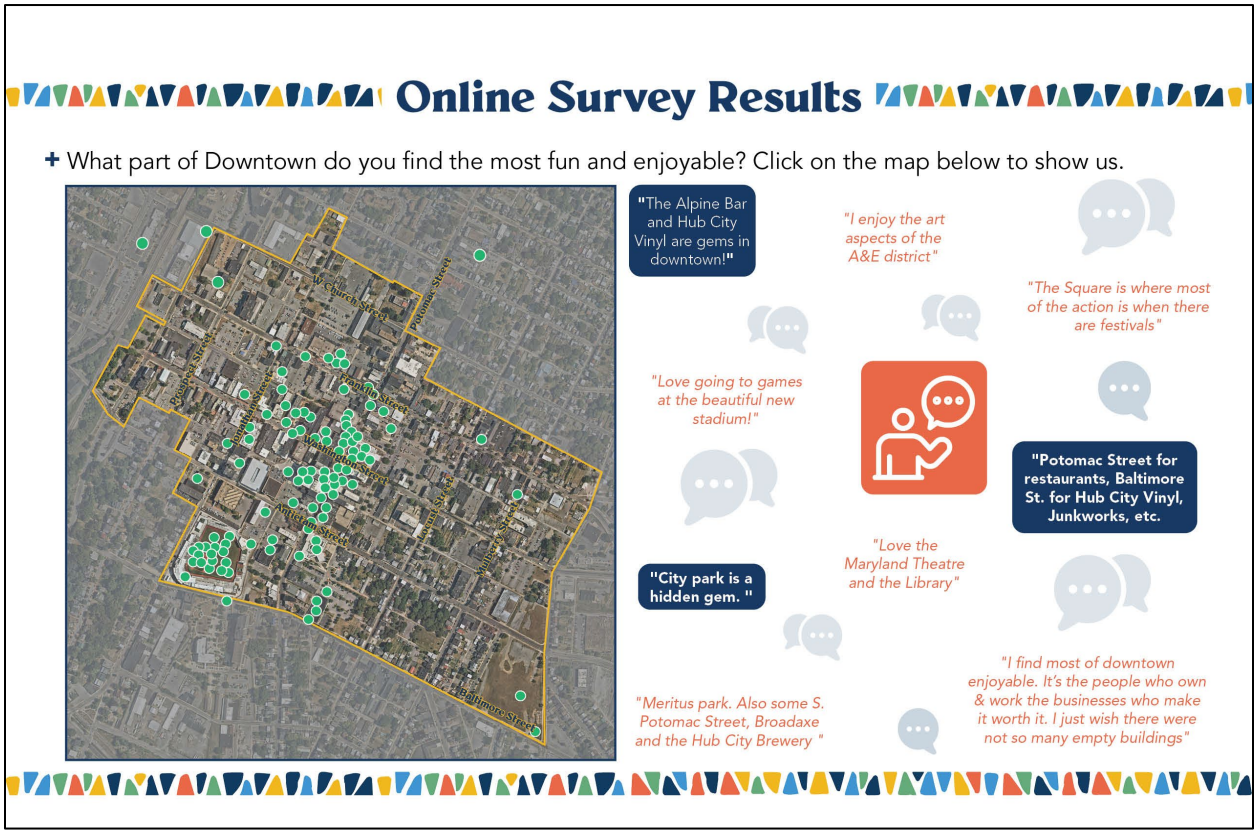
Figure 16: Reasons for Visiting Downtown



Most Fun and Enjoyable Part of Downtown

This question allowed people to select a location on a map that they considered the most fun and enjoyable in downtown. Many of the locations picked are along Potomac Street and include places like the Maryland Theatre, the Downtown Washington County Library, and Meritus Park. Other mentions highlight City Park and local businesses like Alpine Bar and Hub City Vinyl (see Figure 17).

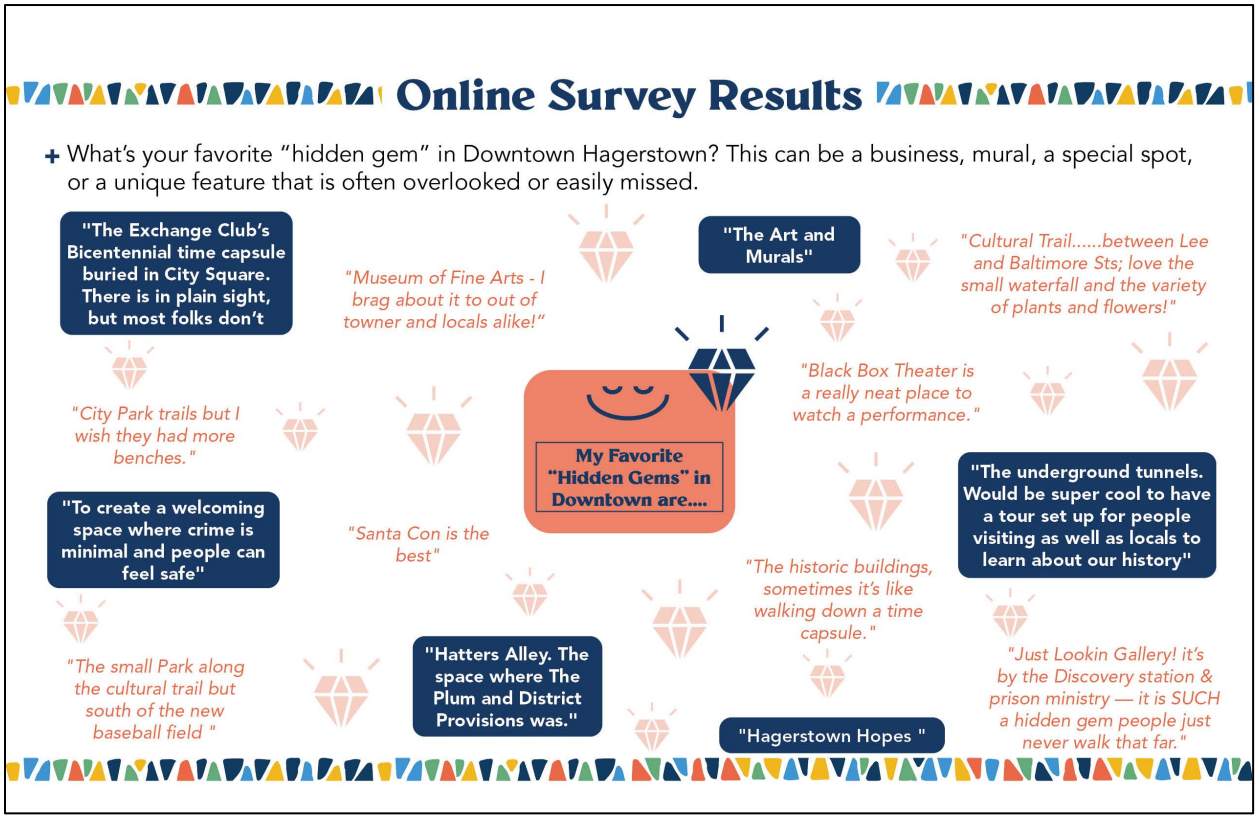
Figure 17: Most Fun and Enjoyable Part of Downtown



Favorite "Hidden Gems"

Respondents identified various "hidden gems" within Downtown Hagerstown, with many of the participants mentioning places like City Park, the Cultural Trail, and downtown's existing public art and architecture. Some of the other things that were mentioned were downtown alleys, underground tunnels, and other likely unnoticed areas. Overall participants hope that Downtown remains welcoming and retains these "Hidden Gems" (see Figure 18).

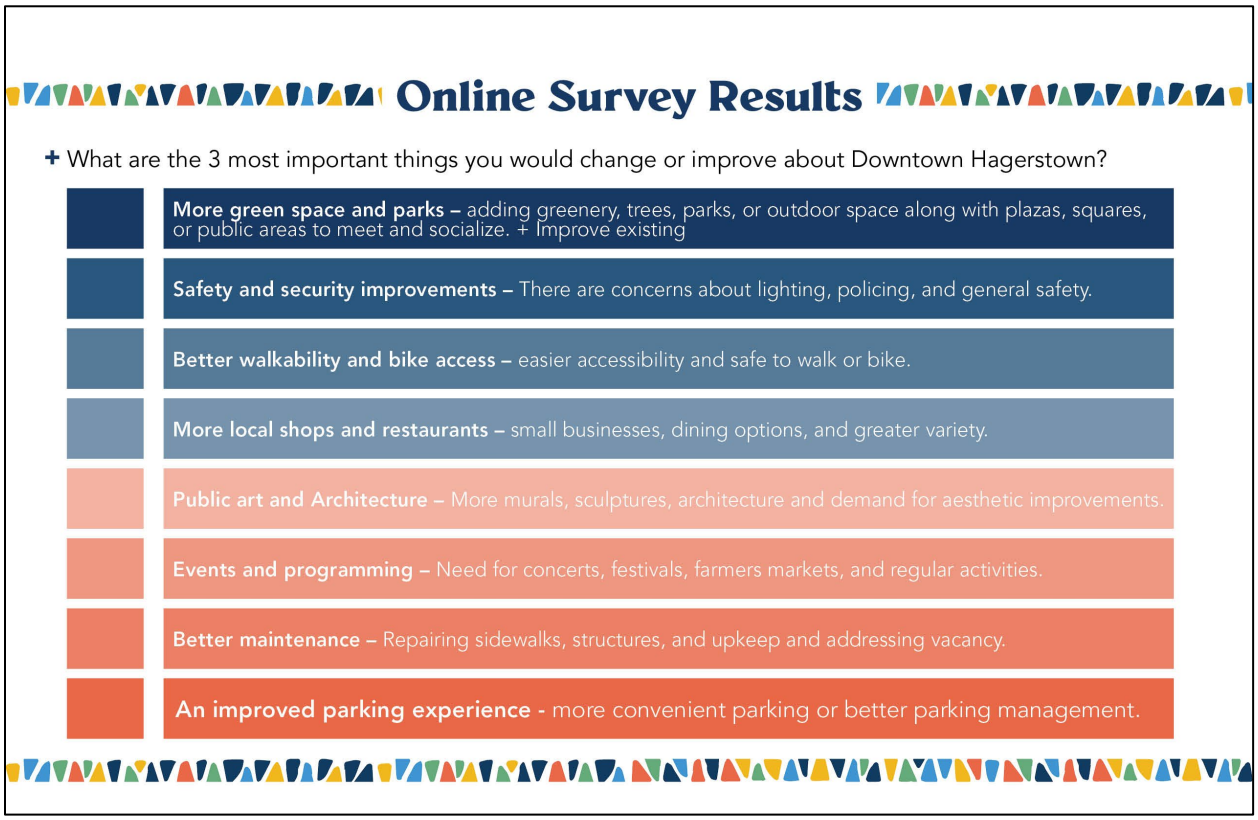
Figure 18: "Hidden Gems" in Downtown



Things to Change or Improve

Participants put a strong emphasis on the need for more parks and green spaces, improving and adding outdoor spaces like plazas, as well as landscaping and trees. There is also a strong concern for overall safety and security along with a desire for a walkable downtown that allows for pedestrian and bike access. Other key areas of focus are increasing local shops and restaurants, expanding public art and architecture, offering more events and programming, ensuring better maintenance, and creating a more convenient parking experience (see Figure 19).

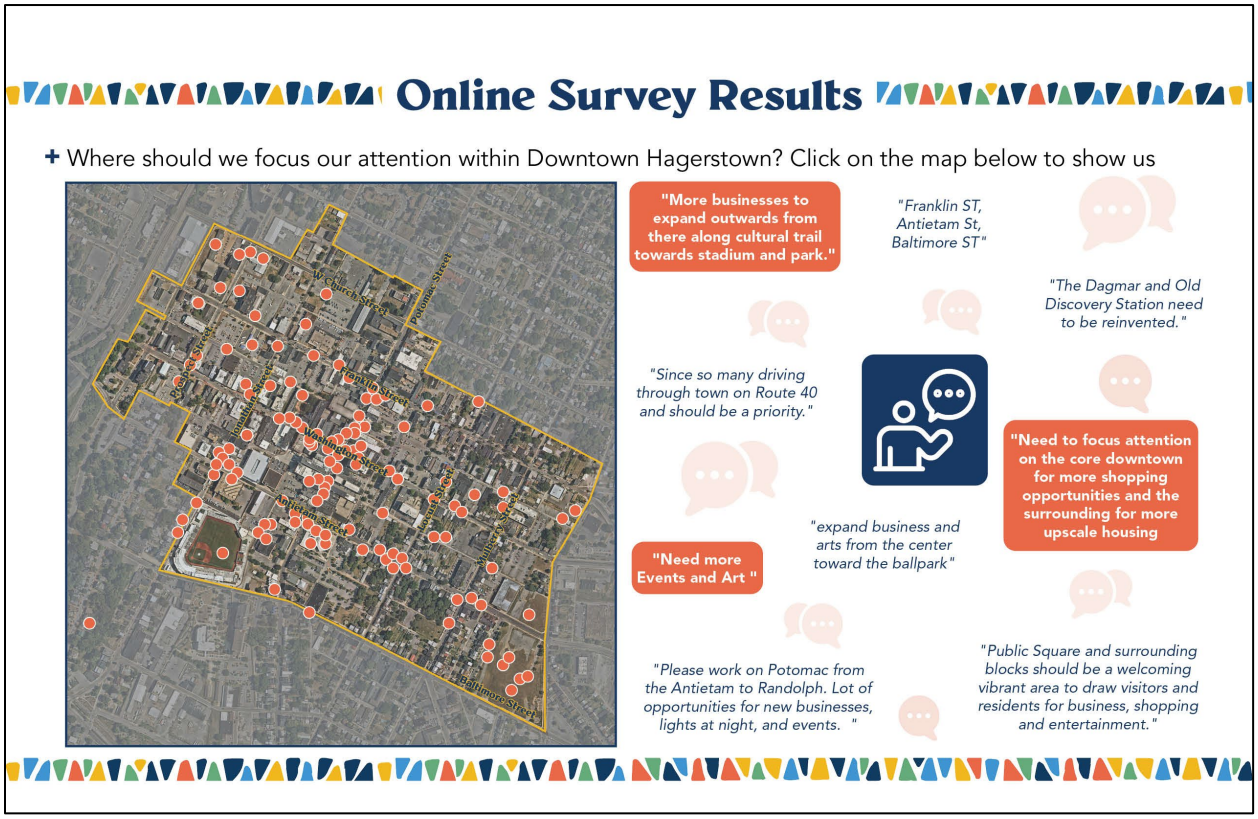
Figure 19: Things to Change or Improve in Downtown



Areas to Focus Attention

Survey respondents suggested focusing improvements on the downtown area, particularly Potomac Street, Washington Street and Antietam Street and their surrounding blocks. Participants identify a need to attract more restaurants, retail, and businesses to downtown and near the cultural trail and Meritus park. Additionally, there is an emphasis on improved safety, as well as a desire for more art, public spaces, and events (see Figure 20).

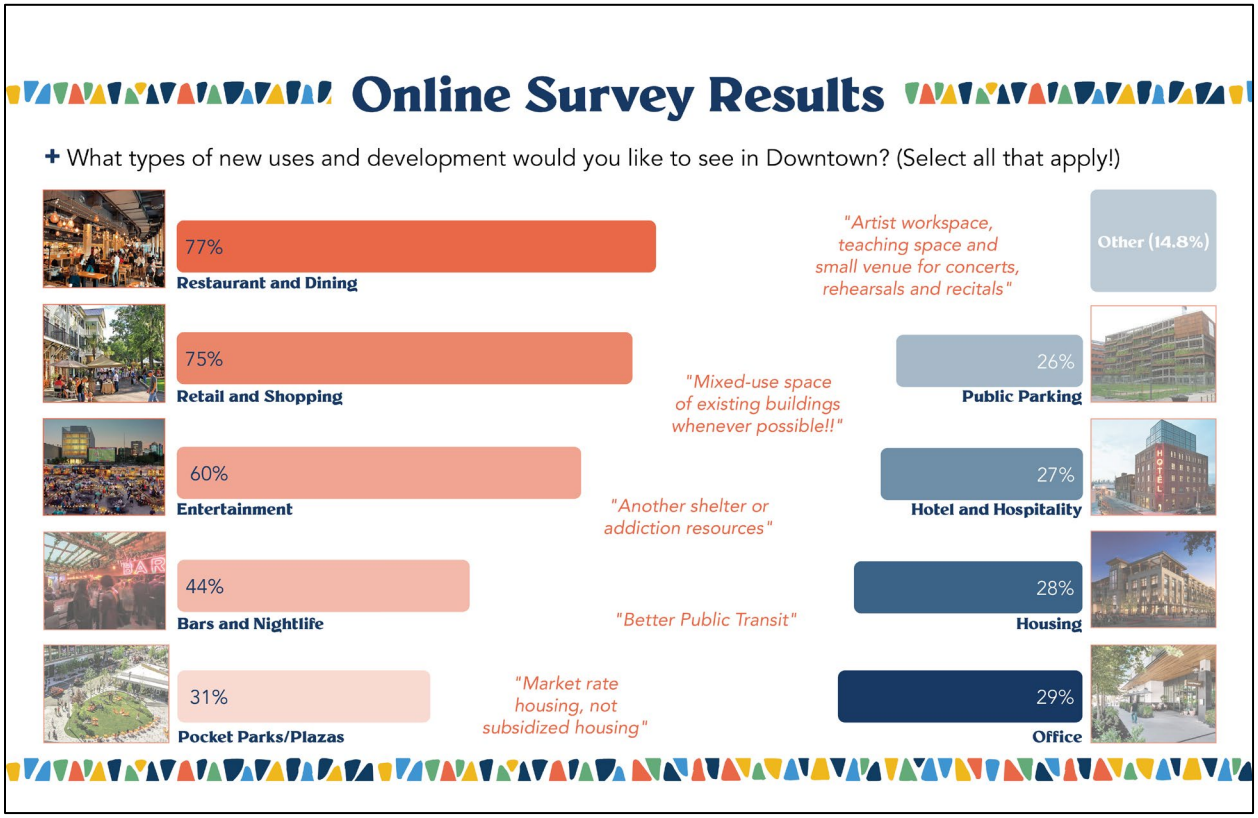
Figure 20: Suggested Focus Areas in Downtown



Preferred New Uses and Development

Out of the 450 responses, Restaurants and Dining as well as Retail and Shopping are top priority for the respondents with 77% participants voting for Restaurants and Dining and 75% for new Retail and Shopping. Entertainment, Bars and Nightlife and Pocket Parks are other top choices (see Figure 21).

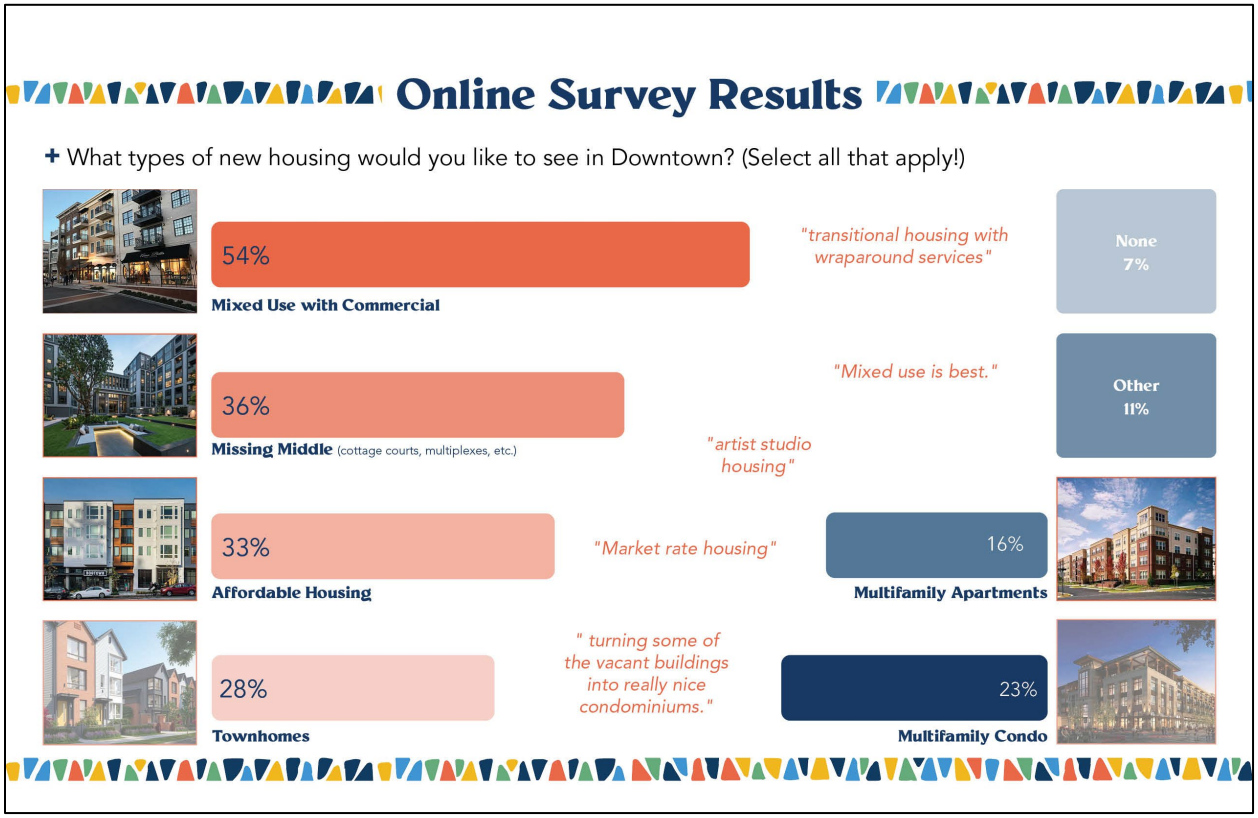
Figure 21: Preferred New Uses and Development in Downtown



Preferred New Uses and Housing Types

A majority of the Participants (54%) favored Mixed Use Housing, and more than a quarter of the respondents (36%) chose Missing Middle housing which can include housing types like cottage courts, multiples/duplex, followed by Affordable housing, indicating the preference for diverse housing types (see Figure 22).

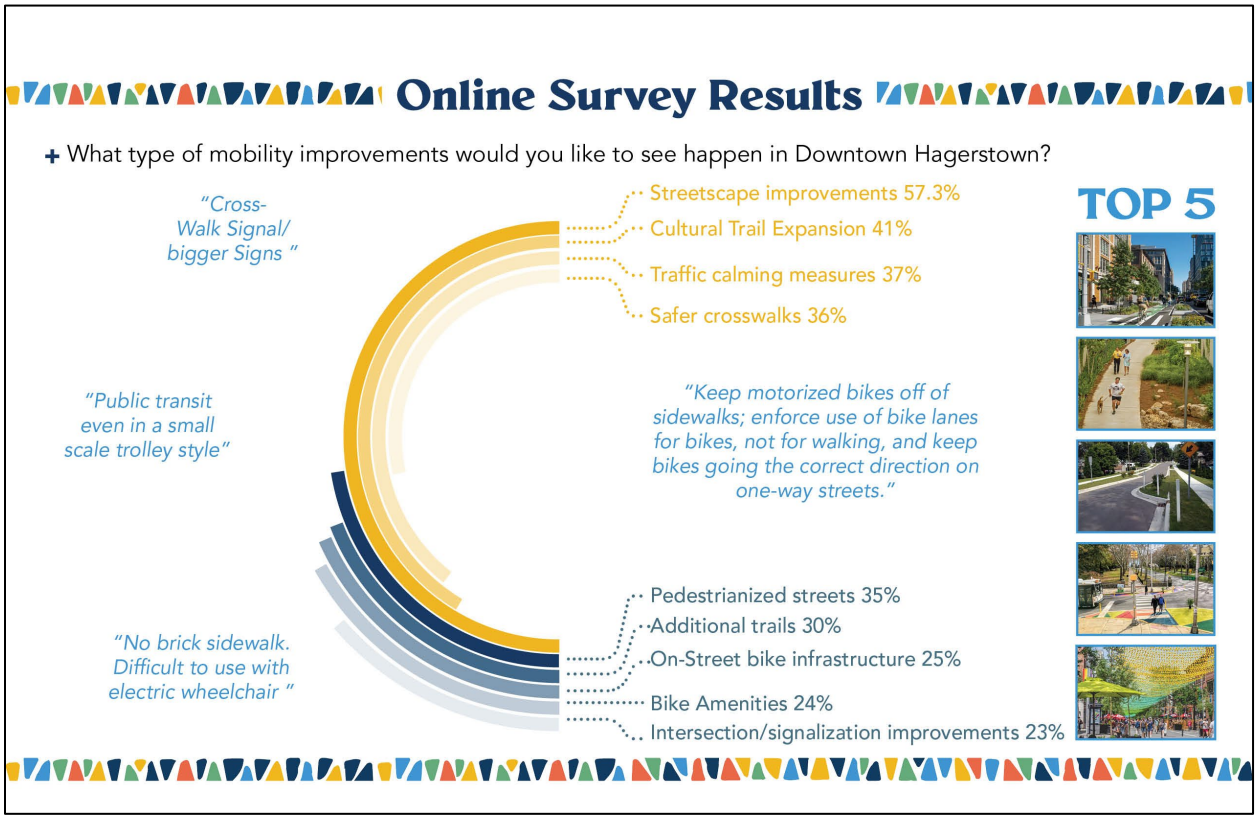
Figure 22: Preferred New Housing Types in Downtown



Preferred Mobility Improvements

There is strong support for walkability and accessibility with the respondents favoring streetscape improvements (57.3%) and Cultural Trail expansions, along with safety measures like traffic calming (37%) and safer crosswalks (36%. See Figure 23).

Figure 23: Preferred Mobility Improvements in Downtown



Pop- Up Events

In addition to community Meetings and surveys, the planning team also engaged with the community by tabling with pop-ups during downtown events. The first event took place on July 19th at a Flying Boxcars game in Meritus Park, where we invited participants to share how they would describe Downtown Hagerstown and their "Big Ideas" for its future. Similar activities were carried out during a second pop-up series at downtown's Wednesday lunchtime events. These pop-ups allowed us to have meaningful conversations early in the process and outside the public meeting, helping us understand the community's hopes for downtown and shaping the direction of the planning effort.

Figure 24: Planning Team at the Flying Boxcars Game

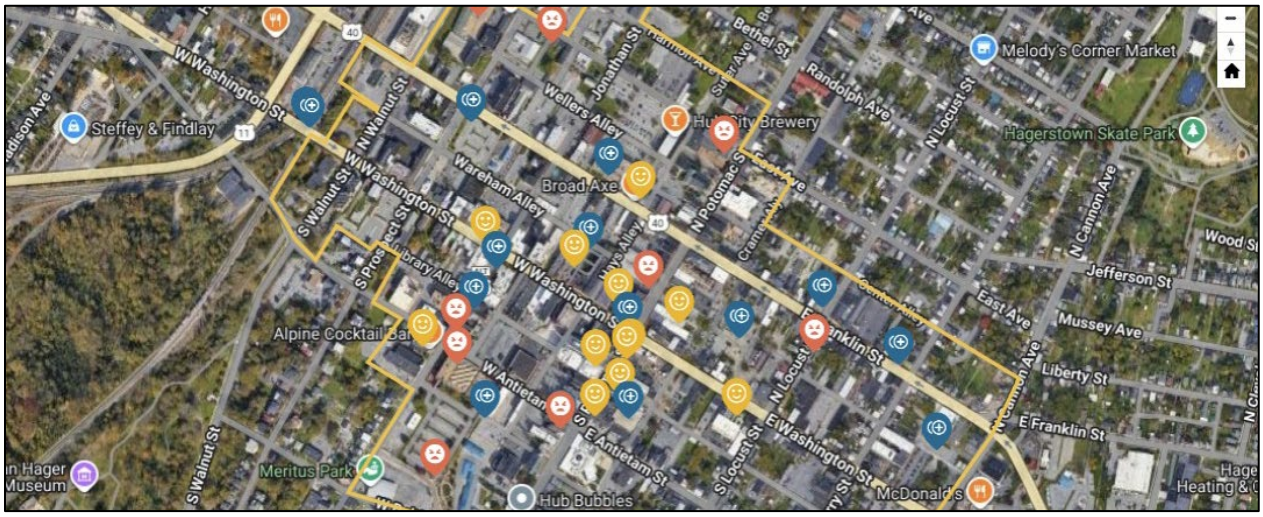
Project Website

A special website was created for the project with the address MyDowntownHagerstown.com. The site contains information about the project, including the project schedule, information about the project team, and a means for contacting the team. The site also contains several ways for the community to engage, including an explanation of how to get involved, information on community meetings and outreach, an interactive map, and the online survey discussed above. Finally, a project library is available on the website listing meeting presentations and deliverables.

Social Pinpoint Interactive Map Results

The interactive map was available online to collect direct input from website visitors on how they perceived downtown's strengths, challenges, and opportunities (see Figure 25).

Figure 25: Interactive Map Activity

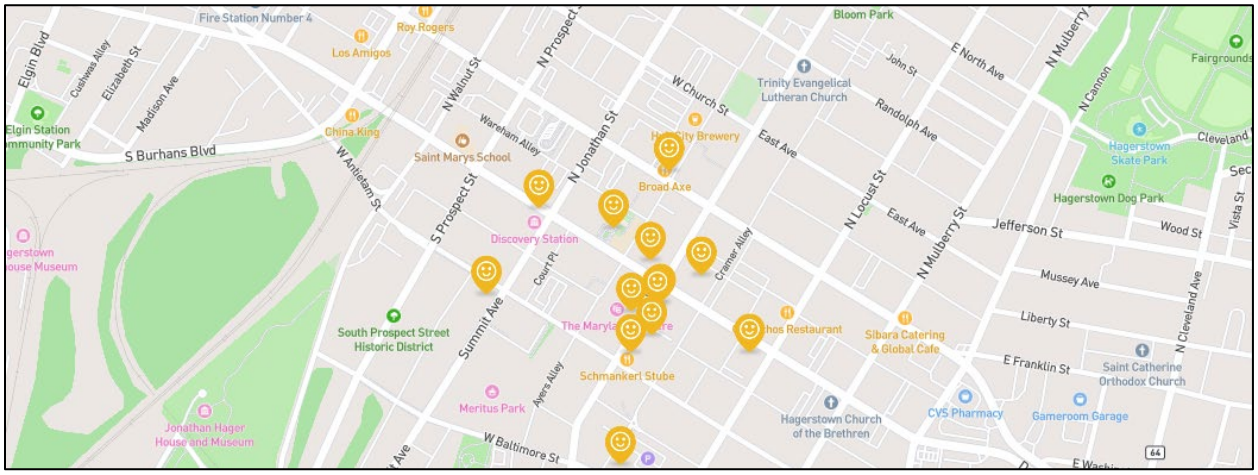


This tool allowed participants to place geotagged pins on specific locations for each of the three categories. Over the course of the five months, it remained active. More than 40 participants contributed by marking locations and providing detailed comments in the following categories: strengths, challenges, and opportunities.

Strengths

Participants highlight downtown's strong cultural and historic character, including places like The Maryland Theatre and nearby parks. Participants identified places like Broad Axe, University Plaza, Hub City Vinyl along with some restaurants and bars. Comments emphasize downtown's sense of community, walkability, and existing green spaces that should be preserved and enhanced (See Figure 26).

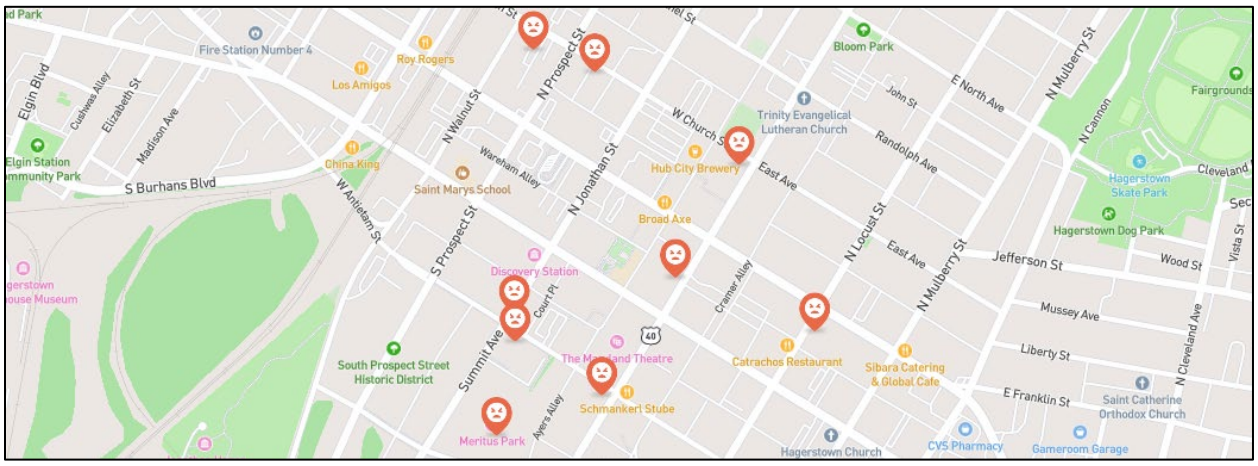
Figure 26: Interactive Map Activity (Strengths)



Challenges

Participants identified issues such as traffic congestion, parking, building vacancies, outdated infrastructure, and accessibility barriers. They also expressed concerns about unsafe crosswalks, sidewalk conditions, and limited ADA compliance as well as overall safety while walking in downtown (see Figure 27).

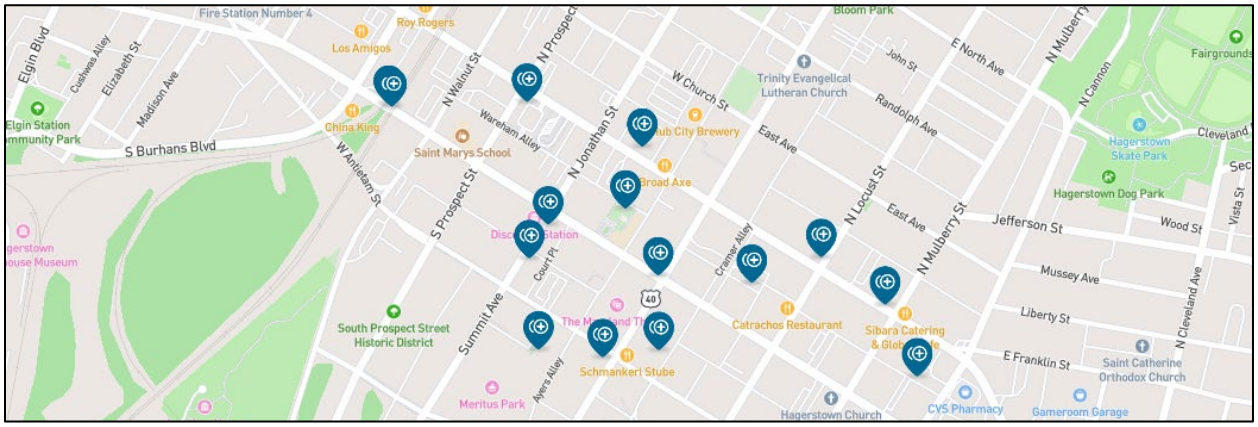
Figure 27: Interactive Map Activity (Challenges)



Opportunities

Respondents see potential for expanding the Cultural Trail, creating pedestrian-friendly streets, and introducing more green spaces and landscaping along with mixed-use development. Participants also identify opportunities to add more art, signage better lighting and enhance outdoor seating and bike infrastructure as ways to activate underutilized spaces (see Figure 28).

Figure 28: Interactive Map Activity (Opportunities)



Key Direction from Community

Over the course of the engagement process, we connected with the Hagerstown community through a variety of activities, including three community meetings, pop-up events, stakeholder roundtables, an online survey, and an interactive mapping tool. This process generated hundreds of conversations and comments, providing great insights into community priorities, aspirations, and concerns. Based on what we heard, we developed the following key takeaways to guide the vision and strategies in this 10-Year Downtown Master Plan. These takeaways are organized into four themes that reflect the community's vision for the future: Vibrant, Connected, Celebrated, and Welcoming.

My Downtown Hagerstown is - VIBRANT

People would like to build on what works downtown, and hope that Downtown Hagerstown is lively and active with thriving businesses, cultural destinations, and events that make downtown vibrant. The community hopes to reduce vacancies and attract new businesses, making downtown a place where people want to spend time.

- Anchors like Meritus Park, Maryland Theater, and downtown events help bring life and energy into the district.
- The Downtown core needs more businesses, especially restaurants and retailers, to encourage more foot traffic.
- Downtown has the unique opportunity for new mixed-use development with housing and ground level commercial spaces.
- Downtown needs to address ongoing storefront and building vacancies that make downtown feel empty and underutilized.

My Downtown Hagerstown is - CONNECTED

There is an emphasis on the need for a downtown area that is easy to move through and safe to navigate as a pedestrian. People want improved streets and alleys and a safer pedestrian and biking experience with strong connections between downtown destinations to surrounding neighborhoods.

- Improve downtown streets and alleys to enhance walkability, pedestrian safety, and accessibility.
- The cultural trail is one of downtown's strongest assets and should be expanded to connect downtown's key destinations.
- Improve downtown's connections to surrounding residential areas, so walking and biking downtown feels safe and pleasant.
- Address vehicular speeds through downtown and improve pedestrian safety at key intersections.

My Downtown Hagerstown is - CELEBRATED

There is great value in downtown's unique character, architecture, and history. The people we engage hope to see these qualities preserved and highlighted through public spaces, art, and placemaking. People asked for more parks, gathering areas and cultural programming and events that make Downtown Hagerstown a place to celebrate.

- Downtown needs more community-scale parks, green spaces, and gathering areas, with a special focus on improving Public Square and its surrounding area.
- An architectural gem with a distinct character, downtown has an opportunity to better highlight its history and culture.
- Enliven downtown through public art and placemaking that delights and inspires visitors.
- Continue to activate and program downtown with events and activities that attract visitors of all ages.

My Downtown Hagerstown is - WELCOMING

There is a strong desire for a downtown that feels safe, inviting, and inclusive. Residents hope that there is an improved perception, more attractions and experience that encourage people to spend time in Downtown Hagerstown making it a destination.

- Downtown needs to feel safer and more welcoming to locals, especially along key gateways.
- Downtown needs to improve its overall image and perception within the region. Locals need to give downtown a second chance.
- There is an opportunity to attract more tourism and visitors, both from inside and outside the region.
- Downtown needs more things to do and see - visitors should be able to spend an entire day downtown.

6. Key Downtown Opportunities

The key downtown opportunities outlined on the following pages are informed by research, analysis, public input, stakeholder feedback, and City staff collaboration. The market assessment for Downtown Hagerstown established the platform for the research and analysis component, offering an opportunity to understand market realities and opportunities for specific sites and properties. Public input garnered through the community meetings, project website, and online survey identified the priorities of City and Downtown residents, workers, and visitors. Focus group meetings and one-on-one interviews with local experts, officials, and constituencies provided the stakeholder input on specific topics that impact Downtown.

Together, this feedback and analysis results in a series of opportunities that have been vetted for community buy-in, feasibility, and potential success, reflecting the most significant priorities for Downtown Hagerstown over the next decade. Organized into three categories, they include Catalyst Site Opportunities, Streets and Open Space Opportunities, and Programmatic Opportunities. These initiatives propose projects designed to diversify downtown housing options and attract residents with greater disposable income, expand and sustain evening and weekend activity, and enhance perceptions of public safety while reducing nuisance behavior that tends to keep non-downtown residents away.

Catalyst Site Opportunities

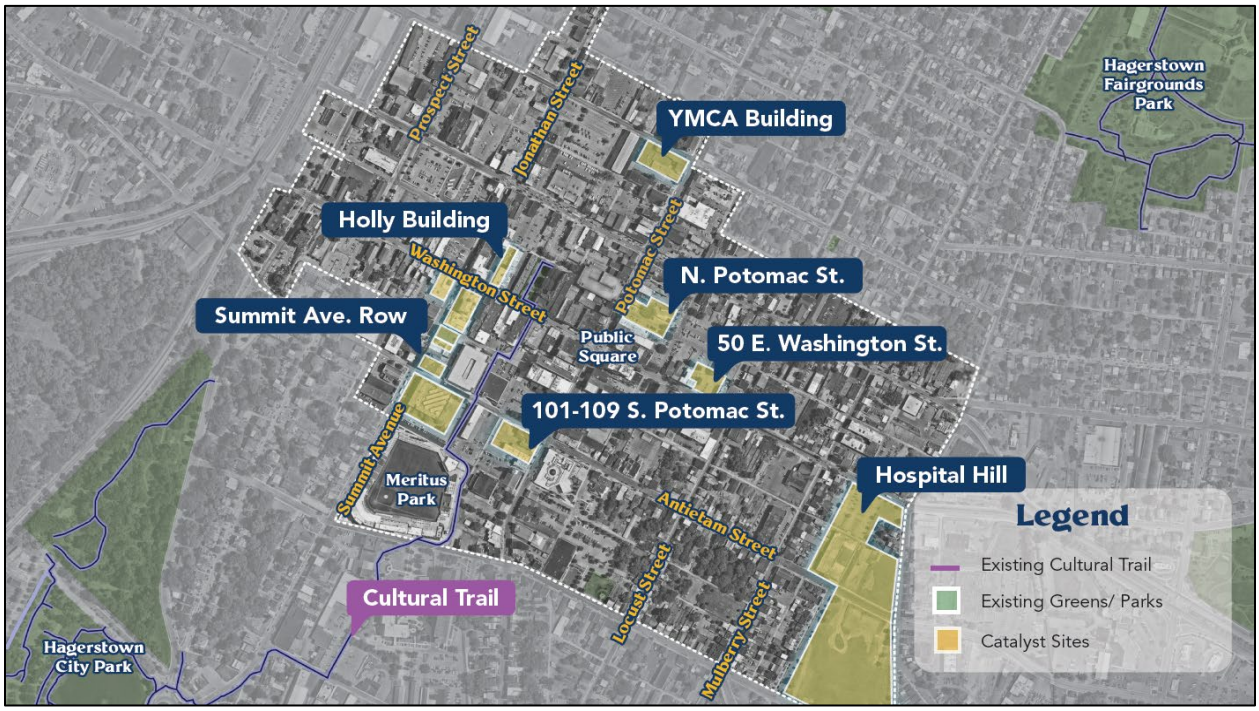
The first set of opportunities for Downtown Hagerstown involves the redevelopment or rehabilitation of a series of key sites. They are labeled as catalyst due to their high visibility, prominence, current or prior focus for redevelopment, and importance to the continued revitalization of the downtown area. Repurposing them for active reuse will attract additional investment, expand the downtown residential and commercial base, and increase downtown activity, creating more of a "24/7" environment.

The catalyst sites, shown in Figure 29, have varying degrees of reuse possibility. They include historic buildings poised for rehabilitation, buildings with potential for redevelopment, and vacant parcels ideal for new construction. The sites include:

- Summit Avenue Row (unit block of Summit Avenue)
- N. Potomac Street
- 50 E. Washington Street
- 101-109 S. Potomac Street
- Holly Building (72-80 W. Washington Street)
- YMCA Building (149 N. Potomac Street)
- Hospital Hill Site

The timing of rehabilitation or redevelopment activity will differ from property to property within this collective of sites. Some properties are vacant and underutilized while others are occupied with tenants. Some properties have active and engaged owners that are interested in making improvements while others do not or their status is unknown. And for some properties, potential new uses have been identified, with redevelopment plans drafted and submitted to the City, but the process has been stalled due to a variety of circumstances. Including them in this plan in their various stages of evolution helps to ensure that their rehabilitation and reuse remain a top priority for the City and its constituents. Ideally this plan helps advance them to the next level in the redevelopment process—and ultimately, construction.

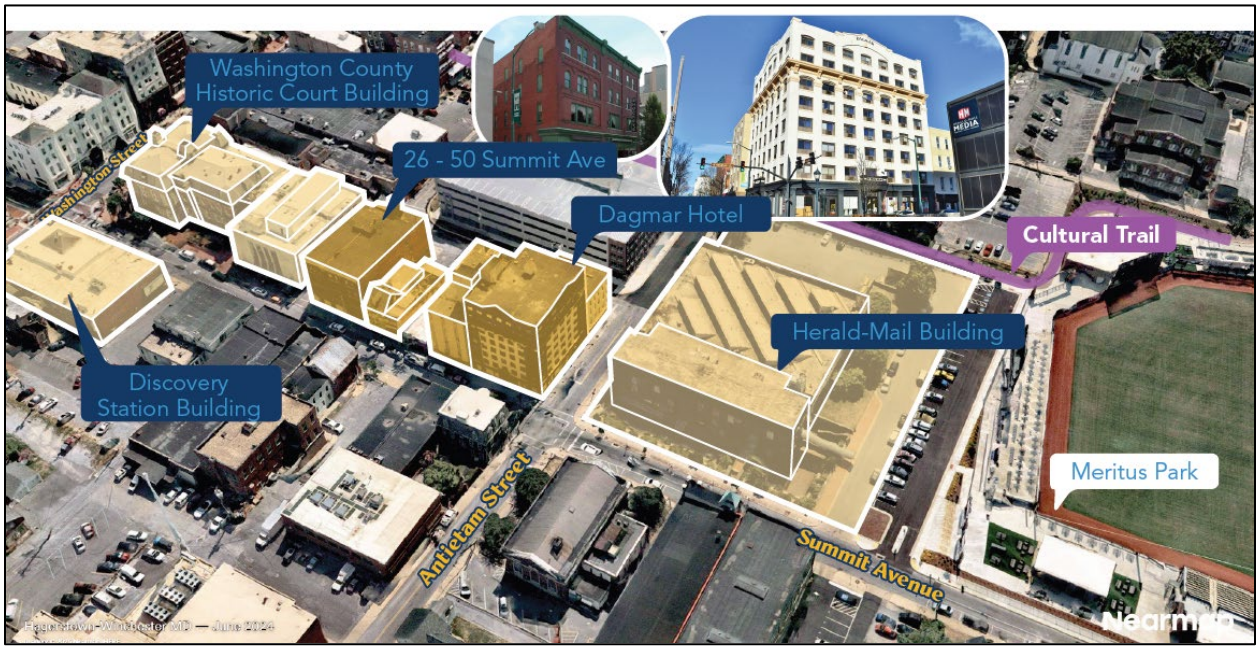
Figure 29: Catalyst Sites in Downtown Hagerstown



Summit Avenue Row

Summit Avenue Row is the label for a series of properties on the unit block of Summit Avenue between Washington and Antietam streets identified as having significant reuse potential. Collectively, repurposing these properties could make a significant revitalization impact to this part of Downtown Hagerstown. They include the former Dagmar Hotel building, the Shockey Building, the former Herald Mail Building, the former Discovery Station Building, and the Circuit Court Building (see Figure 30).

Figure 30: Location of Key Properties on Summit Avenue with Opportunity for Redevelopment



Dagmar Hotel Building

Property Description

As a significant downtown building, revitalization of the Dagmar Hotel has been a longstanding priority given its history of nuisance activity, ongoing public safety issues, and declining condition, although recent exterior investments have improved its aesthetics. Owned by Dagmar Place LLC, the property has continuously detracted from the downtown environment and poses a significant obstacle to comprehensive revitalization initiatives, particularly for the Summit Avenue Row grouping of properties. Suggested reuses include ground-floor retail/dining with one- and two-bedroom market-rate apartments on the upper floors.

Figure 31: Image of the Dagmar Hotel Building

Source: Herald Mail

Economic Feasibility Analysis

The Dagmar Hotel property consists of two attached buildings—one eight-stories; one six-stories—with a total of 66,000 gross square feet of space. The current owner purchased the property in 2020 for $2,035,000. We assume that after some improvements, the owner's

current in-place equity and debt on the property is $3 million. For redevelopment of the Dagmar Hotel we propose a 69-unit loft apartment building with 48 one-bedroom and 21 two-bedroom units.

Total redevelopment costs are estimated at $13.075 million based on current (2025) construction pricing in the Hagerstown area (see Table 19). This includes full interior demolition, but saving of usable mechanical and electrical equipment, reconstruction for apartments, and costs associated with elevator installation, some façade repair and decoration, and other needed improvements. Total construction costs are estimated at $8.225 million. Other costs include design and soft costs for approvals, financing, and carry.

Table 19: Dagmar Hotel Building Development Budget

Owner's Equity Value & Existing Debt		$3,000,000
Construction		
Interior Demolition (66,000 SF @ $15)	$ 990,000	
Elevators/Lobbies	$ 600,000	
Façade Repair/Cleaning	$ 300,000	
Mechanical/Electrical/HVAC	$ 2,465,000	
Residential Floor Interiors	$ 3,585,000	
Appliances	$ 285,000	
Total Construction		$ 8,225,000
Design; Approvals (8%)		$ 660,000
Financing; Carry; Other Soft Costs		$ 1,190,000
Total Development Costs		**$ 13,075,000**

The rehabilitated building will accommodate 69 apartments. Annual income and expense for operations of the property are detailed in Table 20. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. Year 1 apartment rents are estimated at $1,300 monthly for a 700 SF one-bedroom apartment and $1,750 monthly for a 925 SF two-bedroom.

Based on these assumptions and current operating expenses in the Hagerstown area, net operating income approaches $750,000 by Year 3. This can support a $8.6 million mortgage on the property with 5.5% interest and a 30-year amortization. Historic tax credits could attract another $2.55 million in investment. The remaining cash flow is sufficient to support a competitive cash-on-cash return for the remaining $1,925,000 in needed equity to complete financing.

Table 20: Dagmar Hotel Building Income and Expense Pro Forma, 12/2025

Number of Apartments		69				
One-Bedroom (70%)	48					
Two-Bedroom (30%)	21					
Average Occupancy		97%				
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Revenue						
One-Bedroom Income (@ $1,300)		$748,800	$778,752	$809,902	$842,298	$875,990
Two-Bedroom Income (@ $1,750)		$441,000	$458,640	$476,986	$496,065	$515,908
Gross Potential Residential Income		$1,189,800	$1,237,392	$1,286,888	$1,338,363	$1,391,898
Less: Vacancy @ 3% (8% Year 1)		-$95,183	-$37,121	-$38,606	-$40,150	-$41,756
Gross Effective Income--Residential		$1,094,617	$1,200,271	$1,248,282	$1,298,213	$1,350,142
Operating Expenses						
Maintenance & Operations Residential (@ $3400/Unit)		$234,600	$243,984	$253,743	$263,893	$274,449
Utilities ($1.75/Gross SF)		$115,500	$120,120	$124,925	$129,922	$135,119
Management & Leasing (4%)		$43,785	$48,011	$49,931	$51,929	$54,006
Real Estate Taxes		$70,000	$70,000	$74,000	$76,960	$80,038
Total Operating Expense		$463,885	$482,115	$502,599	$522,703	$543,612
Net Operating Income		$630,732	$718,156	$745,683	$775,510	$806,530
Debt Service						
First Mortgage Debt Service		$591,723	$591,723	$591,723	$591,723	$591,723
Cash Flow		**$39,009**	**$126,433**	**$153,960**	**$183,787**	**$214,807**
Return on $1,925,000 Return-Based Equity		**2.03%**	**6.57%**	**8.00%**	**9.55%**	**11.16%**

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the Dagmar Hotel building, including the following:

1. Maintain code enforcement for the building and an ongoing police presence in the area.
2. Establish rapport with the existing owner to facilitate rehabilitation or seek a reputable new owner.
3. Undertake an RFQ for a developer-partner.
4. Select the developer-partner.
5. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
6. *Developer-partner acquires necessary financing.*
7. *Developer-partner begins rehabilitation and undertakes marketing effort.*
8. *Developer-partner completes rehabilitation of the building.*
9. *Tenanting the building begins.*
10. Continue engagement with the property owner.
11. Consider acquisition of the property if necessary to reach redevelopment goals.

Shockey Building and Adjacent Parcel

Property Description

At 26-30 Summit Avenue—the mid-block of Summit Avenue Row—the Shockey Building is another key property among this collection of buildings (see Figure 32). Currently owned by Ariston Real Estate Group LLC, the four-story buildings remain in relatively good condition. Suggested reuses include ground-floor retail/restaurant space with studio, one-, two-, and three-bedroom market-rate apartments on the upper floors. A portion of the housing has potential to serve USMH students. Inclusion of 32 Summit Avenue next door presents the opportunity to create a courtyard that could be used for outdoor dining and activities as well as be used by residents of the apartments.

Figure 32: Image of the Shockey Building

Source: Google Maps

Economic Feasibility

For redevelopment of the Shockey Building we propose a mixed use building with 29 apartments and a 2,200 SF first floor restaurant. Demolition of the adjacent small property at 32 Summit can maximize redevelopment potential for apartments by allowing new windows on that side of the Shockey Building and by providing a plaza for outdoor dining for the restaurant. To further facilitate this development, we propose that 13 apartment units on the

first and second floors of the building be bulk leased to the University of Maryland to house 23 students (five three-bedroom suites; four one-bedroom apartments; and four studio apartments). The 16 apartments on the third and fourth floors would be market rate one- and two-bedroom apartments rented individually. Acquisition costs are estimated at $600,000.

Total redevelopment costs are estimated at $6.32 million based on current (2025) construction pricing in the Hagerstown area (see Table 21). This includes demolition of 32 Summit, full interior demolition of the Shockey Building, reconstruction for apartments and a 2,200 SF commercial space, and costs associated with elevator installation, replacement and addition of windows, and other needed improvements. Total construction costs are estimated at $4.51 million. Other costs include design and soft costs for approvals, financing, and carry. We have also added a 5% contingency due to unknown conditions.

Table 21: Shockey Building Development Budget

Acquisition		$600,000
Construction		
Demolition (6,294 SF @ $20)	$ 125,000	
Interior Demolition (24,535 SF @ $15)	$ 370,000	
Roof Resurface	$ 90,000	
Elevators	$ 355,000	
Window Replacement	$ 100,000	
Window Additions/Façade Stability	$ 80,000	
Façade Repair/Cleaning	$ 120,000	
Plaza Landscaping	$ 30,000	
Mechanical/Electrical/HVAC	$ 1,835,000	
Residential Floor Interiors	$ 1,215,000	
Commercial Space Interiors	$ 60,000	
Appliances	$ 130,000	
Total Construction		$ 4,510,000
Design; Approvals (8%)		$ 360,000
Financing; Carry; Other Soft Costs		$ 550,000
Contingency (5%)		$ 300,000
Total Development Costs		**$ 6,320,000**

The rehabilitated building will accommodate 29 apartments and one commercial space. Annual income and expense for operations of the property are detailed in Table 22. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. The $250,000 annual bulk lease to the University of Maryland translates to $906 per month for

each of the 23 student spaces available. Year 1 apartment rents on the third and fourth floors are estimated at $1,300 monthly for a 700 SF one-bedroom apartment and $1,750 monthly for a 925 SF two-bedroom. The commercial space is leased at $15 per square foot plus tenant-paid utilities and maintenance.

Based on these assumptions and current operating expenses in the Hagerstown area, net operating income approaches $370,000 by Year 3. This can support a $4.25 million mortgage on the property with 5.5% interest and a 30-year amortization. Historic tax credits could attract another $1.4 million in investment. The remaining cash flow is sufficient to support a very competitive cash-on-cash return for the remaining $670,000 in needed equity to complete financing.

Table 22: Shockey Building Income and Expense Pro Forma

Number of Apartments		29				
Student Efficiency	4					
Student One-Bedroom	4					
Student Three-Bedroom	5					
Market One-Bedroom	12					
Market Two-Bedroom	4					
Average Occupancy		97%				
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Revenue						
University Bulk Lease		$250,000	$260,000	$270,400	$281,216	$292,465
Per Student/Month	$906					
Market One-Bedroom Income (@ $1,300)		$187,200	$194,688	$202,476	$210,575	$218,998
Market Two-Bedroom Income (@ $1,750)		$84,000	$87,360	$90,854	$94,489	$98,268
Commerical Space Lease Income (2,200 SF @ $25)		$33,000	$34,320	$35,693	$37,121	$38,605
Gross Potential Income		$554,200	$576,368	$599,423	$623,400	$648,336
Less: Vacancy @ 3% (6% Year 1)		-$33,252	-$17,291	-$17,983	-$18,702	-$19,450
Gross Effective Income		$520,948	$559,077	$581,440	$604,698	$628,886
Operating Expenses						
Maintenance & Operations Residential (@ $3400/Unit)		$98,600	$102,544	$106,646	$110,912	$115,348
Maintenance & Operations Commercial (@ $2/SF)		$4,400	$4,576	$4,759	$4,949	$5,147
Residential Utilities ($1.75/Gross SF)		$39,086	$40,650	$42,276	$43,967	$45,725
Management & Leasing (4%)		$20,838	$22,363	$23,258	$24,188	$25,155
Real Estate Taxes		$35,000	$35,000	$36,400	$37,856	$39,370
Total Operating Expense		$197,924	$205,133	$213,338	$221,872	$230,746
Net Operating Income		$323,024	$353,944	$368,102	$382,826	$398,139
Debt Service						
First Mortgage Debt Service		$292,421	$292,421	$292,421	$292,421	$292,421
Cash Flow		**$30,603**	**$61,523**	**$75,681**	**$90,405**	**$105,718**
Return on $670,000 Return-Based Equity		**4.57%**	**9.18%**	**11.30%**	**13.49%**	**15.78%**

Figure 33: Image of a Rehabilitated Shockey Building with side Courtyard

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the Shockey Building, including the following:

1. Establish rapport with the existing owner to facilitate rehabilitation or seek a reputable new owner.
2. Undertake an RFQ for a developer-partner.
3. Select the developer-partner.
4. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
5. Consider establishing a bulk lease agreement with USMH to occupy a portion of the building for student housing.
6. *Developer-partner acquires necessary financing.*
7. *Developer-partner begins rehabilitation of building, demolition of 32 Summit Avenue, and undertakes marketing effort.*
8. *Developer-partner completes rehabilitation of the building and adjacent courtyard.*
9. *Tenanting the building begins.*
10. Continue engagement with the property owner and USMH.

Herald Mail Building

Property Description

The vacant Herald Mail Building is located along the Cultural Trail on a strategic corner of Summit Avenue, opposite the former Dagmar Hotel and new Hub City garage, and adjacent to the new Meritus Park Stadium. The large, approximately 60,000 SF building, owned by Hagerstown Multi-Use Sports Events Facility Inc., forms a key anchor to Summit Avenue Row (Figure 34).

The unique design of the building lends itself to several creative reuse ideas, some of which have been proposed through multiple redevelopment concepts. Each concept envisions the building containing a mix of uses, including retail/restaurant, office, residential (condos, townhouses, and apartments), hotel, and conference center.

The successful reuse of the Herald Mail Building could make it a significant mixed-use downtown destination. With its advantageous location, the building could both enhance and be enhanced by its adjacent properties. With its sprawling footprint, this is one of Downtown Hagerstown's most significant redevelopment opportunities.

Figure 34: Images of the Herald Mail Building

Source: Loopnet

Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the Herald Mail Building:

1. Establish rapport with the existing owner to facilitate reuse or seek a reputable new owner.
2. Continue identifying reuse options for the building.
3. Identify potential tenants and arrange discussions.
4. Undertake an RFQ for a developer-partner.
5. Select the developer-partner.

Discovery Station Building

Property Description

On the Northwest corner of W. Washington Street and Summit Avenue is the former Discovery Center, a key downtown historic building that once housed a bank and the Federal Depository during the Civil War. First opening in 2005, the Discovery Station moved to a larger location at Fort Richie in Cascade in August 2025, vacating the downtown location. With its prominent location within the Arts & Entertainment District, the building, currently owned by LTP LLC, would be ideal to remain an arts and cultural use.

The Washington County Historical Society has expressed interest in relocating to the site. The City should continue discussions with the Historical Society or other prospective tenants to ensure that the new occupant contributes to and enhances the street-level activity of the downtown Arts & Entertainment District.

Figure 35: Image of Discovery Station Building

Source: Google Maps

Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the Discovery Station Building:

1. Establish rapport with the existing owner to facilitate reuse or seek a reputable new owner.
2. Continue identifying reuse options for the building.
3. Identify potential tenants and arrange discussions.

Circuit Court Building

Property Description

On the Northeast corner of W. Washington Street and Summit Avenue is the former Circuit Court building, also a key downtown historic building currently owned by Washington County. County and State officials have engaged in preliminary discussions regarding the potential relocation of the Circuit Court to expand capacity and meet modern facility standards. If this move is pursued, the City should continue its thoughtful planning and coordination with Washington County to ensure the appropriate adaptive reuse of the historic building occurs and that it advances the economic vibrancy of downtown.

Figure 36: Image of Circuit Court Building

Source: Google Maps

Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the Circuit Court Building should it eventually be redeveloped:

1. Work with Washington County (existing owner), acquire the property, or seek a reputable new owner to facilitate reuse.
2. Continue identifying reuse options for the building.

N. Potomac Street

Property Description

The North Potomac Street catalytic site is a combination of three separate parcels occupying 4, 6, and 14 N. Potomac Street, currently owned by the City of Hagerstown (see Figure 37).

Figure 37: Location of the N. Potomac Street Site

The buildings at 4 and 6 N. Potomac Street are two- and three-story buildings with ground-floor commercial space and office on the upper floors. The property at 14 N. Potomac Street, the Elizabeth Hager Center, is in the rear of and attached to 6 N. Potomac and is also used as office space. A portion of 14 is surface parking (see Figure 38).

City ownership of all three parcels creates a unique opportunity to pursue multiple reuse and redevelopment scenarios. Suggested reuses for the properties include office and/or hotel with ground-floor retail/restaurant space.

Figure 38: Images of the N. Potomac Street Site

Source: Google Maps

Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the N. Potomac Street site should it eventually be redeveloped:

1. Continue identifying reuse options for the site.
2. If a hotel is selected for the site, see Preliminary Implementation Steps below for a Future Hotel Development.
3. If an office building is selected for the site, see Preliminary Implementation Steps below for a Future Office Development.

50 E. Washington Street

Property Description

50 E. Washington Street is another key catalytic site currently owned by the City of Hagerstown, part of the larger parcel between E. Washington Street, E. Franklin Street, Cramer Alley, and Locust Street (see Figure 39).

Figure 39: Location of the 50 E. Washington Street Site

The property is a surface parking lot, which offers an opportunity to pursue multiple redevelopment scenarios involving new construction (see Figure 40). Suggested uses for the property include office and/or hotel with ground-floor retail/restaurant space.

Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the 50 E. Washington Street site should it eventually be redeveloped:

1. Continue identifying reuse options for the site.
2. If a hotel is selected for the site, see Preliminary Implementation Steps below for a Future Hotel Development.
3. If an office building is selected for the site, see Preliminary Implementation Steps below for a Future Office Development.

Figure 40: Image of the 50 E. Washington Street Site

Source: Google Maps

Future Hotel Development

Project Description

As described in the market analysis, from 2017 to 2023, the annual growth in competitive hotel demand near Downtown Hagerstown was 8,200 room-nights per year. The additional supply from the introduction of the higher quality Fairfield and Home2Suites was fully absorbed with occupancy remaining above 72% in 2022 and 2023. If we assume that an annual average room-night increment in demand in the 5,000 to 8,000 range continues for several years and that 65% is a healthy average occupancy rate, then we can conclude that the new Tru by Hilton can be absorbed in the market by the end of 2026 and that the Hagerstown area can absorb 60-100 new hotel rooms every two-three years, beginning in 2027 or 2028. This demand could potentially be accommodated in a downtown hotel.

Given its unique location for the region, a downtown hotel would offer an experience not currently provided by the existing hotels located outside of downtown at the highway interchanges. Instead of capturing a pass-through market, a downtown hotel would create more of a destination for visitors to Hagerstown seeking local culture and history. It would also bring a daily supply of additional customers who could support downtown businesses, particularly restaurants and stores.

Figure 41: Examples of Downtown Boutique Hotels

Source: Mariott

Source: Hilton

Several downtown sites could be appropriate for a new hotel as either new construction, rehabilitation of an existing building, or a combination of both. These include the N. Potomac Street and E. Washington Street sites identified above. The suggested scale of a new downtown hotel is smaller than typical chain hotels with more of a boutique format containing less than 100 rooms. The ground floor would ideally feature restaurant and/or retail space.

Economic Feasibility

To assess additional hotel development feasibility, we assume construction of a new 80-room hotel on a site requiring $2 million acquisition/site preparation cost. Total redevelopment costs are estimated at $15.18 million based on current (2025) construction pricing in the Hagerstown area (see Table 23). This includes $9.44 million for the hotel and $710,000 for sitework and limited courtesy surface parking. We assume overnight parking will be secured by the hotel operator in the nearby garages through an annual bulk lease. Other costs include furnishings and equipment, design, and soft costs for approvals, financing, and carry.

Table 23: New Hotel Development Budget

Development Budget		
Acquisition	$2,000,000	
Sitework, Courtesy Parking	$710,000	
Hotel Construction (40,000 SF @ $236)	$9,440,000	
Furnishings/Equipment ($11,000/Room)	$880,000	
Design; Approvals	$770,000	
Financing; Carry; Other Soft Costs	$1,380,000	
Total Development Costs		$15,180,000

Annual income and expense for operations of the hotel are detailed in Table 24.

Table 24: New Hotel Income and Expense Pro Forma – Stable Year 3, 12/2025

Number of Rooms		80	
Average Occupancy		65%	
Average Collected Room Rate		$145	
Revenue			$2,755,000
Operating Expenses			
Rooms Expense	21.5%	$590,000	
Administrative & General	9.0%	$250,000	
Sales & Marketing	10.1%	$280,000	
Property Operations & Maintenance	3.5%	$95,000	
Utilities	4.2%	$115,000	
Parking Garage Payment		$75,000	
Management Fee	3.0%	$85,000	
Taxes & Insurance	4.5%	$125,000	
Replacement Reserve	4.0%	$110,000	
Total Operating Expense			$1,725,000
Net Operating Income			$1,030,000
Debt Service			
First Mortgage Debt Service			$825,000
Cash Flow			$205,000
Return on $2,700,000 Equity			7.59%

All revenues and expenses are at 2025 pricing, set for the stable operational Year 3. Room rates are assumed at an average of $145 with 65% occupancy. We allocate $75,000 in expense to a bulk parking space lease in municipal garages.

Based on these assumptions, net operating income exceeds $1.0 million by Year 3. This can support a $12 million mortgage on the property with 5.5% interest and a 30-year amortization. The remaining cash flow is sufficient to support a competitive cash-on-cash return for $2.7 million in equity investment. This leaves a modest feasibility gap of $480,000 to achieve full financing.

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful development of a new downtown hotel, including the following:

1. Identify potential properties suitable for a new hotel.
2. Assist to assemble the property if necessary, seek a reputable buyer, and establish rapport with the owner to facilitate the development.
3. Undertake an RFQ for a developer-partner.
4. Select the developer-partner.
5. *Hotel operator begins marketing effort.*
6. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
7. *Developer-partner acquires necessary financing.*
8. *Developer-partner begins construction and undertakes marketing effort.*
9. *Developer-partner completes construction of the hotel.*
10. *Occupancy of the hotel begins.*
11. Continue engagement with the hotel owner.

Future Office Building

Project Description

As referenced in the market analysis above, there are many options in Downtown Hagerstown for professional office users seeking small spaces of a Class B or C quality. However, there are currently limited move-in ready opportunities for a business in need of a floorplate larger than 12,000 square feet or a total building size of more than 30,000 square feet to accommodate a large company or agency. Furthermore, no available space of that size meets Class A or higher-quality standards.

This scale of office development would require a committed user. To attract this larger dedicated tenant, Downtown needs to offer a well-situated site that could accommodate a building of this magnitude. Several downtown sites could be appropriate for a new office building. These include the N. Potomac Street and E. Washington Street sites identified above. The ground floor would ideally feature restaurant and/or retail space (see Figure 42).

Once build-to-suit sites in the downtown appropriate for larger users are identified, it is critical to form a partnership with a developer to market the sites, recruit tenants, and be ready to develop immediately upon receiving a commitment from a prospective office user. This effort would allow Downtown to compete with sites outside the City Center.

This initiative goes beyond the specific site to create a process whereby the City is continuously competitive for large office users through active marketing and nimble responsiveness to opportunities as they emerge. This will require pre-planning for contingent parking resources so that the City's developer-partner can aggressively and confidently compete within the larger regional marketplace.

This initiative is likely to benefit currently vacant office properties in the downtown area as aggressive recruitment will also identify smaller, more price-sensitive office users that could be housed in these currently vacant spaces. Restaurants and retailers will also strongly benefit from new purchases made by the expanding office worker base.

Figure 42: Examples of Downtown Office Buildings

Source: S. Hekemian Group and The Architecture Designs

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful development of a new downtown office building, including the following:

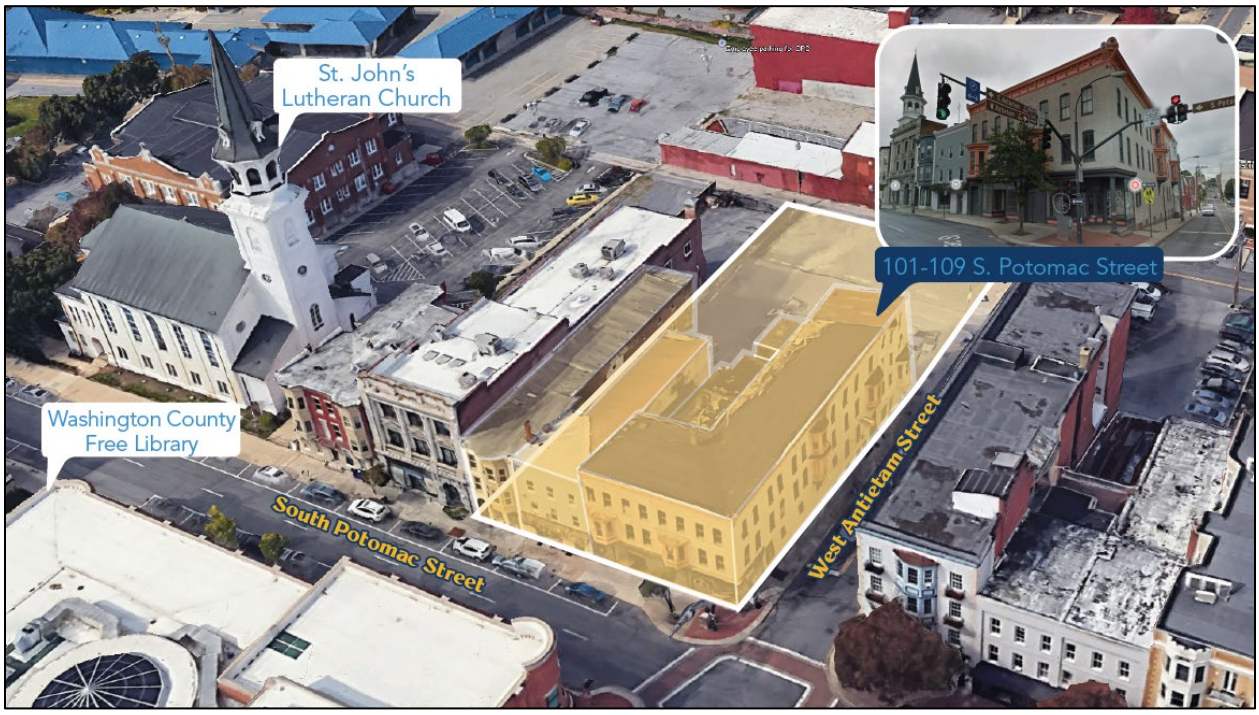
1. Identify potential properties suitable for a new office building.
2. Assist to assemble the property if necessary, seek a reputable buyer, and establish rapport with the owner to facilitate the development.
3. Undertake an RFQ for a developer-partner.
4. Select the developer-partner.
5. *Developer-partner undertakes marketing effort for the building.*
6. Assist the developer with recruiting office tenants.
7. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
8. *Developer-partner acquires necessary financing.*
9. *Developer-partner begins construction and undertakes marketing effort.*
10. *Developer-partner completes construction of the office building.*
11. *Occupancy of the building begins.*
12. Continue engagement with the building owner.

101-109 S. Potomac Street

Property Description

Over the past several years, the Bowman Development Company has been seeking to redevelop the key northwest corner of S. Potomac and W. Antietam Streets, opposite the Washington County Free Library (see Figure 43).

Figure 43: Location of the 101-109 S. Potomac Street Site



Encompassing 101-109 S. Potomac Street, the properties are currently vacant and the site totals 100 feet x 240 feet (see Figure 44). The owner, is proposing to demolish the existing buildings and construct a new five-story luxury market-rate residential building with ground floor commercial space. The site is ideally situated in Downtown Hagerstown with its proximity to Meritus Park, the future redeveloped Herald Mail building, other key downtown anchors, and the new Hub City Garage. A new market-rate apartment building in Downtown Hagerstown would significantly enhance the perception of Downtown in the Hagerstown region.

Figure 44: Image of 101-109 S. Potomac Street

Source: Google Maps

Economic Feasibility Analysis

The current owner assembled the property for approximately $1 million and has expended funds for demolition and carry over several years. Additional demolition and site stabilization will be necessary to achieve a developable site. For this analysis, we assume the owner's in-place equity will be $2 million. The site could accommodate nearly 100 apartments at full development; however, absorption of that many units at one time would be challenging, therefore, we propose a two-phase development. Phase 1 would utilize the front (from Potomac) 170 feet of the property; Phase 2 would add a later wing to the Phase 1 development. In the interim, the rear 100 x 70 portion of the lot would be used for surface parking.

The proposed Phase 1 development would include 60 luxury apartments and 7,000 SF of first floor commercial space along the Potomac St. frontage. The apartment entrance/lobby would be situated off W. Antietam Street about 100 feet west of W. Potomac. Underground parking would be provided for 38 cars; 22 cars could be parked in the rear surface lot, which would also access the garage. The proposed mix of units is 33 one-bedrooms (about 700 SF each) and 15 two-bedrooms (925 SF) on floors two through four. Floor five would be a penthouse level with six premium one-bedroom units (850 SF) and six penthouse two-bedroom units (1,200 SF).

Total redevelopment costs are estimated at $21.65 million based on current (2025) construction pricing in the Hagerstown area (see Table 25). This includes construction of the mixed use building, the underground parking deck, and upgraded finishes and appliances to attract the new luxury market to Downtown. Total construction costs are estimated at $16.525 million. Other costs include design and soft costs for approvals, financing, and carry.

Table 25: 101-109 S. Potomac St. Apartment Building Development Budget - Phase 1, 12/2025

Acquisition/Site Preparation/Carry		$2,000,000
Construction		
Sitework; Infrastructure	$ 935,000	
Below Grade Parking (12,000 SF @ $90)--38 Spaces	$ 1,080,000	
Surface Parking--22 Spaces	$ 40,000	
Multi-Family Housing Construction (63,000 SF @ $190)	$ 11,970,000	
Commercial Construction (7,000 SF @ $175)	$ 1,225,000	
Upgraded Finishes	$ 945,000	
Appliances	$ 330,000	
Total Construction		$ 16,525,000
Design; Approvals (7%)		$ 1,155,000
Financing; Carry; Other Soft Costs		$ 1,970,000
Total Development Costs		**$ 21,650,000**

Annual income and expense for operations of the property are detailed in Table 26. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. Year 1 apartment rents are based on pricing about 10% to 15% above the highest levels achieved to date in Downtown for older rehabilitated buildings. For 101-109 S. Potomac, we assume $2,050 monthly for a 700 SF one-bedroom apartment; $2,450 monthly for a penthouse 850 SF one-bedroom; $2,550 monthly for a 925 SF two-bedroom; and $3,300 monthly for a 1,200 SF penthouse two-bedroom. Commercial space is priced at $20/SF.

Based on these assumptions and current operating expenses in the Hagerstown area, net operating income exceeds $1.2 million by Year 3. This can support a $14.2 million mortgage on the property with 5.5% interest and a 30-year amortization. The remaining cash flow is sufficient to support a competitive cash-on-cash return for $4 million in equity. This leaves a gap of $3.45 million to complete financing.

Table 26: 101-109 S. Potomac St. Apartment Building Income and Expense Pro Forma - Phase 1, 12/2025

Number of Apartments		60				
One-Bedroom (55%)	33					
Penthouse One-Bedroom (10%)	6					
Two-Bedroom (25%)	15					
Penthouse Two-Bedroom (10%)	6					
Average Occupancy		97%				
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Revenue						
One-Bedroom Income (@ $2,050)		$811,800	$844,272	$878,043	$913,165	$949,691
Penthouse One-Bedroom Income (@ $2,450)		$176,400	$183,456	$190,794	$198,426	$206,363
Two-Bedroom Income (@ $2,550)		$459,000	$477,360	$496,454	$516,313	$536,965
Penthouse Two-Bedroom Income (@ $3,300)		$237,600	$247,104	$256,988	$267,268	$277,958
Gross Potential Residential Income		$1,684,800	$1,752,192	$1,822,280	$1,895,171	$1,970,978
Less: Vacancy @ 3% (8% Year 1)		-$134,783	-$52,565	-$54,667	-$56,854	-$59,128
Gross Effective Income--Residential		$1,550,017	$1,699,627	$1,767,612	$1,838,317	$1,911,849
Commercial Income (7,000 SF @ $20)		$140,000	$145,600	$151,424	$157,481	$163,780
Less: Vacancy @ 5% (8% Year 1)		-$11,199	-$7,279	-$7,570	-$7,873	-$8,188
Gross Effective Income--Commercial		$128,801	$138,321	$143,854	$149,608	$155,592
Total Effective Income		$1,678,818	$1,837,948	$1,911,466	$1,987,925	$2,067,442
Operating Expenses						
Maintenance & Operations Residential (@ $3400/Unit)		$204,000	$212,160	$220,646	$229,472	$238,651
Maintenance & Operations Commercial (@ $2/SF)		$14,000	$14,560	$15,142	$15,748	$16,378
Residential Utilities ($1.75/Gross SF)		$110,250	$114,660	$119,246	$124,016	$128,977
Management & Leasing (4%)		$67,153	$73,518	$76,459	$79,517	$82,698
Real Estate Taxes		$105,000	$115,000	$120,000	$124,800	$129,792
Total Operating Expense		$500,403	$529,898	$551,494	$573,554	$596,496
Net Operating Income		$1,049,614	$1,169,729	$1,216,118	$1,264,763	$1,315,354
Debt Service						
First Mortgage Debt Service		$977,031	$977,031	$977,031	$977,031	$977,031
Cash Flow		**$72,583**	**$192,698**	**$239,087**	**$287,732**	**$338,323**
Return on $4,000,000 Equity		**1.81%**	**4.82%**	**5.98%**	**7.19%**	**8.46%**

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful redevelopment of 101-109 S. Potomac Street, including the following:

1. Continue dialog with the existing owner/developer to facilitate redevelopment.
2. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
3. *Developer-partner acquires necessary financing.*
4. *Developer-partner demolishes existing structures.*
5. *Developer-partner begins construction and undertakes marketing effort.*

6. *Developer-partner completes construction of the building.*
7. *Tenanting the building begins.*
8. Continue engagement with the property owner.

Holly Building

Property Description

The Holly Building is a prominent downtown building and catalytic site located at 72-80 W. Washington Street. Centrally situated on the block, it is very close to the center of the USMH campus, including University Plaza (see Figure 45).

Figure 45: Location of the Holly Building

Currently owned by Holly Building LLC, the seven-story structure appears to be in relatively good condition (see Figure 46). Recently-proposed reuses include ground-floor retail/restaurant space with one- and two-bedroom market-rate apartments on the upper floors.

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the Holly Building, including the following:

1. Continue discussions with the existing owner to facilitate rehabilitation or seek a reputable new owner.
2. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
3. *Developer-partner acquires necessary financing.*
4. *Developer-partner begins rehabilitation and undertakes marketing effort.*
5. *Developer-partner completes rehabilitation of the building.*

6. *Tenanting the building begins.*
7. Continue engagement with the property owner.
8. Consider acquisition of the property if necessary to reach redevelopment goals.

Figure 46: Image of the Holly Building

Source: Google Maps

YMCA Building

Property Description

The YMCA Building is an iconic structure in the downtown community given its cultural significance and architectural character. Located at 149 N. Potomac Street, the original building underwent expansions but is currently vacant (see Figure 47).

Figure 47: Location of the YMCA Building

The five-story building is currently owned by 149 N Potomac LLC. While it could potentially host a variety of new uses, it has most recently been considered for market-rate rental housing in multiple formats. Its redevelopment, however, is impacted by several factors, including structural deterioration and limited on-site parking.

Economic Feasibility Analysis

Three options are considered for redevelopment of the vacant YMCA Building on North Potomac: (1) total demolition and construction of a new 75-unit apartment building; (2) the same new construction and retention of the Potomac Street facade; and (3) partial demolition and rehabilitation of the 1920s portion of the structure for 38 one- and two-bedroom apartments on four floors.

The building complex was constructed in three phases: a 1920s structure at the corner of Potomac and Church, a 1960s addition along the west side of the block, and a 1980s in-fill running west from Potomac on the south side of the block. The building footprint covers the

entire block—about 27,100 square feet. The footprint of the original 1920s building is about 13,600 SF; the 1960s addition covers about 6,200 SF; and the 1980s infill encompasses the remaining 7,300 SF of the site. Acquisition costs are estimated at $850,000.

Figure 48: Image of the YMCA Building

Source: Google Maps

Options 1 & 2: New Construction

Total redevelopment costs are estimated at $22.385 million based on current (2025) construction pricing in the Hagerstown area (see Table 27). This includes environmental remediation ($1.15 million estimate), demolition of the existing building, and construction of a new 75,000 SF apartment building. Total construction costs are estimated at $18.225 million. Other costs include design and soft costs for approvals, financing, and carry. To retain the Potomac St. façade will increase total costs to $22.62 million.

Table 27: YMCA Building New Construction Alternative - Development Budget, 11/2025

Development Budget			
Acquisition		$850,000	
Construction			
Environmental Remediation (95,380 SF @ $12)	$ 1,150,000		
Demolition (95,380 SF @ $16)	$ 1,525,000		
Retain Potomac Façade--Optional	$ 200,000		
Sitework; Infrastructure	$ 875,000		
Parking	$ 75,000		
Multi-Family Housing Construction (75,000 SF @ $190)	$ 14,250,000		
Appliances	$ 350,000		
Total Construction		$ 18,225,000	
Total Construction--Retaining Facade			$ 18,425,000
Design; Approvals (8%)		$ 1,275,000	$ 1,290,000
Financing; Carry; Other Soft Costs		$ 2,035,000	$ 2,055,000
Total Development Costs		**$ 22,385,000**	
Total Development Costs--Retaining Façade			**$ 22,620,000**

The new building will accommodate 75 apartments. Annual income and expense for operations of the property are detailed in Table 28. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. Year 1 rents are estimated at $1,300 monthly for a 700 SF one-bedroom apartment, and $1,750 monthly for a 925 SF two-bedroom.

Based on these assumptions and current operating expenses in the Hagerstown area, net operating income approaches $875,000 by Year 3. This can support a $10.2 million mortgage on the property with 5.5% interest and a 30-year amortization. The remaining cash flow is sufficient to support a reasonably competitive cash-on-cash return for an additional $2.8 million in equity. Total supportable investment is $13 million, leaving a $9.385 million gap to complete financing.

For Option 2, which retains the Potomac St. façade, total supportable investment is also $13 million, leaving a $9.62 million gap to complete financing.

Table 28: YMCA Building New Construction Alternative - Income and Expense Pro Forma

Number of Apartments		75				
One-Bedroom (51%)	38					
Two-Bedroom (49%)	37					
Average Occupancy		97%				
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Revenue						
One-Bedroom Income (@ $1,300)		$592,800	$616,512	$641,172	$666,819	$693,492
Two-Bedroom Income (@ $1,750)		$777,000	$808,080	$840,403	$874,019	$908,980
Gross Potential Residential Income		$1,369,800	$1,424,592	$1,481,576	$1,540,839	$1,602,472
Less: Vacancy @ 3% (8% Year 1)		-$109,583	-$42,737	-$44,446	-$46,224	-$48,073
Gross Effective Income--Residential		$1,260,217	$1,381,855	$1,437,129	$1,494,615	$1,554,399
Operating Expenses						
Maintenance & Operations Residential (@ $3400/Unit)		$255,000	$265,200	$275,808	$286,840	$298,314
Utilities ($1.75/Gross SF)		$131,250	$136,500	$141,960	$147,638	$153,544
Management & Leasing (4%)		$50,409	$55,274	$57,485	$59,785	$62,176
Real Estate Taxes		$84,000	$84,000	$87,360	$90,854	$94,489
Total Operating Expense		$520,659	$540,974	$562,613	$585,118	$608,522
Net Operating Income		$739,558	$840,881	$874,516	$909,497	$945,877
Debt Service						
First Mortgage Debt Service		$701,811	$701,811	$701,811	$701,811	$701,811
Cash Flow		**$37,747**	**$139,070**	**$172,705**	**$207,686**	**$244,066**
Return on $2,800,000 Return-Based Equity		**1.35%**	**4.97%**	**6.17%**	**7.42%**	**8.72%**

Options 3: Partial Rehabilitation

Total redevelopment costs are estimated at $15.555 million based on current (2025) construction pricing in the Hagerstown area (see Table 29). This includes environmental remediation ($1.15 million estimate), demolition of 36,000 SF of existing building space, interior demolition and reconstruction of the remaining space for apartments, and costs associated with structural stabilization, elevator installation, addition of windows, and other needed improvements. Total construction costs are estimated at $11.115 million. Other costs include design and soft costs for approvals, financing, and carry. We have also added a 10% contingency due to significant unknown conditions.

Table 29: YMCA Building Partial Rehabilitation Alternative - Development Budget, 11/2025

Development Budget		
Acquisition		$850,000
Construction		
Environmental Remediation (95,380 SF @ $12)	$ 1,150,000	
Demolition (36,390 SF @ $20)	$ 730,000	
Interior Demolition (49,240 SF @ $15)	$ 740,000	
Structural Integrity Adjustments	$ 800,000	
Roof Stabilization/Resurface	$ 260,000	
Elevators/Shaft/Floor Lobbies	$ 600,000	
Window Replacement	$ 205,000	
Window Additions/Façade Stability	$ 25,000	
Façade Repair/Cleaning	$ 300,000	
Parking Lot Surfacing (42 Spaces)	$ 100,000	
Accessibility Ramp	$ 125,000	
East Fire Tower Addition	$ 45,000	
Mechanical/Electrical/HVAC	$ 3,680,000	
Residential Floor Interiors	$ 2,040,000	
Ground Floor Interiors	$ 145,000	
Appliances	$ 170,000	
Total Construction		$ 11,115,000
Design; Approvals (8%)		$ 890,000
Financing; Carry; Other Soft Costs		$ 1,285,000
Contingency (10%)		$ 1,415,000
Total Development Costs		**$ 15,555,000**

The rehabilitated building will accommodate 38 apartments. Annual income and expense for operations of the property are detailed in Table 30. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. Year 1 rents are estimated at $1,300 monthly for a 700 SF one-bedroom apartment, $1,650 for a 1,080 SF one bedroom plus den unit, and $1,750 monthly for a 925 SF two-bedroom unit.

Based on these assumptions and current operating expenses in the Hagerstown area, net operating income exceeds $370,000 by Year 3. This can support a $4.4 million mortgage on the property with 5.5% interest and a 30-year amortization. Historic tax credits could attract another $3.775 million in investment. The remaining cash flow is sufficient to support a reasonably competitive cash-on-cash return for an additional $1.3 million in equity. Total supportable investment is $9.475 million, leaving a $6.08 million gap to complete financing.

Table 30: YMCA Building Partial Redevelopment Alternative - Income and Expense Pro Forma

Number of Apartments		38				
One-Bedroom (69%)	26					
One-Bedroom Plus Den/Office (5%)	2					
Two-Bedroom (26%)	10					
Average Occupancy		97%				
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Revenue						
One-Bedroom Income (@ $1,300)		$405,600	$421,824	$438,697	$456,245	$474,495
One-Bedroom Plus Den/Office Income (@ $1,650)		$39,600	$41,184	$42,831	$44,545	$46,326
Two-Bedroom Income (@ $1,750)		$210,000	$218,400	$227,136	$236,221	$245,670
Gross Potential Residential Income		$615,600	$640,224	$665,833	$692,466	$720,165
Less: Vacancy @ 3% (8% Year 1)		-$49,247	-$19,206	-$19,974	-$20,773	-$21,604
Gross Effective Income--Residential		$566,353	$621,018	$645,859	$671,693	$698,561
Operating Expenses						
Maintenance & Operations Residential (@ $3400/Unit)		$129,200	$134,368	$139,743	$145,332	$151,146
Utilities ($1.75/Gross SF)		$65,730	$68,359	$71,094	$73,937	$76,895
Management & Leasing (4%)		$22,654	$24,841	$25,834	$26,868	$27,942
Real Estate Taxes		$36,000	$36,000	$37,440	$38,938	$40,495
Total Operating Expense		$253,584	$263,568	$274,111	$285,075	$296,478
Net Operating Income		$312,769	$357,450	$371,748	$386,618	$402,083
Debt Service						
First Mortgage Debt Service		$302,742	$302,742	$302,742	$302,742	$302,742
Cash Flow		**$10,027**	**$54,708**	**$69,006**	**$83,876**	**$99,341**
Return on $1,300,000 Return-Based Equity		**0.77%**	**4.21%**	**5.31%**	**6.45%**	**7.64%**

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the YMCA Building, including the following:

1. Continue discussions with the existing owner to facilitate rehabilitation or seek a reputable new owner.
2. Undertake an RFQ for a developer-partner.
3. Select the developer-partner.
4. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
5. *Developer-partner acquires necessary financing.*
6. *Developer-partner begins rehabilitation and undertakes marketing effort.*
7. *Developer-partner completes rehabilitation of the building.*
8. *Tenanting the building begins.*
9. Continue engagement with the property owner.
10. Consider acquisition of the property if necessary to reach redevelopment goals.

Hospital Hill Site

Property Description

Located on the edge of the Downtown core, the former Washington County Hospital site, identified here as the Hospital Hill Site with a collective of contiguous parcels, remains a key catalytic opportunity (see Figure 49). The site is undeveloped except for the existing parking deck formerly used for the hospital.

Figure 49: Location of the Hospital Hill Site

Currently owned by MASN Realty LLC, redevelopment has been a challenge for this site ever since the demolition of the former hospital. Portions of the former structure are buried under the central parcel known as Washington Park, making excavations potentially cost-prohibitive. In addition, there are ongoing issues related to homelessness, loitering, and drug use around the site. Furthermore, its separation from the downtown core create both physical and psychological barriers to integrating the site with downtown activities and amenities.

The 2014 Community's City Center Plan also addressed the site, recommending a hotel/conference center and heritage center/commemorative park. This vision was not realized. Since then, the City has suggested a concept that combines a variety of potential uses. They include regional-scale passive open space with a cultural pavilion at the central park parcel, market-rate high-rise apartments on the parcels adjacent to the existing parking structure, reuse of the existing parking structure to serve the apartment buildings, and additional low-rise residential on the parcels fronting Mill Street, potentially including

apartments, townhomes, and/or duplexes (see Figure 50). The concept also includes a small retail use at the corner of Mill and E. Washington. Commercial uses are purposely limited at this site to prevent competition with downtown retailers.

Figure 50: Potential Reuse Concept for the Hospital Hill Site

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the Hospital Hill Site, including the following:

1. Maintain an ongoing police presence in the area.
2. Continue discussions with the existing owner to facilitate redevelopment or seek a reputable new owner.
3. Assist the developer-partner with achieving a desired plan for the site with appropriate uses at appropriate scales.
4. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
5. *Developer-partner acquires necessary financing.*
6. *Developer-partner begins redevelopment and undertakes marketing effort.*
7. *Developer-partner completes redevelopment of the site with new buildings and park improvements.*
8. *Tenanting the buildings begins.*
9. Continue engagement with the property owner.
10. Consider acquisition of the site if necessary to reach redevelopment goals.

Streets and Open Space Opportunities

Based on the community input gathered through the planning process, it is clear that Hagerstown residents want to see an improved public realm with a safer and more welcoming pedestrian experience. In the hundreds of comments, ideas, and conversations we held, we see a strong demand for public spaces/open spaces that connect and re-image downtown's underutilized areas. The people we engaged with described improvements that build on Hagerstown's unique architecture and character to support a more active downtown. This section focuses on these improvements, organized through the following four categories:

- **Humanize Downtown Streets**: Envision more walkable, greener, safe, and human-scale streets that prioritize people and create a great pedestrian experience.
- **Create a Cultural Loop**: Extend the Cultural Trail to connect more of downtown's great destinations and cultural assets.
- **Invest in Alleys**: Re-imagine downtown's alley network as low stress streets for pedestrians and cyclists.
- **Be Uniquely Hagerstown**: Invest in placemaking, signage, and wayfinding that reflects Hagerstown's history and identity.

Humanize Downtown Streets

Designing and planning for inviting streets is a key community priority identified in this plan. As a historic downtown, Hagerstown's core already has a strong interconnected street grid with walkable block sizes, human-scale urban design, high quality materials, traffic calming features, marked crossings, and healthy street trees (see Figure 51). Noticeable in its signature streets, including portions of Washington Street, Potomac Street, and Franklin Street, significant and key portions of downtown are delightful for walking and strolling, and exhibit many of the characteristics desired for a walkable downtown. This is especially true along key retail corridors. Nonetheless, this character and high-quality walkable environment dwindles a block or two removed from these signature roads. This plan is an opportunity to build on this solid foundation and ensure that other downtown corridors show these same qualities.

This plan's engagement revealed a strong community desire for wider sidewalk, better landscaping, additional street trees, and a redesign of intersections so they are safer and more accessible for all users. Humanizing Downtown Street focuses on transforming downtown's street network into human-scale spaces that prioritize the pedestrian experiences, while continuing to adequately serve vehicle users. The benefits of improving streets to reflect more human-scale design goes beyond that of improving safety and walkability – there is also a business case to be made for having a high-quality public realm. Improving sidewalks, landscaping, and slowing down traffic can not only create streets that are more walkable and encourage social interaction, but also support downtown businesses and retailers by helping increase foot traffic, improve visibility from the street level, and encourage more meandering

and walking within downtown for those visiting to watch a performance at the Maryland Theater or catching a game at Meritus Park.

Figure 51: Examples of Existing Street Conditions

Types of Street Improvements

The types of improvements envisioned in this plan include the following key categories:

- **Pedestrian Comfort**: Enhance sidewalks and the public Right of Way to create a more comfortable and engaging walking experience in downtown. This may include widening sidewalks, improving paving materials, as well as adding street trees, shade, lighting, additional seating, and other pedestrian amenities that support daily use. Features should emulate the success of the Cultural Trail and Washington and Potomac Streets with similar material choices and consistent street furniture.
- **Intersection Safety**: Redesign intersections to be safer for all modes and more accessible for people of all ages and abilities. Enhancements may include shortening crossing distances with bump-outs, improving visibility with clearer markings, slowing turning movements with tighter radii, and incorporating specialty features such as raised crossings and high-visibility crosswalks with placemaking or public art.
- **Traffic-Calming**: Introduce street design strategies that naturally slow vehicle speeds and reinforce downtown as a pedestrian-oriented environment. This may include narrower travel lanes, bump outs at intersection, marked mid-block crossings,

protected bike infrastructure, on-street parking, and enhanced streetscape elements such as outdoor dining, street trees, and downtown wayfinding.

- **Signature Curbless Streets**: Select key corridors suitable for a curbless or shared-street treatment that emphasize place-making and flexibility, where pedestrians, cyclists, and vehicles coexist in a carefully designed, low-speed environment. Curbless streets support downtown events, include outdoor dining, encourage retail activity, and reflect a distinct downtown identity. Potential candidates include Potomac Street, where a curbless environment will support key downtown anchors and destinations, and Summit Avenue, where a curbless environment may provide an opportunity to expand the Cultural Trail.

Figure 52: Types/Examples of Street Improvements

Priority and Secondary Corridors

This plan identifies a network of downtown corridors where street improvements can have the greatest impact for walkability, safety, and improved economic investment (see Figure 53). These corridors are organized into two categories, Priority Corridors and Secondary Corridors, to guide this plan's future implementation. Together, these two corridor types support a strategic, scalable approach to humanizing downtown streets, building first on the strongest foundations, while ensuring that improvements gradually reach all parts of downtown.

Figure 53: Key Corridors Suggested for Improvements

Priority Corridors represent downtown's key streets for improved pedestrian activity, visibility, and placemaking. These streets connect key destinations, catalyst sites, and civic anchors, and already experience higher levels of foot traffic or have strong potential to do so. Improvements along Priority Corridors should set the standard for humanized street design with wider sidewalks, enhanced landscaping, high-quality materials, safer crossings, and traffic-calming features that reinforce downtown as a place to walk, linger, and gather. These corridors are also prime candidates for signature treatments, including curbless or shared-street designs where appropriate.

Secondary Corridors provide important connections between Priority Corridors, neighborhoods, and downtown destinations, and help extend downtown's walkability beyond its most prominent streets. While these streets may require more modest or phased improvements, they play a critical role in creating a cohesive, legible downtown network. Enhancements along Secondary Corridors should focus on ensuring basic pedestrian comfort and safety, maintaining design consistency with priority corridors, and reinforcing downtown's character farther from the core of Public Square.

Preliminary Implementation Steps

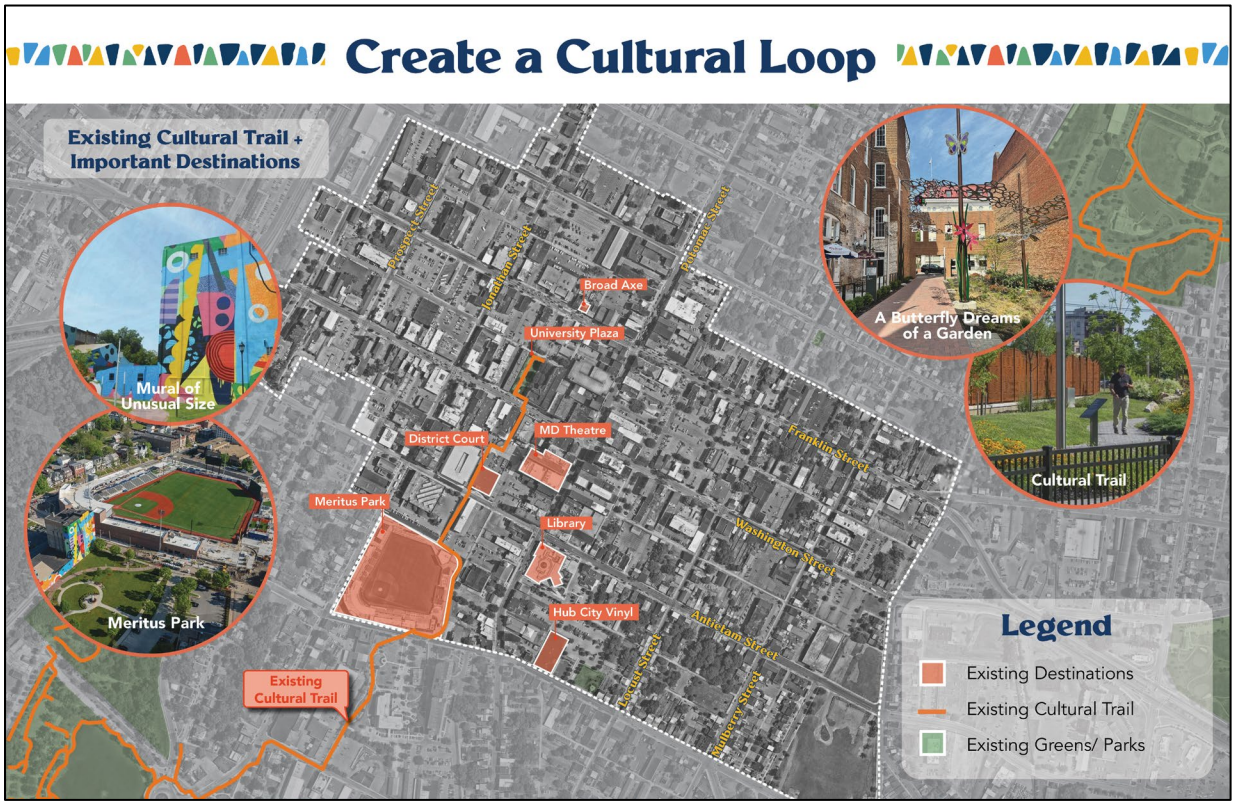
The City should pursue a sequence of implementation strategies to advance the Humanize Downtown Streets strategy in a practical and phased manner, including the following:

1. Focus early investment on corridors connecting key anchors (Public Square, Maryland Theatre, Meritus Park, Cultural Trail).
2. Prepare detailed walkability and safety audits for priority corridors, including sidewalk widths, curb conditions, crossings, lighting, trees, and utilities.
3. Create a consistent "downtown street toolkit" of design standards that specifies materials, lighting, trees, furniture, and intersection treatments, building on the success of the Cultural Trail.
4. Implement low-cost, quick-build projects such as temporary curb extensions, painted bump-outs, enhanced crosswalks, etc. to test traffic-calming measures and gather public feedback
5. Initiate feasibility and conceptual design studies for potential curbless/shared streets (e.g., Potomac Street, Summit Avenue), evaluating impacts on traffic, loading, emergency access, etc.
6. Identify high-risk intersections/locations for early redesign.
7. Align street improvements with planned utility upgrades, paving schedules, and private development projects to reduce costs and disruption.
8. Integrate projects into the City's Capital Improvement Program (CIP).
9. Pursue state and federal grants (e.g., transportation safety, placemaking, and main street programs), exploring partnerships with downtown institutions, developers, and businesses for shared investment.
10. Conduct targeted outreach to downtown businesses, residents, and institutions to build support and refine designs.
11. Define measures such as pedestrian counts, crash reductions, retail vacancy, and public perception of safety to guide future phases and justify continued investment.

Create a Cultural Loop

The Cultural Trail is a beloved downtown feature that creates a walkable tissue for pedestrians, connects downtown's key anchors, and graces its streets and otherwise hidden spaces with public art, placemaking, safe crossings, and a high-quality sense of place (see Figure 54). Through this plan's engagement, it became immediately clear thar residents value the Cultural Trail's impact and qualities and wish to see it extended to cover more of downtown. This recommendation does so through the creation of a new Cultural Loop that builds on the trail's success to create a more discernable and pleasant downtown experience.

Figure 54: Existing Cultural Trail



A new and Cultural Loop will build on the Cultural Trail's success to celebrate Hagerstown's unique character and personality, while providing a new layer of downtown connectivity and pedestrian comfort. Unlike the Cultural Trail, which transformed alleys and narrow spaces between buildings, the Cultural Loop is intended to adapt to different street contexts rather than take a single form. Depending on location, it may include enhanced sidewalks, shared-use paths, or streetscape improvements paired with consistent and coordinated wayfinding, lighting, public art, and placemaking elements. Together, these improvements create a recognizable downtown trail that celebrates Hagerstown's character, strengthens downtown connectivity and enhances the overall visitor and pedestrian experience.

The Cultural Loop is envisioned as a phased system, with a first phase prioritizing a key corridor near downtown's top destinations and along Catalyst Sites identified in this plan, and a second longer-term phase that connects downtown's core with eastern portions of the district.

Cultural Loop Phase 1

The first phase of the Cultural Loop focuses on an extension of the Cultural Trail starting at Meritus Park and the Cultural Trail, turning north on Summit Avenue/Jonathan Street, and lastly, going east on Wareham Alley behind University Plaza to connect the new trail with this green space and the Cultural Trail (see Figure 55). The longest span of this first phase occurs along Summit Avenue and Jonathan Street, a critical street that includes various Catalyst sites identified in this plan and already acts as a city-owned low-stress street.

Figure 55: Cultural Loop Phase 1

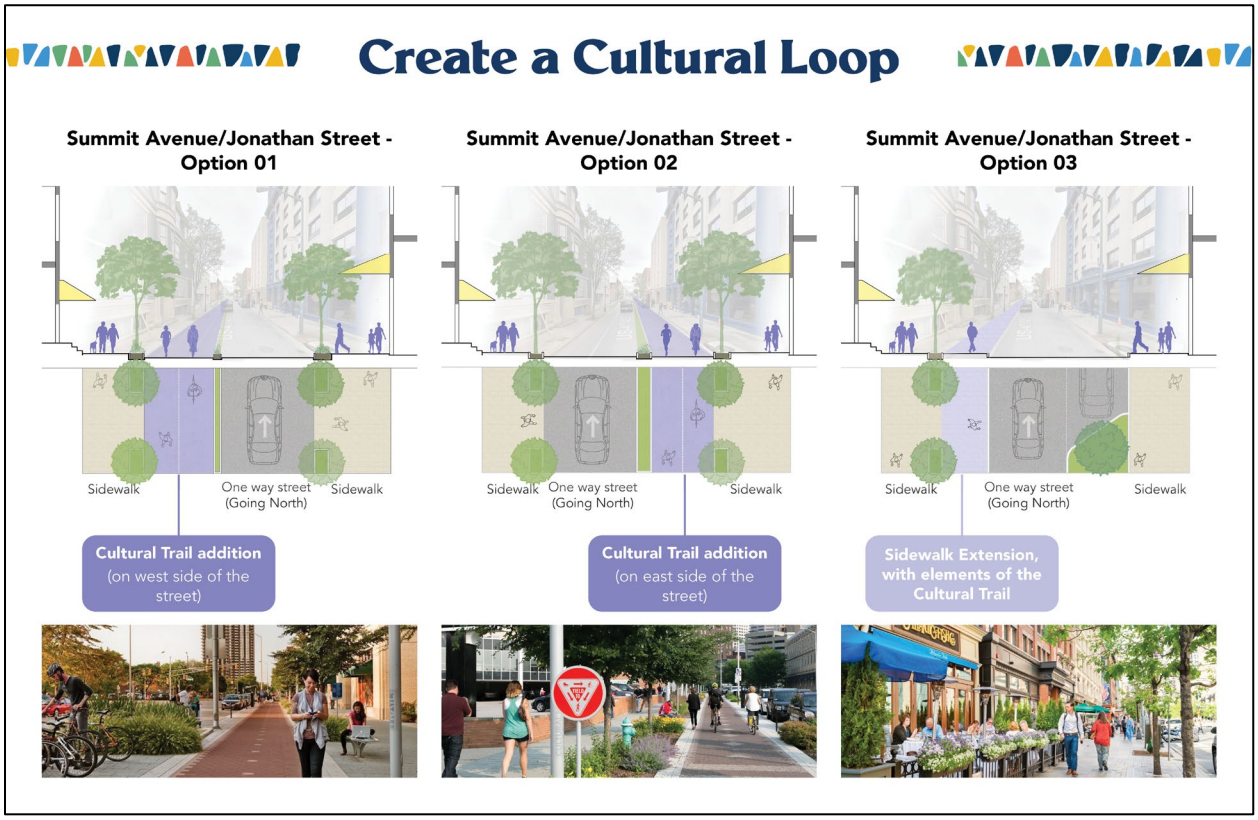
Currently, Summit Avenue/Jonathan Street functions as a one-way northbound street with narrow sidewalks, limited landscaping, an on-street parking lane, and a narrow, unprotected bicycle lane (see Figure 56). Sidewalks are frequently obstructed by utilities or tree grates, resulting in limited space for walking, outdoor activity, or streetscape amenities. Its existing configuration limits comfort, safety, and the overall pedestrian experience.

Figure 56: Cultural Loop Phase 1 Existing Conditions

The options below illustrate a range of potential approaches for integrating the Cultural Loop along this corridor in ways that respond to potential right-of-way constraints, the redevelopment of adjacent land uses, and other implementation opportunities (see Figure 57). Together, these three options illustrate the flexibility of the Cultural Loop concept. Rather than prescribing a single street section, this plan supports a context-sensitive approach that allows segments of the loop to be implemented in different ways responding to funding, redevelopment of catalyst sites, and community priorities, all while maintaining a cohesive, recognizable Cultural Trail experience.

- **Option 1: Cultural Trail Addition – West Side of Street**: This option introduces a dedicated Cultural Trail facility along the west side of the street, using the Right of Way space previously taken by an on-street parking lane to create a continuous, clearly defined space for people walking and biking. A new 10- to 12-foot trail is added to the west side of the street and is buffered from vehicle traffic with landscaping and street trees that improve comfort and safety while establishing a recognizable Cultural Loop identity. Sidewalks on the opposite side of the street are improved to support building access and storefront activity.

Figure 57: Cultural Loop Phase 1 Options



- **Option 2: Cultural Trail Addition – East Side of Street**: Similar to Option 1, this alternative instead shifts the dedicated Cultural Trail facility to the east side of the street. This configuration may be advantageous since the east side of the street includes various catalyst sites where redevelopment would benefit from an enhanced pedestrian space. As with Option 1, landscaping and streetscape elements help buffer the trail from traffic and reinforce the Cultural Loop as a distinct downtown feature.
- **Option 3: Sidewalk Extension with Cultural Trail Elements**: This option integrates Cultural Loop features directly into an expanded sidewalk environment rather than creating a fully separate trail facility. Wider sidewalks use the Right of Way previously occupied by an unprotected bike lane to better accommodate walking, outdoor seating, signage, and placemaking elements. On-street parking is maintained on the east side of the street, and the single-lane street configuration is also kept as-is. Cultural Trail branding, materials, wayfinding, and public art help reinforce the loop identity, even where right of way constraints limit the ability to provide a fully separated trail.

Cultural Loop Phase 2

A longer-term alignment expands the Cultural Loop outward to form a larger, more comprehensive system that connects additional corridors, neighborhoods, and green spaces with the downtown core and the Cultural Trail (see Figure 58). This long-term vision extends

the benefits of the Cultural Trail beyond the core, linking downtown more seamlessly to surrounding areas while maintaining a consistent identity and experience.

Figure 58: Cultural Loop Long-Term Vision

A second phase alignment starts at University Plaza where the Cultural Loop intersects Washington Street, runs through the heart of Public Square, and turns north along Potomac Street. The Cultural Loop then turns eastbound, either along parking lots and Catalyst Sites between Washington Street and Franklin Street, or along Franklin Street, toward Locust Street, where it travels southbound past Antietam Street. The trail then loops back westbound along Bixler Alley toward the Washington County Free Library and through parking lots to connect back at the Cultural Trail alignment by Meritus Park.

This alignment reflects the Cultural Loop's strengths and design flexibility by allowing for streetscape improvements or trail additions when it travels on public streets, while relaying on placemaking, art, lighting, and sculpture along alley connections, as described in the next recommendation "Invest in Alleys."

Preliminary Implementation Steps

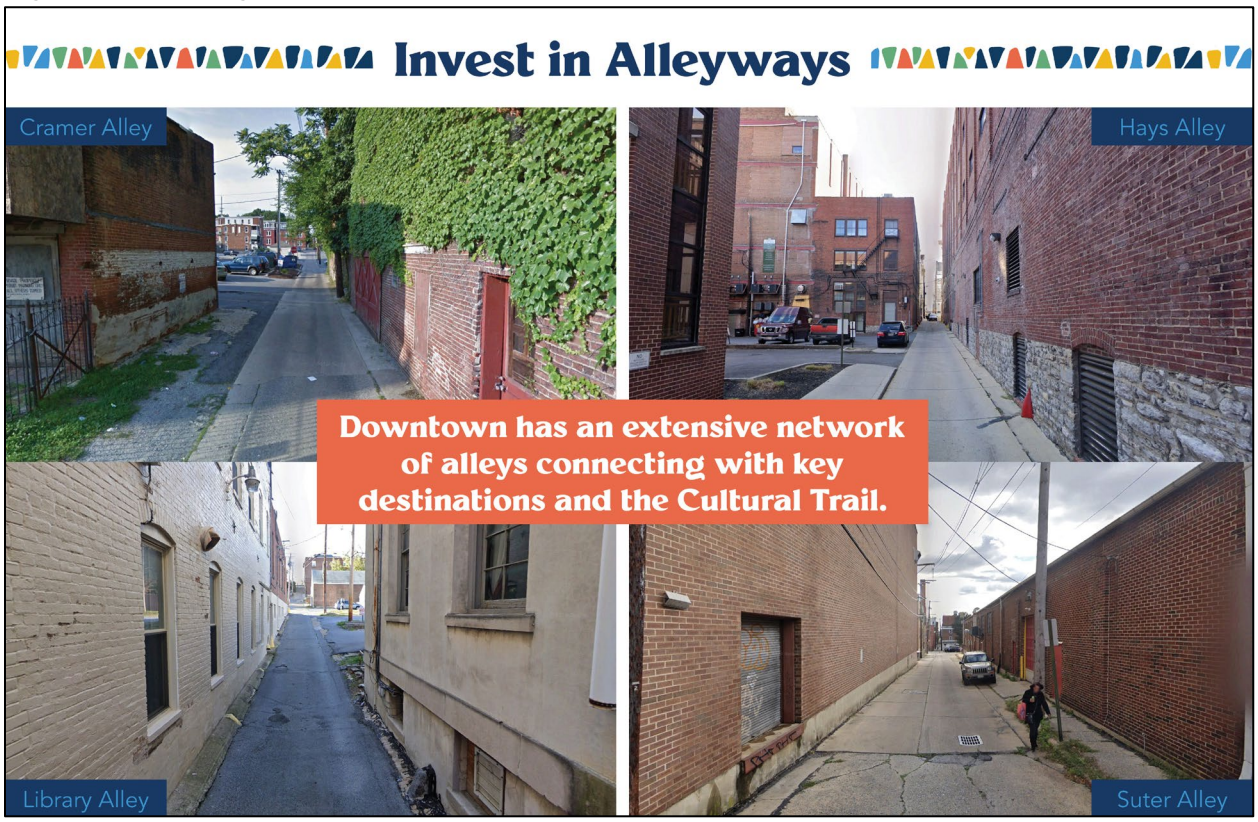
The City should pursue a sequence of implementation strategies to advance the Cultural Loop strategy that supports near-term action while preserving flexibility, including the following:

1. Endorse the Cultural Loop, including Phase 1 and Phase 2 alignments, as a priority downtown investment while establishing it as an extension of the existing Cultural Trail program and brand.
2. Confirm Phase 1 alignment and limits, right-of-way constraints, and ownership responsibilities
3. Conduct a corridor feasibility study, analyzing Summit Avenue/Jonathan Street for right-of-way widths, utilities, drainage, parking impacts, and traffic operations; evaluate the feasibility, costs, and trade-offs of Options 1, 2, and 3.
4. Identify a preferred or hybrid design solution for Phase 1 that balances pedestrian comfort, redevelopment potential, and funding availability while maintaining cohesive identity.
5. Develop Cultural Loop design standards (consistent materials, lighting, wayfinding, public art integration, and branding elements), ensuring compatibility with existing Cultural Trail.
6. Align Cultural Loop design and phasing with planned or anticipated redevelopment along Summit Avenue/Jonathan Street.
7. Implement short-term enhancements such as pavement markings, lighting, and temporary art installations to build visibility and public support for the Cultural Loop.
8. Pursue grants focused on placemaking, transportation alternatives, public art, and downtown revitalization.
9. Partner with arts organizations, institutions, and adjacent property owners for programming, maintenance, and stewardship.
10. Preserve the Phase 2 alignment in City plans and capital programming.
11. Clarify roles for programming, maintenance, and public art curation.

Invest in Alleys

As a historic downtown first laid out in the 1760s and evolved significantly during the late 1800s and early 1900s, Downtown Hagerstown includes an extensive network of alleys and service streets (see Figure 59). These corridors play an important functional role, providing access to building support areas, accommodating utilities, and supporting downtown operations and maintenance. While they continue to serve these essential purposes, many of Hagerstown's alleys also present opportunities for placemaking and public art, reimagining them as inviting, low-stress connections that enhance walkability and cycling while adding character to the downtown experience. This investment in alleys will create a strong secondary network that supports the cultural loop and trail, while offering unique experiences with art and cultural elements.

Figure 59: Existing Alleys

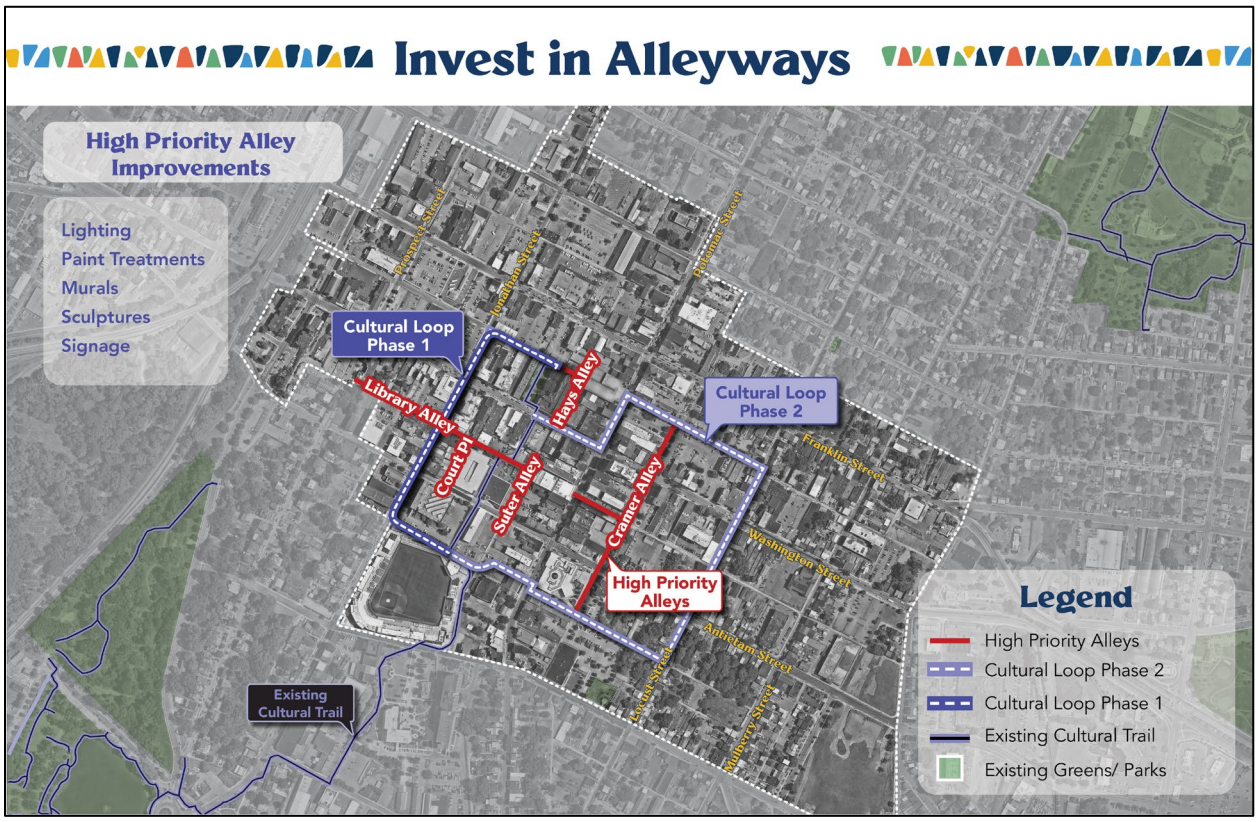


Through the community engagement process, the residents we engaged consistently identified downtown alleys as underutilized spaces with the potential to improve connectivity and add character to the public realm. This recommendation builds on this community support to re-think these alleys as unique pedestrian experiences that improve mobility and turn overlooked spaces into assets that contribute to a lively urban environment, all while maintaining their primary role as service corridors.

High-Priority Alleys

As the Cultural Loop gets added to the downtown's public realm experience, alleys that intersect or closely parallel the loop can act as softer extensions of the enhanced pedestrian and cultural network created with the Cultural Loop. These alleys represent the highest priority for investment, as they strengthen connectivity between the Cultural Loop with downtown destinations and adjacent blocks (see Figure 60). Enhancing these alleys helps create multiple, intuitive routes for walking and cycling while reinforcing the Cultural Loop as a downtown-wide experience rather than a single path.

Figure 60: High-Priority Alleys and Improvements

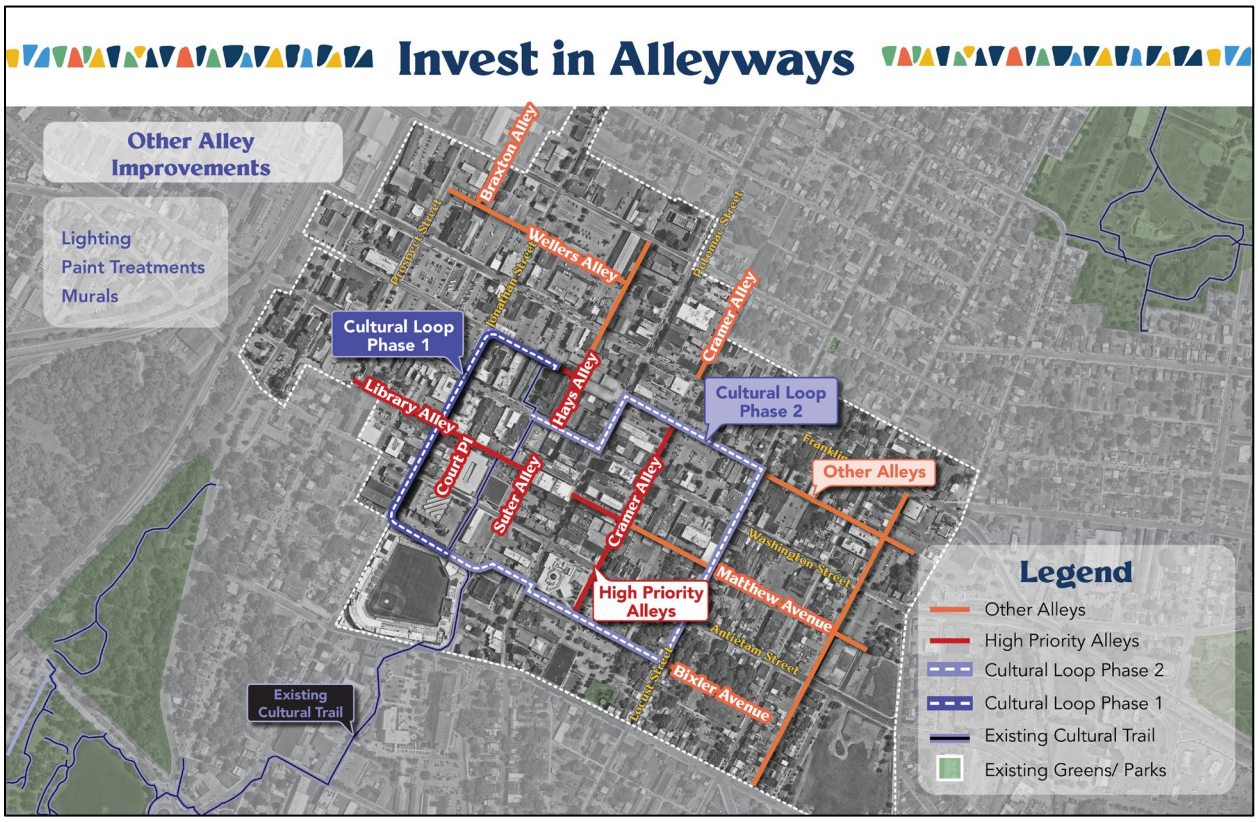


The high priority alleys include Library Alley, Hays Alley, and Suter Alley, all of which directly connect to the Cultural Trail, the future Cultural Loop, or are well-connected with key downtown destinations. Because of their proximity to these assets, these alleys should receive more comprehensive improvements focused on safety, comfort, and placemaking. Strategic investments in lighting, paving, public art, and wayfinding can transform these corridors into inviting, low-stress connections that support foot traffic, disperse cycling activity from primary streets, and add richness to the downtown experience.

The Broader Alley Network

Beyond the alleys near and connecting with the Cultural Trail and its future Loop, Downtown Hagerstown also features a broader system of service alleys that can also play a key role in enhancing connectivity and character. While these alleys may not warrant the full spectrum of improvements in placemaking as the high priority alleys, they offer opportunities for lighter, lower-cost enhancements that improve visibility, safety, and visual interest (see Figure 61).

Figure 61: Other Alleys and Improvements

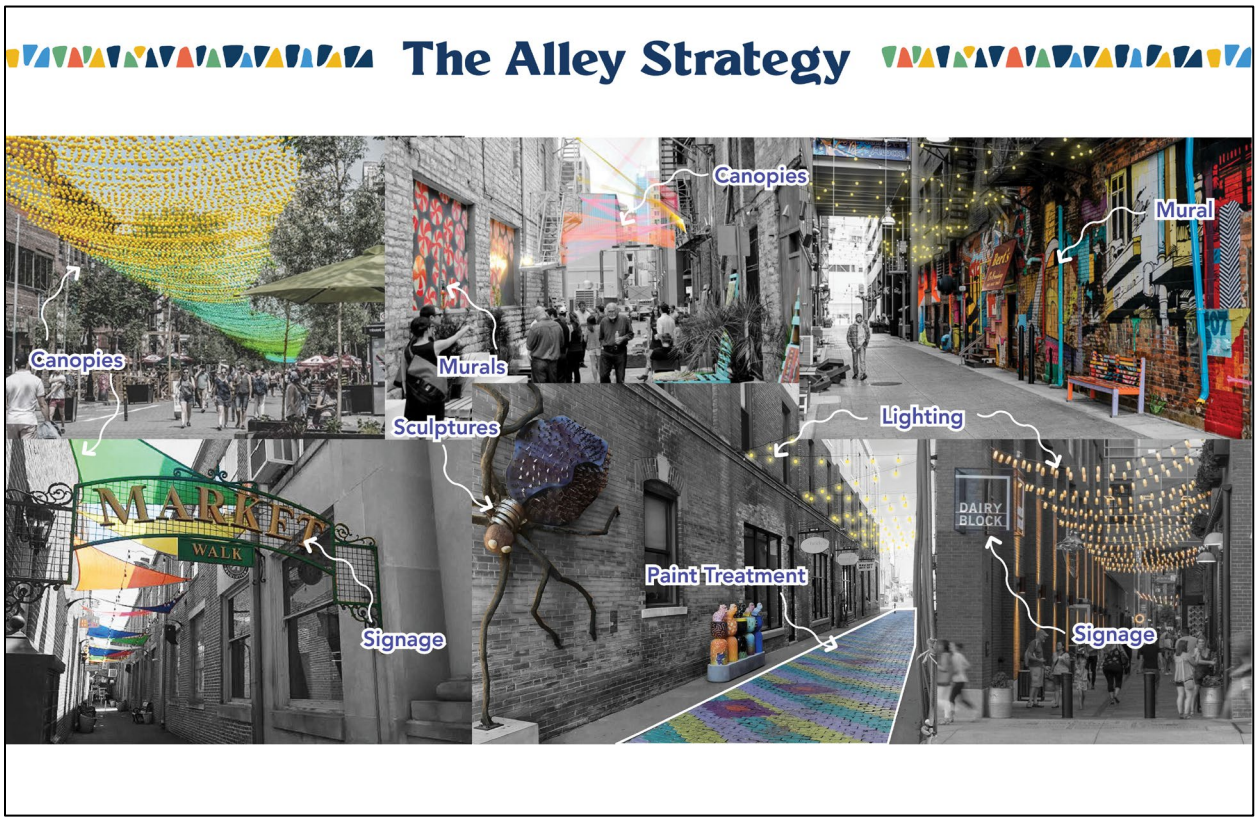


The broader alley network downtown includes Wellers Alley, Braxton Alley, Matthew Avenue, and Bixler Avenue. Improvements along this broader network can be smaller on scale and opportunistic, responding to the redevelopment of nearby Catalyst Sites (such as the Hospital Hill site), the desire or support of adjacent businesses, or the availability of funding. Relatively modest interventions like improved lighting, creative paint treatments, or murals where alleys turn the corner into the street grid, can elevate these spaces and gradually extend the benefits of alley activation throughout downtown.

The Alley Design Toolkit

This plan's Alley Strategy emphasizes flexibility and creativity, recognizing that alleys vary widely in width, context, and in the intensity of their use as service ways (see Figure 62). As such, rather than prescribing a single design solution, this plan identifies a toolkit of improvements that can be applied individually or in combination, depending on the alley's location and the opportunity envisioned by nearby businesses, residents, landowners, and building operators.

Figure 62: Alley Improvement Strategies



The following toolkit elements show a wide range of flexible improvements that can be applied individually or in combination to activate downtown's high priority and longer-term alleys:

- **Lighting**: Pedestrian-scaled and decorative lighting, such as string lights, wall-mounted fixtures, and overhead installations improve visibility, enhance safety, and create a warm, inviting atmosphere during evening hours.
- **Canopies**: Overhead canopies, fabric installations, or artful elements suspended between building walls provide shade and visually transform alleys into creative environments that feel active and welcoming.

- **Murals and Public Art**: Murals, artist-led installations, and permanent or temporary public art celebrate local creativity and can tell the story of Hagerstown's history and identity.
- **Pavement Paint Treatments**: Ground paint treatments add color, define pedestrian-friendly zones, slow vehicle movement, and visually distinguish alleys as shared, people-focused spaces.
- **Sculptural Elements**: Sculptural features create visual anchors and add character and whimsy to the experience of walking or cycling through an alley.
- **Signage and Wayfinding**: Creative and artistic signage and wayfinding improve navigation, highlight nearby destinations, and reinforce the identity of the Cultural Loop.

Applied to Downtown Hagerstown, the toolkit could transform Wareham and Hayes Alleys as specific examples (see Figures 63 and 64).

Figure 63: Alley Example: Wareham Alley

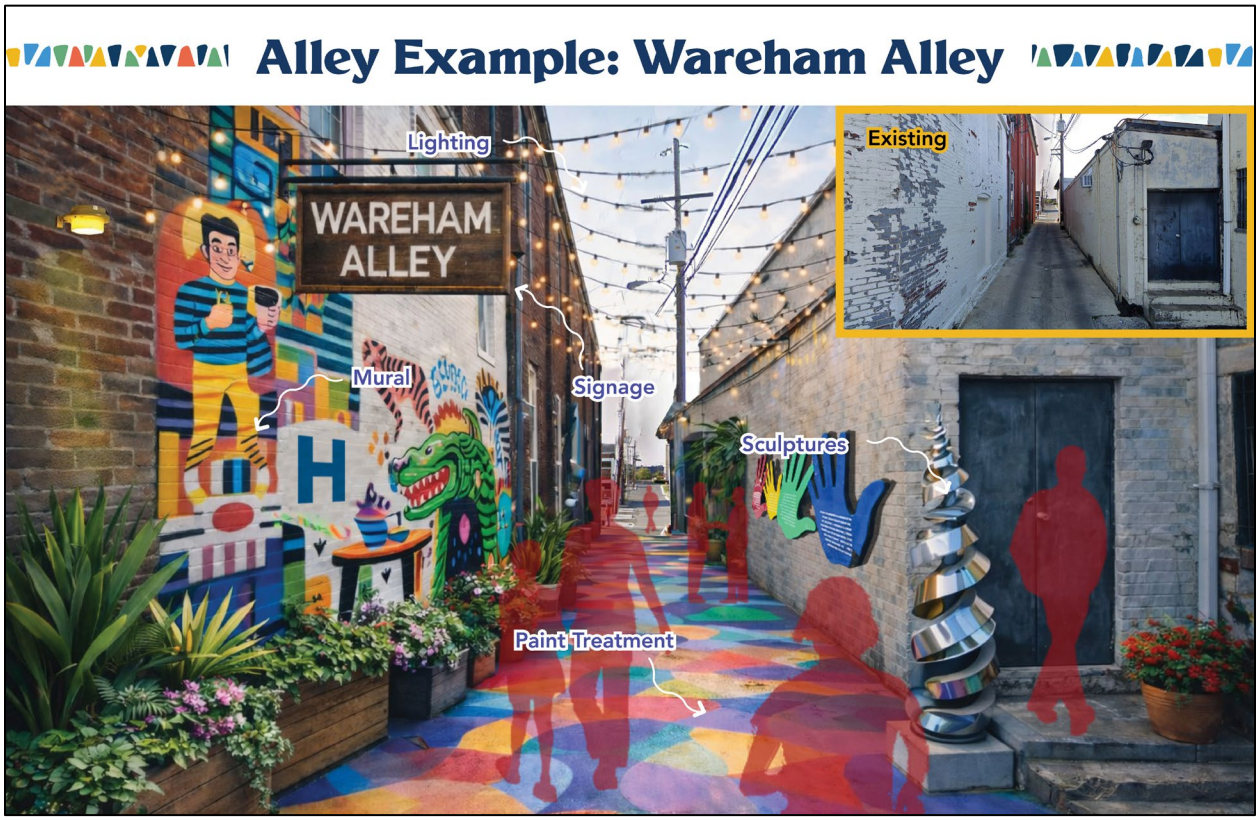


Figure 64: Alley Example: Hayes Alley

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to advance the Invest in Alleys strategy in a practical and phased manner, including the following:

1. Adopt a clear hierarchy of alleys, identifying Wareham Alley, Library Alley, Hays Alley, and Suter Alley as first-phase, high-priority corridors.
2. Adopt the Alley Design Toolkit as a flexible menu of improvements, defining baseline requirements for safety and functionality while allowing creative variation by location.
3. Evaluate priority alleys for lighting, pavement condition, drainage, utilities, trash management, loading needs, and ADA considerations, identifying any potential conflicts between service functions and proposed placemaking elements.
4. Engage building owners and tenants along priority alleys to understand operational needs and interest in activation, exploring maintenance partnerships, mural permissions, lighting attachments, and shared stewardship.
5. Launch temporary or semi-permanent improvements such as string lighting, pavement paint, murals, or pop-up art installations to test concepts, build public support, and refine design approaches before permanent construction.
6. Install wayfinding, lighting, and branding elements that visually connect alleys to the Cultural Trail and future Cultural Loop, ensuring that entrances are clearly marked.

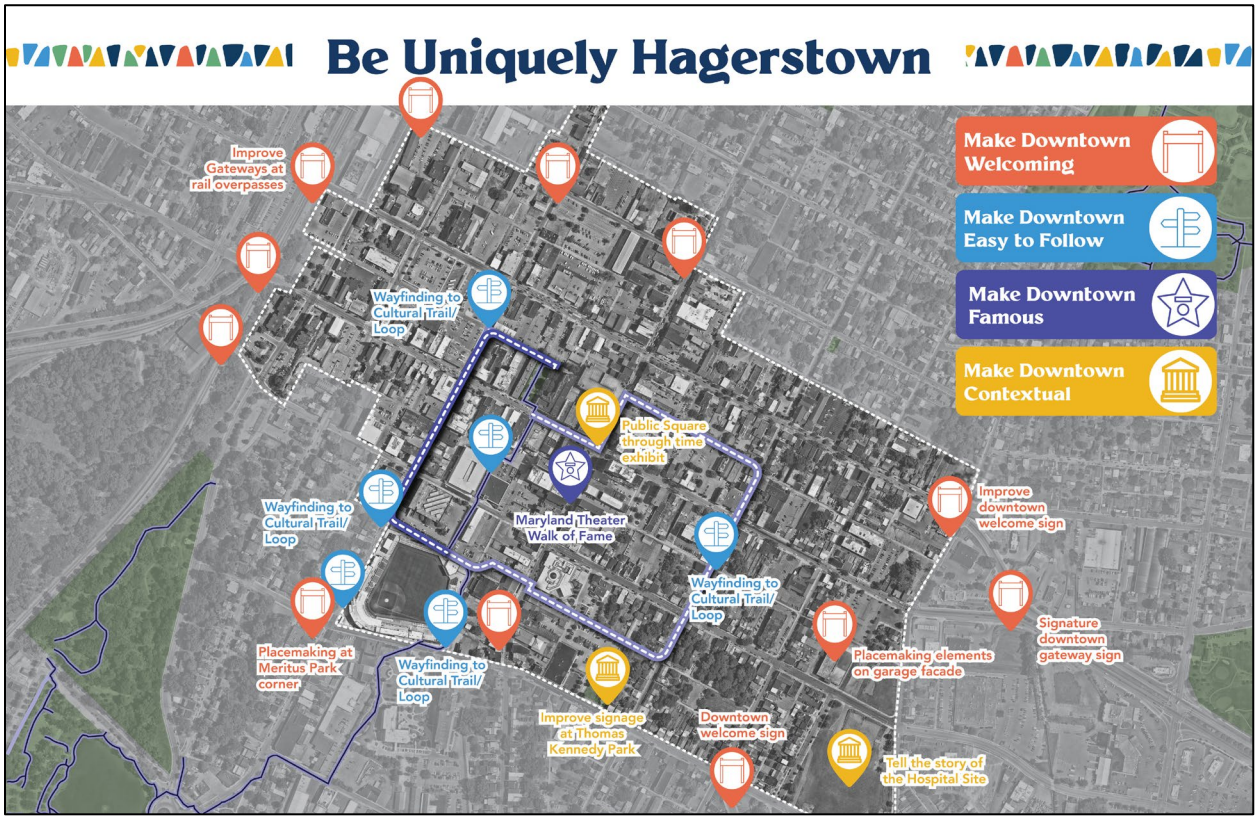
7. Collaborate with local artists, schools, and cultural institutions to curate murals and installations, potentially with a rotating public art program to keep alleys fresh and engaging
8. Coordinate alley investments with redevelopment of nearby catalyst sites to leverage private investment.
9. Seek grants related to public art, placemaking, active transportation, and downtown revitalization and allocate modest annual capital funds for incremental alley improvements.
10. Develop maintenance and management protocols, clarifying responsibility for lighting, art upkeep, trash, snow removal, and repairs.

Be Uniquely Hagerstown

Downtown Hagerstown is a uniquely charming district with high quality architecture and an established sense of place. Its compact urban form, walkable environments, and distinct architectural qualities place it above peer communities in the region. Throughout the engagement process, the Hagerstown community highlighted this unique character and shared an opportunity for downtown to better celebrate the area's history, architecture, notable residents, and culture. As such, this recommendation focuses on investing in placemaking strategies, including public art, interpretive signage, and wayfinding systems that tell Hagerstown's story and build an identity, through the following four categories (see Figure 65):

- **Make Downtown Welcoming**: Plan for gateways/placemaking that celebrate downtown.
- **Make Downtown Easy to Follow**: Add more art, sculpture, whimsy, and fun elements.
- **Make Downtown Contextual**: Invest in thematic signage that shares downtown's history.
- **Make Downtown Famous**: Celebrate notable Hagerstown residents and natives.

Figure 65: Potential Locations for Uniquely Hagerstown Features



Make Downtown Welcoming

Creating a strong sense of arrival is essential to cementing a positive first impression of downtown for first-time visitors or for those who do not visit downtown on a regular basis. This sense of entry and welcoming can occur through artful gateways with prominent signage, creative entry features that build on Hagerstown's colors scheme and branding elements, and art and placemaking elements that clearly signal arrival into Downtown Hagerstown from nearby neighborhoods. These features may include signature signage, public art, landscaping, and enhanced streetscape treatments at key entry points. Together, these investments can help reinforce a shared sense of pride for residents and visitors alike, and make it clear that visitors have entered a special and unique district within the greater region.

Figure 66: Placemaking Strategies for Uniquely Hagerstown

Make Downtown Easy to Follow

Moving through Downtown Hagerstown should feel intuitive and legible, both for first-time visitors and longtime residents. This plan recommends enhancing wayfinding through creative, visually engaging elements that help people navigate downtown while reinforcing their overall sense of identity and small-town character. A next step implementation item should include developing a wayfinding package that delineates how artful signage, sculptural markers, playful graphics, and color-coded cues can guide people between

destinations, districts, and the Cultural Loop, making downtown easier to understand and more enjoyable to explore. By blending navigation with art and identity, wayfinding becomes part of the experience rather than simply a functional necessity that describes where things are located.

Make Downtown Contextual

Downtown Hagerstown's history and architecture are defining assets that should be celebrated in the public realm. This recommendation focuses on interpretive and thematic elements that share downtown's story, from its early origins and architectural legacy to its cultural and civic evolution. This can include contextual signage, murals, painted graphics on the sides of brick buildings, and interpretive displays that highlight historic moments and create deeper connections between visitors and downtown.

Make Downtown Famous

Hagerstown has a rich legacy of notable residents, including artists, musicians, athletes, and civic leaders who have shaped the community and left a lasting impact beyond the city. This recommendation focuses on celebrating these individuals through public art, installations, or storytelling. This can take various shapes and forms, including historic plaques, murals that tell the story of a notable figure and their contributions, or even a new "Walk of Fame" installation along South Potomac Street by the Maryland Theater. The latter can honor Hagerstown's history of creative individuals, including artists and performers, in a visible way that adds to the streetscape while fostering a stronger civic identity and pride.

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to advance the Be Uniquely Hagerstown strategy in a practical and coordinated manner, including the following:

1. Convene City staff, downtown organizations, arts and cultural institutions, historians, and community representatives regarding themes, stories, and design direction to ensure authenticity and consistency.
2. Identify the core stories to be told, including Hagerstown's history, architecture, cultural evolution, and notable residents, aligning these narratives with existing branding, color palettes, and downtown character.
3. Confirm gateway locations, high-visibility corridors, and gathering spaces for placemaking investments prioritizing sites with strong visual impact.
4. Create a comprehensive wayfinding system that integrates artful signage, color coding, graphics, and sculptural elements, ensuring that it clearly connects destinations, districts, parking, the Cultural Loop, and key attractions.
5. Design signature entry features at major downtown approaches using signage, public art, landscaping, and lighting, considering one or two gateway locations as demonstration projects.

6. Commission initial murals, interpretive panels, or temporary installations that highlight downtown history and architecture, focusing early efforts on visible, high-impact locations to build momentum and public support
7. Identify notable Hagerstown figures to be honored in collaboration with historians and cultural partners, developing a phased concept for plaques, murals, or a "Walk of Fame" near the Maryland Theater
8. Establish partnerships with local artists, schools, arts organizations, and cultural institutions to lead creative production to reinforce authenticity and community pride.
9. Identify grants, sponsorships, and philanthropic opportunities to support public art, signage, and placemaking.
10. Coordinate placemaking elements with street improvements, alley upgrades, and Cultural Loop investments.
11. Define responsibilities for maintaining signage, art, lighting, and landscaping.
12. Use early successes to refine themes and expand placemaking investments citywide.

Programmatic Opportunities

In addition to the specific catalytic site and public realm improvements for Downtown Hagerstown identified above, we also identified through the planning process a series of programmatic opportunities that, combined with those physical interventions, could further strengthen the downtown environment. This section focuses on these opportunities, organized through the following three initiatives:

- **Reinforce Adjacent Neighborhood Housing**: Improve blighted conditions and increase market-rate owner-occupied housing to strengthen the downtown residential market.
- **Improve the Downtown Public Safety Perception**: Enhance the broader community's Downtown experience and make them want to return.
- **Enhance University Collaboration**: Continue partnering with USMH to help increase the University's downtown presence and influence.

Reinforce Adjacent Neighborhood Housing

This initiative aims to improve blighted housing conditions and increase market-rate owner-occupied housing as part of an overall housing improvement strategy for the Downtown. Parallel neighborhood improvements in portions of Downtown include the ENOUGH program area on the southern end and CHOICE Neighborhoods effort both to the north and south of Downtown (see Figure 67).

Figure 67: Hagerstown City Center with CHOICE Neighborhood and ENOUGH Catchment Area

The Choice Neighborhoods Initiative (CNI) is a program run by the U.S. Department of Housing and Urban Development (HUD) focusing on creating vibrant, thriving neighborhoods. The Hagerstown Housing Authority (HHA) and the City of Hagerstown were successful in receiving the CNI grant to undertake a two-year planning process that envisions what the future of the Hagerstown Choice Neighborhood can be. The Hagerstown Choice Neighborhood process is designed to bring residents of Douglass Court and Parkside Homes on the North End of the city and residents of Frederick Manor on the South End together with HHA, City, and local partners to create a shared vision for the future.

The Engaging Neighborhoods, Organizations, Unions, Governments and Households (ENOUGH) initiative is the first-of-its-kind state-led, place-based strategy to create poverty fighting opportunities driven by communities' lived experience and expertise, data, and cross-sector partnerships. ENOUGH will direct resources into neighborhoods that have been disproportionately impacted by systems and policies that limit wealth creation and economic mobility. The Governor's Office of Children awarded 27 ENOUGH grants in December 2024, including the South End of the City of Hagerstown, with Bester Community of Hope as the identified recipient of an implementation grant.

These two programs emphasize the objectives to improve blighted housing conditions and increase market-rate owner-occupied housing and could provide supportive resources in targeted locations where the programs overlap with Downtown Hagerstown and its immediate edges. Suggested locations to focus resources within the CHOICE Neighborhood include N. Locust and N. Mulberry Streets between W. North Street and East Avenue adjacent to Fairgrounds Park. Suggested locations to focus resources within the ENOUGH catchment area include S. Locust and S. Mulberry Streets between E. Washington and E. Baltimore Streets, the block of S. Potomac Street south of Baltimore Street, and S. Prospect Street and S. Summit Avenue south of W. Antietam Street adjacent to City Park. These South End areas are also within the CHOICE Neighborhood.

Public engagement elements of the planning process have identified negative homeownership and business experiences caused by long-term vacant properties as well as problem rental properties on blocks within these identified areas where homebuyers and responsible rental property developers have been attempting to build strong community nodes. Poor tenant management and property maintenance by problem landlords have brought down values around them and discouraged expansion of market-rate homeownership.

Hagerstown is already utilizing an array of incentives to encourage Downtown housing choice. These proposed expanded supports would build on, focus, and, in some cases, supplement current efforts. Strategies to increase home ownership should involve a combination of concentrated code enforcement techniques along with existing and new

incentives to encourage the purchase and rehabilitation of homes for owner-occupancy in Greater Downtown. Rehabilitation incentives need to be designed to both encourage contractors/developers to purchase homes to renovate and resell, as well as to attract potential owner-occupants seeking to make their own improvements. This initiative will coordinate with on-going City and State efforts including:

- Downpayment assistant programs (Hagerstown Homeownership Initiative),
- Single-family and residential rehabilitation programs (Revolving Loan Fund Program, Maryland Housing Rehabilitation Program),
- Emergency repair programs (CDBG and Middle Neighborhoods Emergency Repair Programs),
- Rental licensing and inspection,
- Excessive nuisance enforcement efforts, and
- Infrastructure investment in play equipment, murals, street repaving, traffic calming devices, additional lighting, tree plantings, and other streetscape improvements.

Central to this initiative will be continuation and expansion of the CDBG Homeownership Program—the City effort to acquire problem properties, rehabilitate them, and sell them to new homeowners. The City's recent experience suggests that, at 2025 pricing, the typical problem property will cost $40,000 to acquire and $285,000 to rehabilitate. Resale prices to appropriate homeowners might average $165,000. A subsidy of $160,000 per unit would be required for economic viability. Depending on location and the economic circumstances of the buyer, such subsidies may be available through the Enough or CHOICE Neighborhoods programs or from CDBG funds. Additional funding for these efforts might be sought through the Maryland Community Legacy Program.

A reasonable objective for this effort is completion and sale of three properties per year which would require about $480,000 in subsidy funding from a variety of sources. These program activities will need to be continuously implemented to have the desired overall impact within ten years: 30 new Greater Downtown homeowners, significant reduction in problem rental properties, and stabilized blocks of homeowners and responsible landlords.

Preliminary Implementation Steps

The City should pursue a series of implementation strategies to ensure the successful program of reinforcing housing in neighborhoods adjacent to Downtown through the following key tasks:

1. Establish a standing coordination group consisting of representatives from the City, CHOICE Neighborhood Program, and ENOUGH Program (Bester Community of Hope).

2. Meet regularly with the coordination group to identify specific properties that could benefit from funding from either or both programs to maximize access to supportive resources in the target locations.
3. Finalize priority blocks and corridors within the Downtown, CHOICE Neighborhood, and ENOUGH overlap areas using housing condition data, vacancy rates, nuisance activity, and market indicators to refine block-by-block priorities.
4. Expand the CDBG Homeownership Program by leveraging these partnerships; create a clear funding stack template to streamline project approvals.
5. Prequalify a pool of responsible contractors and small developers capable of delivering high-quality rehabilitations.
6. Continue marketing/promoting existing City and State subsidy programs to encourage home repair, rehabilitation, and purchasing/ownership; partner with lenders, realtors, and housing counselors to reach qualified buyers.
7. Provide routine infrastructure investments in the targeted areas such as streetscape, lighting, traffic calming, public art, and park improvements.
8. Conduct outreach with current residents, neighborhood associations, and local businesses to build support.
9. Concentrate code enforcement techniques to address nuisance property maintenance issues; implement targeted, block-based code enforcement and rental licensing inspections in priority areas.

Improve the Downtown Public Safety Perception

This initiative aims to improve the perception of downtown public safety by enhancing the broader community's Downtown experience and making them want to return. This recommendation focuses on three strategies to consider:

- Promote the success of Downtown events,
- Consider creating a Downtown business improvement district,
- Coordinate with the Hagerstown Police Department

Downtown Events Promotion

Currently the City hosts a variety of successful events in Downtown Hagerstown year-round, including the MLK Day of Service, monthly 2nd Saturday events, St. Patrick's Day Festival, HAGERFEST Music and Art Festival, Music in the Plaza, MDWK Music & Market on Wednesdays throughout the summer, the Farmers Market every Sunday from April-September, Downtown Halloween Block Party, Downtown Business Trick-or-Treat, Holly Fest, Kick-off the Holidays in Hagerstown, Small Business Saturday, Merry & Bright Holiday Lights Tour, the Holiday Cookie Crawl, and a holiday pop-up shop on the four Saturdays of December. Additional events were coordinated with the Maryland Theatre.

Figure 68: Scenes from Various Downtown Hagerstown Events in 2025

In 2024, a total of 63 events were held downtown. The Downtown Hagerstown Main Street program hosted 28 of those events. In addition to general fund, Main Street received a $25,000 grant from the Department of Housing and Community Development and often partners with the Arts & Entertainment District. Grant monies have been received from the Maryland State

Arts Council for the Arts & Entertainment District. Outside of the Main Street program, the City's Community Engagement office distributed over $50,000 for FY24 for downtown event sponsorship that supported 23 events hosted by outside organizations. Staff revamped the process for FY24, and this program is now called the Downtown Event Grant. It caps the amount of money an organization can receive at $3,000.

In addition to these public outdoor events, various arts and entertainment venues in the Downtown, including the theaters, galleries, libraries, schools, museums, and individual businesses host their own individual events. Total attendance for all events and venues in the Arts & Entertainment District has been approaching 100,000 annually.

The newest event venue in Downtown Hagerstown is Meritus Park, home of the Flying Boxcars. Opening for its inaugural season on May 4, 2024, with its final home game on September 15, 2024, the team publicly reported attendance for the season at just over 175,000.

To build off the positive atmosphere created by events in Downtown Hagerstown and attract even more people to the Downtown, expanded events programming should be considered where possible among individual venues. While the City's annual, monthly, and sometimes weekly events attract thousands of people, more regularly programmed activities within private art venues and business establishments would supplement those annual events and give people a reason to visit Downtown more often. Such events could include restaurant promotions, musical performances, gallery exhibitions, and movie showings.

Downtown events programming has clearly been successful. The public engagement process, including the online survey and focus group interviews, have all highlighted the importance of events and arts programming in establishing a positive impression of Downtown Hagerstown in the broader Washington County community, as well as in providing a strong asset to support demand for additional retail offerings and market-rate Downtown housing. However, in most cases, the general public is unaware of how successful these events are in terms of attendance, visitor spending, and the economic impacts of Downtown visitation. The City should coordinate with Visit Hagerstown and Washington County MD CVB to ensure that the success of Downtown events are actively promoted through social media, citing their measurable impacts. This will help confirm with the region's residents that Downtown Hagerstown is a safe and enjoyable environment for spending time and money, and perhaps, living.

Business Improvement District Consideration

A Business Improvement District (BID) is a defined geographic area in which property owners and, in some cases, businesses agree to pay an additional assessment to fund services, programs, and improvements that go beyond what a local government typically provides. The

primary purpose of a BID is to enhance the economic vitality, safety, appearance, and overall competitiveness of a commercial district.

BIDs are commonly used to support services such as enhanced street cleaning, landscaping, trash removal, lighting, security or ambassador programs, marketing and branding, event programming, and small business support. In many downtowns, BIDs also play a role in business recruitment, vacancy reduction, and coordination of capital improvements.

Governance is typically handled by a nonprofit organization or special authority overseen by a board composed of property owners, business representatives, and public-sector appointees. Budgets and work programs are established annually, and assessments are usually based on property value, frontage, or another agreed-upon formula. Because funding is generated locally and dedicated exclusively to the district, BIDs provide a stable and predictable revenue source for long-term downtown management and revitalization.

Importantly, a BID does not replace municipal services; rather, it supplements them in a targeted way that reflects the specific priorities of the district. When effectively structured and managed, a BID can create cleaner, safer, and more active commercial areas, strengthen collaboration among stakeholders, and support sustained downtown investment.

A successful BID depends on the participation of the local business community, and it must be a bottom-up approach. The City should assess when the timing is right to begin floating the idea in Downtown Hagerstown. A community outreach campaign should be considered, including a survey, to gauge the interest among downtown businesses to ensure widespread support before any formal process begins.

Hagerstown Police Department Coordination

From the perspective of the Hagerstown Police Department (HPD), downtown safety concerns are largely an issue of perception rather than actual crime. While there is a visible homeless population downtown that some people find intimidating, officers emphasize that these individuals are generally not dangerous. Serious violent or victim-based crimes in the downtown area are rare, with only one significant incident reported in the past year and otherwise limited to minor offenses such as occasional robbery. Downtown is also heavily monitored, with cameras at nearly every intersection, leaving very few areas without surveillance coverage.

A greater challenge is the lack of consistent police presence after 5:00 p.m. and on weekends, driven primarily by staffing shortages. Outside of special events—when officers are specifically assigned—downtown activity drops significantly, contributing to the perception that the area is unsafe. This decline in foot traffic has been exacerbated over the past decade

by the closure of many restaurants and bars, resulting in fewer people lingering downtown and more residents heading home directly after work.

Parking conditions also play a role in shaping perceptions of downtown and can be a source of confusion for visitors. Police officers frequently receive questions about where and how to park, suggesting that current systems and communication could be clearer. In particular, signage is not always oriented toward drivers and payment methods can be difficult to navigate, contributed to public frustration. Improving the clarity and user-friendliness of parking operations would help enhance the overall downtown experience and address a commonly raised concern.

Additional concerns include nuisance rental properties in and around downtown. While these properties are not operating illegally, their maintenance and appearance affect how downtown is perceived and are viewed as a contributing factor to broader image and quality-of-life challenges. The strategies outlined above to reinforce housing in adjacent neighborhoods would help alleviate those concerns.

In response to downtown safety and perception concerns, the HPD has focused on visibility, technology, and alternative staffing strategies. Downtown is extensively covered by surveillance cameras, with approximately four cameras at each intersection and very few areas without coverage. This system is supplemented by the limited use of drones on a case-by-case basis, including deployment during certain events. Drones have also been flown around baseball games as a public relations and visibility measure, reinforcing a sense of security.

Staffing strategies have evolved to maximize presence despite resource constraints. For example, while eight officers were assigned outside games in the past, current deployments have been reduced to two or three officers, with no reported issues—demonstrating that visible presence, rather than large numbers, has been effective. Downtown officers are increasingly deployed on bicycles, improving mobility, approachability, and visibility in the core area.

The department has also expanded its use of cadets who are not yet old enough for the police academy. These cadets patrol downtown on bikes, wear uniforms similar to sworn officers, and provide an additional visible presence. This approach has added approximately four more personnel downtown, helping to enhance perceived safety and officer visibility without placing additional strain on sworn staffing levels.

Looking ahead, the HPD indicated that its primary constraint is not equipment or technology, but staffing. HPD lacks the manpower necessary to maintain the level of downtown presence it once had. Department leadership noted that downtown previously had two to three officers

assigned to bike or foot patrols until midnight, with officers walking the area around the clock. That model began to erode roughly 20 years ago as staffing levels failed to keep pace with changing demands.

HPD should seek to restore a sustained, visible, 24-hour presence downtown, particularly during evening hours when activity drops and perceptions of safety become more acute. Achieving this would require additional officers, as the city has continued to expand and calls for service have increased accordingly. Rebuilding downtown staffing capacity is viewed as essential to improving both real and perceived safety and supporting broader revitalization efforts. In addition, promoting the Department's existing safety measures to the public-at-large would further build confidence in the safety of Downtown.

Preliminary Implementation Steps

The City should pursue a series of implementation strategies to ensure the successful program of improving the Downtown public safety impression through the following key tasks:

1. Develop and implement a coordinated marketing strategy with Visit Hagerstown and Washington County CVB to actively promote downtown events, attendance figures, and economic impacts through consistent social media and digital outreach.
2. Expand the City's year-round events calendar to aggregate Downtown City-sponsored events, venue programming, and private business activities to improve visibility and frequency of visits.
3. Launch a targeted campaign to encourage downtown businesses and arts venues to program recurring events (e.g., themed nights, performances, exhibitions) that complement existing City-led festivals.
4. Establish standardized post-event data collection (attendance, spending estimates, visitor origin) to better quantify and communicate the success of downtown events.
5. Begin exploratory outreach with downtown property owners and businesses to gauge interest in forming a Business Improvement District through surveys, meetings, and peer case studies.
6. Prepare a preliminary BID framework outlining potential boundaries, governance structure, assessment models, and priority services tailored to Downtown Hagerstown.
7. Coordinate with HPD to formalize a downtown visibility plan that prioritizes bike patrols, cadet deployment, and strategic staffing during evenings and weekends.
8. Publicly communicate existing downtown safety measures, including camera coverage, patrol strategies, and event staffing, to address perception gaps.
9. Initiate a parking communication and improvement effort, including clearer signage oriented to drivers, simplified payment systems, and proactive public education.

10. Align event scheduling, downtown marketing, police presence, and parking management to reinforce a consistent message that Downtown Hagerstown is active, safe, and welcoming.

Enhance University Collaboration

Over the next decade, the University System of Maryland at Hagerstown's (USMH) priorities are guided by an existing 10-year strategic plan focused on four core operational targets: increasing enrollment, expanding fundraising capacity, improving graduation outcomes, and developing new academic programs. Enrollment has fluctuated over time, growing from an initial 150 students to a peak of 500 and currently stabilizing at approximately 250, with continued growth as a stated goal. Fundraising is a particular priority given that the institution is currently almost entirely state-appropriated. Programmatic growth is underway and planned to continue, with new offerings including an MBA and an EdD program launched in FY 2025, a computer science program planned for FY 2027, and potential future programs in healthcare fields, robotics and AI tied to manufacturing and distribution, and additional education pathways. The university is also exploring a pathway program linking Hagerstown Community College to the Doctor of Osteopathic Medicine program at Meritus Health, as well as reinvesting in and strengthening existing programs with a focus on career pathways in healthcare, AI, robotics, and manufacturing.

Physically, the university anticipates modest growth in Downtown Hagerstown through consolidation rather than expansion. The institution currently occupies three buildings, down from an initial four, having vacated 24 W. Walnut Street and moved programs back into the main building (see Figure 69).

Figure 69: Scenes from Various Downtown Hagerstown Events in 2025

USMH's goal is to create a more cohesive, campus-like environment through strategic investment. One building at 59 W. Washington Street is currently underutilized after a hospitality program was discontinued, and while the structure includes a community kitchen, it is not actively used by the university beyond catering functions. The university has expressed interest in acquiring 60 W. Washington Street and continues to share University Plaza with the City, both financially and as a venue for events. The City should continue to support USMH's 10-year plan to optimize its building footprint and increase its enrollment.

Student housing remains an ongoing challenge for the university. As health-related programs such as the physician assistant program expand, demand for student housing is expected to grow. Some students are currently placed at 140 W. Antietam Street, and additional healthcare programs would likely intensify housing needs. While the university would consider developing or supporting additional housing options downtown, staffing shortages and lack of funding for additional personnel limit its capacity to manage housing directly. The City should collaborate with USMH to identify specific vacant or underutilized Downtown properties that could be considered for expanding university housing.

Location-related challenges are closely tied to perceptions of downtown safety and quality of life. The university has invested significantly in addressing these concerns, including improving security infrastructure, installing cameras, eliminating conditions that attracted nuisance activity, and hosting an HPD substation within a university building with dedicated bike patrols. The institution identified nearby alleys as persistent problem areas that would benefit from improved lighting, design, and activation to discourage negative behavior and attract positive use. To reinforce its downtown presence, the university emphasized the need for broader environmental and placemaking improvements, including safer and more inviting alleys, increased public art and murals, family-friendly amenities such as playgrounds, and strategies to put more people on the street through additional housing and businesses. Many of the recommendations and strategies outlined in this plan would address those needs.

The university also identified several commercial and operational gaps downtown that affect students and staff. These include a lack of quick daytime food options, limited restaurant hours in the evenings, and poor coordination between downtown business hours and university class or event schedules. Increased collaboration with Downtown business owners to synchronize retail and restaurant hours with student needs would help resolve these issues.

Parking is also a concern, with a mismatch between supply and student needs. The university noted that increased usage of parking garages at night by students could improve safety, reduce competition with on-street parking used by restaurants, and better leverage existing garage infrastructure with camera coverage. The City could consider a structured parking arrangement with USMH to facilitate off-street parking for students.

Preliminary Implementation Steps

The City should pursue a series of implementation strategies to ensure the successful program of enhancing university collaboration through the following key tasks:

1. Establish a formal City–USMH coordination working group to align downtown planning, housing, parking, and placemaking initiatives with the university's 10-year strategic plan.
2. Support USMH program growth by coordinating workforce, housing, and downtown amenities around priority academic areas such as healthcare, AI, robotics, and manufacturing.
3. Assist USMH in evaluating consolidation opportunities by identifying funding tools, partnerships, and regulatory pathways to optimize use of its existing downtown buildings.
4. Collaborate with USMH to identify vacant or underutilized downtown properties suitable for future student housing and assess incentives to support private or public–private development.
5. Partner with USMH and HPD to prioritize lighting, design improvements, and activation of alleys adjacent to university facilities to improve safety and perception.
6. Integrate university-focused placemaking investments—such as public art, murals, and wayfinding—into broader downtown streetscape and identity initiatives.
7. Coordinate with downtown businesses to align restaurant hours, retail offerings, and promotions with university class schedules, events, and peak student presence.
8. Explore a structured parking agreement that encourages student use of downtown garages, particularly during evening hours, to improve safety and reduce on-street parking conflicts.
9. Promote USMH's downtown presence, safety investments, and value proposition through coordinated messaging to address enrollment-related perception challenges.

7. Appendix

Market Analysis

My Downtown Hagerstown Market Analysis

Final Report

Submitted to:

City of Hagerstown

Prepared by

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December 31, 2025

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1. Introduction

Urban Partners, in association with MKSK, has been retained by the City of Hagerstown to prepare the City's 10-Year Downtown Plan and Implementation Strategies—branded as My Downtown Hagerstown. The project is intended to provide data and community support for realistic and achievable tactics that will continue to generate momentum and help the City and investors make decisions that create value, manage risk, and improve the prospects for success. My Downtown Hagerstown includes extensive community engagement, a market analysis detailed in this document, and recommendations for catalyst projects that will guide downtown redevelopment and growth for the next 10 years. The overall effort serves as an update to the 2014 Community's City Center Plan.

The focus area for My Downtown Hagerstown is contiguous with the City's defined City Center (see Figure 1). Generally, this area is bound by Church Street, Williams/Harmon Avenue, and Center Alley on the north, by North and South Cannon Avenue on the east, East and West Baltimore Street and East Antietam Street on the south, and the railroad tracks on the west. This area is also the City Center-Mixed Use (CC-MU) Zoning District.

Figure 1: Hagerstown City Center

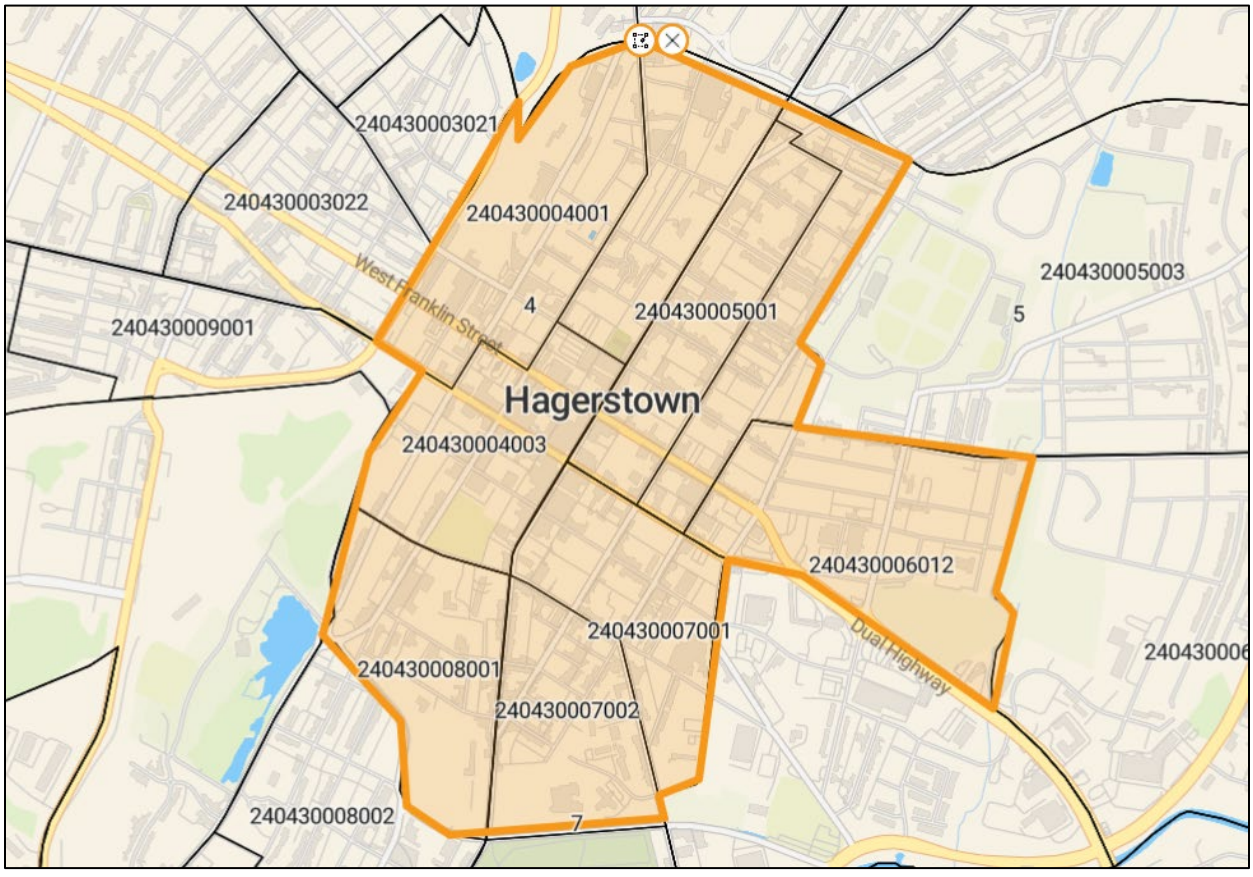
The following market analysis is a key component of My Downtown Hagerstown. It examines specific markets representing potential future downtown development objectives identified by the City. These markets include retail, for-sale housing, rental housing, office, hotel, and entertainment.

2. Demographic Trends

A demographic trends analysis identifies how a local community is changing compared to the larger region. Specific elements of these trends include population and households, mobility patterns, housing, and income and poverty.

The primary data source for this socio-economic analysis is the U.S. Census Bureau's American Community Survey (ACS)—providing data based on calculated estimates for 2013 and 2023, the latest year for which detailed data is available for most demographic trends. For the analysis summarized in this section, we've examined available data for the one Census Tract and six Census Block Groups that constitute the Greater Downtown Market Study Area (see Figure 2). This has been compared to the surrounding City of Hagerstown and Washington County for demographic trends.

Figure 2: Greater Downtown Market Study Area Census Tracts and Block Groups



Source: Policymap, Urban Partners

Population & Households

According to the 2023 American Community Survey 5-Year Estimates (ACS), the total population of the Greater Downtown Market Study Area (referred to henceforth as Market Study Area) is 9,011. From 2013 to 2023, the total population for the Market Study Area grew by 2.7%, compared to an 8.1% increase for the City of Hagerstown and 4.4% for the Washington County (Table 1).

Table 1: Population Trends, 2013-2023

	2013 ACS	2023 ACS	Change (2013-2023)	% Change (2013-2023)
Market Study Area	8,778	9,011	233	2.7%
City of Hagerstown	40,243	43,490	3,247	8.1%
Washington County	148,435	155,033	6,598	4.4%

Source: U.S. Census Bureau ACS B01003, Urban Partners

There was an increase in the total number of households in the Market Study Area between 2013 and 2023, but at a faster rate (6.4%) than the rate of population increase. Likewise, the City and the County also experienced household growth (11.3% and 6.2%, respectively) that outpaced their rates of population growth (Table 2).

Table 2: Household Trends, 2013-2023

	2013 ACS	2023 ACS	Change (2013-2023)	% Change (2013-2023)
Market Study Area	4,240	4,511	271	6.4%
City of Hagerstown	16,603	18,472	1,869	11.3%
Washington County	55,960	59,411	3,451	6.2%

Source: U.S. Census Bureau ACS S1101, Urban Partners

The proportion of family households in the Market Study Area (19.3%) is less than that of the City and County (23.3% and 26.8%, respectively) (Table 3).

Table 3: Population by Household Type, 2023

	Market Study Area	City of Hagerstown	Washington County
Total Households	4,511	18,472	59,411
In Family Households (% of Total)	19.3%	23.3%	26.8%
In Non-Family Households (% of Total)	77.8%	19.7%	12.8%

Source: U.S. Census Bureau ACS B11001, Urban Partners

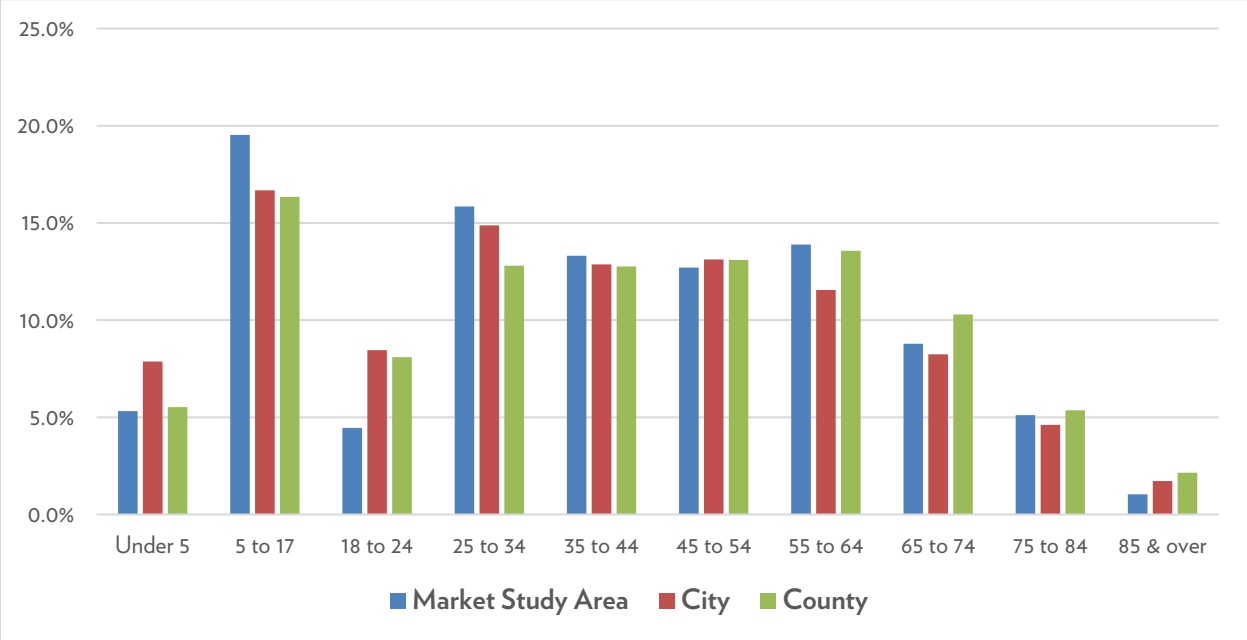
Table 4 and Figure 3 below compare the age distribution patterns in the Market Study Area to the City and the County. First, in the Market Study Area, children from 5 to 17 years-of-age represent 19.5% of the total population, slightly higher than the percentages in the City (16.7%) and the County (16.3%). Second, the Market Study Area has a higher percentage of 25 to 34-year-olds (15.9%, compared to the City's 12.9% and the County's 12.8%).

Table 4: Distribution of Age, 2023

	Market Study Area	%	City of Hagerstown	%	Washington County	%
Under 5 Years-of-Age	477	5.3%	3,422	7.9%	8,571	5.5%
5 To 17 Years-of-Age	1,752	19.5%	7,254	16.7%	25,333	16.3%
18 To 24 Years-of-Age	400	4.5%	3,678	8.5%	12,551	8.1%
25 To 34 Years-of-Age	1,422	15.9%	6,649	14.9%	19,846	12.8%
35 To 44 Years-of-Age	1,194	13.3%	5,595	12.9%	19,782	12.8%
45 To 54 Years-of-Age	1,140	12.7%	5,707	13.1%	20,312	13.1%
55 To 64 Years-of-Age	1,246	13.9%	5,025	11.6%	21,040	13.6%
65 To 74 Years-of-Age	788	8.8%	3,586	8.2%	15,951	10.3%
75 To 84 Years-of-Age	459	5.1%	2,005	4.6%	8,314	5.4%
85 Years-of-Age & Over	93	1.0%	749	1.7%	3,333	2.1%

Source: U.S. Census Bureau ACS B01001, Urban Partners

Figure 3: Comparison of Age Distribution, 2023



Source: U.S. Census Bureau ACS B01001, Urban Partners

The Market Study Area has a lower educational attainment level of residents over the age of 25 than the City of Hagerstown, with 23.2% of its residents having associate's degree or higher as the highest educational attainment (see Table 5). From 2013 to 2023, the percentage of Market Study Area residents without high school diplomas decreased, from 6.8% in 2013 to 4.6% in 2023. Additionally, the percentage of Market Study Area residents with graduate or professional degrees decreased from 3.3% in 2013 to 3.0% in 2023.

Table 5: Educational Attainment for Population 25 Years and Over, 2013-2023

	Market Study Area		City of Hagerstown	
	2013	2023	2013	2023
Less Than 9th Grade	6.8%	4.6%	4.8%	4.2%
9th to 12th Grade, No Diploma	19.9%	13.0%	12.7%	10.3%
High School Graduate (Includes Equivalency)	36.9%	45.0%	35.2%	35.7%
Some College, No Degree	13.3%	13.0%	24.2%	21.4%
Associate's Degree	13.3%	13.0%	6.7%	8.7%
Bachelor's Degree	6.6%	8.5%	10.2%	12.4%
Graduate or Professional Degree	3.3%	3.0%	6.3%	7.3%

Source: U.S. Census Bureau ACS B15003, Urban Partners

As shown in Table 6, most of the shifts in ethnic/racial composition for the Market Study Area mirrored the trends that are observable for the City of Hagerstown as a whole:

- The share of African Americans residents is growing (25.6% of Market Study Area in 2013 to 27.9% in 2023).
- Conversely, the share of White residents is decreasing (59.3% of Market Study Area in 2013 to 46.1% in 2023).
- The share of Hispanics is increasing rapidly (5.2% of Market Study Area in 2013 to 10.2% in 2023).
- Though still a small fraction of the overall population, the percentage of Asian Americans is increasing (0.6% of Market Study Area in 2013 to 0.9% in 2023).
- The share of Two-or-More Races is increasing (7.5% of Market Study Area in 2013 to 13.6% in 2023).

Table 6: Ethnic/Racial Composition, 2013-2023

	Market Study Area				City of Hagerstown			
	2013		2023		2013		2023	
White Alone	5,488	59.3%	4,631	46.1%	29,328	68.8%	26,493	55.1%
Black or African American Alone	2,373	25.6%	2,801	27.9%	7,628	17.9%	9,980	20.7%
American Indian and Alaska Native Alone	76	0.8%	13	0.1%	152	0.4%	15	0.1%
Asian Alone	60	0.6%	87	0.9%	731	1.7%	578	1.2%
Native Hawaiian & Pacific Islander Alone	11	0.1%	-	-	15	0.1%	72	0.1%
Some other Race Alone	75	0.8%	116	1.2%	320	0.8%	1,179	2.5%
Two or More Races	695	7.5%	1,363	13.6%	2,069	4.9%	5,173	10.8%
Hispanic (All Races)	477	5.2%	1,029	10.2%	2,387	5.6%	4,619	9.6%

Source: U.S. Census Bureau ACS B03002, Urban Partners

Geographic Mobility

The geographic mobility data, which is a measure of how households move, indicates that City of Hagerstown households are more mobile than Washington County. According to the 2023 ACS, the percentage of people in the City who changed residences between 2022 and 2023 was 17.5%, compared to 12.5% for the County. Approximately 10% of the residents moved from within Washington County, 3.6% moved from a different county in Maryland, 3.1% moved from a different state, and 0.6% moved from abroad (See Table 7).

Table 7: Geographic Mobility, 2023

	City of Hagerstown	%	Washington County	%
Total Population 1 Yr and Over:	42,801		153,454	
Same House 1 Year Ago	35,314	82.5%	134,236	87.5%
Different House 1 Year Ago	7,487	17.5%	19,218	12.5%
Moved; within Washington County	4,365	10.2%	10,868	7.1%
Moved; from different county in Maryland	1,537	3.6%	4,638	3.0%
Moved; from different state	1,327	3.1%	3,266	2.1%
Moved; from abroad	258	0.6%	446	0.3%

Source: U.S. Census Bureau ACS B07001, Urban Partners

Current Housing Characteristics

In 2013, 15.7% of the housing units in the Market Study Area were vacant. By 2023, the vacancy rate declined to 11.4%, while the number of occupied units grew by 271, reflecting a 6.4% increase. The homeownership rate grew from 19.4% in 2013 to 20.5% in 2023, with owner- and renter-occupied housing units increasing by 925 and 3,586 units, respectively (Table 8).

Table 8: Housing Occupancy and Tenure, 2013-2023

	Housing Units 2013	(%)	Housing Units 2023	(%)	Change 2013-23	% Change 2013-23
Total housing units	5,029	-	5,090	-	61	1.2%
- Occupied units	4,240	84.3%	4,511	88.6%	271	6.4%
- Vacant units	789	15.7%	579	11.4%	-210	-26.6%
Total occupied housing units	4,240	-	4,511	-	271	6.4%
- Owner occupied	823	19.4%	925	20.5%	102	12.4%
- Renter occupied	3,417	80.6%	3,586	79.5%	169	4.9%

Source: U.S. Census Bureau ACS B25003, Urban Partners

Table 9 below is a detailed breakdown of the age of housing stock for the Market Study Area based on tenure. It shows that 46.6% of all housing units in the Market Study Area were built before 1940. The U.S. Census Bureau also reports that owner-occupied homes are newer than renter-occupied homes (5.1% of renter-occupied homes were built in 2000 or later, compared to 24.9% of owner-occupied homes).

Table 9: Age of Housing Stock by Tenure, 2023

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	4,511	-	925	-	3,586	-
Built 2020 or later	0	-	0	-	-	-
Built 2010 to 2019	315	6.2%	202	21.8%	74	2.1%
Built 2000 to 2009	186	3.7%	29	3.1%	106	2.9%
Built 1990 to 1999	196	3.9%	43	4.6%	106	2.9%
Built 1980 to 1989	190	3.7%	0	-	166	4.6%
Built 1970 to 1979	653	12.8%	26	2.8%	549	15.3%
Built 1960 to 1969	377	7.4%	137	14.8%	240	6.7%
Built 1950 to 1959	486	9.5%	14	1.5%	459	12.8%
Built 1940 to 1949	314	6.2%	65	7.0%	229	6.4%
Built 1939 or earlier	2,373	46.6%	409	44.2%	1,657	46.2%

Source: U.S. Census Bureau ACS B25036, Urban Partners

The largest share of homes (41.8%) in the Market Study Area are one-unit structures (both attached and detached types). According to the 2023 ACS, 95.6% of homeowners live in residential structures with just one unit. Renter households are more evenly distributed in terms of units in structure, but the largest number of renters (1,240 households, or 34.5% of all rental units) live in one-unit structures (see Table 10).

Table 10: Units in Structure by Tenure, 2023

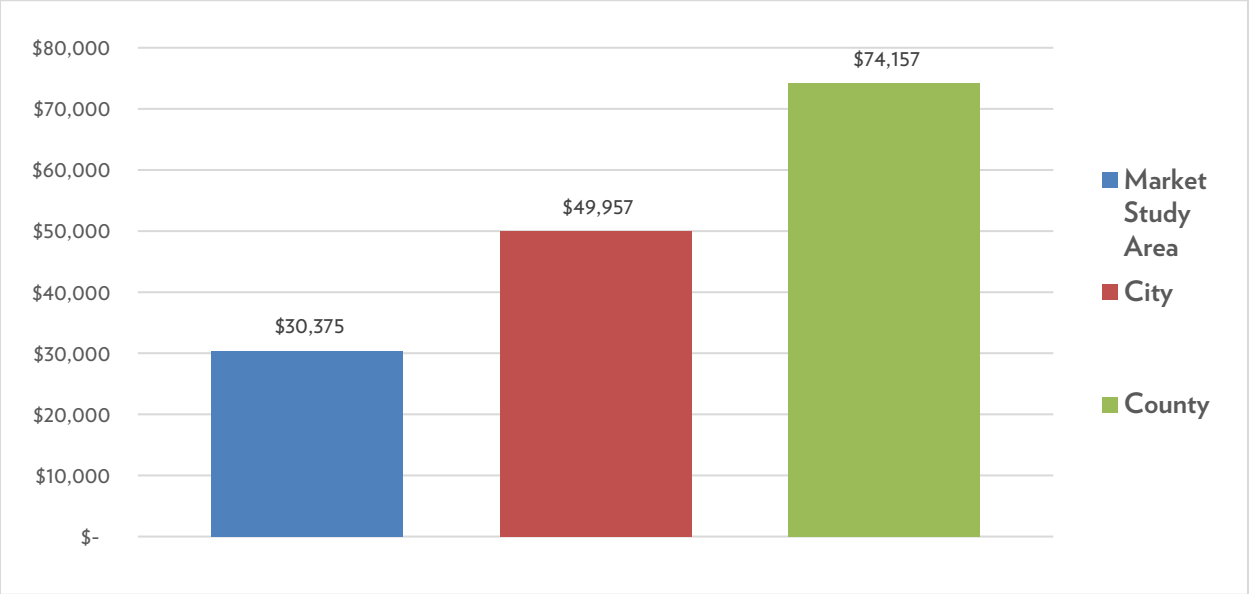
	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	4,511	-	925	-	3,586	-
1 Unit, detached	828	16.3%	458	49.5%	370	10.3%
1 Unit, attached	1,296	25.5%	426	46.1%	870	24.2%
2 Units	511	10.0%	-	-	511	14.2%
3 or 4 Units	864	17.0%	22	2.4%	842	23.4%
5 to 9 Units	667	13.1%	7	0.7%	660	18.4%
10 to 19 Units	262	5.1%	-	-	262	7.3%
20 to 49 Units	153	3.0%	-	-	153	4.3%
50 Units or more	509	10.0%	12	1.3%	497	13.8%
Mobile Home	-	-	-	-	-	-
Boat, RV, Van, etc.	-	-	-	-	-	-

Source: U.S. Census Bureau ACS B25032, Urban Partners

Household Income & Poverty Rate

Households in the Market Study Area have significantly lower income levels compared to those in the City and County. According to the 2023 ACS, median household incomes in the Market Study Area census tracts range from $17,683 to $51,691, with a weighted average of $30,375—far below the City's median of $49,957 and the County's $74,157 (Figure 4).

Figure 4: Median Household Income, 2023



Source: U.S. Census Bureau ACS B19013, Urban Partners

Nearly three-quarters (71.3%) of Market Study Area households earn less than $35,000 annually, compared to 63.3% for the City and 23.2% for the County. On the other end of the household income spectrum, only 4.6% of Study Area households earn more than $100,000 annually, compared to 22.1% for the City and 36.5% for the County (Table 11).

Table 11: Distribution of Household Income, 2023

	Market Study Area	City of Hagerstown	Washington County
Household Incomes less than $10,000	15.3%	7.5%	5.1%
Household Incomes from $10,000 to $14,999	15.5%	6.0%	3.5%
Household Incomes from $15,000 to $24,999	24.7%	12.4%	6.7%
Household Incomes from $25,000 to $34,999	15.8%	10.9%	7.9%
Household Incomes from $35,000 to $49,999	8.4%	13.3%	10.7%
Household Incomes from $50,000 to $74,999	10.0%	17.7%	16.6%
Household Incomes from $75,000 to $99,999	3.7%	10.2%	13.1%
Household Incomes from $100,000 to $149,999	3.6%	13.8%	18.2%
Household Incomes from $150,000 to $199,999	0.9%	5.1%	9.2%
Household Incomes from $200,000 or more	0.1%	3.2%	9.1%

Source: U.S. Census Bureau ACS B19001, Urban Partners

According to the 2023 ACS, 18.5% of Market Study Area residents live below the poverty line. The poverty rate for the County is 22.7% and 12.5% for the State (Table 12 shown on the following page).

Table 12: Population Living Under Poverty Level, 2023

	Market Study Area	City of Hagerstown	Washington County
Population Below Poverty Level	1,638	9,681	18,367
Population Below Poverty Level (%)	18.5%	22.7%	12.5%

Source: U.S. Census Bureau ACS B06012, Urban Partners

Over half of renter households in the Market Study Area are cost burdened (shaded in blue below) meaning that they pay more than 30% of their income toward housing costs, while 33.5% of owner households are cost burdened, according to the 2023 ACS. The cost-burden rates for Hagerstown City households are higher than Washington County—50.3% of renter households and 29.3% of owner households in the City are cost-burdened, compared to 45.3% and 14.0% for the County, respectively (see Table 13).

Table 13: Tenure by Housing Costs, 2023

	Owner Occupants	%	Renter Occupants	%
Market Study Area Households	2,261		5,586	
Less than 20%	1,142	50.5%	977	17.5%
20 to 29%	306	13.5%	1,560	27.9%
30% or more (cost burdened)	758	**33.5%**	2,909	**52.1%**
Zero or negative income/no cash rent	55	2.4%	140	2.5%
Hagerstown Households	8,022		10,450	
Less than 20%	4,455	55.5%	2,191	20.9%
20 to 29%	1,436	17.9%	2,630	25.2%
30% or more (cost burdened)	2,354	**29.3%**	5,257	**50.3%**
Zero or negative income/no cash rent	232	2.9%	372	3.5%
Washington County Households	39,145		20,266	
Less than 20%	26,525	67.7%	4,989	24.6%
20 to 29%	6,733	17.2%	5,164	25.5%
30% or more (cost burdened)	5,484	**14.0%**	9,178	**45.3%**
Zero or negative income/no cash rent	403	1.0%	935	4.6%

Source: U.S. Census Bureau, Urban Partners

As illustrated in Table 14 on the following page, the most cost burdened households in the Market Study Area are renters with annual household incomes under $35,000. A total of 3,161 such renter households reside in the Market Study Area and 2,514 (or 79.5%) are cost burdened.

Table 14: Tenure by Housing Costs as a Percentage of Household Income, 2023

	Owner Occupants	%	Renter Occupants	%
Households earning less than $20,000	170		1,661	
Less than 30% (not cost burdened)	32	18.8%	270	16.2%
30% or more (cost burdened)	138	**81.2%**	1,391	**83.7%**
Households earning $20,000 to $34,999	332		1,500	
Less than 30% (not cost burdened)	158	47.6%	377	25.1%
30% or more (cost burdened)	174	**52.4%**	1,123	**74.9%**
Households earning $35,000 to $49,999	340		622	
Less than 30% (not cost burdened)	182	53.5%	323	51.9%
30% or more (cost burdened)	158	**46.5%**	299	**48.1%**
Households earning $50,000 to $74,999	483		874	
Less than 30% (not cost burdened)	234	48.4%	797	91.1%
30% or more (cost burdened)	249	**51.6%**	77	**8.9%**
Households earning $75,000 or more	881		789	
Less than 30% (not cost burdened)	842	95.5%	770	97.5%
30% or more (cost burdened)	39	**4.5%**	19	**2.5%**

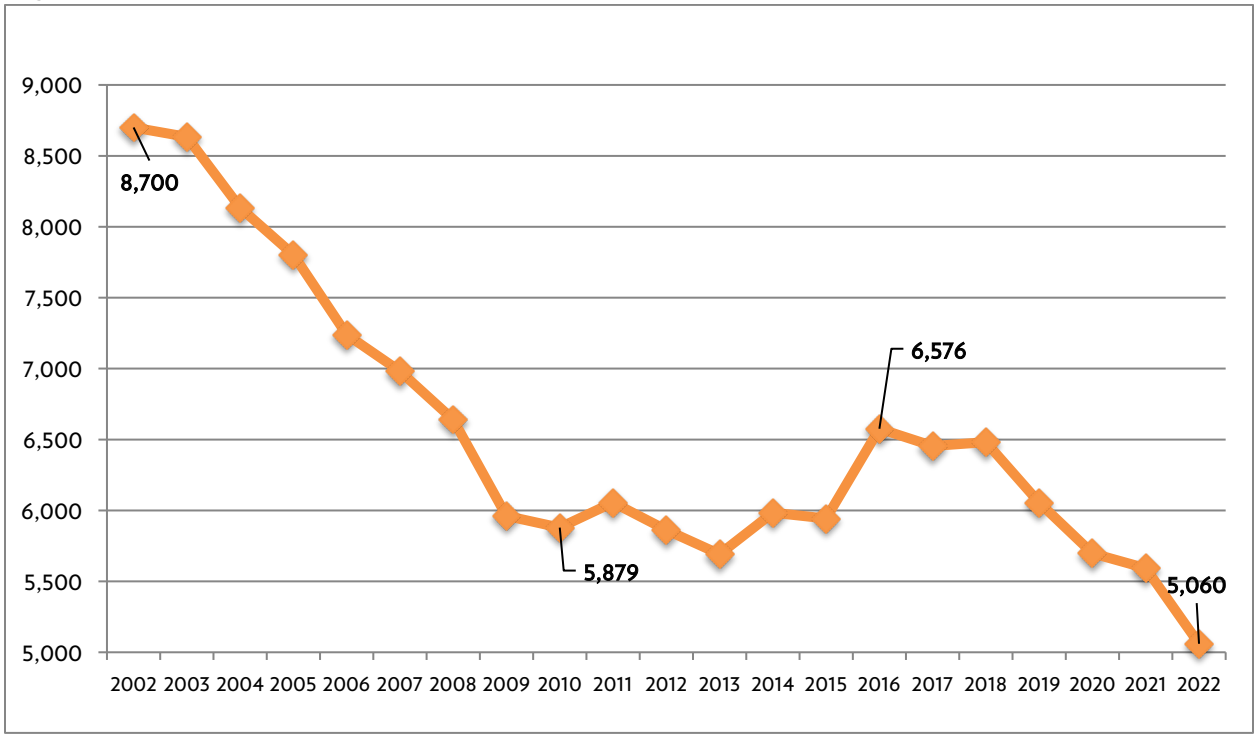
Source: U.S. Census Bureau, Urban Partners

3. Employment Trends

Jobs in the Market Study Area

According to the U.S. Census Bureau's *OnTheMap* application, which uses employer payroll tax information to geo-locate jobs within a defined area, the Market Study Area has experienced significant job loss in recent years. The Market Study Area experienced a decline in jobs between 2002 and 2010, dropping from 8,700 to 5,879. By 2011, the number had recovered slightly to 6,056 before starting another cycle of decline and recovery. In 2022, a total of 5,060 jobs were reported in the Market Study Area, which represents a loss of 3,640 (or -41.8%. See Figure 5).

Figure 5: Jobs Located in the Market Study Area, 2002 to 2022



Source: U.S. Census Bureau LEHD, Urban Partners

As detailed in Table 15 below, *Public Administration* remained the top sector between 2002 and 2022, adding 189 employees during that period. The 1,753 jobs in *Public Administration* represent 34.6% of all jobs within the Market Study Area. The *Health Care & Social Assistance* sector, which lost 109 jobs between 2002 and 2022, is the second largest with 965 jobs in the Market Study Area.

All 20 industrial sectors lost jobs apart from *Public Administration* and the following three sectors:

- *Educational Services*: 30 jobs
- *Utilities*: 24 jobs
- *Real Estate & Rental & Leasing*: 3 jobs

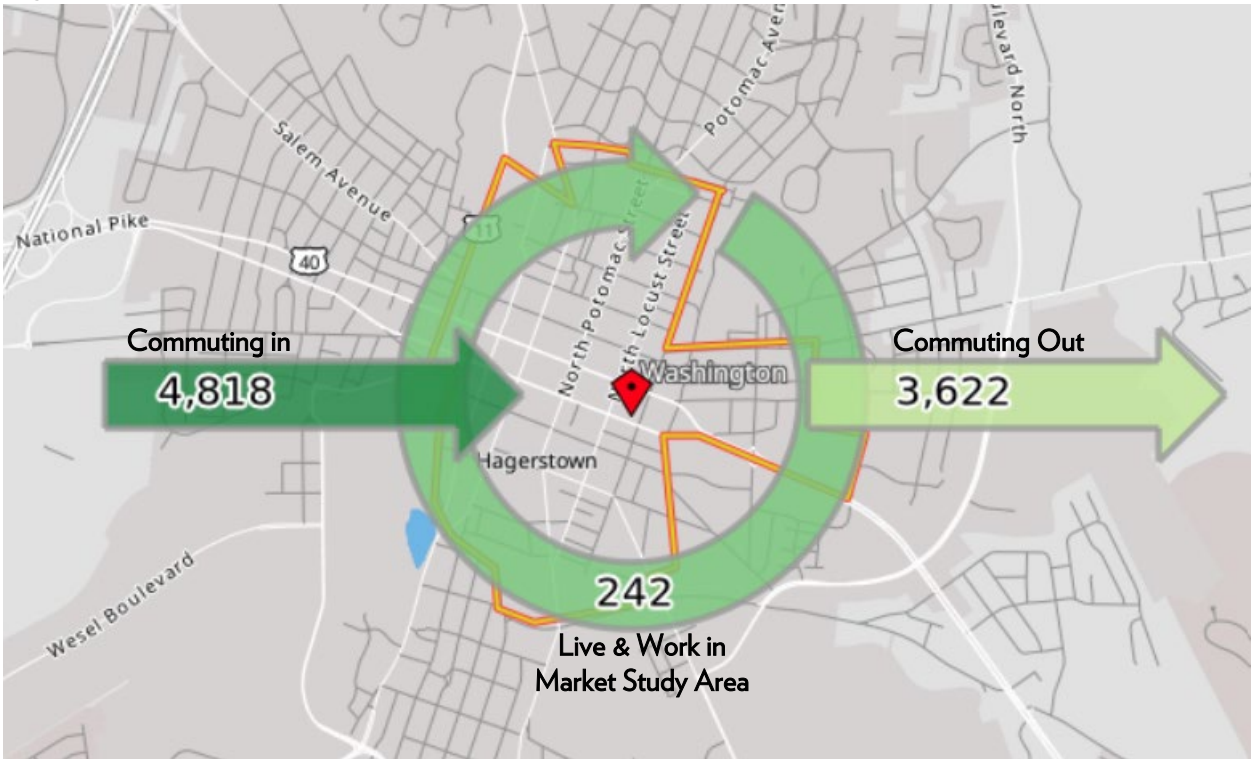
Table 15: Jobs Located in the Market Study Area by Industrial Sectors, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change in Jobs 2002-22	% Change in Jobs 2002-22
Total Employment	**8,700**	**-**	**5,060**		**-3,640**	**-48.1%**
Public Administration	1,564	18.0%	1,753	34.6%	189	12.1%
Health Care & Social Assistance	1,074	12.3%	965	19.1%	-109	-10.1%
Accommodation & Food Services	518	6.0%	346	6.8%	-172	-33.2%
Retail Trade	796	9.1%	291	5.8%	-505	-63.4%
Professional, Scientific, & Technical Services	494	5.7%	290	5.7%	-204	-41.2%
Construction	551	6.3%	199	3.9%	-352	-63.8%
Manufacturing	1,140	13.1%	179	3.5%	-961	-84.3%
Admin & Support, Waste Mgmt/Remed.	263	3.0%	147	2.9%	-116	-44.1%
Educational Services	116	1.3%	146	2.9%	30	25.8%
Information	364	4.2%	118	2.3%	-246	-67.5%
Wholesale Trade	281	3.2%	111	2.2%	-170	-60.4%
Finance & Insurance	387	4.4%	111	2.2%	-276	-71.3%
Other Services (excluding Public Admin)	341	3.9%	111	2.2%	-230	-67.4%
Arts, Entertainment, & Recreation	177	2.0%	102	2.0%	-75	-42.3%
Utilities	41	0.5%	65	1.3%	24	58.5%
Real Estate & Rental & Leasing	59	0.7%	62	1.2%	3	5.1%
Transportation & Warehousing	449	5.2%	46	0.9%	-403	-89.7%
Management of Companies & Enterprises	85	1.0%	18	0.4%	-67	-78.8%
Mining, Quarrying, & Oil & Gas Extraction	0	0.0%	0	0.0%	-	-
Agriculture, Forestry, Fishing & Hunting	0	0.0%	0	0.0%	-	-

Source: U.S. Census Bureau LEHD, Urban Partners

The *OnTheMap* application reports that 242 out of the 5,060 employees also lived within the Market Study Area in 2022 (Figure 6 shown on the following page). The largest segment of workers employed in the Market Study Area live within the City of Hagerstown (897, or 17.7% of all employees). In 2002, Market Study Area residents that lived and worked in the City totaled 2,061, or 23.7% of the total workforce, a 56.5% reduction since 2022. Aside from the City of Hagerstown, the remaining top 10 origins of workers also decreased in employees except for the St. James area (Table 16).

Figure 6: Inflow/Outflow for All Jobs in the Market Study Area, 2022



Source: U.S. Census Bureau

Table 16: Where Market Study Area Workers Live, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change 2002-22
Hagerstown City, MD	2,061	23.7%	897	17.7%	-1,164
Halfway CDP, MD	588	6.8%	240	4.7%	-348
Fountainhead-Orchard Hills CDP, MD	256	2.9%	131	2.6%	-125
Robinwood CDP, MD	218	2.5%	95	1.9%	-123
Frederick City, MD	103	1.2%	88	1.7%	-15
St. James CDP, MD	69	0.8%	81	1.6%	12
Maugansville CDP, MD	109	1.3%	69	1.4%	-40
Waynesboro Borough, PA	106	1.2%	68	1.3%	-38
Boonsboro Town, MD	67	0.8%	50	1.0%	-17
Paramount-Long Meadow CDP, MD	118	1.4%	50	1.0%	-68
All Other Locations	5,005	57.5%	3,291	65.0%	-1,714
Total	**8,700**		**5,060**		**-3,640**

Source: U.S. Census Bureau Center for Economic Studies, Urban Partners

Market Study Area Resident Employment

According to the *OnTheMap* application, there were a total of 3,864 employed residents of the Market Study Area in 2022, a decrease of 1,300 (-25.1%) from 2002. In 2002, more Market Study Area residents were employed in *Manufacturing* than any other industrial sector (724, or 14.0% of the total. See Table 17). Five sectors among Market Study Area residents added jobs between 2002 and 2022—*Admin & Support* (92 jobs), *Professional, Scientific, and Technical Services* (20 jobs), *Transportation & Warehousing* (68 jobs), *Management of Enterprises & Companies* (32 jobs), and *Agriculture, Forestry, Fishing, & Hunting* (5 jobs).

Among industries that lost employed Market Study Area residents, most notably there were 419 fewer employees in the *Manufacturing* sector, which amounts to a 57.8% loss from 2002 to 2022. Other sectors that experienced reductions in jobs among employed residents include:

- *Finance & Insurance* -219 jobs
- *Construction* -210 jobs
- *Public Administration* -126 jobs
- *Retail Trade* -104 jobs

Table 17: Employed Residents of Market Study Area by Sectors, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change in Jobs 2002-22	% Change in Jobs 2002-22
Total Employment	**8,700**	**-**	**3,864**	**-**	**-1,300**	**-25.1%**
Retail Trade	715	13.8%	611	15.8%	-104	-14.5%
Healthcare & Social Assistance	607	11.8%	563	14.6%	-44	-7.2%
Accommodation & Food Services	428	8.3%	376	9.7%	-52	-12.1%
Admin & Support, Waste Mgmt. & Rem.	230	4.5%	322	8.3%	92	40.0%
Manufacturing	724	14.0%	305	7.9%	-419	-57.8%
Professional, Scientific, & Technical Services	246	4.8%	266	6.9%	20	8.1%
Transportation & Warehousing	171	3.3%	239	6.2%	68	39.7%
Construction	429	8.3%	219	5.7%	-210	-48.9%
Educational Services	300	5.8%	206	5.3%	-94	-31.3%
Public Administration	326	6.3%	200	5.2%	-126	-42.0%
Wholesale Trade	190	3.7%	121	3.1%	-69	-36.3%
Other Services (excluding Public Admin)	190	3.7%	115	3.0%	-75	-39.5%
Finance & Insurance	305	5.9%	86	2.2%	-219	-71.8%
Arts, Entertainment, & Recreation	78	1.5%	64	1.7%	-14	-17.9%
Information	96	1.9%	54	1.4%	-42	-43.7%
Management of Companies & Enterprises	15	0.3%	47	1.2%	32	213.3%
Real Estate & Rental & Leasing	80	1.5%	35	0.9%	-45	-56.2%
Agriculture, Forestry, Fishing & Hunting	15	0.3%	20	0.5%	5	33.3%
Utilities	13	0.3%	11	0.3%	-2	-15.4%
Mining, Quarrying, & Oil & Gas Extraction	6	0.1%	4	0.1%	-2	-33.3%

Source: U.S. Census Bureau LEHD, Urban Partners

With *OnTheMap* reporting that only 242 out of the 3,864 employed residents worked inside the Market Study Area in 2022, 93.7% commute elsewhere for work. The largest number of residents (834) commute to other areas within the City of Hagerstown for work, followed by 224 in Frederick and 103 in the Ballenger Creek area (see Table 18).

Table 18: Commuting Destinations for Employed Market Study Area Residents, 2002-2022

	Jobs in 2002	% of All Jobs 2002	Jobs in 2022	% of All Jobs 2022	Change 2002-22
Hagerstown, MD	1,728	33.5%	834	21.6%	-51.7%
Frederick City, MD	237	4.6%	224	5.8%	-5.4%
Ballenger Creek CDP, MD	110	2.1%	103	2.7%	-6.3%
Halfway CDP, MD	113	2.2%	103	2.7%	-8.8%
Robinwood CDP, MD	76	1.5%	97	2.5%	27.6%
Baltimore City, MD	83	1.6%	91	2.4%	9.6%
Fountainhead-Orchard Hills CDP, MD	99	1.9%	87	2.3%	-12.1%
Rockville City, MD	71	1.4%	65	1.7%	-8.5%
Gaithersburg City, MD	41	0.8%	53	1.4%	29.2%
Washington City, DC	0	0.0%	47	1.2%	-
All Other Locations	2,606	50.5%	2,160	55.9%	-17.1%

Source: U.S. Census Bureau LEHD, Urban Partners

4. Sales Housing Market Analysis

To understand the Downtown Hagerstown for-sale housing market, Urban Partners examined market conditions for single-family detached homes, duplexes/triplexes, townhouses, and condominiums in the Market Study Area. For this analysis, we obtained sales records in the five census tracts from *RealQuest*—a comprehensive real estate database service—from January 2019 to June 2025.

Summary of Recently Sold Homes

As evidenced by 1,242 home sales examined during the 7-year study period, the Market Study Area's sales housing market is very active. The median sale price during that period was $203,394 or $103.08 per square foot, "SF" henceforth). Townhouse is the majority home type in the Market Study Area, representing 45.9% of the transactions with a median sale price of $149,577, or $99.98 per SF. The sales of 39 duplexes and triplexes represented 3.1% of all sales in the Market Study Area (with a median sale price of $295,000, or $85.56 per SF), while 548 homes categorized as single-family detached were sold for a median price of $185,000, or $116.94 per SF (see Table 19).

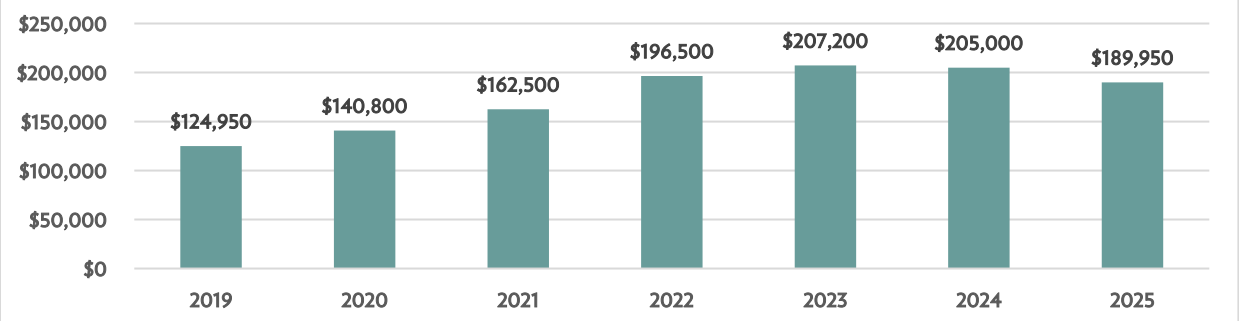
Table 19: Breakdown of Home Sales in the Market Study Area (2019-2025)

	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Single-Family Detached	548	44.1%	$185,000	1,582	$116.94
Duplex/Triplex	39	3.1%	$295,000	3,448	$85.56
Townhouse	570	45.9%	$149,577	1,496	$99.98
Condominiums	85	6.8%	$184,000	1,367	$134.60
Total	**1,242**	**100.0%**	**$203,394**	**1,973**	**$103.08**

Source: RealQuest, Urban Partners

Home prices have been increasing steadily since 2019 when the median price was $124,950, or $81.35 per SF. Increasing at an annualized rate of 12.6%, the median price reported in 2025 was $189,950 or $131.91 per SF (see Figure 7).

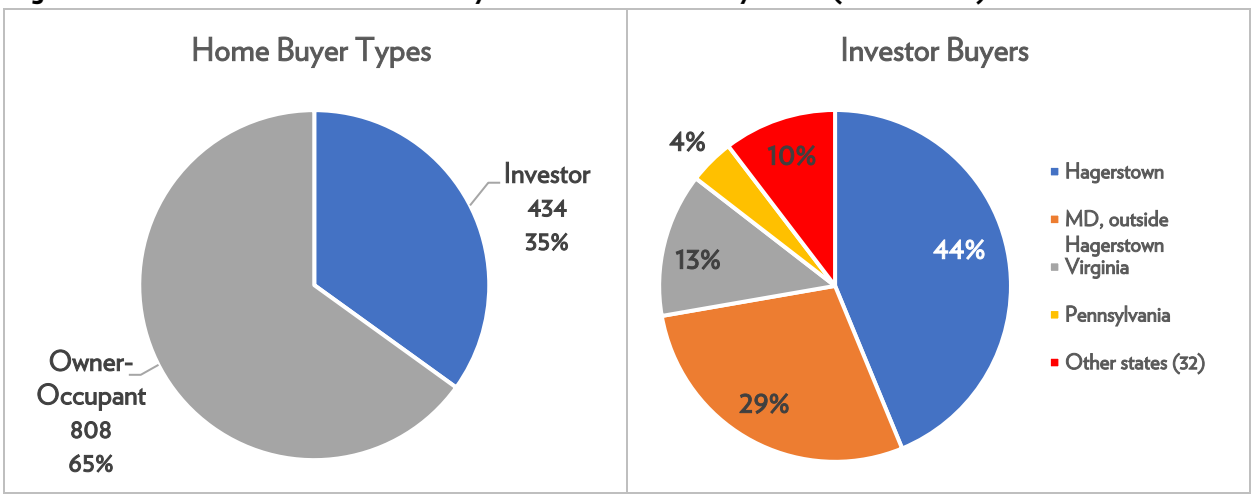
Figure 7: Median Sale Price by Year Home Sold in Market Study Area (2019-2025)



Source: RealQuest, Urban Partners

The *Realquest* data show that 35% of all homes sales in the Market Study Area are attributable to non-owner occupants or investors. Fifty percent (44%) of these investors are Hagerstown-based and another 29% are non-Hagerstown Maryland buyers. Other investors hail from 32 other states (see Figure 8).

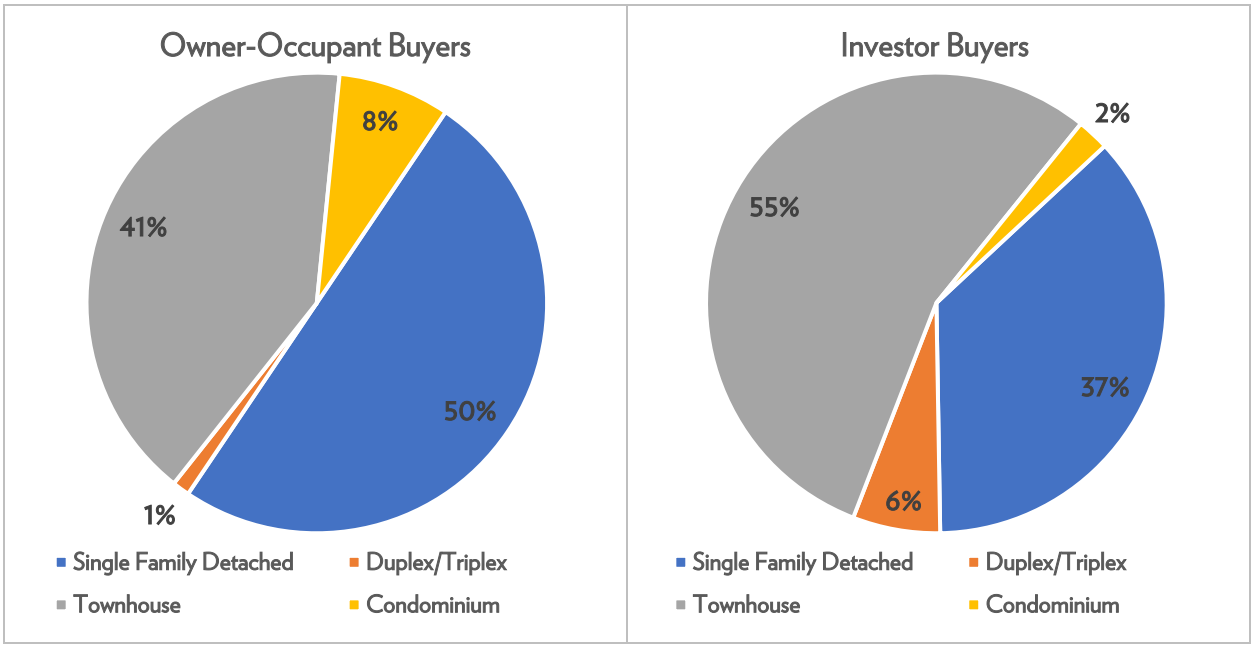
Figure 8: Residential Investor Activity in the Market Study Area (2019-2025)



Source: Realquest, Urban Partners

Figure 9 provides an overview of home sales categorized by home type and buyer type. Half of owner-occupants purchased single-family detached homes, whereas most investor transactions involved rowhomes or townhouses (55%).

Figure 9: Distribution of Sales by Home Type and Buyer Type (2019-2025)



Source: Realquest, Urban Partners

Single-Family Detached Homes

Table 20 indicates that owner-occupants accounted for the majority of single-family home sales in the Market Study Area, making up 77.7% of transactions, with median sale prices of $185,000 or $115.91 per SF.

Table 20: Single Family Sales by Seller Type (2019-2025)

Seller Type	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Bank/Foreclosure	11	2.0%	$77,000	1,461	$52.70
Custom Builder	2	0.4%	$267,500	2,053	$130.30
Investor	108	19.7%	$196,250	1,531	$128.18
Non-Profit Organization	1	0.2%	$145,000	1,022	$141.88
Owner-Occupant	426	77.7%	$185,000	1,596	$115.91
Total	**548**	**100.0%**	**$185,000**	**1,582**	**$116.94**

Source: RealQuest, Urban Partners

Figure 10: 4XX N. Potomac Street; Sold for $585,000 in 2022

Photo Credit: Redfin

Duplexes and Triplexes

Duplex/triplex sales represented just 3.4% of the total number of residential transactions in the Market Study Area during the aforementioned 7-year period. Overall, the 39 multifamily homes were sold for a median sale price of $295,000 or $85.56 per SF. Owner-occupants accounted for just over half of duplex/triplex sales, purchasing smaller homes at lower median prices ($285,500) than investors. However, investors paid higher overall prices ($330,000), reflecting their focus on larger properties despite only a modestly higher price per SF (see Table 21).

Table 21: Duplex/Triplex Sales by Seller Type (2019-2025)

Seller Type	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Investor	19	48.7%	$330,000	3,741	$88.21
Owner-Occupant	20	51.3%	$285,500	3,295	$86.65
Total	**39**	**100.0%**	**$295,000**	**3,448**	**$85.56**

Source: RealQuest, Urban Partners

Figure 11: Representative Duplex/Triplex Sales

Duplex located at 5XX Summit Avenue
(Sold in 2020 for $200,000)

Duplex located at 2XX S. Prospect Street
(Sold in 2020 for $160,000)

Townhouses

Townhouse sales represented nearly half (49.2%) of the total number of residential transactions in the Market Study Area during the aforementioned 7-year period. Overall, the 570 townhouses were sold for a median sale price of $149,577, or $99.98 per SF. As summarized below, most of the sales (380 units) were sold by owner-occupants at the highest median sale price among seller types of $150,000 (Table 22).

Table 22: Townhouse Sales by Seller Type (2019-2025)

Seller Type	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Bank/Foreclosure	8	1.4%	$51,888	1,264	$41.05
Custom Builder	3	0.5%	$98,000	1,780	$55.06
Investor	172	30.2%	$146,500	1,428	$102.59
Non-Profit Organization	7	1.2%	$41,000	1,452	$28.24
Owner-Occupant	380	66.7%	$150,000	1,580	$94.94
Total	**570**	**100.0%**	**$149,577**	**1,496**	**$99.98**

Source: RealQuest, Urban Partners

Figure 12: 1XX E. North Avenue; Sold for $169,000 in 2025

Photo Credit: Redfin

Condominiums

Condominium sales represented 6.8% of the total number of residential transactions in the Market Study Area during the aforementioned 7-year period. Overall, the 85 condos were sold for a median sale price of $131,883 or $157.06 per SF. As summarized below, most of the sales (69 units) were sold by owner-occupants (Table 23).

Table 23: Condo Sales by Seller Type (2019-2025)

Seller Type	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Bank/Foreclosure	2	2.4%	$55,750	865	$64.41
Investor	14	16.4%	$120,000	819	$14.64
Owner-Occupant	69	81.1%	$219,900	834	$263.60
Total	**85**	**100.0%**	**$131,883**	**839**	**$157.06**

Source: RealQuest, Urban Partners

Figure 13: A Condo Unit in 3X S. Prospect Street; Sold for $135,000 in 2024

Photo Credit: Zillow

New Construction Housing for Sale

All the sales transactions examined above are for resale homes. With a predominantly older housing stock, there is no new construction for-sale housing in the Market Study Area that could provide an understanding of the price points that comparable new sales housing could command. We therefore examined new construction homes outside of the Downtown and the City to understand their pricing as a general guide for potential new construction in Downtown Hagerstown. We focused our new home research on townhomes as a new for-sale housing product that would likely be the most feasible given the limited land availability for single-family housing.

The newest and closest new townhome development is Rosehill Manor, a 55+ community by DRB Homes located off Longmeadow Road in North Hagerstown (see Figure 14). Constructed in pods of two attached units, this growing duplex/twin community of "lifestyle villas" offers four floorplans with 2 to 3 bedrooms and 2 to 3 bathrooms ranging in size from 1,466 SF to 1,687 SF. All have attached garages. Starting sale prices range from $329,990 to $359,990 or $213/SF to $225/SF.

Figure 14: Rendering of New "Lifestyle Villas" at Rosehill Manor in North Hagerstown

Source: DRB Homes

For-Sale Housing Market Potential

Our housing market research for the Market Study Area has demonstrated that the Downtown Hagerstown housing market is showing signs of market activity and improvement, with more

than 1,100 homes sold over the past seven years and a median sales price that has risen at an annualized rate of 12.6% since 2019. Within this market, different housing types are performing in distinct ways that highlight opportunities for investment and policy support.

Townhouses, which account for nearly half of all sales, are emerging as the most common and attainable form of housing in the Market Study Area. With a median price of just under $150,000, they are more affordable than detached homes and present an opportunity to be marketed as an entry point for first-time buyers and working families. Targeted programs to support townhouse renovation, infill development, and first-time homebuyer assistance could strengthen this segment of the market and expand access to ownership in the Downtown Study Area.

Detached single-family homes remain in demand, particularly among owner-occupants, who make up more than half of the buyers in this category. With median sales prices approaching $185,000, these homes are both more expensive than townhouses and are viewed as desirable for families, reinforcing their role as the foundation for neighborhood stability. However, given the pace of appreciation, preserving affordability will be important. The continued promotion of tools such as down payment assistance and renovation grants can help protect opportunities for local families to remain in or enter this segment of the market.

Although duplexes and triplexes represent only a small share of recent transactions, their higher median sales prices suggest untapped potential. They can provide "missing middle" housing—smaller-scale multifamily options that balance affordability with higher value per property. Encouraging new construction or adaptive reuse of this housing type could diversify the housing stock while meeting a growing demand.

Condominiums, while a modest share of sales at just under seven percent (7%), stand out for their high per-square-foot value. With most purchased by owner-occupants, condos appeal to an increasing number of buyers seeking lower-maintenance living in a walkable, downtown setting. This suggests potential to grow the condo market as part of mixed-use and adaptive reuse projects.

Investor activity also plays a significant role in the market, accounting for about 35% of sales. While this signals the attractiveness of Downtown Hagerstown to both local and out-of-state buyers, it also raises the need for balance between investor-driven turnover and long-term owner occupancy. Policies that encourage responsible investment—such as quality standards, long-term ownership incentives, or partnerships tied to affordability commitments—can help align investor activity with community priorities.

Overall, with median sales prices in Downtown Hagerstown below replacement costs, the Downtown for-sale housing market remains challenged in terms of new housing construction

potential. The cost to build would significantly exceed the return, making it unlikely that most developers would invest in new construction in the near term. Therefore, the City should focus more on interventions to improve the existing housing stock that will continue to increase home values and in turn sale prices at a level that will encourage investment.

5. Rental Housing Market Analysis

Urban Partners assessed market conditions within the Market Study Area to understand the market-rate rental housing market in Downtown Hagerstown. For this analysis, we examined multi-family apartment complexes as well as individual rental units found in smaller buildings and single-family townhouses on residential blocks.

Market-Rate Apartment Buildings

To determine the potential for new market-rate rental housing development, we have examined market conditions for existing apartment buildings located within the Market Study Area. Within this area, we have identified two rental developments – both new to the Downtown – that represent the area's latest product (see Figure 15).

Figure 15: Newly Rehabilitated Rental Housing in the Market Study Area

The Updegraff

51 W. Washington Street

Total Units: 21
Built: 1882/2024
Type: 4-Story Building

Key Amenities:

- Island kitchen
- In-unit washer/dryer
- Walk-in closets
- Hardwood floors
- Loft layout/high ceilings
- Sprinkler system
- Elevator

The Aria

92 W. Washington Street
Total Units: 120
Built:1898/ 2024
Type: 4-Story Building

Key Unit Amenities:

- Island kitchen
- In-unit washer/dryer
- Large closets
- Tile and vinyl floors
- High ceilings
- Elevator

Source: Apartments.com, Apartmentfinders.com, Urban Partners

The Updegraff and The Aria represent a new high-end product that previously did not exist in Downtown Hagerstown. Both developments are in historic buildings on W. Washington Street, with rehabilitations completed in 2024. The Updegraff offers 21 one- and two-bedroom units while The Aria has 37 studio, one-, and two-bedroom units. Both have buildings similar amenities, such as kitchens with islands, in-unit washer/dryers, high ceilings, and an elevator in the building. The Updegraff has more upscale finishes with hardwood flooring and higher-end appliances.

In Table 24 on the next page, age, size, rental rate, and occupancy information is summarized for the two new market-rate apartment buildings in the Market Study Area.

Table 24: Summary of Rents for Newly Rehabilitated Rental Housing in Downtown

Name	Address	Year Built	Total Units	Type	Price	Size (SF)	$/SF	Avail. (8/25)
The Updegraff	51 W. Washington St.	1882/2024	21	1 Bedroom	$1,500-$1,735	530-675	$2.57 to $2.83	4
				2 Bedroom	$2,150-$2,625	840-960	$2.56 to $2.73	6
The Aria	92 W. Washington St.	1898/2024	37	Studio	$900	502	$1.79	1
				1 Bedroom	$1,249-$1,512	694-840	$1.80	5
				2 Bedroom	$1,550-$2,400	924-1,335	$1.68 to $1.80	6

Source: Company websites, Apartments.com, Apartmentfinders.com, Urban Partners

Both The Updegraff and The Aria continue their initial lease-up phases and serve as a test of the upper end of the rental market in the Market Study Area. As of August 2025, The Updegraff has 10 units available, including all of its two-bedroom units, reporting a 48% vacancy rate. The Aria has 12 units available, or a 32% vacancy rate.

As the table shows, rents for the two complexes, representing the top of the rental market in the Market Study Area, are as follows:

The Updegraff

- One-bedroom units: $1,500 to $1,735 per month ($2.57 to $2.83 per SF)
- Two-bedroom units: $2,150 to $2,625 per month ($2.56 to $2.73 per SF)

The Aria

- Studio units: $900 per month ($1.79 per SF)
- One-bedroom units: $1,249 to $1,512 per month ($1.80 per SF)
- Two-bedroom units: $1,550 to $2,400 per month ($1.68 to $1.80 per SF)

Proposed Apartment Building

As The Updegraff and The Aria continue to test the rental market, a similarly high-end downtown apartment building has been recently proposed. Located at the corner of S. Potomac and Antietam Streets, the brand new six-story 43-unit mixed-use building would replace three existing structures at the corner. The facility would offer ground-floor retail, an open outdoor plaza with seating, and a rooftop lounge. The residential units, including several penthouse units, would have large windows and balconies.

Individual Rental Units

There are also a variety of individual apartments for rent within the Market Study Area available in smaller buildings and single-family townhouses. Most include basic amenities, including in-home washers/dryers, porches or patios, yards, and basements. Generally, utilities are not included in the rent and tenants pay separately for utilities. As of August 2025, there were several such homes available for rent in the Market Study Area (see Table 25).

Table 25: Summary of Available Individual Units for Rent in the Market Study Area, 8/2025

Address	Type	Rent	SF	Rent/SF	BR	BA
313 Frederick St.	Townhouse	$2,400	1,620	$1.48	3	1.5
25 E. Baltimore St.	Townhouse	$2,300	1,200	$1.92	3	1.5
20 East Ave.	Townhouse	$2,030	2,088	$0.97	4	2.0
25 Wayside Ave., #2	Apartment	$2,000	1,200	$1.67	3	1.0
214 Hager St.	Townhouse	$2,000	N/A	N/A	3	1.0
22 East Ave.	Townhouse	$1,999	2,088	$0.96	5	2.5
646 N. Mulberry St.	Townhouse	$1,895	1,320	$1.44	3	1.5
1 N. Potomac St., #3S	Apartment	$1,850	1,100	$1.68	2	1.0
295A Frederick St.	Townhouse	$1,850	1,224	$1.51	3	1.5
54 E. Baltimore St.	Townhouse	$1,800	1,280	$1.41	3	1.0
72 Wayside Ave.	Townhouse	$1,695	1,382	$1.23	2	2.0
300 E. Franklin St.	Townhouse	$1,650	1,800	$0.92	3	1.0
15 E. Lee St.	Townhouse	$1,650	1,064	$1.55	2	1.0
109 Fairground Ave.	Townhouse	$1,600	1,470	$1.09	3	1.0
629 Oak Hill	Apartment	$1,595	1,386	$1.15	2	1.0
232 Jefferson St.	Townhouse	$1,595	2,000	$0.80	2	1.5
234 Jefferson St.	Townhouse	$1,595	2,000	$0.80	2	1.5
37 S. Prospect St., #101	Apartment	$1,595	630	$2.53	1	1.0
47 Fairground Ave., #B	Apartment	$1,550	N/A	N/A	2	1.0
148 E. Washington St.	Townhouse	$1,550	N/A	N/A	3	1.0
158 S. Potomac St.	Apartment	$1,500	1,400	$1.07	3	1.0
26 Randolph Ave.	Apartment	$1,400	N/A	N/A	3	1.0
266 S. Prospect St., #3	Apartment	$1,400	600	$2.33	2	1.0
227-229 East Ave.	Townhouse	$1,395	1,000	$1.40	2	1.0
136 E. Franknlin St.	Apartment	$1,350	950	$1.42	3	1.0
156 S. Prospect St., #B	Apartment	$1,350	1,735	$0.78	2	1.0
37 E. Baltimore St.	Apartment	$1,300	N/A	N/A	1	1.0
37 N. Locust St.	Townhouse	$1,290	1,080	$1.19	3	1.0
115 S. Potomac St., #2	Apartment	$1,250	1,200	$1.04	2	1.0
21 E. Baltimore St.	Apartment	$1,250	N/A	N/A	1	1.0
11 N. Potomac St., #3	Apartment	$1,200	N/A	N/A	3	1.0
259 S. Potomac St.	Apartment	$1,200	N/A	N/A	2	1.0
118 S. Locust St.	Townhouse	$1,180	854	$1.38	2	1.0
25 Broadway, Apt. 7-4	Apartment	$1,175	900	$1.31	1	1.0
441 N. Potomac St., Apt. 5	Apartment	$1,155	1,100	$1.05	1	1.0
231 N. Locust St., Apt. 6	Apartment	$1,125	1,000	$1.13	2	1.0
217 N. Locust St., #B	Apartment	$1,100	960	$1.15	1	1.0
133 Summit Ave., Apt. 2	Apartment	$1,100	1,200	$0.92	2	1.0
154 S. Potomac St.	Apartment	$1,100	800	$1.38	1	1.0
162 S. Potomac St.	Apartment	$1,100	600	$1.83	1	1.0

41 E. Antietam St.	Apartment	$1,095	N/A	N/A	1	1.0
301 S. Potomac St., Apt. 2N	Apartment	$1,050	800	$1.31	1	1.0
5 E. Lee St.	Apartment	$1,030	900	$1.14	1	1.0
200 E. Antietam St.	Apartment	$1,000	800	$1.25	1	1.0
65 Broadway	Apartment	$995	550	$1.81	1	1.0
424 N. Locust St.	Apartment	$985	N/A	N/A	1	1.0
345 N. Potomac St., Apt. D	Apartment	$975	700	$1.39	1	1.0
64 W. Antietam St., #4	Apartment	$975	600	$1.63	2	1.0
242 S. Potomac St.	Apartment	$975	600	$1.63	1	1.0
225-229 N. Jonathan St.	Apartment	$950	N/A	N/A	1	1.0
130 S. Potomac St., Apt. 1S	Apartment	$950	900	$1.06	1	1.0
238 Summit Ave., Apt. 5	Apartment	$950	800	$1.19	1	1.0
41.5 S. Potomac St., #2F	Apartment	$900	N/A	N/A	1	1.0
111 E. Baltimore St.	Apartment	$900	N/A	N/A	1	1.0
500 N. Mulberry St.	Apartment	$875	N/A	N/A	1	1.0
62 W. Church St., #2	Apartment	$825	500	$1.65	S	1.0
49 N. Potomac St., Apt. 3	Apartment	$800	400	$2.00	1	1.0

Source: Apartments.com, Zillow.com, Urban Partners

Rentals in the Market Study Area are mostly one-bedroom units, along with several two- and three-bedroom units, and a rare studio, four-, and five-bedroom unit. The unit with the highest rent is a 1,620 SF three-bedroom townhouse on Frederick Street renting for $2,400 per month ($1.48/SF). At the low end of the rent scale is the smallest for rent in the Market Study Area—a 400 SF one-bedroom apartment in a small apartment building on N. Potomac Street for $800 per month ($2.00/SF). This is the third highest rent per SF. Rents per SF in the Market Study Area range from $0.78 to $2.53.

Figure 16 depicts a sample of the variety of individual rental units available in the Market Study Area.

Figure 16: Sample of Available Individual Rental Units in the Market Study Area

Townhouses

646 N. Mulberry Street

30 East Avenue

Apartments

345 N. Potomac Street

133 Summit Avenue

Source: Apartments.com, Apartmentfinders.com, Urban Partners

Income-Restricted Communities

In addition to the market-rate rental units profiled in the previous pages, we assessed the affordable housing market in the Market Study Area. We examined all HUD housing facilities and Low Income Housing Tax Credit (LIHTC) projects to identify the nearby current supply and availability of affordable housing. Table 26 describes characteristics of both types of facilities.

Table 26: Income-Restricted Communities in the Market Study Area, 8/2025

Name	Address	Total Units	Type	Expiration Date
Potomac Towers	11 W. Baltimore Street	326	HUD Public Housing	N/A
Walnut Towers	12 S. Walnut Street	150	HUD Public Housing	N/A
Elizabeth Court	55 E. Washington Street	110	LIHTC	2035
Alexander House	7 E. Washington Street	95	HUD Multifamily	2043
Bethel Gardens Apartments	356 Henry Avenue	94	LIHTC/HUD Multifamily	2033
C. Williams Brooks	45 W. Baltimore Street	60	LIHTC/HUD Public Housing	2026
Parkside Homes	130 W. North Avenue	39	HUD Public Housing	N/A

Source: HUD, PolicyMap, Urban Partners

As of August 2025, there are seven income-restricted rental communities in the Market Study Area comprising 874 units. The two largest facilities—Potomac Towers and Walnut Towers—are senior resident HUD Public Housing buildings, owned and operated by the Hagerstown Housing Authority. Parkside Homes is similarly a HUD Public Housing complex operated by HHA. One of the seven communities, the 110-unit Elizabeth Court, is a Low Income Housing Tax Credit (LIHTC) property. LIHTC units are restricted to residents with incomes not to exceed 60% of the area median income (AMI). The Alexander House is a HUD Multifamily

building, which typically is owned and operated by a non-profit organization or private developer. The remaining two properties are funded by a combination of LIHTC and HUD. Three former income-restricted properties—West Bethel Street Apartments, North Potomac Street Apartments, and East Franklin Street Apartments—were originally financed with LIHTC. Each property has exceeded its program expiration date and is no longer in the LIHTC program. Therefore, the units are no longer income restricted.

Rental Housing Market Potential

Our housing market research for the Market Study Area has revealed that rental supply includes mainly apartments for rent in smaller buildings and single-family townhouses on residential blocks. These units offer relatively affordable rents with modest features for renters seeking attainable housing options.

More significantly, there are two new market-rate apartment developments in renovated historic downtown buildings introducing a new high-end rental product to Downtown Hagerstown—The Updegraff and The Aria. The rents at these new developments exceed all others in the Market Study Area and require residents with incomes higher than Downtown Hagerstown has traditionally been able to support. The addition of both buildings, particularly The Updegraff, signal that Downtown Hagerstown is beginning to test the upper end of its rental market and their success will likely determine the near-term viability of additional new rental product at the highest end. However, their relatively high vacancy rates suggest that while there is some interest in upscale housing, the depth of demand for luxury units may be limited at this stage. This creates an opportunity for future development to focus more on the middle of the market—units that are modern, well-amenitized, and attractive, but priced more affordably than the newest luxury options.

The existing stock of individual rentals in smaller buildings and townhouses reinforces this potential. Many of these units are attainable, but they lack modern conveniences and appeal. Demand therefore appears to be robust for moderately priced new or renovated one-bedroom units that can accommodate singles and couples. At the same time, there are relatively few options for households seeking two- or three-bedroom units of a similar quality. This points to an opportunity to deliver more moderately priced larger units that can accommodate families, roommates, or young professionals looking for additional space. Incentives will likely be required to address likely financing gaps.

Historic renovation stands out as a successful strategy in Hagerstown. The character and uniqueness of redeveloped historic buildings give new rental projects a unique edge in the market. Additional adaptive reuse opportunities remain downtown in various underutilized buildings, and these could continue to provide distinctive housing choices while reinforcing the city's identity.

Overall, there appears to be potential for new rental housing in Downtown Hagerstown. This product should prioritize moderately priced rentals that fill the gap between the city's low-cost older stock and the newly built luxury units. More modestly-priced developments with studios and one-bedroom units will appeal to young professionals starting their careers, while limited two- and three-bedroom options will help broaden the appeal to a wider range of residents. At the same time, it will be important to monitor the leasing of the existing luxury product and phase any additional luxury development carefully, giving The Updegraff and The Aria time to stabilize before introducing more units at that price point. Across all new projects, developers should aim to provide in-demand features such as in-unit washer/dryers, updated kitchens, and well-designed shared amenities, while balancing cost considerations to keep rents within reach of the local market. Pairing residential uses with ground-floor retail or mixed-use redevelopment can further enhance downtown's vibrancy and create stronger long-term value.

Regarding income-restricted housing, the Market Study Area currently has almost 750 units. While subsidized housing is always in demand, it's important for it to be distributed equitably throughout the region to avoid high concentrations of low-income residents. Consideration should be made for affordable units to be incorporated into new multi-family residential projects as mixed-income developments containing a combination of market-rate and below-market units. Developer incentives or bonuses can help offset the additional expense of these affordable units.

6. Retail Market Analysis

Urban Partners conducted a retail market analysis to characterize the performance of existing retailers in Downtown Hagerstown as well as to identify gaps and opportunities for the potential development of new retailing in the area.

Retail Supply

For this retail market analysis, we are focused chiefly on retail stores engaged in selling merchandise for personal and/or household consumption and on establishments that render services incidental to the sale of these goods. All retail establishments in the area were classified by type of business according to the principal lines of merchandise sold and the usual trade designation. In general, this classification follows the numeric system established for both government and industry practice—the North American Industry Classification System (NAICS).

The term "retail store sales" in this analysis includes sales by establishments that are normally found in pedestrian-oriented retail shopping areas. This definition excludes the sales of automobile dealerships and repair facilities, service stations, fuel oil dealers, and non-store retailing. Banks and other financial establishments are also excluded from this assessment because banking activities—deposits, loans, etc.—cannot be added to sales volume data for other types of retail establishments.

To identify and categorize the supply of currently available shopping opportunities in Downtown Hagerstown, Urban Partners updated an inventory of all retail establishments located within the City Center-Mixed Use (CC-MU) Zoning District that was completed in 2014 as part of The Community's City Center Plan. Table 27 describes the current range of stores available within the Market Study Area in January 2014 as well as the current update (see Appendix 1 for a complete inventory). In January 2014, the Market Study Area included 75 operating retail businesses. As of August 2025, this total has increased to 86. This net increase of 11 stores, however, masks a much more extensive set of changes. During the 11 and a half-year period, 24 stores changed names or store types, and 15 formerly vacant spaces became occupied.

More than 36% of these establishments (31) are full- and limited-service restaurants and bars serving a broad range of market segments including nearby residents, employees, event-goers, and the overall Washington County market. The number of establishments in each of those categories has increased since 2014, indicating a growing downtown niche for dining. Another 17 stores (20%) are hair salons and laundries/dry cleaners.

Table 27: Retail Supply in the Market Study Area – January 2014 vs. August 2025

Retail Category	# of Stores 1/2014	# of Stores 8/2025	Change
Grocery Store, Supermarket	1	1	-
Convenience Store	2	6	4
Meat Store	1	-	-1
Fish Store	1	1	-
Bakeries	1	2	1
Other Specialty Foods	1	2	1
Liquor and Beer Distributors	2	2	-
Drug Store/Pharmacy	2	1	-1
Cosmetics, Beauty Supply Stores	2	2	-
Other Health/Personal Care	1	-	-1
Full-Service Restaurants	14	16	2
Limited-Service Restaurants	6	7	1
Bars and Lounges	3	9	6
Dollar Stores/General Merchandise	-	1	1
Family Clothing	1	-	-1
Clothing Accessories	1	-	-1
Other Clothing	1	3	2
Shoe Stores	-	-	-
Floor Coverings	3	1	-2
Specialty Sporting Goods	2	-	-2
Toy & Hobby Stores	1	3	2
Gift, Novelty, Souvenir Store	4	3	-1
Florist	1	-	-
Antique Stores	1	2	1
Other Used Merchandise	3	4	1
Art Dealers	3	2	-1
Other Miscellaneous Retail Stores	1	1	-
Hair Salon	14	15	1
Laundries; Dry Cleaning	3	2	-1
Total	**75**	**86**	**11**

Source: Urban Partners

The other 48 stores are scattered among 14 broad categories of retailing, serving both nearby and more distant markets. Growth in store quantities has occurred in the following categories:

- Convenience stores (+4)
- Bakeries (+1)
- Other Specialty Foods (+1)
- Dollar Stores (+1)
- Other Clothing Stores (+2)
- Toy & Hobby Stores (+2)
- Antique Stores (+1)
- Other Used Merchandise Stores (+1)

Retail Demand

Consumer shopping patterns vary depending on the types of goods being purchased. For convenience goods purchased frequently, such as groceries, drugs, and prepared foods, shoppers typically make purchases at stores close to their home or place of work. For larger-ticket, rarely purchased items—such as automobiles, electronics, and large appliances—shoppers may travel anywhere within the metropolitan area or beyond to obtain the right item at the right price. For apparel, household furnishings, and other shopping goods, consumers generally establish shopping patterns between these two extremes, trading at a number of shopping areas within a 30-minute commute of their homes.

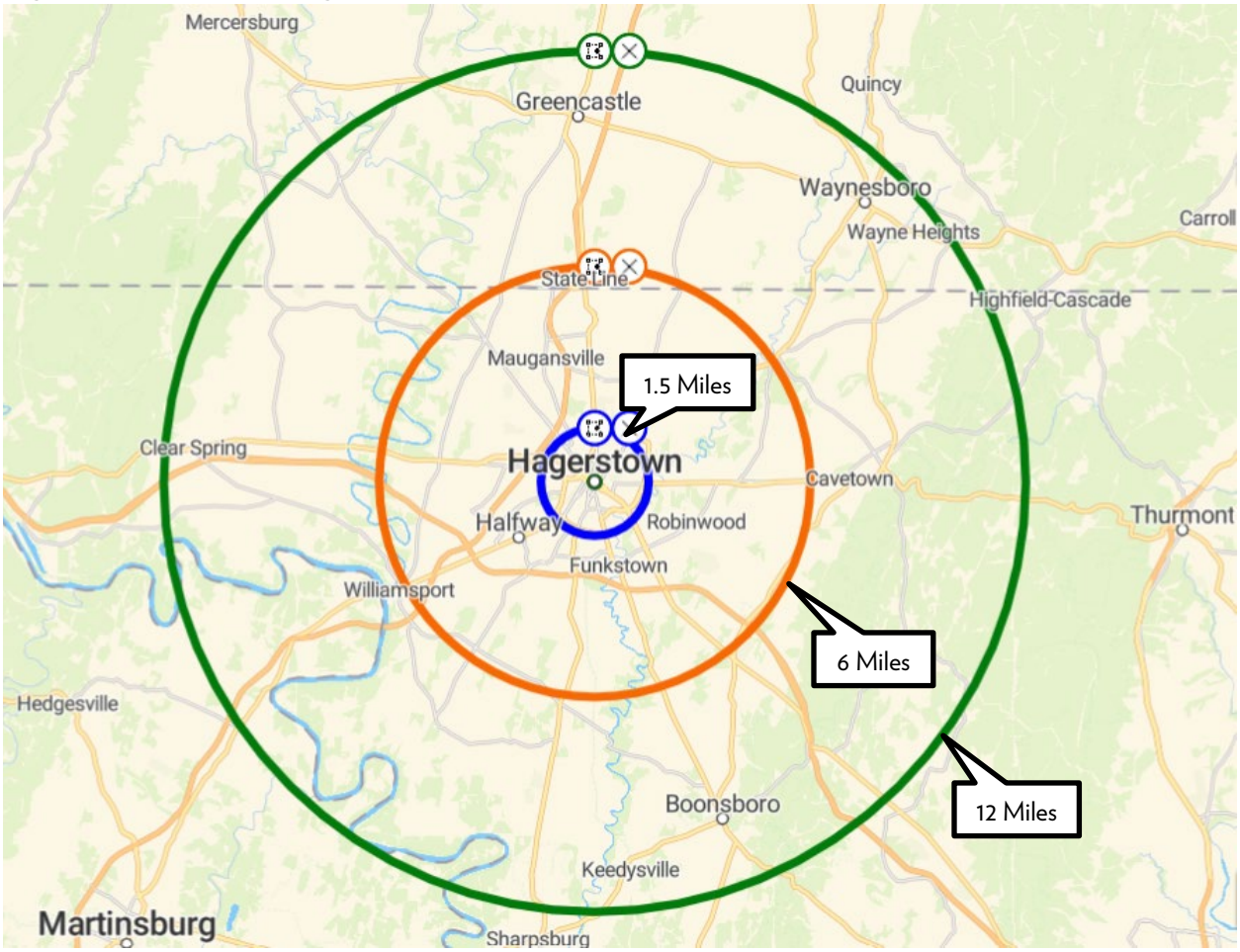
In analyzing the retail market demand within a portion of a larger metropolitan area, these behavioral observations translate into a series of analytical rules-of-thumb:

- Shopping for community-serving goods and services is generally confined to the immediate trade area.
- Expenditures made at full-service restaurants will occur chiefly within the immediate trade area, but some restaurant expenditures made by the trade area population will be lost to established restaurants located outside the immediate trade area. Similarly, some restaurant sales occurring in the immediate trade area will be attracted from residents who live elsewhere in the region.
- Expenditures made by immediate trade area residents for shopping good items (department stores, apparel, and most specialty goods) will more likely occur within the area if they exist, but a substantial proportion of these sales will occur outside the area. Similarly, significant sales will be attracted from residents outside the immediate trade area to any large, well-known stores located within a trade area.
- Specific high-quality stores within the immediate trade area may attract significant clientele from well beyond the trade area for highly-targeted, single destination trips for specialized purchases.

Retail Trade Area

To examine the entire range of retailers potentially feasible for the Market Study Area, we have identified a Retail Trade Area from where potential customers would likely originate for the types of goods and services most typically available. Since retailing in Downtown Hagerstown functions within a larger regional marketplace, we have defined three trade areas centered on City Hall: a 1.5-mile radius, a 6-mile radius, and a 12-mile radius (see Figure 17). This comparison enables us to identify the degree to which customers from each of these areas patronize retailers in the other respective areas, understand how this impacts the downtown's retail supply and demand, and confirm a primary trade area for Downtown Hagerstown.

Figure 17: Downtown Hagerstown Retail Trade Areas



Source: Environics Analytics, Urban Partners

The 1.5-Mile Trade Area encompasses the entirety of the downtown area. Residents within this radius are likely to find most of their daily needs in several categories of goods and services and make most of their purchases, including supermarkets, convenience stores, pharmacies, and take-out restaurants. The 1.5-Mile Trade Area includes all of Hagerstown's downtown retailers as well as those in the surrounding city neighborhoods, extending from Eastern Boulevard North on the north and east to E. Wilson Boulevard on the south and almost to Interstate 81 on the west. The estimated 2020 population for this area was 31,802.

Beyond the 1.5-Mile Trade Area, the 6-Mile Trade Area encompasses the City of Hagerstown in its entirety, as well as the suburban areas just outside the city and some more rural portions beyond. Extending from just north of the Pennsylvania state line to practically the Potomac River and West Virginia, it includes the Valley Mall and Hagerstown Premium Outlets, capturing the bulk of the region's retail supply. Included in this ring are the hamlets of Maugansville, Robinwood, Funkstown, St. James, and Wilson-Conococheague. The Town of

Williamsport is included in this area as well. The estimated 2020 population for this area was 99,636.

The 12-Mile Trade Area is predominantly rural beyond the 6-Mile area, extending to just beyond Greencastle and Waynesboro, PA on the north/northeast, Keedysville on the south, Falling Waters, WV on the southwest, and Clear Spring on the west. It extends halfway to Chambersburg, PA on the north and Frederick on the southeast, creating a trade area boundary between each of those cities. The estimated 2020 population for this area was 188,258.

Trade Area Supply and Demand Characteristics

In this section, we compare the current supply and demand for all retail goods and services by residents of the Downtown Hagerstown 1.5-Mile Trade Area, as well as the 6- and 12-Mile Trade Areas. To determine the trade areas' supply and demand, we acquired information about the retail spending behavior of Market Study Area residents from Environics Analytics, which acquires its data from the Nielsen Company—one of the national data services typically used by retail store location and real estate professionals. Table 28 outlines the supply and demand characteristics of the trade areas examined.

According to this information from Environics Analytics about the retail spending behavior of Market Study Area residents, stores within the Downtown Hagerstown 1.5-Mile Trade Area sell more than **$1.3 billion** worth of retail goods annually, while the trade area's population spends approximately **$396 million** on retail goods annually. This retail spending includes:

- $85.6 million in Eating and Drinking Establishments,
- $80.9 million in Food and Beverage Stores,
- $75.5 million in General Merchandise Stores,
- $39.9 million in Building Material and Garden Stores,
- $35.7 million in Health and Personal Care Stores,
- $26.3 million in Clothing and Accessories Stores,
- $13.4 million in Miscellaneous Store Retailers,
- $11.9 million in Auto Parts Stores,
- $10.9 million in Furniture and Home Furnishings Stores,
- $7.8 million in Sporting Goods, Hobby, and Book Stores, and
- $7.5 million in Electronics and Appliance Stores.

Table 28: Trade Area Retail Supply and Demand Characteristics

	Downtown Hagerstown Trade Area 1.5-Mile			Downtown Hagerstown Trade Area 6-Mile			Downtown Hagerstown Trade Area 12-Mile		
	2025 Demand (Consumer Expenditures)	2025 Supply (Retail Sales)	Opportunity Gap/ Surplus	2025 Demand (Consumer Expenditures)	2025 Supply (Retail Sales)	Opportunity Gap/ Surplus	2025 Demand (Consumer Expenditures)	2025 Supply (Retail Sales)	Opportunity Gap/ Surplus
Total Retail Sales	**395,687,513**	**1,345,119,848**	**(949,432,335)**	**1,364,073,152**	**2,421,434,190**	**(1,057,361,038)**	**2,689,193,946**	**3,077,170,068**	**(387,976,122)**
Motor Vehicle and Parts Dealers-441	**11,943,079**	**30,127,830**	**(18,184,751)**	**41,075,021**	**63,972,405**	**(22,897,384)**	**77,354,511**	**99,595,932**	**(22,241,421)**
Automotive Parts/Accsrs, Tire Stores-4413	11,943,079	30,127,830	(18,184,752)	41,075,021	63,972,405	(22,897,384)	77,354,511	99,595,932	(22,241,422)
Furniture and Home Furnishings Stores-442	**10,909,585**	**27,730,493**	**(16,820,908)**	**38,445,503**	**66,843,506**	**(28,398,003)**	**74,632,152**	**79,759,546**	**(5,127,394)**
Furniture Stores-4421	6,114,460	21,787,505	(15,673,046)	21,429,590	30,854,030	(9,424,440)	40,665,433	32,417,220	8,248,213
Home furnishings stores - 4422	4,795,125	5,942,988	(1,147,863)	17,015,913	35,989,476	(18,973,563)	33,966,719	47,342,326	(13,375,607)
Floor covering stores - 44221	1,815,373	3,413,152	(1,597,780)	6,595,488	20,630,100	(14,034,612)	13,862,735	31,060,769	(17,198,034)
Other home furnishings stores - 44229	2,979,752	2,529,836	449,916	10,420,425	15,359,376	(4,938,951)	20,103,984	16,281,557	3,822,427
Electronics and Appliance Stores-443	**7,518,376**	**20,392,846**	**(12,874,470)**	**25,806,562**	**54,810,113**	**(29,003,551)**	**50,459,398**	**59,274,048**	**(8,814,650)**
Household Appliances Stores-443141	1,855,139	7,907,835	(6,052,696)	6,410,471	8,823,458	(2,412,987)	12,449,869	11,081,053	1,368,816
Electronics Stores-443142	5,663,237	12,485,011	(6,821,775)	19,396,091	45,986,655	(26,590,564)	38,009,529	48,192,995	(10,183,466)
Building Material, Garden Equip Stores -444	**39,901,921**	**108,016,213**	**(68,114,292)**	**141,643,503**	**255,652,624**	**(114,009,121)**	**279,597,345**	**350,262,231**	**(70,664,886)**
Building Material and Supply Dealers-4441	34,844,319	91,224,813	(56,380,494)	123,841,771	224,630,012	(100,788,241)	244,611,943	285,340,058	(40,728,115)
Home Centers-44411	18,729,799	46,403,927	(27,674,128)	66,419,407	135,555,917	(69,136,510)	131,070,712	155,992,280	(24,921,568)
Paint and Wallpaper Stores-44412	1,490,035	4,825,267	(3,335,232)	5,488,220	14,179,590	(8,691,370)	10,788,309	20,197,667	(9,409,359)
Hardware Stores-44413	3,472,533	11,152,394	(7,679,862)	12,316,606	21,950,658	(9,634,052)	24,281,166	31,172,912	(6,891,746)
Other Building Materials Dealers-44419	11,151,952	28,843,225	(17,691,273)	39,617,538	52,943,847	(13,326,309)	78,471,756	77,977,199	494,558
Lawn, Garden Equipment, Supplies Stores-4442	5,057,602	16,791,400	(11,733,798)	17,801,732	31,022,612	(13,220,880)	34,985,402	64,922,173	(29,936,771)
Outdoor Power Equipment Stores-44421	1,050,826	4,962,909	(3,912,083)	3,725,791	12,912,314	(9,186,522)	7,247,722	28,986,903	(21,739,180)
Nursery and Garden Centers-44422	4,006,776	11,828,491	(7,821,715)	14,075,941	18,110,298	(4,034,357)	27,737,680	35,935,270	(8,197,590)
Food and Beverage Stores-445	**80,894,633**	**130,579,478**	**(49,684,845)**	**274,856,691**	**352,830,743**	**(77,974,052)**	**549,958,548**	**553,206,296**	**(3,247,748)**
Grocery Stores-4451	72,989,208	111,109,466	(38,120,258)	247,460,594	295,337,183	(47,876,589)	494,678,626	471,926,280	22,752,346
Supermarkets, Grocery (Ex Conv) Stores-44511	69,566,637	108,386,357	(38,819,721)	235,887,820	283,483,253	(47,595,433)	471,802,185	454,953,251	16,848,934
Convenience Stores-44512	3,422,571	2,723,109	699,463	11,572,774	11,853,930	(281,156)	22,876,441	16,973,029	5,903,412
Specialty Food Stores-4452	2,282,407	2,538,508	(256,100)	7,730,679	5,879,779	1,850,898	15,502,226	9,048,652	6,453,574
Meat Markets-44521	686,680	270,001	416,679	2,335,005	1,101,503	1,233,502	4,676,712	2,758,308	1,918,404
Fish and Seafood Markets-44522	270,459	1,937,223	(1,666,764)	918,333	1,937,223	(1,018,890)	1,840,123	2,085,796	(245,673)
Fruit and Vegetable Markets -44523	476,634	0	476,634	1,607,733	131,926	1,475,806	3,227,603	1,021,822	2,205,782
Other Specialty Food Stores-44529	848,634	331,284	517,351	2,869,608	2,709,127	160,480	5,757,788	3,182,726	2,575,061
Beer, Wine and Liquor Stores-4453	5,623,018	16,931,504	(11,308,486)	19,665,418	51,613,781	(31,948,362)	39,777,696	72,231,364	(32,453,667)
Health and Personal Care Stores-446	**35,693,396**	**155,907,692**	**(120,214,296)**	**121,690,019**	**262,914,399**	**(141,224,380)**	**238,266,343**	**334,096,152**	**(95,829,809)**
Pharmacies and Drug Stores-44611	30,069,428	130,981,075	(100,911,646)	102,525,766	215,981,915	(113,456,149)	200,712,839	281,934,016	(81,221,177)
Cosmetics, Beauty Supplies, Perfume Stores-44612	2,510,137	11,312,312	(8,802,175)	8,579,945	17,893,119	(9,313,174)	16,818,875	18,247,235	(1,428,360)
Optical Goods Stores-44613	1,128,909	4,249,088	(3,120,179)	3,817,328	8,814,039	(4,996,711)	7,488,675	12,455,057	(4,966,382)
Other Health and Personal Care Stores-44619	1,984,922	9,365,217	(7,380,295)	6,766,980	20,225,326	(13,458,346)	13,245,954	21,459,844	(8,213,890)

Clothing and Clothing Accessories Stores-448	**26,310,867**	**152,855,799**	**(126,544,932)**	**90,056,773**	**240,574,700**	**(150,517,927)**	**175,148,857**	**254,395,972**	**(79,247,115)**
Clothing Stores-4481	18,951,794	98,534,455	(79,582,661)	64,938,939	166,450,692	(101,511,753)	125,171,445	173,649,137	(48,477,692)
Men's Clothing Stores-44811	685,856	3,178,258	(2,492,403)	2,371,922	6,573,430	(4,201,508)	4,643,078	6,573,430	(1,930,352)
Women's Clothing Stores-44812	3,260,201	7,613,898	(4,353,697)	11,153,582	20,838,009	(9,684,428)	20,974,580	21,301,332	(326,752)
Children's, Infants Clothing Stores-44813	734,064	2,202,174	(1,468,109)	2,470,506	6,713,843	(4,243,337)	5,103,425	8,468,017	(3,364,592)
Family Clothing Stores-44814	11,457,562	56,576,779	(45,119,217)	39,285,590	87,346,401	(48,060,812)	76,122,051	87,747,636	(11,625,586)
Clothing Accessories Stores-44815	1,085,814	10,689,687	(9,603,873)	3,731,285	16,464,584	(12,733,299)	7,141,723	20,814,522	(13,672,799)
Other Clothing Stores-44819	1,728,297	18,273,659	(16,545,362)	5,926,054	28,514,425	(22,588,372)	11,186,588	28,744,200	(17,557,612)
Shoe Stores-4482	2,879,126	36,731,931	(33,852,806)	9,747,925	47,607,372	(37,859,447)	19,926,015	50,455,785	(30,529,769)
Jewelry, Luggage, Leather Goods Stores-4483	4,479,947	17,589,413	(13,109,466)	15,369,909	26,516,636	(11,146,727)	30,051,397	30,291,050	(239,653)
Jewelry Stores-44831	2,562,632	17,589,413	(15,026,781)	8,795,391	26,516,636	(17,721,245)	17,305,643	30,291,050	(12,985,407)
Luggage and Leather Goods Stores-44832	1,917,315	0	1,917,315	6,574,518	0	6,574,518	12,745,754	0	12,745,754
Sporting Goods, Hobby, Book, Music Stores-451	**7,755,223**	**20,340,742**	**(12,585,519)**	**26,861,046**	**53,342,634**	**(26,481,588)**	**51,299,262**	**64,117,028**	**(12,817,766)**
Sporting Goods, Hobby, Musical Inst Stores-4511	6,749,758	17,819,842	(11,070,084)	23,386,100	50,157,034	(26,770,934)	44,213,370	59,662,281	(15,448,911)
Sporting Goods Stores-45111	4,536,930	9,471,916	(4,934,986)	15,812,431	23,664,784	(7,852,354)	29,531,985	31,069,074	(1,537,090)
Hobby, Toys and Games Stores-45112	1,667,528	7,968,232	(6,300,704)	5,704,844	23,099,164	(17,394,320)	10,985,370	24,282,817	(13,297,448)
Sew/Needlework/Piece Goods Stores-45113	220,259	286,396	(66,137)	769,120	1,908,323	(1,139,203)	1,573,697	2,025,965	(452,268)
Musical Instrument and Supplies Stores-45114	325,041	93,298	231,743	1,099,705	1,484,763	(385,058)	2,122,318	2,284,425	(162,107)
Book, Periodical and Music Stores-4512	1,005,465	2,520,900	(1,515,435)	3,474,946	3,185,600	289,346	7,085,892	4,454,747	2,631,145
Book Stores-451211	954,880	2,520,900	(1,566,020)	3,302,784	3,185,600	117,184	6,745,973	4,454,747	2,291,226
News Dealers and Newsstands-451212	50,585	0	50,585	172,162	0	172,162	339,919	0	339,919
General Merchandise Stores-452	**75,503,363**	**471,910,534**	**(396,407,171)**	**257,787,530**	**568,325,603**	**(310,538,073)**	**506,948,383**	**599,090,285**	**(92,141,902)**
Department Stores Excl Leased Depts-4521	4,707,580	12,588,727	(7,881,147)	16,145,221	31,952,822	(15,807,601)	31,403,944	32,738,187	(1,334,243)
Other General Merchandise Stores-4529	70,795,783	459,321,807	(388,526,024)	241,642,309	536,372,781	(294,730,472)	475,544,439	566,352,098	2,499,100
Warehouse Club and Supercenters-452311	64,957,408	440,238,908	(375,281,500)	221,675,583	497,965,942	(276,290,358)	436,307,055	506,193,666	(69,886,611)
All Other General Merchandise Stores-452319	5,838,375	19,082,899	(13,244,524)	19,966,726	38,406,839	(18,440,113)	39,237,384	60,158,432	(20,921,047)
Miscellaneous Store Retailers-453	**13,406,426**	**20,997,273**	**(7,590,847)**	**45,736,326**	**88,529,434**	**(42,793,108)**	**89,802,632**	**111,316,801**	**(21,514,169)**
Florists-4531	686,453	1,675,517	(989,063)	2,432,251	2,507,895	(75,644)	4,728,984	5,073,517	(344,533)
Office Supplies, Stationery, Gift Stores-4532	2,143,683	5,220,662	(3,076,979)	7,410,387	10,396,606	(2,986,219)	14,679,308	13,185,867	1,493,441
Office Supplies and Stationery Stores-45321	594,609	2,383,040	(1,788,431)	2,068,789	3,766,833	(1,698,043)	4,093,535	4,228,318	(134,783)
Gift, Novelty and Souvenir Stores-45322	1,549,074	2,837,622	(1,288,547)	5,341,598	6,629,773	(1,288,175)	10,585,773	8,957,549	1,628,224
Used Merchandise Stores-4533	2,183,225	3,146,769	(963,543)	7,448,317	11,989,619	(4,541,302)	14,927,589	14,215,404	712,186
Other Miscellaneous Store Retailers-4539	8,393,065	10,954,325	(2,561,260)	28,445,371	63,635,314	(35,189,943)	55,466,751	78,842,013	(23,375,262)
Pet and Pet Supply Stores-45391	2,566,959	1,669,797	897,162	8,658,974	35,149,478	(26,490,504)	17,048,379	43,472,882	(26,424,503)
Art Dealers-45392	1,433,083	246,747	1,186,337	4,886,670	3,442,910	1,443,760	9,803,344	3,789,670	6,013,675
All Other Miscellaneous Stores-45399	4,393,023	9,037,781	(4,644,757)	14,899,727	25,042,926	(10,143,199)	28,615,028	31,579,461	(2,964,433)
Foodservice and Drinking Places-722	**85,850,644**	**206,260,948**	**(120,410,304)**	**300,114,178**	**413,638,029**	**(113,523,851)**	**595,726,515**	**572,055,777**	**23,670,738**
Drinking Places -Alcoholic Beverages-7224	2,973,885	8,559,245	(5,585,360)	10,716,746	12,767,582	(2,050,835)	21,418,832	16,316,453	5,102,378
Full-Service Restaurants-722511	41,387,230	80,753,811	(39,366,582)	145,046,499	180,066,223	(35,019,724)	288,078,345	232,862,968	55,215,377
Limited-Service Eating Places-722513	35,193,314	105,239,765	(70,046,451)	122,466,707	194,505,292	(72,038,585)	242,824,114	288,528,142	(45,704,028)
Cafeterias, Grill-Buffets, and Buffets-722514	897,017	0	897,017	3,121,494	0	3,121,494	6,188,925	0	6,188,925
Snack and Nonalcoholic Beverage Bars-722515	5,399,198	11,708,127	(6,308,929)	18,762,732	26,298,932	(7,536,200)	37,216,299	34,348,214	2,868,085

Source: Environics Analytics, Urban Partners

By comparison, stores within the 3-Mile Radius trade area sell more than **$2.4 billion** worth of retail goods annually, while that trade area's population spends approximately **$1.4 billion** on retail goods annually. This retail spending includes:

- $300.1 million in Eating and Drinking Establishments,
- $274.9 million in Food and Beverage Stores,
- $257.8 million in General Merchandise Stores,
- $141.6 million in Building Material and Garden Stores,
- $121.7 million in Health and Personal Care Stores,
- $90.1 million in Clothing and Accessories Stores,
- $45.7 million in Miscellaneous Store Retailers,
- $41.1 million in Auto Parts Stores,
- $38.4 million in Furniture and Home Furnishings Stores,
- $26.7 million in Sporting Goods, Hobby, and Book Stores, and
- $25.8 million in Electronics and Appliance Stores.

Finally, stores within the 4-Mile Radius trade area sell more than **$3.1 billion** worth of retail goods annually, while that trade area's population spends approximately **$2.7 billion** on retail goods annually. This retail spending includes:

- $595.7 million in Eating and Drinking Establishments,
- $550.0 million in Food and Beverage Stores,
- $506.9 million in General Merchandise Stores,
- $279.6 million in Building Material and Garden Stores,
- $238.3 million in Health and Personal Care Stores,
- $175.1 million in Clothing and Accessories Stores,
- $89.8 million in Miscellaneous Store Retailers,
- $77.4 million in Auto Parts Stores,
- $74.6 million in Furniture and Home Furnishings Stores,
- $51.3 million in Sporting Goods, Hobby, and Book Stores, and
- $50.5 million in Electronics and Appliance Stores.

Downtown Employee and Visitor Retail Base

As identified in the Employment Trends analysis above, total employment in the Market Study Area was estimated at more than 5,000 in 2022. Retail purchasing patterns by downtown workers vary substantially among industries. Office workers, for instance, purchase substantial amounts of retail goods and services near their workplaces; the largest of these purchases is lunch, but they also make significant purchases of convenience and shopping goods items and expend substantial sums on after-work eating and drinking. The purchasing patterns of retail workers are diverse, but at lower expenditure levels due to lower earnings. Finally, restaurant employees typically spend substantially less on near-work

retailing due to the availability of prepared food at their worksites and because they often work shifts when fewer retail establishments are open. However, these employee purchases all supplement the patronage of local residents and add significantly to the overall spending at downtown establishments, further increasing their demand.

Similarly, visitors to Hagerstown and environs contribute to the downtown economy when they patronize businesses as part of their visit. These patrons can include guests attending arts and cultural events and venues, area Civil War sites, recreational sites such as trails, and both the new Field House and Meritus Stadium, among other attractions. According to the Hagerstown/Washington County Convention and Visitors Bureau, these destinations drew more than 5 million visitors to the region in 2024, with Downtown Hagerstown at its center. As with employees, visitors spend substantial amounts on retail goods and services, particularly on eating and drinking before, during, and after their visit.

Retail Market Potential

The comparison of retail supply and demand for the trade areas reveals the retail surplus or gap/potential for additional retail stores in each category. The supply of retailing in the 1.5-Mile Trade Area exceeds demand by more than $949 million, indicating that the immediate area is significantly oversupplied for its population, and the customer base comes from beyond this 1.5-mile ring for most retail goods and services. However, for select miscellaneous retail categories, there is some limited demand that could serve local downtown residents.

The 6-Mile Trade Area contains significantly more commercial centers with retailers (including the area's malls and big box centers) and population than the 1.5-Mile Trade Area. Within this 6-mile radius, total retail supply still exceeds demand by a significant $1.1 billion surplus. Almost all retail categories remain oversupplied at this distance from the downtown. With the region's primary concentration of retail located within this area, it is logical that customers from beyond this radius would come to Hagerstown for their shopping needs beyond daily items.

Within the 12-Mile Trade Area, the store supply does not increase substantially for many retail categories since the mostly rural outer portions of the geography don't contain many retail establishments. The population, however, grows significantly. As a result, while there is still a surplus of $388 million, it is considerably less than in the other two smaller trade areas. Key retail categories within that 12-mile radius, particularly food-related, experience a significant opportunity gap that could be filled in Downtown Hagerstown with additional businesses. Combined with demand from the employee and visitor retail base, appropriate opportunities include:

- The potential to further exploit the significant number of downtown employees and visitors and supplement the current restaurant offerings with additional **food and dining establishments;** and
- Selected **miscellaneous retailing** to serve downtown residents.

Food/Dining Hub

Within the 12-Mile Trade Area, a significant opportunity exists for a variety of restaurants and establishments offering various foods. The downtown is already a regional culinary destination with such long-standing restaurants as Schmankerl Stube and Rhubarb House as well several newcomers that are creating a buzz. Adding establishments with diverse cuisine could further strengthen Downtown Hagerstown as a food and dining hub. These opportunities include:

- **Full-Service Restaurants**. Significant opportunity exists for full-service restaurants within the 12-Mile Trade Area. Over 200,000 SF of such space could be supported by the $55.2 million gap. Downtown Hagerstown could capture a significant portion of that demand.
- **Bars/Drinking Places**. With a gap of $5.1 million, bars, particularly ones offering live music and entertainment, could be supported totaling up to 18,000 SF of space.
- **Coffee Shop/Ice Cream Shop**. A gap of $2.9 million in the Snack and Nonalcoholic Beverage Bars category could support an additional coffee shop and ice cream shop totaling up to 9,000 SF of store space that could supplement the popular Cannon Coffee.
- **Specialty/Fresh Food Store**. The retail data suggests that $6.5 million in specialty food stores expenditures are leaking from the 12-Mile Trade Area annually. This category includes stores that sell fresh fruits, vegetables, and meats. The leakage can support 22,000 SF of fresh food store space that could complement nearby Cameron's Seafood, a regional destination.

Miscellaneous Retailing

There are limited gaps in supply within the 1.5-Mile Trade Area in some miscellaneous retail categories that could serve the Downtown Hagerstown population, as well as residents from outside the downtown area and visitors, including:

- **Home Furnishing Store.** An opportunity exists for a small home furnishing stores in in Downtown Hagerstown. The $0.5 million gap translates to approximately 2,000 SF in store space.
- **Pet Store**. A $0.7 million gap in retail supply exists for pet stores. This leakage can support a 3,000 SF store.

- **Art Dealer.** The data indicates that $0.9 million in expenditures on art are leaving the Trade Area annually. This leakage can support 2,000 SF of gallery space that could complement the theme of the Arts and Entertainment District. This opportunity grows to 13,000 SF of space at the 12-Mile Trade Area. Art dealers could appeal to visitors as well as area residents.

While such retailers could potentially locate anywhere within the Trade Area—including near other retail concentrations such as the Valley Mall—these opportunities are appropriate for a revitalizing Downtown Hagerstown. In general, they would be smaller store types that could occupy any vacant storefronts of downtown commercial buildings.

7. Hotel Market Analysis

The hotel market analysis area for a potential Downtown Hagerstown hotel focuses on an area that extends approximately four miles from Downtown. There are currently no hotels in the Downtown Study Area, but there are 21 properties located between one and three and one-half miles of Downtown. Six of these properties are considered "Economy" and three are classified as "Independent." These were excluded from the analysis. The remaining 12 hotels are predominantly considered "Upper Midscale" (Holiday Inn Express, Hampton Inn, Comfort Inn & Suites, Fairfield Inn, etc.), but three are considered "Upscale" (Courtyard, Springhill Suites, Homewood Suites) and two are considered "Midscale" (Quality Inn, Sleep Inn). Most of these hotels are located either at exits of Interstate 81 or along the Dual Highway (U.S. 40) as it approaches Downtown Hagerstown from the east from Interstate 70.

In the past ten years, two new hotels have entered the market—the 105-room Home2Suites in 2019 and the 96-room Fairfield Inn in 2022. Two older properties transitioned from chain-designated to independent status and are now considered less competitive. At the current time, this pool of 12 properties includes 1,178 rooms. However, an additional 100 rooms will be added in Spring 2026 when the now under-construction Tru by Hilton comes online.

Using STR Global as the source, we obtained data on these 12 hotel properties. In total, hotel room demand in the Downtown Hagerstown area for this quality accommodation grew from 259,786 room-nights in 2017 to 309,126 in 2023, a total growth of 19% in the six years (see Table 29).

Table 29: Downtown Hagerstown Area Hotel Performance

Year	Supply (Room Nights)	Demand (Room Nights)	Occupancy (%)	Average Room Rate
2017	352,251	259,786	73.8%	$96.53
2018	355,875	260,212	73.1%	$100.89
2019	381,600	262,240	68.7%	$103.57
2020	388,344	183,619	47.3%	$92.65
2021	394,200	276,018	70.0%	$106.17
2022	420,600	308,681	73.4%	$116.76
2023	429,240	309,126	72.0%	$122.89
2024	429,362	295,591	68.8%	$129.13
2025 (7 mo.)	249,736	171,262	68.6%	$131.01

Source: STR Global, Urban Partners

Room supply grew as well during this period from 352,251 room-nights in 2017 to 429,240 in 2023, a total growth of 22%. As noted above, the growth in supply during this period involved two properties opening in 2019 and 2022. There has been some slippage in demand during

the past 18 months, mostly concentrated in the off-peak winter months. Summer period demand has remained strong—July 2025 occupancy was 79.9%. This analysis period includes the 2020 Covid pandemic year, when overall occupancy dropped to 47.3%. In general, however, occupancy has been strong in the 69% to 74% range. During this period, room rates have grown 34%--rising from $96.53 in 2017 to $129.13 in 2024. This exceeded overall inflation during this period of 28%.

Room demand is generally even during the Monday through Saturday period, with Sundays significantly weaker. Demand is seasonal: occupancy during April through October, 2024, averaged 74.9%, versus 60.3% for November through March.

Hotel Market Potential

From 2017 to 2023, the annual growth in demand was 8,200 room-nights per year. The additional supply from the introduction of the higher quality Fairfield and Home2Suites was fully absorbed with occupancy remaining above 72% in 2022 and 2023. This suggests that improved quality of supply triggered at least some positive incremental demand response.

If we assume that an annual average room-night increment in demand in the 5,000 to 8,000 range continues for several years and that 65% is a healthy average occupancy rate, then we can conclude that the new Tru by Hilton can be absorbed in the market by the end of 2026 and that the Hagerstown area can absorb 60-100 new hotel rooms every two-three years, beginning in 2027 or 2028. This demand could potentially be accommodated in a downtown hotel.

Figure 18: Examples of Boutique-Style Downtown Hotels with Corporate Brands

Moxy by Mariott in Downtown Richmond, VA

Canopy by Hilton in Downtown Ithaca, NY

Source: Mariott, Hilton

8. Office Market Analysis

To identify the potential for new office/commercial space in Downtown Hagerstown, Urban Partners examined office market conditions in and around the Market Study Area. We researched the variety of multi-tenant office space available in the area to understand the types of units, amenities, and rents being commanded as an indication of what could be expected for comparable space in a new office building. As of August 2025, we found 11 buildings offering office space that is available for rent (see Table 30).

Table 30: Office Space Available for Rent in the Downtown Study Area, 8/2025

Address	Class	Year Built	Max Available SF	Gross Leasable SF	Listed Rent ($/SF/YR)	Lease Type	% Building Vacant
100 Summit Ave.	B	1979	58,832	58,832	N/A	TBD	100.0%
24 Jonathan St.	C	1898	12,300	13,300	N/A	NNN	92.5%
20 W. Washington St.	C	1900	11,005	34,220	N/A	NNN	32.2%
100 W. Franklin St.	C	1932	7,450	33,816	$20.00	NNN	22.0%
5 Public Square	C	1920	5,664	42,000	N/A	NNN	13.5%
10 Public Square	B	1982	3,567	5,317	$12.00	NNN	67.1%
33 W. Franklin St.	B	1930	1,434	19,831	$20.00	Full Service Gross	7.2%
2 S Potomac St.	B	1928	1,089	10,576	N/A	TBD	10.3%
223 N. Prospect St.	B	1900	1,000	43,788	N/A	Full Service Gross	2.3%
21 S. Potomac St.	A	N/A	988	27,998	$30.36	Full Service	3.5%
119 King St.	C	1903	185	2,754	$25.95	Full Service	6.7%

Source: Google, Loopnet.com

The downtown office building with the most amount of available office space among the listings is 100 Summit Avenue, the former Herald Mail building. This 59,000 SF Class B building is 100% vacant and available in its entirety. Rent is currently not advertised and the lease type is to be determined. It is a multi-use office building with several potential uses. Several mixed-use redevelopment concepts have been identified for the property, including restaurant, retail, condos, apartments, conference center, and hotel. The location is ideal, situated on the same block as Meritus Park and across the street from the new Hub City Garage. The site is also being considered for a new courthouse.

The available space with the highest advertised rent in the downtown is 21 S. Potomac Street, located in the Maryland Theater, listed at $30.36 per square foot per year (SF/YR) for a full-service lease. With just 1,000 SF available among the building's 28,000 SF of space, it is just 3.5% of the building's total area and the downtown's only advertised Class A office space. It is an open floor plan with one small private office and storage room. It is immediately adjacent to a shared conference room with direct access to this space. The lease includes discounted rates for use of the ballroom or historic auditorium, if desired.

As Table 30 above indicates, there are several other office buildings in the Market Study Area with available space (see Figure 19). Sizes range from just 185 SF to more than 12,000 SF with listed rents ranging from $12.00 to $25.95 for a variety of lease types, including triple net (where tenant pays all utilities, taxes and insurance), and full service. Class types include B and C. Vacancy rates range from less than 2% to 93%. Typical amenities include conference rooms, kitchenettes, nearby garage parking, on-site retail, and proximity to Meritus Park and other downtown attractions.

Figure 19: Buildings with Office Space Available for Rent in the Market Study Area

Herald Mail Building – 100 Summit Avenue

Baldwin Building – 24 Jonathan Street

Grand Piano Building – 20 W. Washington Street

The Franklin Building – 100 W. Franklin Street

Professional Arts Building – 5 Public Square

10 Public Square

Franklin Plaza – 33 W. Franklin Street

2 S. Potomac Street

Westview Center – 223 N. Prospect Street

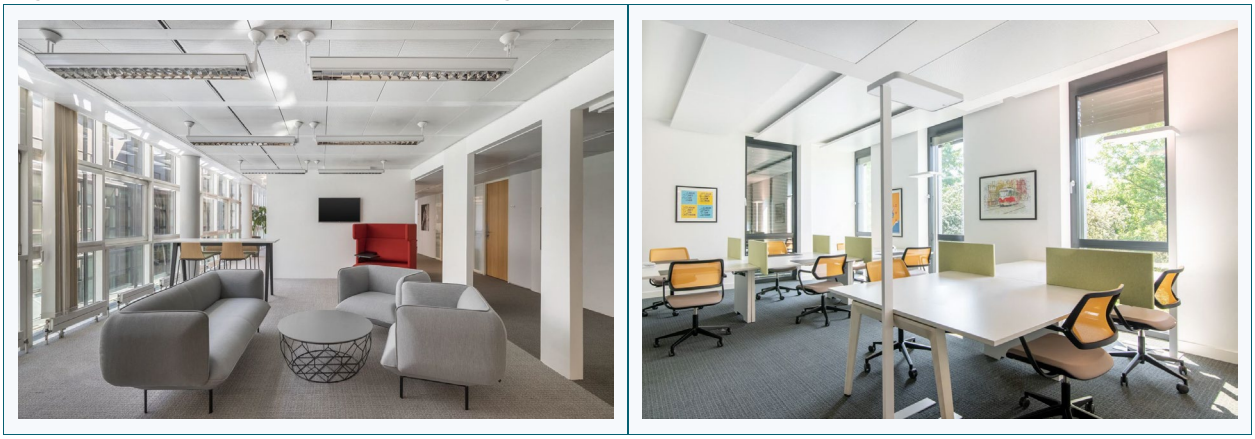
Maryland Theater Office Space – 21 S. Potomac St.

Source: Loopnet.com

In addition to traditional office space, the Market Study Area also has three co-working spaces—HQ, Urban Works, and AEON Virtual Office. HQ, is located at 33 W. Franklin Street

at Franklin Plaza (see Figure 20). HQ offers private, fully furnished and equipped offices for one person or an entire company. Options range from custom office spaces to temporary office spaces and day offices. Flexible co-working spaces are also offered with reserved dedicated desks or drop-in "hot desks" available in real time. Meeting rooms come with the latest technology and a support team for troubleshooting. HQ also offers a virtual office option, providing a real office address with mail forwarding and call answering services. Membership includes wireless internet, use of printer/scanner, and use of common lounge areas.

Figure 20: Examples of HQ Coworking Spaces



Source: HQ

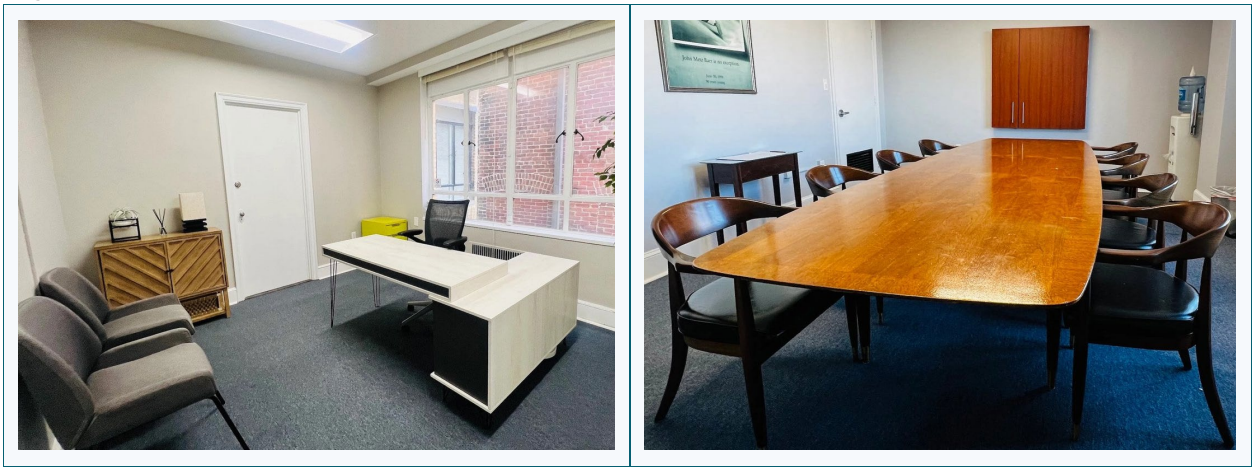
Urban Works is another co-working space in the Downtown Study Area, located at 6 W. Washington Street (see Figure 21). Through various memberships, Urban Works offers office space for rent by the day, week, or longer. Basic membership includes furnished space, vending machines, and restroom access. Storage, receptionist services, and meeting rooms with high-tech AV equipment are available with upgraded memberships.

Figure 21: Examples of Spaces at Urban Works

Source: Urban Works

The other co-working facility, more of a virtual office called AEON Virtual Office, is located at 5 Public Square (see Figure 22). As a virtual office, AEON offers a real business mailing address, virtual mailbox, mail forwarding, printing services, public notary, and package pick-up. In addition, AEON allows private day office space to be rented temporarily with no long-term commitments. Private meeting room space can be booked as well by the hour or day.

Figure 22: Examples of Spaces in the AEON



Source: AEON Virtual Office

Office Market Potential

Our research of the commercial/office market indicates that among the advertised spaces for rent in the Market Study Area, there are a significant number of smaller office space footprints currently available for rent as of August 2025, ranging from 185 SF to 12,300 SF. These spaces are listed for rents ranging from $12.00 to $30.00 per SF in a variety of office settings, including larger historic/renovated commercial buildings as well as former homes-turned-office buildings. Most are categorized as Class B and C. It appears that the supply of smaller mid-quality office space is therefore adequate for its demand. This space could appeal to the professionals affiliated with city and county governments and courts, particularly attorneys. At the same time, Downtown Hagerstown is home to two co-working spaces that offer several short- and long-term office space options from daily to monthly or yearly. As the two sites continue to grow in membership, it appears that demand is not quite sufficient to support a third co-working location in the downtown.

On the other hand, there are currently limited opportunities for a business in need of a floorplate larger than 12,000 square feet that's move-in ready or a total building size of more than 30,000 square feet to accommodate a large company or agency that's move-in ready. Furthermore, no available space of that size meets Class A or higher-quality standards. This scale of office development would require a committed user. To attract this larger dedicated tenant, Downtown needs to offer a well-situated site that could accommodate a building of

this magnitude. The site then needs to be heavily marketed to prospective companies potentially seeking new Class A build-to-suit space.

9. Entertainment Market Analysis

Urban Partners examined opportunities to expand the region's entertainment-oriented uses within Downtown Hagerstown that could appeal to students, local families, and visitors to the region while complementing the existing attractions of the Arts & Entertainment District. Potential uses examined include a small movie theater and bowling alley.

Movie Theater

As part of the cultural/entertainment market analysis, we examined the potential for a movie theater in Downtown Hagerstown. Within the 12-Mile Trade Area used for the retail analysis, there are three movie theaters (see Table 31). The largest is Regal Valley Mall with 16 screens. Warehouse Cinemas in Leitersburg has 10 screens, while the historic Waynesboro Theatre in Waynesboro, PA has one screen. Together these theaters have a total of 27 screens.

Table 31: Movie Theaters Located Within 12 Miles of Downtown Hagerstown

Name	Address	Location	# of Screens	Distance (Mi.)
Regal Valley Mall	17301 Valley Mall Road	Hagerstown	16	3
Warehouse Cinemas	20145 Leitersburg Pike	Leitersburg	10	4
Waynesboro Theatre	75 W. Main Street	Waynesboro	1	11

Source: Google Maps, Theater Websites

Based on data from the Cinema Foundation, there were approximately 39,000 movie screens in the United States in 2022, down from more than 41,000 in 2019. Based on the 2022 U.S. population, this amounts to a standard of approximately 1 movie screen per 8,500 people. According to the U.S. Census Bureau, population within the 12-Mile Trade Area was 188,258 in 2020. Under the screen per capita standard, the Trade Area would provide sufficient demand to support approximately 22 screens, five less than its current supply of 27, creating a slight oversupply.

Figure 23: Movie Theaters Located Within 12 Miles of Downtown Hagerstown

Regal Valley Mall

Warehouse Cinemas

Waynesboro Theatre

Source: Google, Theater Websites

Movie Theater Potential

Based on this analysis, it appears that the greater Hagerstown region is currently overserved by movie facilities. However, a small and unique theater could still potentially be a complementary use in Downtown Hagerstown, specifically a single cinema that could supplement other entertainment and cultural activities taking place in the Arts & Entertainment District. Several concepts exist for this type of movie theater, including a "micro cinema", a movie tavern, and a non-profit community-based theater.

The first is a "micro cinema". This term refers to a small theater operating on a limited budget that shows independent art house-type films. An example is Cinema 16:9 that was located at the Lansdowne Theater in Lansdowne, PA. While the Lansdowne continued a long process of fundraising and rehabilitation to recently reopen as a live performance theater, Cinema 16:9 occupied a storefront portion of the Theater and operated three micro cinemas (10, 40, and 60 seats).

Another potential model for an alternative movie theater in Downtown Hagerstown is a movie tavern, an in-theater dining concept that combines "dinner and a movie." It offers wait service and allows guests to eat and drink before, after, or during a movie being viewed. National brands for this type of concept exist, including Movie Tavern and AMC's Fork and Screen. These models tend to locate in areas with larger populations. However, a small independently-owned version run by a local entrepreneur could be a good fit for Downtown Hagerstown.

A non-profit community-based movie theater model is another option. Renew Theaters, Inc. is a non-profit organization that operates four historic theaters in the Philadelphia area, each located in traditional downtowns. Each theater is a separate 501(c)(3) tax-exempt corporation and has its own local Board of Directors and separate finances. The Waynesboro Theater is a similar model.

Bowling Center

As part of the entertainment market analysis, we also examined the potential for a small bowling center in Downtown Hagerstown. Within Downtown Hagerstown's 12-Mile Trade Area, there are two bowling centers (see Table 32). Southside Bowl on Virginia Avenue has 18 lanes while Seven Ten on Leitersburg Pike has ten, for a total of 28 lanes.

Table 32: Bowling Centers Located Within 12 Miles of Downtown Hagerstown

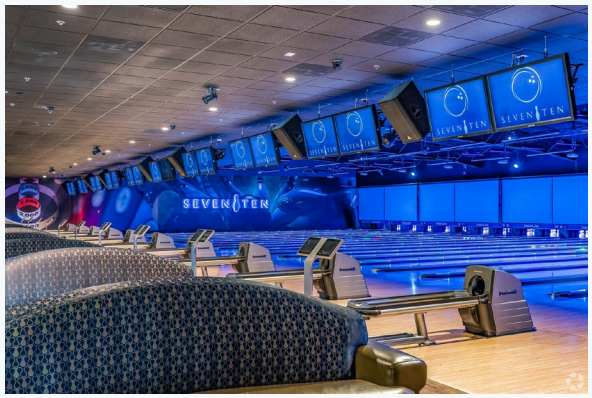
Name	Street	Location	# of Screens	Distance (Mi.)
Southside Bowl	17325 Virginia Avenue	Hagerstown	18	3
Seven Ten	19330 Leitersburg Pike	Hagerstown	10	2

Source: Google Maps, Bowling Center Websites

According to research conducted by Statista[1], there were approximately 2,800 bowling centers with an average of 59,000 lanes operating in the United States in 2023. Based on the 2022 U.S. population, this amounts to a standard of approximately one bowling lane per 5,600 people. According to the U.S. Census Bureau, population within the 12-Mile Trade Area was 188,258 in 2020. Under the bowling lane per capita standard, this area would provide sufficient demand to support 34 lanes, six more than the current supply of 28.

Figure 24: Bowling Centers Located Within 12 Miles of Downtown Hagerstown

Southside Bowl



Seven Ten

Source: Google, Bowling Center Websites

Research indicates that the makeup of the industry has changed during the past ten years. In general, as older centers closed, they were replaced by new and more diversified operations. The majority of newly-constructed establishments combine bowling with a range of other recreational activities—such as dining, live music, and additional entertainment features including simulated golf and axe throwing—to create family entertainment centers. Stratosphere Social is such a facility, slated to open in Hagerstown outside of Downtown in 2026. Its other location in Eldersburg has eight bowling lanes.

Bowling Center Potential

Based on this analysis, despite the additional bowling lanes that will be introduced to the market with the opening of Stratosphere Social, it appears that Downtown Hagerstown could support a small bowling center due to the existing undersupply of bowling lanes within the 12-mile radius. As with a cinema, a small bowling alley—particularly one combined with other offerings such as a restaurant, bar, and live music—could supplement the concentration of other entertainment and cultural activities taking place in the Arts & Entertainment District and provide an experience that cannot be found in a suburban location, including a venue like Stratosphere Social.

[1] *Statista is a global data and business intelligence platform with an extensive collection of statistics, reports, and insights on over 80,000 topics from 22,500 sources in 170 industries.*

APPENDIX 1: FULL DOWNTOWN RETAIL INVENTORY

Address	Street	Business Name	Type of Business
160	S. Potomac	Copper Kettle	Antique Stores
125	E. Baltimore	JunkWorks Antiques	Antique Stores
36	S. Potomac	Washington County Arts Council Gallery	Art Dealers
38-42	Summit	Just Lookin' Gallery	Art Dealers
223	W. Franklin	Sportsman's Den	Bars and Lounges
231	W. Franklin	Friendly Pub	Bars and Lounges
37	S. Potomac	Good Libations	Bars and Lounges
49	S. Potomac	Vibez Lounge	Bars and Lounges
54	S. Potomac	Meinelschmidt Distillery	Bars and Lounges
101	Summit	Alpine Cocktail Bar	Bars and Lounges
25	W. Church	Hub City Brewery	Bars and Lounges
158	S. Mulberry	The Corner Pub	Bars and Lounges
10	Public Square	Gardenbelle Shop	Clothing Stores
6	W. Washington	Bubby's Closet	Clothing Stores
34	E. Washington	CLD Church Boutique	Clothing Stores
200	W. Franklin	7-Star Mini Market	Convenience Stores
17	E. Franklin	Hub City Convenience Store	Convenience Stores
167	S. Potomac	Penny Mart	Convenience Stores
25	E. Antietam	Carmen's Corner Store	Convenience Stores
101	E. Washington	Penny Mart	Convenience Stores
8	S. Walnut	Horizon Corner Store	Convenience Stores
50	E. Franklin	S&K Mercadito Latino	Convenience Stores
20-22	W. Franklin	La Bodega Market	Convenience Stores
101	N. Potomac	Glorified Beauty Supply Braiding & Weaving	Cosmetics, Beauty Supply Stores
45-47	W. Franklin	Busy Bee's Beauty Supply	Cosmetics, Beauty Supply Stores
37.5	E. Baltimore	Joe Hair Beauty	Cosmetics, Beauty Supply Stores
225	E. Franklin	Dollar General	Dollar Stores/General Merchandise Stores
29	N. Cannon	Express Pharmacy	Drug Stores/Pharmacies
116	W. Franklin	Metro by T Mobile	Electronics Stores
36-40	N. Jonathan	Azad Oriental Rug Emporium	Floor Covering Stores
4	E. Franklin	Bangkok on Franklin	Full-Service Restaurants
204	E. Franklin	Sibara Catering and Global Café	Full-Service Restaurants
28	W. Franklin	Broad Axe	Full-Service Restaurants
71	W. Franklin	The Real Deal Jamaican Restaurant	Full-Service Restaurants
101-105	W. Franklin	Franklin Street Café & Grill	Full-Service Restaurants
40	N. Potomac	Rice Thai Dining	Full-Service Restaurants
28	S. Potomac	Prohibition Hub	Full-Service Restaurants
56-58	S. Potomac	Schmankerl Stube	Full-Service Restaurants
12 - 16	Public Square	Rhubarb House	Full-Service Restaurants
20-22	Public Square	The Dog House Bar and Grill	Full-Service Restaurants
10 - 12	E. Washington	Sofrito Puerto Rican Cuisine	Full-Service Restaurants
40	E. Washington	Taste of Reggae	Full-Service Restaurants

20	W. Washington	Pretzel and Pizza Creations	Full-Service Restaurants
53	W. Washington	Baile Cask and Kettle	Full-Service Restaurants
38	S. Potomac	Veva's on Potomac	Full-Service Restaurants
57	S. Potomac	Motherland Kitchen and Catering	Full-Service Restaurants
28	E. Baltimore	Hub City Vinyl	Gift, Novelty, Souvenir Stores
32	E. Washington	Balloons and Rose Creation LLC	Gift, Novelty, Souvenir Stores
9	Public Square	Create a Candle	Gift, Novelty, Souvenir Stores
52	E. Franklin	Xander's Barbershop	Hair Salons
51	E. Franklin	Hope's Hair Boutique	Hair Salons
6	W. Franklin	Hairstyles by Sandra	Hair Salons
7-11	W. Franklin	Un-B-Weavable Beauty Salon	Hair Salons
107-109	W. Franklin	Studio Styles by Santana	Hair Salons
110-112	W. Franklin	Braids by Ticia	Hair Salons
217	W. Washington	Kinky Twist	Hair Salons
22	N. Mulberry	Tailor Made	Hair Salons
100	N.Potomac	Clippers Barber Shop	Hair Salons
130	N. Potomac	Beauty Palace	Hair Salons
140	N. Potomac	Clippers Deluxe Barbershop n Salon	Hair Salons
38	E. Washington	Baker's Barber Shop	Hair Salons
200	E. Washington	New Beginnings	Hair Salons
54	S. Potomac	Cape and Blade	Hair Salons
54	S. Potomac	Journey Hair Lounge	Hair Salons
31	E. Frankllin	Universal Laundry	Laundries; Dry Cleaning
151	S. Potomac	Hub Bubbles	Laundries; Dry Cleaning
21-23	N. Locust	Catrachos Restaurant	Limited-Service Restaurants
141	N. Prospect	Dominos	Limited-Service Restaurants
2	S. Potomac	Cannon Coffee	Limited-Service Restaurants
41	S. Potomac	Tribe Cold Press Juice Bar	Limited-Service Restaurants
55	W. Franklin	Island Twist Juicebar	Limited-Service Restaurants
2	W. Washington	Royal Tea Boba and Sweets	Limited-Service Restaurants
96	W. Washington	96 Royal Cream and Coffee	Limited-Service Restaurants
54-56	W. Church	Market Lot Liquors	Liquor and Beer Distributors
31-33	E. Franklin	Universal Liquors	Liquor and Beer Distributors
14	W. Franklin	Hub City Thrift	Other Used Merchandise Stores
47	E. Washington	Washington Street Pawnbrokers	Other Used Merchandise Stores
35	N. Prospect	Gold and Silver Exchange	Other Used Merchandise Stores
215	W. Church	The Hope Center Thrift Store	Other Used Merchandise Stores
67	E. Franklin	Potomac Seafood	Specialty Food Stores
222	E. Washington	Lillian's Bakehouse	Specialty Food Stores
201	E. Franklin	The Flour Alchemist	Specialty Food Stores
301	W. Franklin	Tropical Mercado Latino	Supermarkets, Grocery Stores
18	W. Franklin	Atomic Comics	Toy and Hobby Stores
1	N. Potomac	The Yarn Shop	Toy and Hobby Stores
39	N. Potomac	NeverBored Games	Toy and Hobby Stores

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Preliminary Agenda Review

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
January_20__2026_Preliminary_Agenda.pdf	Preliminary Agenda

MAYOR AND CITY COUNCIL
REGULAR SESSION
(29TH VOTING SESSION)
JANUARY 20, 2026
AGENDA

Vision Statement:

The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe and vibrant neighborhoods."

Mission Statement:

"We are dedicated to creating a thriving community where diversity is celebrated, economic development flourishes, and the quality of life is enhanced through collaborative and consistent representation."

PRELIMINARY

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

****

7:00 p.m. REGULAR SESSION – *Council Chamber, 2nd floor, City Hall*

I. CALL TO ORDER - Mayor William B. McIntire

II. INVOCATION

III. PLEDGE TO THE FLAG

IV. ANNOUNCEMENTS

A. Rules of Procedure – *Effective November 18, 2025*
B. Use of cell phones during meetings is restricted.
C. All correspondence for distribution to Elected Officials should be provided to the City Clerk and should include a copy for the City Clerk for inclusion in the official record.
D. Meeting Schedule:
   1. Tuesday, February 3, 2026 – Work Session at 4:00 p.m.
   2. Tuesday, February 10, 2026 – Work Session at 4:00 p.m.
   3. Tuesday, February 17, 2026 – Work Session at 4:00 p.m.
   4. Tuesday, February 24, 2026 – Regular Session at 7:00 p.m.

V. PROCLAMATIONS

Catholic Schools Week
Law Enforcement Appreciation Day
Martin Luther King, Jr. Day

VI. CITIZEN COMMENTS

Thirty minutes (30) are allotted for Citizen Comments for items germane to City of Hagerstown business.

Anyone wishing to speak during a Regular Session must pre-register using the form found on the City's website: www.hagerstownmd.org no later than twenty-four (24) hours prior to the scheduled start of the meeting. Failing to pre-register accurately may result in a speaker not being permitted to speak. Speakers will be called in the order they pre-registered. Each speaker will be permitted to speak for three (3) minutes.

VII. MINUTES

December 2, 2025, December 9, 2025 and December 16, 2025

VIII. CONSENT AGENDA

A. Engineering:
1. Greens at Hamilton Run - Hole #5 Relocation -- Beachy Companies (New Market, MD) $ 258,188.00
2. 2025 - 2026 Tree Planting Program -- Botanica Enterprises (Boonsboro, MD) $ 77,750.00

B. Communications:
1. Website Annual Fee Renewals -- CivicPlus LLC (Dallas, TX) $ 14,746.05

C. Information Technology:
1. Barracuda Essentials Compliance Edition Annual Software Renewal - System Source (Hunt Valley, MD) $ 39,744.38
2. ESO Fire RMS - Incident Management Annual Software Renewal -- ESO Solutions (Dallas, TX) $ 22,655.84

D. Police:
1. Viewport Rifle Shield Level III+ -- Safeware, Inc. (Lanham, MD) $ 25,012.98
2. 2025 Ford Interceptor AWD -- Keystone Ford (Chambersburg, PA) $ 45,800.00
3. Ideagen/Qualtrax Annual Subscription for January 2026 through January 2027 -- Ideagen/Qualtrax (Sunrise, FL) $ 14,459.93
4. Omnigo Software - Physical Evidence Base & License -- Omnigo Software, LLC (St. Louis, Mo) $ 16,859.20

E. Public Works:
1. Landscape Bed and Ground Maintenance – Custom Landscape Management, Inc. (Boonsboro, MD) $ 114,727.25

IX. UNFINISHED BUSINESS

There is no Unfinished Business

X. NEW BUSINESS

A. Approval of a Resolution: Amendment to Contract with Verra Mobility – Red Light Camera Contract
B. Approval of a Resolution: Eastern Panhandle Swim Club User Agreement
C. Approval of a Resolution: Deed of Easement for Speed Camera on Marshall Street
D. Approval of a Resolution: Deed of Easement for Speed Camera on Pennsylvania Avenue
E. Approval of a Resolution: Approval for the City to Serve as Co-Applicant for HUD Choice Neighborhoods Implementation Grant
F. Approval of the Retainer Agreement City Legal Services with Salvatore Morton

Continued on Page 3

G. Approval of the Contract with The Ferguson Group
H. Approval of 10-Year Downtown Plan & Implementation Strategies
I. Approval of Lease Holdover Extension – Maryland Department of Labor
J. Approval of Memorandum of Understanding – State Highway Administration

XI. CITY ADMINISTRATOR COMMENTS

XII. MAYOR & COUNCIL COMMENTS

XIII. ADJOURN

Some items that have been discussed and reviewed previously, or are of a routine nature, may not have additional information attached to this agenda.

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Meter Transceiver Units (MXUs) Trade-In Program with LB Water – Nancy Hausrath, Director of Utilities and Tyler Puffenberger, Deputy Director of Water and Wastewater

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
MXU_Trade-In_Program_Memo.docx	MEMO MXU TRADE IN PROGRAM
MOTION_MXU-Trade-In_Program.docx	MOTION MXU TRADE IN
Hagerstown_-_Quote_2045640_-_Trade_In_MXU.pdf	QUOTE MXU TRADE IN

CITY OF HAGERSTOWN, MARYLAND

Utilities Department
1 Clean Water Circle • Hagerstown, MD 21740
Telephone: 301-739-8577, ext. 650
Website: www.hagerstownmd.org

Memorandum

To: Scott Nicewarner, City Administrator

From: Tyler Puffenberger, Deputy Director of Water & Wastewater

Subject: MXU Trade-In Program LB Water– Water Division

Date: January 6, 2026

LB Water, our supplier of Meter Transceiver Units (MXUs), is offering a trade-in program to transition customers to the newer style M-series radio units. As part of the program, LB Water is offering a 12% discount on the purchase of the new M-series radios.

An MXU (Meter Transceiver Unit) for water meters is a battery-powered radio device attached to a water meter that wirelessly transmits usage data, enabling automated meter reading (AMR) or advanced metering infrastructure (AMI) for utilities to get accurate readings without physically visiting the meter.

MXUs have a 20-year battery life that begins at the time of manufacture. Many of our older R-series MXUs were manufactured in 2013 and 2014, meaning they have roughly 11 years of battery life remaining — at best. This results in frequent change-outs, which demand a significant amount of staff time.

Another note is that the R-series equipment is reaching end of life. The equipment is no longer going to receive support in 2028. The warranty is 20 years, 15 full/5 pro-rated. It is based on the manufacture date. The battery life is 20 years, also based on the manufacturer's date.

As of August 2025, we have a total of 3,237 R Series Single-port (older style) units. The attached quote has a total of 3,000 units for the trade-in program.

Attached is a memo from LB Water with additional details, along with a quote outlining the total cost associated with the trade-in.

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

DATE: **January 20, 2026**

TOPIC: **Approval of Sensus MXU Trade-In Program**

Charter Amendment	_____
Code Amendment	_____
Ordinance	_____
Resolution	_____
Other	___X___

MOTION:

I hereby move for Mayor and Council to approve the request for the Sensus MXU Trade-In Program through LB Water. LB Water is our supplier of Meter Transceiver Units (MXUs), and they are offering a trade-in program to transition customers to the newer style M-series radio units. As part of the program, LB Water is offering a 12% discount on the purchase of the new M-series radios.

DATE OF PASSAGE: 1/20/2026
EFFECTIVE DATE: 1/20/2026

QUOTATION

L/B Water Service, Inc.
7111 GEOFFREY WAY
FREDERICK, MD 21704
301-874-2560

Quote Number	
2045640	
Quote Date	Page
02/12/2025	1 of 1

Quote Expires On: 02/27/2026

Proposal Submitted to: 12865

CITY OF HAGERSTOWN
ATT: LAURIE MARTIN
51 WEST MEMORIAL BLVD.
HAGERSTOWN, MD 21740

301-791-2690

Ship To:

CITY OF HAGERSTOWN
WATER DEPARTMENT
51 WEST MEMORIAL BOULEVARD
HAGERSTOWN, MD 21740
US
Requested By: Tyler Puffenberger

PO/Job Name	Salesperson	Entered By
MXU TRADE-IN	Travis Shover	BRYAN_AVERY

Quantity Quoted	UOM	Item ID / Item Description	Unit Price	Extended Price
3,000.00	EA	MXU520M-TC-1 FLEXNET MIGRATEABLE MXU - PIT VERSION TOUCHCOUPLER SINGLE PORT	$170.00	$510,000.00

This quotation may include pricing for imported products that are not in our inventory. Due to the recently imposed tariffs and fluctuating market conditions, we cannot guarantee pricing of imported products that are not currently in our inventory. This quotation is strictly for budgetary purposes and represents pricing based on the current market conditions but is subject to change. Thank you for your patience and understanding.

Total Lines: 1

SUB-TOTAL:	510,000.00
TAX:	0.00
EXTENDED QUOTE $$:	**510,000.00**

L/B Water Service, Inc.
TERMS AND CONDITIONS OF SALE

Please see full terms and conditions at www.lbh2o.com. These terms and conditions (these "Terms") apply to the purchase and sale of products ("Goods") from L/B Water Service, Inc. (the "Seller") and are subject to change by Seller without prior written notice at any time, at Seller's sole discretion. Any purchases by Purchaser after written notice by Seller of such changes either via its website or other writing will constitute Purchaser's acceptance of and agreement to the Terms.

I/we, _____, hereby agree to purchase the goods presented on this quotation and to accept the terms and conditions listed above.

_____ _____ _____
Signature Title Date

LB Water™

We Make Water Work™

100% EMPLOYEE OWNED

LB WATER – FREDERICK
7111 Geoffrey Way
Frederick MD, 21704
P: 301.874.2560 | F: 301.874.4795
lbfrd@lbh2o.com

November 1, 2025

Subject: Sensus MXU Trade-In Program

Supplier: L/B Water Service, Inc.

Customer: City of Hagerstown

Mr. Puffenberger,

In an effort to more quickly move customers to the newer "M" series SmartPoints (radios), Sensus is offering a trade-in program for "R" series MXU's. The trade-in allowance for the R unit equates to about a 12% discount off of the purchase of an "M" radio. Please see the attached quote. As of now, orders must be placed my March 31, 2026. Sensus may opt to extend that date, depending on the success of the program. The MXU's must be at least ten years old and be returned in pallet quantities (18 cases/486 units). There are no limits on quantities. We would need the serial numbers ahead of time, because the program is being run through the Sensus RMA department and requires pre-shipment serial number verification. We can probably obtain that info pretty easily with a barcode scanner from the labels on the boxes of MXU's in your warehouse. If this is something you'd like to pursue, I'd be happy to come down and assist in gathering the info and working out the details. Please reach out with any questions.

Kind regards,

Bryan Avery

L/B Water Technical Sales Consultant

Central & Western MD/Central PA

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Review of Lease Holdover - Development of Labor, Licensing and Regulation - *Doug Reaser, Economic Development Manager*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
011326_WS_2-6_N_Potomac.pdf	Review of Lease Holdover - Development of Labor, Licensing & Regulation

TO: Scott Nicewarner, City Administrator

FROM: Doug Reaser, Economic Development Manager

DATE: January 6, 2026

RE: Review of Lease Holdover – Department of Labor, Licensing and Regulation

Staff will attend the January 13, 2026 Mayor & Council Work Session to review a lease holder letter with the State of Maryland.

Background

Maryland Department of Labor, Licensing and Regulation currently leases approximately 11,140 square feet located at 2-6 N Potomac (Elizabeth Hager Center) from the City.

- Department of General Services has requested an additional extension of a holdover request of the lease from January 29, 2007.
- This will be the 7th holdover request as the 6-month term ends from January 31, 2026. The new term will be from February 1, 2026 – July 31, 2026.
- Current rent is $167,100 per year ($15/ft). State and City are acting in good faith and all rental payments are current.

Staff seek direction from Mayor and Council on proceeding with the letter to extend the lease holdover.

Attachments: Holdover Letter, Draft Motion

c. Jill Thompson
Michelle Hepburn
Eric Deike
Jim Bender

CITY OF HAGERSTOWN, MARYLAND

William B. McIntire
Mayor
One East Franklin Street • Hagerstown, MD 21740
E-mail: mayor@hagerstownmd.org
Telephone: 301.766.4161 • TDD: 301.797.6617 • Website: www.hagerstownmd.org

January 20, 2026

Mrs. Ilona Ghine, Chief
Lease Management and Procurement Department of General Services
Office of Real Estate
300 W. Preston St., Suite 601
Baltimore, MD 21201

RE: DGS File 3231 Extended Holdover

Dear Mrs. Ghine:

Mayor and City Council of Hagerstown, Maryland, (hereinafter called the "Lessor"), and the State of Maryland, (hereinafter called the "Lessee") to the use the Department of Labor, Licensing and Regulation, Division of Occupational Health, are parties to that certain Lease dated January 29, 2007 {the "Lease") for the lease of the building located at 14 N. Potomac Street, Hagerstown, Maryland.

Pursuant to the terms of Section 9.2 of the Lease, Lessee exercised its option to extend the term of the Lease for a period of six (6) months (the "Holdover Period"). The Holdover Period expired on July 31, 2023. Pursuant to the terms of Section 9.2 of the Lease, the Lessor granted an additional extension of the holdover period for a period commencing on August 1, 2023, and ending January 31, 2024 (the "Additional Holdover Extension") and February 1, 2024, to July 31, 2024 (the "Third Holdover Extension"). Pursuant to the terms of Section 9.2 of the Lease, the Lessor granted a fourth extension of the holdover period for a period commencing on August 1, 2024, and ending January 31, 2025 ("Fourth Holdover Extension"). Pursuant to the terms of Section 9.2 of the Lease, the Lessor granted a fifth extension of the holdover period for a period commencing on February 1, 2025, and ending July 31, 2025 ("Fifth Holdover Extension").

Pursuant to the terms of Section 9.2 of the Lease, the Lessor granted a sixth extension of the holdover period for a period commencing on August 1, 2025, and ending January 31, 2026 ("Sixth Holdover Extension"). Pursuant to the terms of Section 9.2 of the Lease, the Lessor will grant a seventh extension of the holdover period for a period commencing on February 1, 2026, and ending July 31, 2026 ("Seventh Holdover Extension").

Sincerely,

CITY OF HAGERSTOWN

William B. McIntire
Mayor

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Date: January 20, 2026

TOPIC: **Approval of a Motion: Lease Holdover Extension with Maryland Department of Labor, Licensing and Regulation**

Charter Amendment	__
Code Amendment	__
Ordinance	__
Resolution	__
Other	_X_

MOTION: I hereby move that the Mayor and City Council approve the attached holdover extension letter with Maryland Department of General Services for a lease at 2-6 N. Potomac Street, in Hagerstown, MD.

DATE OF INTRODUCTION:	N/A
DATE OF PASSAGE:	01/20/2026
EFFECTIVE DATE:	01/20/2026

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Hamilton Run Stream Restoration-Northern Avenue - *Jim Bender, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
Hamilton_Run_Stream_Restoration-Northern_Avenue.pdf	Hamilton Run Stream Restoration-Northern Avenue

CITY OF HAGERSTOWN, MARYLAND

Department of Engineering & Permits

January 13, 2026

TO: Scott Nicewarner, City Administrator

FROM: Jim Bender, City Engineer JM

RE: Hamilton Run Stream Restoration – Northern Avenue

1. Background

Since 2016, the City has been working with the Washington County Conservation District (WCCD) on plans for a stream restoration project on Hamilton Run near Northern Avenue. WCCD applied for grant funds to complete the project, and the City executed a Memorandum of Understanding with WCCD pledging financial support for the project. The project has been in the design phase for several years, and is now beginning the permitting process; it is hoped that the project can go to construction in the summer of 2026. The purpose of this memo is to describe the project, and to update the Council on the upcoming construction.

2. Mayor & Council Action Requested

No action is required at this time; the purpose of this presentation is just to update the Council on the project. Staff will be present at the work session to discuss.

3. Discussion

Hamilton Run flows west-to-east along Northern Avenue, passing through Mills Park, the American Legion property, and other private properties to The Terrace; the stream then flows through a box culvert under the Longmeadow Shopping Center to discharge on the east side of Leitersburg Pike near the Lowe's Home Improvement site.

This segment of the stream has several issues. The property at 1425 The Terrace has lost part of its backyard to erosion, and two different fences have been destroyed by subsidence along the stream. There is also significant bank erosion at the Rotary Club at Long Meadows Park. Also, the existing culvert under the driveway to the American Legion is significantly undersized – this leads to occasional flooding of Northern Avenue during intense storm events (see photo below).

The WCCD approached the City about an urban stream restoration project that would help to address these issues, and to stabilize the stream channel. The WCCD applied for a grant through the Clean Water Act's Section 319 program to design and construct the stream restoration project. In 2021, an MOU between WCCD and the City was executed (see attached), agreeing to work together to complete this project.

Over the next several years, WCCD's engineering consultant worked on the design of the project, and had developed plans that would have addressed the worst of the issues along this segment of the stream. However, given the funding that was available at that time, the project fell short of a full restoration.

In early 2025, WCCD was approached by the Catoctin Land Trust (CLT). CLT had been awarded a large grant through the Department of Natural Resources "Whole Watershed" program to work on restoration projects throughout the Antietam Creek watershed, and they offered to contribute up to $1 million to the Northern Avenue project. These additional funds would allow for the construction of a much more complete restoration project. These funds would flow to WCCD, not to the City; the City would also contribute money to the restoration project. In the City's FY 26 budget, $1.5 million from the Stormwater Fund (CIP 866 – Stream Restorations) was allocated for the project. A copy of the latest version of the plan is attached.

The City's interest in this project, in addition to addressing the erosion and flooding problems, is that it will earn credits needed to comply with the City's MS4 stormwater permit. Stream restoration projects offer some of the best "bang for the buck" with regard to credits, and being able to combine City funds with the WCCD and CLT grant funds allows for a restoration project that will transform and stabilize this segment of Hamilton Run. Both the American Legion and the owner of 1425 The Terrace have signed letters of support for the project, and the Department of Natural Resources is very supportive of this effort.

attachments: 2021 MOU
Vicinity Map
Project plans

MEMORANDUM OF AGREEMENT
Between
CITY OF HAGERSTOWN
And the
WASHINGTON COUNTY SOIL CONSERVATION DISTRICT
September 28, 2021

This Memorandum of Agreement (MOA) is made and entered into the 28th day of September, 2021 (the "Effective Date") by and between The City of Hagerstown ("City") and the Washington County Soil Conservation District ("WCSCD").

WHEREAS, WCSCD desires to implement conservation practices and complete stream restoration projects on urban lands in Washington County and the City of Hagerstown as part of their overall conservation mission.

WHEREAS, the City desires to accomplish stream restoration projects to contribute to meeting Municipal Separate Storm Sewer System (MS4) permit requirements and enhance the living resources of Hagerstown. The City has accomplished preparation of the Watershed Characterization and Action Plan Report dated _____, 2021 ("Action Plan") for Hamilton Run in Hagerstown and wishes to partner with WCSCD to accomplish the projects identified in the Action Plan to receive credit for impervious surface removal as required by the City's MS4 permit; and

WHEREAS, WCSCD has agreed to pursue grant funding for design and build of stream restoration projects in the City of Hagerstown to accomplish restoration of the reaches of Hamilton Run identified in the Action Plan.

NOW THEREFORE, the parties do hereby set forth their agreement as follows:

ARTICLE ONE – THE CITY AGREES TO:

1. Prioritize sites for restoration identified in the Action Plan.
2. Obtain written permission from any private landowners to accomplish conservation practices and/or stream restoration on their property.
3. Develop a site specific MOA in cooperation with WCSCD for each project to establish scope of work, concept design approach, funding sources, and project schedule for implementation.
4. Provide funding, if needed, for grant match, infrastructure improvements essential to each stream project not funded by Grant funders, and compensation per project MOA to WCSCD.
5. Collaborate with WCSCD and their selected vendor to develop a design/build concept, final plans, specifications, and implementation schedules.
6. Add each completed project to their SWM structure inventory to allow for inspection and maintenance to occur.

ARTICLE TWO – WCSCD AGREES TO:

1. Collaborate on prioritization of conservation practices and/or stream restoration sites identified in the Action Plan.
2. Collaborate with the City to develop a site-specific MOA for each project.
3. Develop concept plans for each project identified for review and approval by the City prior to seeking grant funds.
4. Pursue grant funds for each project for design and construction.
5. When project grant funds are obtained, manage all aspects of the project to meet the requirements of the funding source (both an outside grant funder and/or the City), receive and distribute funds to vendors, provide all required documentation of fund expenditures and report environmental results achieved.
6. Provide all documentation of project results to the City to allow for MS4 permit credits.

ARTICLE THREE – COMMENCEMENT; TERMINATION

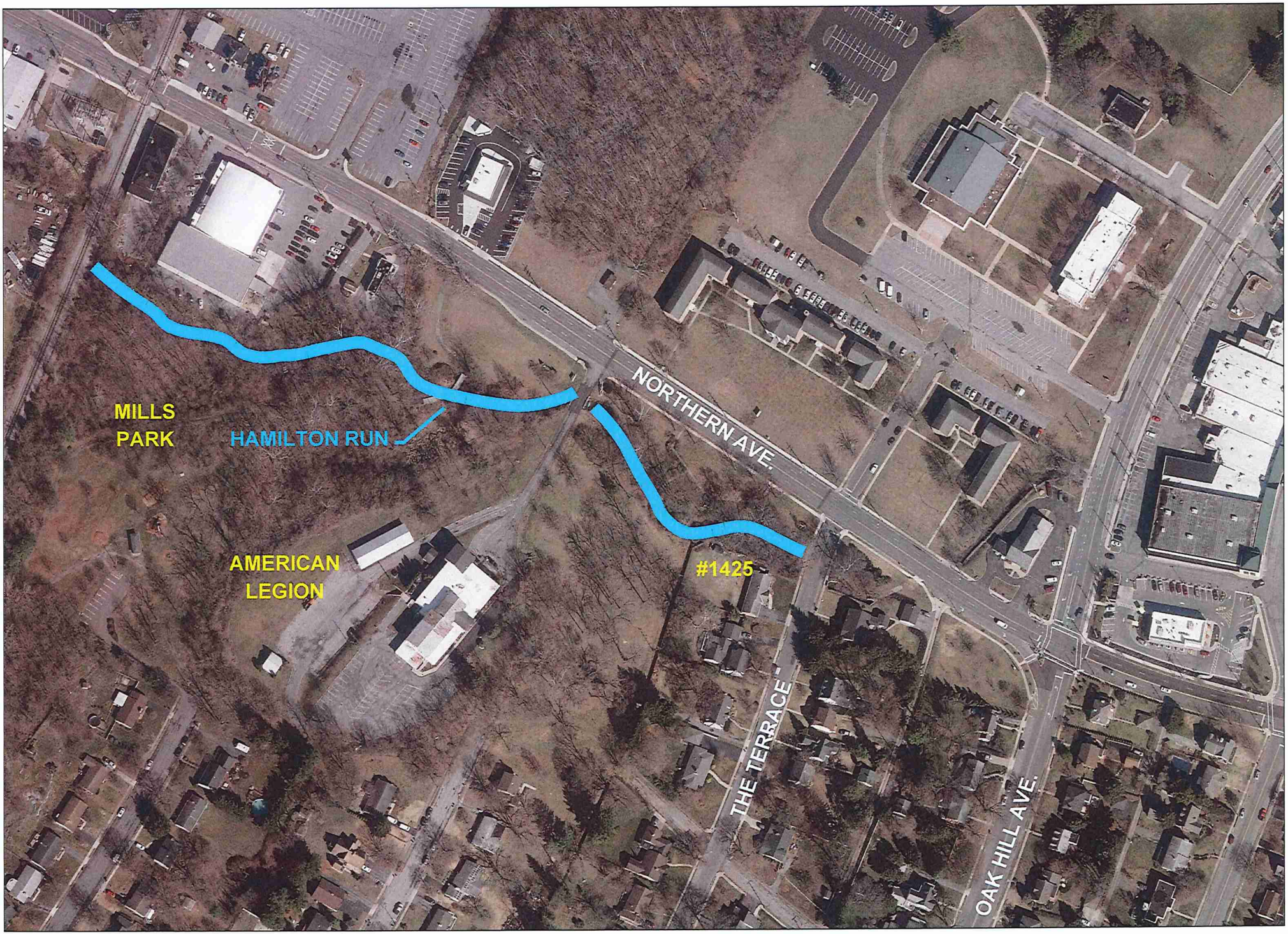
The parties shall commence performance of their obligations under this MOA on the Effective Date and shall continue performance continuously for 6 years or until completed, whichever occurs sooner. This MOU may be extended by mutual agreement in writing or may be cancelled following 60 days' advance written notice by either party.

CITY:

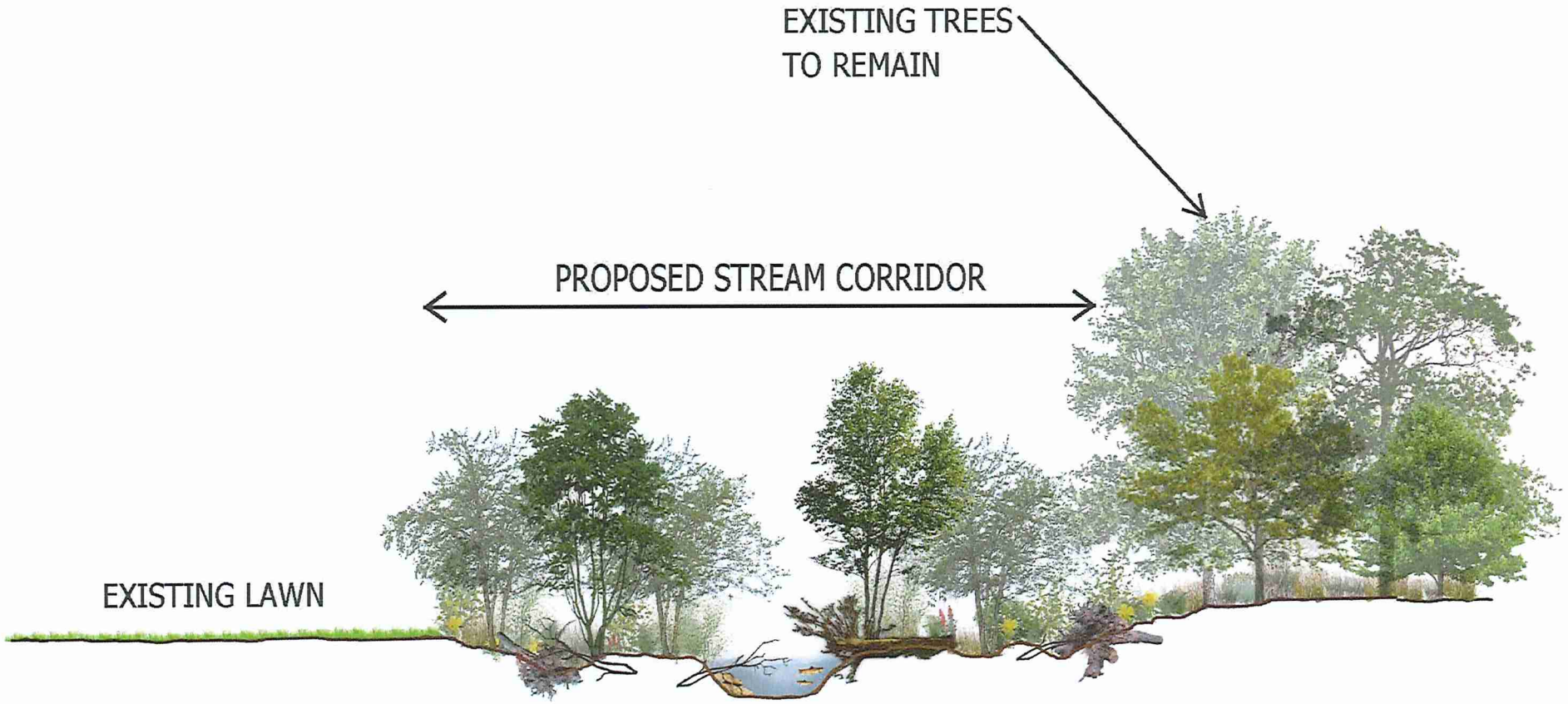
By: _____ Date 9/28/2021

WCSCD:

By: Harry E. Strite Date 9-15-2021

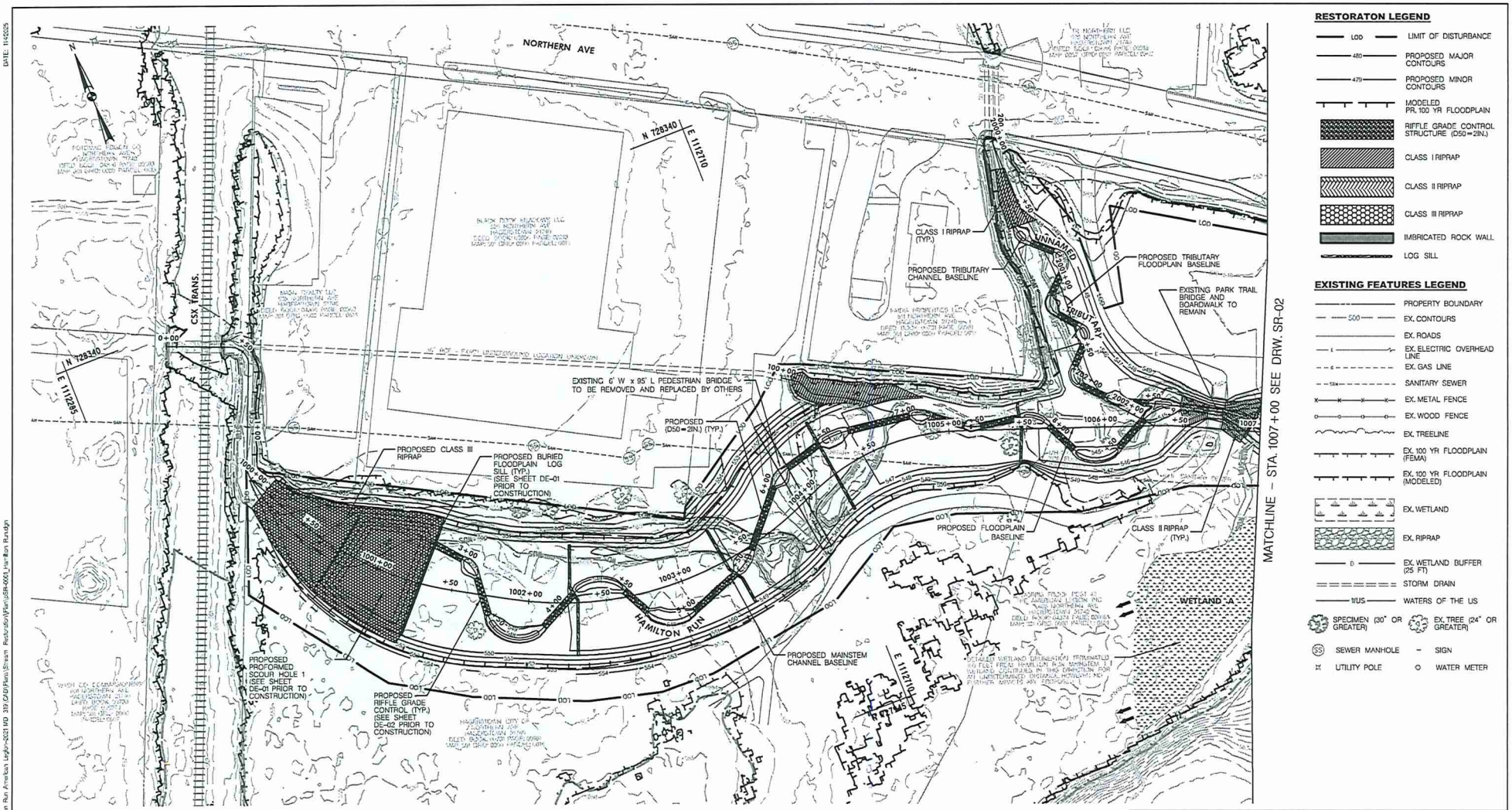


VICINITY MAP SHOWING EXTENT OF PROJECT



HAMILTON RUN
TYPICAL CROSS-SECTION ALONG EXISTING LAWN

NOT TO SCALE



RESTORATON LEGEND

- LOD — LIMIT OF DISTURBANCE
- 480 — PROPOSED MAJOR CONTOURS
- 470 — PROPOSED MINOR CONTOURS
- MODELED PR. 100 YR FLOODPLAIN
- RIFFLE GRADE CONTROL STRUCTURE (D50=2IN.)
- CLASS I RIPRAP
- CLASS II RIPRAP
- CLASS III RIPRAP
- IMBRICATED ROCK WALL
- LOG SILL

EXISTING FEATURES LEGEND

- PROPERTY BOUNDARY
- 500 — EX. CONTOURS
- EX. ROADS
- E — EX. ELECTRIC OVERHEAD LINE
- G — EX. GAS LINE
- SAN — SANITARY SEWER
- EX. METAL FENCE
- EX. WOOD FENCE
- EX. TREELINE
- EX. 100 YR FLOODPLAIN (FEMA)
- EX. 100 YR FLOODPLAIN (MODELED)
- EX. WETLAND
- EX. RIPRAP
- B — EX. WETLAND BUFFER (25 FT)
- STORM DRAIN
- WUS — WATERS OF THE US
- SPECIMEN (30" OR GREATER)
- EX. TREE (24" OR GREATER)
- SS — SEWER MANHOLE
- SIGN
- UTILITY POLE
- WATER METER

30' 0 30' 60'
SCALE: 1" = 30'

COORDINATE NOTE
PLANS ARE IN NAD 83 MARYLAND STATE PLANE FIPS 1900 COORDINATE SYSTEM / NAVD-88.

ecotone ecological restoration

WASHINGTON COUNTY SOIL CONSERVATION DISTRICT

RESTORATION OF HAMILTON RUN AND UNNAMED TRIBUTARY TO HAMILTON RUN

STREAM RESTORATION PLAN

405 NORTHERN AVENUE TOWN OF HAGERSTOWN, WASHINGTON COUNTY MARYLAND

WCSCD PROJECT NUMBER	REVISIONS
24060	

DRAWN BY : JB
DESIGNED BY : AF
REVIEWED BY : MD
SCALE : 1"=30'
DATE : OCTOBER 2025
DRAWING NO. SR-01 OF SR-02
SHEET NO. 05 OF 22

DATE: 11/4/2025

FILE PATH: X:\Projects\2023 Projects\23-15-647 Hamilton Run America Legion-2021 MD 319\CAD\Plans\Stream Restoration\Plan\SR-0001.dwg Ron Rundgren

RESTORATON LEGEND

- LOD — LIMIT OF DISTURBANCE
- 480 — PROPOSED MAJOR CONTOURS
- 479 — PROPOSED MINOR CONTOURS
- MODELED FR 100 YR FLOODPLAIN
- RIFFLE GRADE CONTROL STRUCTURE (D50=2IN.)
- CLASS I RIPRAP
- CLASS II RIPRAP
- CLASS III RIPRAP
- IMBRICATED ROCK WALL
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EXISTING FEATURES LEGEND

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- EX. WETLAND
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- D — EX. WETLAND BUFFER (25 FT)
- STORM DRAIN
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- SPECIMEN (30" OR GREATER)
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- UTILITY POLE
- WATER METER

30' 0 30' 60'
SCALE: 1" = 30'

COORDINATE NOTE
PLANS ARE IN NAD 83 MARYLAND STATE PLANE FIPS 1900 COORDINATE SYSTEM /NAVD-88.

WCSCD PROJECT NUMBER
24060

REVISIONS

WASHINGTON COUNTY SOIL CONSERVATION DISTRICT

RESTORATION OF HAMILTON RUN AND UNNAMED TRIBUTARY TO HAMILTON RUN

STREAM RESTORATION PLAN

405 NORTHERN AVENUE TOWN OF HAGERSTOWN, WASHINGTON COUNTY MARYLAND

DRAWN BY : JD
DESIGNED BY : AF
REVIEWED BY : MD
SCALE : 1" = 30'
DATE : OCTOBER 2025
DRAWING NO. SR-02 OF SR-02
SHEET NO. 06 OF 22

ecotone ecological restoration

DATE: 11-6-2025

FILE PATH: X:\Projects\2023 Projects\23-10-617 Hamilton Run America Legion-2021 MD 319 CAD\Plans\Stream Restoration\Plan\sSR-0002_Hamilton Run.dgn

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Easements for Speed Camera on Marshall Street School and North High – *Jim Bender, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
Easements_for_speed_cameras_at_Marshall_St_School_and_North_High.pdf	Easements for Speed Cameras at Marshall Street School and North High

CITY OF HAGERSTOWN, MARYLAND

Department of Engineering & Permits

January 13, 2026

TO: Scott Nicewarner, City Administrator

FROM: Jim Bender, City Engineer JIM

RE: Easements for speed cameras at Marshall Street School & North High

1. Background

The Hagerstown Police Department is installing new speed cameras at school zones throughout the City; the new cameras will be pole-mounted instead of ground-mounted. At the Marshall Street School and at North High, there are not suitable locations within the street right-of-way to install the cameras. However, the Washington County Board of Education (WCBOE) has agreed to grant easements to the City to install the cameras behind the existing sidewalks, on school property. These easements will allow the City to access the cameras if any maintenance is required.

2. Mayor & Council Action Requested

Review this information, and determine whether or not to accept the easements from the WCBOE. If the Council is in agreement, a motion to that effect will be presented for the Council's consideration at the January 20th regular session meeting. Staff will be present at the work session to discuss.

3. Discussion

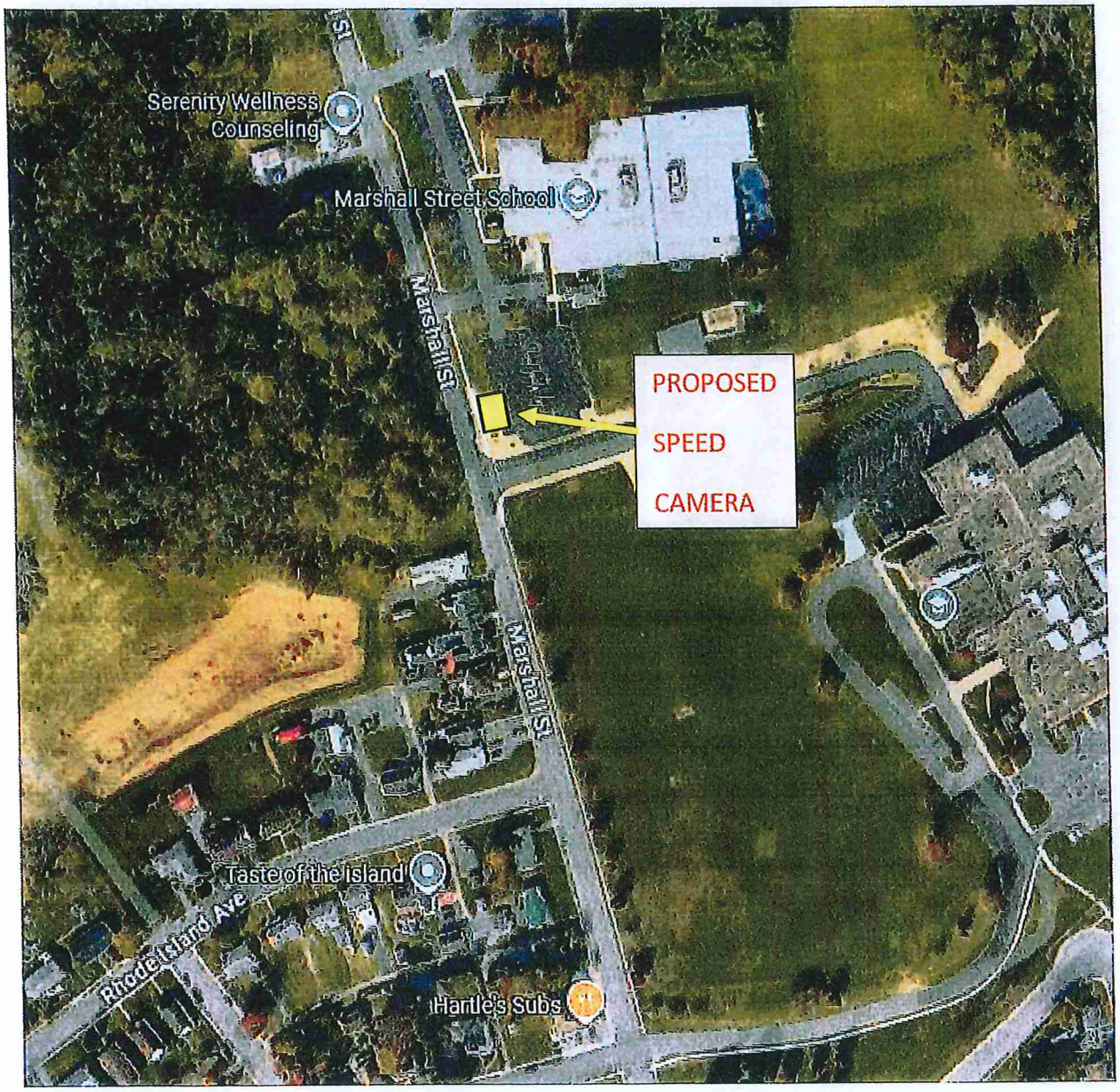
When the speed cameras were originally installed many years ago, they were all mounted on concrete pads on the ground. The new cameras are designed to be mounted on metal poles, elevating the cameras above the ground. Depending upon the location, some of the new cameras will be connected to electric power sources; others will be solar powered.

The WCBOE has given preliminary approval to grant the easements; they will give formal approval of the easement at their Business Meeting on January 20th. The motion that staff will present at the Regular Session will contain language stating that the Council's acceptance of the easements is contingent upon WCBOE's approval.

attachments: vicinity maps for both sites
photograph of proposed camera pole
draft deeds of easement and resolutions

One East Franklin Street • Hagerstown, MD 21740
Telephone: 301.739.8577 Ext 125 (Engineering) 301.739.8577 Ext 123 (Permits) • TDD: 301.797.6617
Website: www.hagerstownmd.org

Proposed Speed Camera near Marshall Street School



Pennsylvania Avenue Camera Location near North High

New pole-mounted camera behind old ground-mounted camera

CITY OF HAGERSTOWN, MARYLAND

RESOLUTION TO ACCEPT THE OFFER OF A DEED OF EASEMENT AND MAINTENANCE AGREEMENT LOCATED ON MARSHALL STREET, HAGERSTOWN, MARYLAND BOARD OF EDUCATION OF WASHINGTON COUNTY, MARYLAND, TO THE CITY OF HAGERSTOWN

RECITALS

WHEREAS, the Board of Education of Washington County, Maryland, a body politic and corporate of the State of Maryland, Grantor, is the owner of real property located on Marshall Street, near Western Heights Middle School, Hagerstown, Washington County, Maryland (Election District No. 25, Property Map 302, Parcel No. 1106, Tax Parcel ID No.: 25-033361) hereinafter "the Grantor's Property;"

WHEREAS, the City of Hagerstown, Maryland, is a Maryland Municipal Corporation ("the City") which operates Automated Speed Monitoring Systems throughout the City, near schools, in accordance with the Code of the City of Hagerstown and §21-809 of the Transportation Article of the Annotated Code of Maryland, for its Citizens;

WHEREAS, the City desires to have a certain easement over, across, under and through portions of the Grantor's Property all for the purpose of constructing, operating, maintaining, repairing, replacing and removing, as needed, an Automated Speed Monitoring System near Western Heights Middle School on Marshall Street, Hagerstown, Maryland, in accordance with the Code of the City of Hagerstown and §21-809 of the Transportation Article of the Annotated Code of Maryland, and also the necessary accessories, fixtures and appurtenances related thereto (collectively, the "Facilities");

WHEREAS, attached hereto and incorporated herein is a Deed of Easement and Maintenance Agreement, including Exhibit A, for the acquisition of certain easement over, across, under and through portions of the Grantor's Property; and

WHEREAS, the Mayor and Council, as the duly constituted legislative body of the City of Hagerstown, has determined that it is in the best interest of the citizenry in general to accept this easement for the City of Hagerstown, as indicated on the attached Deed of Easement and Maintenance Agreement.

NOW, THERFORE, BE IT RESOLVED by the Mayor and Council of the City of Hagerstown, Maryland, as its duly constituted legislative body, as follows:

1. That the aforegoing Recitals be and are hereby incorporated herein as if set forth verbatim.

2. That the Mayor and Council do hereby approve and accept the offer of easement made by the Grantor, of a Perpetual and Permanent Easement and the right of ingress all for the purpose of constructing, operating, maintaining, repairing, replacing and removing, as needed, the Facilities across, over and under the parcel of land graphically depicted, identified and labeled as "PROPOSED EASEMENT AREA" on the easement exhibit prepared by the City of Hagerstown, Department of Engineering and Permits dated November 4, 2025 and attached hereto and incorporated herein as **Exhibit A**, and attached to the Deed of Easement and Maintenance Agreement.

3. That the easement pursuant to the terms of the attached Deed of Easement and Maintenance Agreement is hereby approved.

4. That the City's approval of this Resolution is expressly contingent upon the Grantor's passage and approval of a Resolution or similar authorization approving the attached Deed of Easement and Maintenance Agreement.

5. That the Mayor, City Clerk, and Staff be and are hereby authorized to execute and deliver the attached Deed of Easement and Maintenance Agreement, and any additional documentation, and to take any additional steps necessary to effectuate the purpose of this Resolution.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

_____
Donna K. Spickler, City Clerk

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND

By:_____
William B. McIntire, Mayor

Date of Introduction: January 20, 2026
Date of Passage: January 20, 2026
Effective Date: January 20, 2026

PREPARED BY:
Salvatore & Morton, LLC
City Attorneys

Election District No. 25
Property Map 302, Parcel No. 1106
Tax Parcel ID No.: 25-033361

DEED OF EASEMENT
AND MAINTENANCE AGREEMENT

THIS DEED OF EASEMENT AND MAINTENANCE AGREEMENT is made this ____ day of _____ 2026, by and between the **BOARD OF EDUCATION OF WASHINGTON COUNTY, MARYLAND**, a body politic and corporate of the State of Maryland, (the "**Grantor**") and the **MAYOR AND COUNCIL OF THE CITY OF HAGERSTOWN, MARYLAND**, a municipal corporation of the State of Maryland (the "**Grantee**").

WITNESSETH: That for no monetary consideration but for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the said Grantor does hereby grant and convey unto the Grantee, its successors and assigns, a **Perpetual and Permanent Easement** and the right of ingress and egress for the purpose of constructing, operating, maintaining, repairing, replacing and removing, as needed, an Automated Speed Monitoring System near Western Heights Middle School on Marshall Street, Hagerstown, Maryland, in accordance with the Code of the City of Hagerstown and §21-809 of the Transportation Article of the Annotated Code of Maryland, and also the necessary accessories, fixtures and appurtenances related thereto (collectively, the "**Facilities**"), across, over and under the portion of land graphically depicted, identified and labeled as "PROPOSED EASEMENT AREA" on the easement exhibit prepared by the City of Hagerstown, Department of Engineering and Permits, dated November 4, 2025 and attached hereto and incorporated herein as **Exhibit A**.

BEING a portion of the property conveyed to Grantor by Manor Real Estate Company, a Pennsylvania Corporation, by deed dated February 15, 1972 and recorded among the Land Records of Washington County, Maryland, in Book 537, Page 621.

SUBJECT to all other easements, rights of way, covenants, conditions and restrictions of record applicable thereto.

AND SUBJECT to the rights and obligations contained herein.

TO HAVE AND TO HOLD the right and privilege of the easement hereby granted to the use and benefit of the within Grantee, its successors and assigns.

AND IT IS FURTHER understood and agreed by the parties that the easement herein granted is granted under and subject to the following terms and conditions:

1. Grantee shall perform, at its cost and effort, such maintenance, repairs, and replacements as are necessary to keep the Facilities clear and functioning so as not to cause damage to Grantor's property. Grantee shall promptly repair, at its cost and effort, any changes made to the easement area or Grantor's property as a result of construction, operations, replacements, removals, maintenance, repairs, or other activities of the Grantee in the easement area.

2. Except as otherwise provided in this Deed of Easement and Maintenance Agreement, neither party shall, without the written permission of the other directly or through others, erect any gate, fence, building or other structure within the easement area; make a fill or excavation of the earth so as to cause a change in contour; intentionally inundate the land with water, or otherwise alter the easement area. In the event a party removes any obstruction or otherwise corrects any condition constituting a violation of this paragraph, the violating party shall promptly reimburse other party's reasonable costs of doing so.

3. Grantee shall indemnify, hold harmless, and defend the Grantor from any and all claims, rights, judgments, etc. resulting from injuries, including death, damages and losses sustained by any person or property arising from the Grantee's negligence in the use of the easement area conveyed herein or the construction, maintenance or repair of the Facilities.

4. This Deed of Easement and Maintenance Agreement shall run with the land and be binding upon and inure to the benefit of the parties and their respective successors and assigns, and the terms "Grantor" and "Grantee" hereunder shall include their respective successor and assigns.

5. This Deed of Easement and Maintenance Agreement is conveyed together with the right to excavate and refill ditches and/or trenches for the location, repair, and/or replacement of the Facilities; together with the further right to remove trees, bushes, undergrowth, or other obstructions interfering with the operation, maintenance, and/or replacement thereof.

WITNESS the hand and seal of Grantor and Grantee.

GRANTOR

ATTEST:

BOARD OF EDUCATION OF WASHINGTON COUNTY, MARYLAND

_____
Secretary

By:_____
Darrell Evans, President

STATE OF MARYLAND, COUNTY OF WASHINGTON, To-Wit:

I HEREBY CERTIFY, that on this day of , 2026, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Darrell Evans, who acknowledged himself to be President of the Board of Education of Washington County, Maryland and that he, as such President, being authorized so to do, executed the foregoing Deed of Easement and Maintenance Agreement for the purposes therein contained by signing the name of said corporation by himself as President and that the Board of Education of Washington County, Maryland is *locus rei sitae* in Maryland and that the foregoing transfer is for no monetary consideration and the consideration stated herein is true and correct.

Witness my hand and official Notarial Seal.

Notary Public

My Commission Expires:

GRANTEE

WITNESS:

MAYOR AND COUNCIL OF THE CITY
OF HAGERSTOWN, MARYLAND

_____

By: _____(SEAL)
William B. McIntire, Mayor

STATE OF MARYLAND, WASHINGTON COUNTY, to-wit:

I HEREBY CERTIFY that on this _____ day of _____, 2026, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared **William B. McIntire, Mayor of the City of Hagerstown, Maryland**, who acknowledged the foregoing Deed of Easement and Maintenance Agreement to be the act and deed of the Mayor and Council of the City of Hagerstown, that he is authorized to make this acknowledgment, that he is duly authorized to execute the aforegoing, and did swear and affirm under the penalties of perjury that the consideration stated herein is true and correct.

WITNESS my hand and Official Notarial Seal.

_____
Notary Public

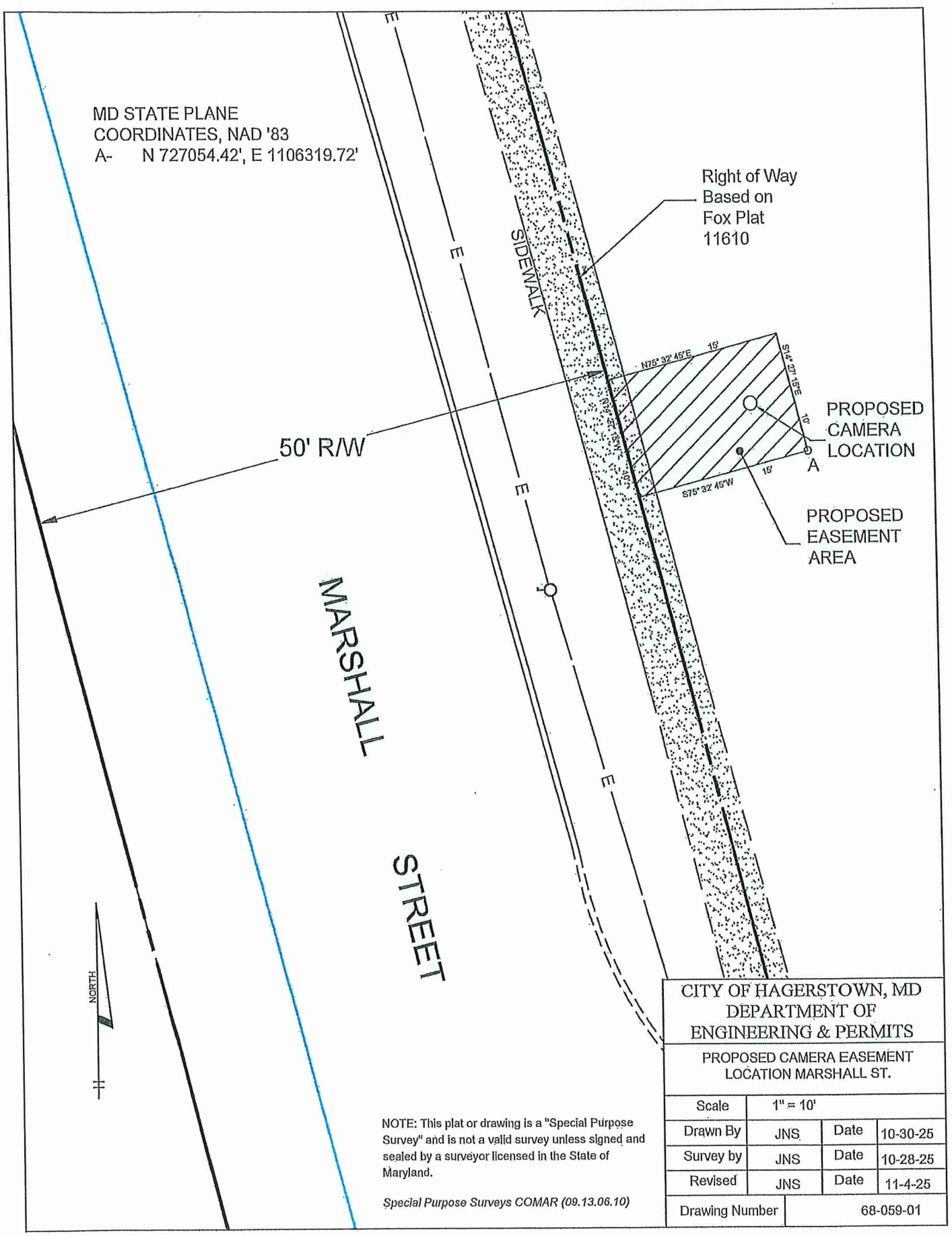
My Commission expires:

I certify that the within instrument was prepared by or under the supervision of the undersigned, an attorney duly admitted to practice before the Supreme Court of Maryland, but the undersigned did not perform a title search, title examination or make any certification as to title.

_____
Jason Morton

Mail to:

City of Hagerstown
Attn: Donna K. Spickler, City Clerk
1 East Franklin Street
Hagerstown, MD 21740



CITY OF HAGERSTOWN, MD DEPARTMENT OF ENGINEERING & PERMITS			
PROPOSED CAMERA EASEMENT LOCATION MARSHALL ST.			
Scale	1" = 10'		
Drawn By	JNS	Date	10-30-25
Survey by	JNS	Date	10-28-25
Revised	JNS	Date	11-4-25
Drawing Number	68-059-01		

NOTE: This plat or drawing is a "Special Purpose Survey" and is not a valid survey unless signed and sealed by a surveyor licensed in the State of Maryland.

Special Purpose Surveys COMAR (09.13.06.10)

Plot date: 11/4/2025 2:13 PM Filename: m:\drafting\dwgs\68-000 pl & row research\68-059 marshall st speed camera\dwg\marshall st sp cams.dwg Last Saved by: jswan

CITY OF HAGERSTOWN, MARYLAND

RESOLUTION TO ACCEPT THE OFFER OF A DEED OF EASEMENT AND MAINTENANCE AGREEMENT LOCATED ON PENNSYLVANIA AVENUE, HAGERSTOWN, MARYLAND BOARD OF EDUCATION OF WASHINGTON COUNTY, MARYLAND, TO THE CITY OF HAGERSTOWN

RECITALS

WHEREAS, the Board of Education of Washington County, Maryland, a body politic and corporate of the State of Maryland, Grantor, is the owner of real property located on Pennsylvania Avenue, near North Hagerstown High School, Hagerstown, Washington County, Maryland (Election District No. 21, Property Map 300, Parcel No. 1445, Tax Parcel ID No.: 21-027065) hereinafter "the Grantor's Property;"

WHEREAS, the City of Hagerstown, Maryland, is a Maryland Municipal Corporation ("the City") which operates Automated Speed Monitoring Systems throughout the City, near schools, in accordance with the Code of the City of Hagerstown and §21-809 of the Transportation Article of the Annotated Code of Maryland, for its Citizens;

WHEREAS, the City desires to have a certain easement over, across, under and through portions of the Grantor's Property all for the purpose of constructing, operating, maintaining, repairing, replacing and removing, as needed, an Automated Speed Monitoring System near North Hagerstown High School on Pennsylvania Avenue, Hagerstown, Maryland, in accordance with the Code of the City of Hagerstown and §21-809 of the Transportation Article of the Annotated Code of Maryland, and also the necessary accessories, fixtures and appurtenances related thereto (collectively, the "Facilities");

WHEREAS, attached hereto and incorporated herein is a Deed of Easement and Maintenance Agreement, including Exhibit A, for the acquisition of certain easement over, across, under and through portions of the Grantor's Property; and

WHEREAS, the Mayor and Council, as the duly constituted legislative body of the City of Hagerstown, has determined that it is in the best interest of the citizenry in general to accept this easement for the City of Hagerstown, as indicated on the attached Deed of Easement and Maintenance Agreement.

NOW, THERFORE, BE IT RESOLVED by the Mayor and Council of the City of Hagerstown, Maryland, as its duly constituted legislative body, as follows:

1. That the aforegoing Recitals be and are hereby incorporated herein as if set forth verbatim.

2. That the Mayor and Council do hereby approve and accept the offer of easement made by the Grantor, of a Perpetual and Permanent Easement and the right of ingress all for the purpose of constructing, operating, maintaining, repairing, replacing and removing, as needed, the Facilities across, over and under the parcel of land graphically depicted, identified and labeled as "PROPOSED EASEMENT AREA" on the easement exhibit prepared by the City of Hagerstown, Department of Engineering and Permits, dated January 7, 2026 and attached hereto and incorporated herein as **Exhibit A**, and attached to the Deed of Easement and Maintenance Agreement.

3. That the easement pursuant to the terms of the attached Deed of Easement and Maintenance Agreement is hereby approved.

4. That the City's approval of this Resolution is expressly contingent upon the Grantor's passage and approval of a Resolution or similar authorization approving the attached Deed of Easement and Maintenance Agreement.

5. That the Mayor, City Clerk, and Staff be and are hereby authorized to execute and deliver the attached Deed of Easement and Maintenance Agreement, and any additional documentation, and to take any additional steps necessary to effectuate the purpose of this Resolution.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

_____
Donna K. Spickler, City Clerk

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND

By:_____
William B. McIntire, Mayor

Date of Introduction: January 20, 2026
Date of Passage: January 20, 2026
Effective Date: January 20, 2026

PREPARED BY:
Salvatore & Morton, LLC
City Attorneys

Election District No. 21
Property Map 300, Parcel No. 1445
Tax Parcel ID No.: 21-027065

DEED OF EASEMENT AND MAINTENANCE AGREEMENT

THIS DEED OF EASEMENT AND MAINTENANCE AGREEMENT is made this ____ day of _____ 2026, by and between the **BOARD OF EDUCATION OF WASHINGTON COUNTY, MARYLAND**, a body politic and corporate of the State of Maryland, (the "**Grantor**") and the **MAYOR AND COUNCIL OF THE CITY OF HAGERSTOWN, MARYLAND**, a municipal corporation of the State of Maryland (the "**Grantee**").

WITNESSETH: That for no monetary consideration but for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the said Grantor does hereby grant and convey unto the Grantee, its successors and assigns, a **Perpetual and Permanent Easement** and the right of ingress and egress for the purpose of constructing, operating, maintaining, repairing, replacing and removing, as needed, an Automated Speed Monitoring System near North Hagerstown High School on Pennsylvania Avenue, Hagerstown, Maryland, in accordance with the Code of the City of Hagerstown and §21-809 of the Transportation Article of the Annotated Code of Maryland, and also the necessary accessories, fixtures and appurtenances related thereto (collectively, the "**Facilities**"), across, over and under the portion of land graphically depicted, identified and labeled as "PROPOSED EASEMENT AREA" on the easement exhibit prepared by the City of Hagerstown, Department of Engineering and Permits, dated January 7, 2026 and attached hereto and incorporated herein as **Exhibit A**.

BEING a portion of the property conveyed to Grantor by the State of Maryland, by deed dated January 4, 1956 and recorded among the Land Records of Washington County, Maryland, in Book 306, Page 57.

SUBJECT to all other easements, rights of way, covenants, conditions and restrictions of record applicable thereto.

AND SUBJECT to the rights and obligations contained herein.

TO HAVE AND TO HOLD the right and privilege of the easement hereby granted to the use and benefit of the within Grantee, its successors and assigns.

AND IT IS FURTHER understood and agreed by the parties that the easement herein granted is granted under and subject to the following terms and conditions:

1. Grantee shall perform, at its cost and effort, such maintenance, repairs, and replacements as are necessary to keep the Facilities clear and functioning so as not to cause damage to Grantor's property. Grantee shall promptly repair, at its cost and effort, any changes made to the easement area or Grantor's property as a result of any construction, operations, replacements, removals, maintenance, repairs, or other activities of the Grantee in the easement area.

2. Except as otherwise provided in this Deed of Easement and Maintenance Agreement, neither party shall, without the written permission of the other directly or through others, erect any gate, fence, building or other structure within the easement area; make a fill or excavation of the earth so as to cause a change in contour; intentionally inundate the land with water, or otherwise alter the easement area. In the event a party removes any obstruction or otherwise corrects any condition constituting a violation of this paragraph, the violating party shall promptly reimburse other party's reasonable costs of doing so.

3. Grantee shall indemnify, hold harmless, and defend the Grantor from any and all claims, rights, judgments, etc. resulting from injuries, including death, damages and losses sustained by any person or property arising from the Grantee's negligence in the use of the easement area conveyed herein or the construction, maintenance or repair of the Facilities.

4. This Deed of Easement and Maintenance Agreement shall run with the land and be binding upon and inure to the benefit of the parties and their respective successors and assigns, and the terms "Grantor" and "Grantee" hereunder shall include their respective successor and assigns.

5. This Deed of Easement and Maintenance Agreement is conveyed together with the right to excavate and refill ditches and/or trenches for the location, repair, and/or replacement of the Facilities; together with the further right to remove trees, bushes, undergrowth, or other obstructions interfering with the operation, maintenance, and/or replacement thereof.

WITNESS the hand and seal of Grantor and Grantee.

ATTEST:

GRANTOR

BOARD OF EDUCATION OF WASHINGTON COUNTY, MARYLAND

_____
Secretary

By:_____
Darrell Evans, President

STATE OF MARYLAND, COUNTY OF WASHINGTON, To-Wit:

I HEREBY CERTIFY, that on this day of , 2026, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Darrell Evans, who acknowledged himself to be President of the Board of Education of Washington County, Maryland and that he, as such President, being authorized so to do, executed the foregoing Deed of Easement and Maintenance Agreement for the purposes therein contained by signing the name of said corporation by himself as President and that the Board of Education of Washington County, Maryland is *locus rei sitae* in Maryland and that the foregoing transfer is for no monetary consideration and the consideration stated herein is true and correct.

Witness my hand and official Notarial Seal.

Notary Public

My Commission Expires:

WITNESS:

GRANTEE

MAYOR AND COUNCIL OF THE CITY
OF HAGERSTOWN, MARYLAND

_____

By: _____(SEAL)
William B. McIntire, Mayor

STATE OF MARYLAND, WASHINGTON COUNTY, to-wit:

I HEREBY CERTIFY that on this _____ day of _____, 2026, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared **William B. McIntire, Mayor of the City of Hagerstown, Maryland**, who acknowledged the foregoing Deed of Easement and Maintenance Agreement to be the act and deed of the Mayor and Council of the City of Hagerstown, that he is authorized to make this acknowledgment, that he is duly authorized to execute the aforegoing, and did swear and affirm under the penalties of perjury that the consideration stated herein is true and correct.

WITNESS my hand and Official Notarial Seal.

_____
Notary Public

My Commission expires:

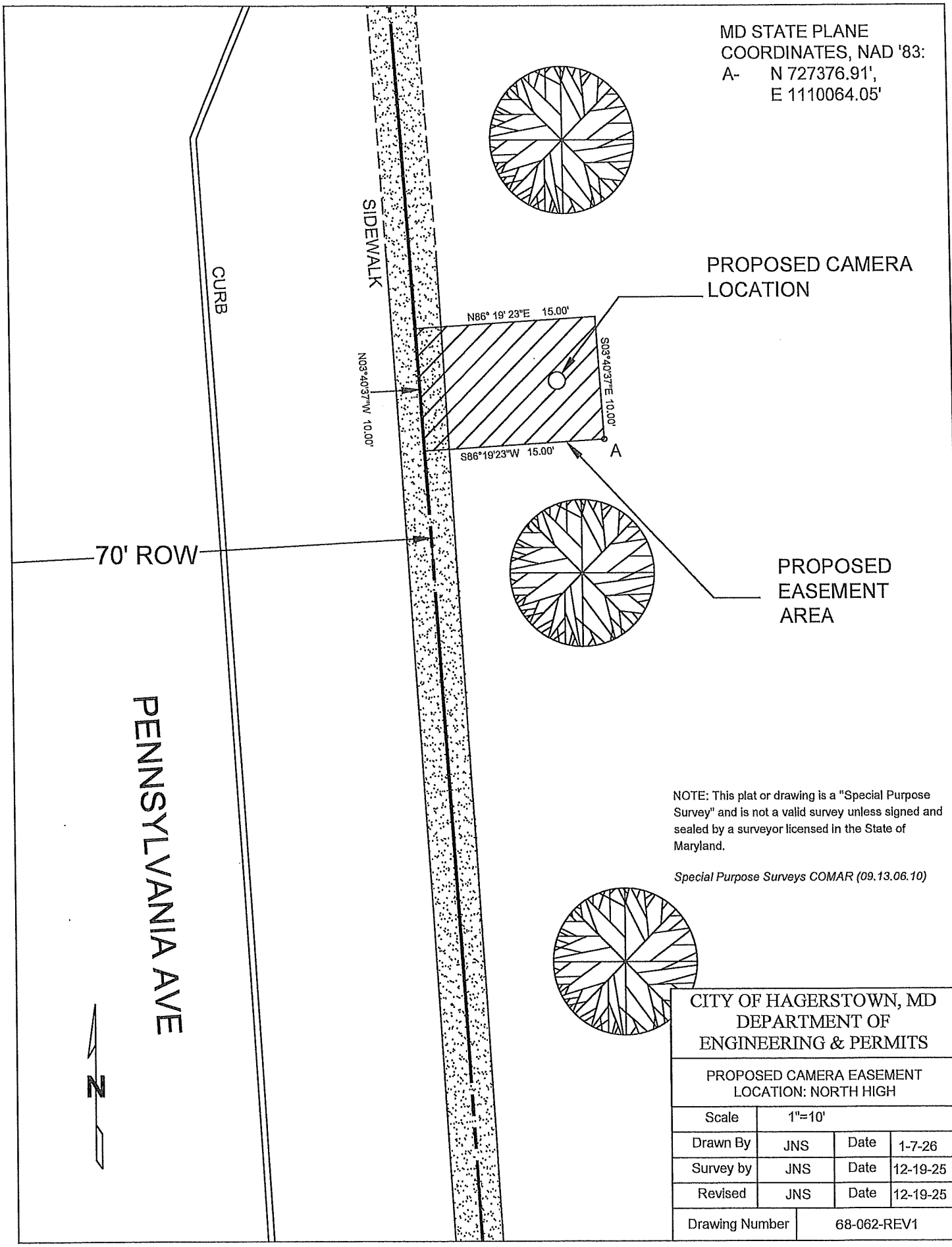
I certify that the within instrument was prepared by or under the supervision of the undersigned, an attorney duly admitted to practice before the Supreme Court of Maryland, but the undersigned did not perform a title search, title examination or make any certification as to title.

_____
Jason Morton

Mail to:

City of Hagerstown
Attn: Donna K. Spickler, City Clerk
1 East Franklin Street
Hagerstown, MD 21740

Exhibit A



NOTE: This plat or drawing is a "Special Purpose Survey" and is not a valid survey unless signed and sealed by a surveyor licensed in the State of Maryland.

Special Purpose Surveys COMAR (09.13.06.10)

CITY OF HAGERSTOWN, MD DEPARTMENT OF ENGINEERING & PERMITS			
PROPOSED CAMERA EASEMENT LOCATION: NORTH HIGH			
Scale	1"=10'		
Drawn By	JNS	Date	1-7-26
Survey by	JNS	Date	12-19-25
Revised	JNS	Date	12-19-25
Drawing Number	68-062-REV1		

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Amendment to Memorandum of Understanding with State Highway Administration (SHA) - *Jim Bender, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
Amendment_to_MOU_with_SHA.pdf	Amendment to Memorandum of Understanding with SHA

CITY OF HAGERSTOWN, MARYLAND

Department of Engineering & Permits

January 13, 2026

TO: Scott Nicewarner, City Administrator

FROM: Jim Bender, City Engineer JBM

RE: Amendment to Memorandum of Understanding with SHA

1. Background

The City applied for, and was awarded, a grant from the Maryland State Highway Administration (SHA) for a project to make improvements at the intersection of S. Potomac Street and Baltimore Street. The project is part of SHA's Safe Routes to Schools program, and will reconfigure the intersection and make it more user friendly for pedestrians. The grant was for $550,000, with the City being responsible for providing a $151,000 local match (totaling $701,000 available for the project). The City entered into a Memorandum of Understanding (MOU) with SHA to proceed with the design and bidding of the project. Bids were opened for the project in November 2025, and the low bid was $747,995. SHA is willing to award additional funds to allow the project to proceed to construction, but an amendment to the MOU is required.

2. Mayor & Council Action Requested

Review this information, and determine whether or not to approve the amendment to the MOU. If Council is in agreement, a motion to approve the amendment will be presented at the January 20th regular session meeting. Staff will be present at the work session to discuss.

3. Discussion

The low bid amount of $747,995 was just for the construction contract itself; there are other costs for the project including inspection and testing, material testing performed by SHA, and contingency funds. The total project cost is estimated to be approximately $778,000. SHA has agreed to increase their grant award to $622,236, and the City's local match will increase to $155,559. The additional matching funds will be reallocated from CIP 243 (Traffic Signalization Upgrades), and proposed project in that CIP will be deferred until FY 27.

This project has been under development since 2022, and has gone through multiple rounds of SHA review and comment. Staff recommends approval of the MOU amendment so that the project can finally go to construction.

attachment: MOU amendment document

One East Franklin Street • Hagerstown, MD 21740
Telephone: 301.739.8577 Ext 125 (Engineering) 301.739.8577 Ext 123 (Permits) • TDD: 301.797.6617
Website: www.hagerstownmd.org

FIRST AMENDMENT
to the
MEMORANDUM OF UNDERSTANDING
by and between
Maryland Department of Transportation State Highway Administration
and
Improvements to the Intersection of South Potomac Street and Baltimore Street Project

THIS AMENDMENT TO MEMORANDUM OF UNDERSTANDING (the "**Amendment**") made this ____ day of_____, 2026, by and between the Maryland Department of Transportation State Highway Administration, acting for and on behalf of the State of Maryland, hereinafter called "**MDOT SHA**," and the City of Hagerstown, an incorporated city in Washington County, Maryland, hereinafter called the "**PROJECT SPONSOR**", collectively referred to as the "**Parties**".

WHEREAS the Parties entered into a Memorandum of Understanding ("MOU") dated March 25, 2024, to set forth the terms of TAP Funding with respect to a project that includes improvements to the intersection of South Potomac Street and Baltimore Street in the City of Hagerstown, as set forth in Exhibit 1 of the MOU; and

WHEREAS the initial award was $550,000 with a required minimum match of $151,250, unless increased in writing by the Parties; and

WHEREAS the Parties agree to increase the award to $622,236 with a required minimum match of $155,559.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

SECTION II. Capitalized Terms.

Capitalized terms used, but not defined, in this Amendment shall have the same meanings as those in the MOU.

SECTION III. General.

3.1 Full Force and Effect. Except as otherwise set forth in this Amendment, all terms and conditions of the MOU shall remain in full force and effect.

3.2 Effectiveness. This Amendment shall become effective on its execution and delivery by each party hereto.

3.3 Applicable Law. This Amendment shall be given effect and construed in accordance with the laws of the State of Maryland.

3.4 Parties to be bound. This Amendment shall inure to and be binding upon the Parties, their agents, successors and assigns.

3.5 Counterparts and Electronic Signatures. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Amendment that shall be binding on all Parties. Signatures provided by facsimile or other electronic means, e.g. and not by way of limitation, in Adobe, PDF, sent by electronic mail, shall be deemed to be original signatures.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective duly authorized officers.

WITNESS:

MARYLAND DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION

_____

BY: _____ (SEAL)
Sutapa Samanta, P.E.
Chief Engineer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

_____
Ray Brown
Assistant Attorney General

RECOMMENDED FOR APPROVAL:

_____
Joyce Feddiman
Director
Office of Finance

_____
Lamin S. Williams
Director
Office of Planning and Preliminary Engineering

WITNESS: **SPONSOR**

_____ BY: _____ (SEAL)

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Anti-Camping Sunset Provision Renewal Discussion and 2025 Crime Recap - *Chief Paul 'Joey' Kifer and Mayor & City Council*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Renewal of The Ferguson Group Contract for 2026 – *Scott Nicewarner, City Administrator*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
TFG_Memo11326.pdf	Memo Ferguson Group Contract 2026
TFG_Contract_Renewal_Letter_Hagerstown_MD_10.2025.pdf	Contract Renewal Letter

CITY OF HAGERSTOWN, MARYLAND

Scott Nicewarner
City Administrator
One East Franklin Street • Hagerstown, MD 21740
E-mail: snicewarner@hagerstownmd.org
Telephone: 301.766.4168 • TDD: 301.797.6617 • Website: www.hagerstownmd.org

January 13, 2026

TO: Mayor and Council

FROM: Scott Nicewarner, City Administrator

RE: The Ferguson Group Advocacy Services – Contract Renewal

Staff will provide a brief synopsis of the contract to renew Federal lobbying efforts by the Ferguson Group for calendar year 2026.

The attached document highlights the work that TFG has performed for the city in 2025, including the appropriation of $1,850,000 for Bridge Repair ($850,000) and Stormwater Infrastructure Upgrades ($1,000,000). The stormwater appropriation is due for a vote by end of month, with the Transportation Committee in the House of Representatives taking up the appropriation for bridge repair in February should the government remain open past January 31. The document also describes the trip to Washington DC taken by staff and elected officials during the Summer of 2025, as well as plans for advocacy in 2026.

The contract has a 5% increase over the 2025 contract for a total of $76,600. Staff recommends continuing the contract as it falls within budget and is providing dividends for much needed funding for critical infrastructure projects.

October 28, 2025

Tyler French
Procurement Director
City of Hagerstown – Finance and Accounting Department
1 E Franklin Street
Hagerstown, MD 21740

Via Electronic Mail to: tfrench@hagerstownmd.org

Re: TFG Federal Advocacy Services – City of Hagerstown, MD

Dear Ms. French:

The Ferguson Group, LLC (TFG) is pleased to submit this letter summarizing our work over the past year and outlining our scope of services on behalf of the City of Hagerstown, Maryland. We appreciate the opportunity to renew our contract with the city and we remain fully committed to advancing Hagerstown's priorities at the federal level through strategic outreach, engagement, and advocacy with key federal agencies and members of Hagerstown's congressional delegation. In recognition of the continued value and scope of our services, TFG respectfully proposes a 5% increase in the annual retainer for the forthcoming contract renewal period.

Our ongoing objective is to advocate effectively on behalf of the city – supporting efforts to influence federal policy, legislation, and regulations, while pursuing federal funding, grants, and authorizations that align with Hagerstown's priorities.

Summary of 2025

Federal Funding

During the Fiscal Year (FY) 2026 Appropriations process, TFG worked closely with the city and its congressional delegation to advance multiple funding priorities. Although the process has been delayed due to the ongoing federal government shutdown, the following funding recommendations are included in pending fiscal year (FY) 2026 appropriations bills:

- $850,000 in the House FY 2026 Transportation, Housing and Urban Development Appropriations bill for the Bridge Repair Program.
- $1,000,000 in the Senate FY 2026 Interior, Environment, and Related Agencies Appropriations bill for Stormwater Infrastructure Upgrades.

TFG will continue to advocate for the inclusion of these items in final appropriations and will explore supplemental or alternative funding sources as appropriate.

In addition, TFG provided ongoing grant support to the city, including identifying funding opportunities, offering strategic guidance, engaging with federal program offices, and securing congressional delegation support for grant applications. Notably, TFG assisted with the city's application to the U.S. Department of Transportation's *Safe Streets and Roads for All* grant program, which aims to fund safety improvements within Hagerstown's High Injury Network (HIN). The application is currently under federal review.

Advocacy

TFG continues to ensure that Hagerstown's congressional delegation is informed of federal matters affecting the city. By communicating the potential local impacts of congressional actions, TFG supports informed decision-making among federal policymakers. For example, this year TFG engaged with the delegation regarding the preservation of tax-exempt municipal bonds during congressional consideration of federal tax reform. To date, Congress has maintained the tax-exempt status of these bonds. We further advocated for the continuation of funding for the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs, both of which were proposed for elimination in the President's FY 2026 budget proposal. However, funding for these programs is included in the House and Senate appropriations bills pending final consideration.

Washington, DC Meetings

TFG remains dedicated to assisting the Mayor, Councilmembers, and city staff in advancing Hagerstown's interests and strengthening its advocacy presence in Washington, DC. We assist in identifying priorities, developing political strategies, preparing briefing materials and talking points, and facilitating meetings with Executive and Legislative Branch officials. In July 2025, TFG coordinated meetings for the city with members of the congressional delegation, officials at the Federal Highway Administration, and the White House Office of Intergovernmental Affairs. Mayor McIntire, Councilmember Flaherty, city staff, and TFG representatives presented and discussed the city's FY 2026 federal priorities, including bridge upgrades, stormwater infrastructure improvements, public safety initiatives, and housing and homelessness programs. These engagements are critical to enhancing the city's visibility and influence with federal leaders and serve as a cornerstone of the city's legislative success.

Looking Ahead

In the coming year, TFG will continue to:

- Identify and pursue new federal grant opportunities.
- Advocate for the inclusion of city projects in federal agency budgets and authorization legislation.
- Monitor legislative and regulatory developments relevant to Hagerstown.
- Facilitate engagement in federal processes to ensure the city's priorities and concerns are addressed.

The city will continue to receive TFG's regular communications, including:

- Legislative Update
- Water and Natural Resources Report
- Interconnect Newsletter (broadband, telecommunications, cybersecurity)
- Transportation Notes
- Infrastructure Funding Bulletin
- Grants Update

The following information outlines the Scope of Services for Federal Advocacy referenced in the renewal contract between TFG and the City of Hagerstown.

Scope of Services for Federal Advocacy

As a TFG Federal Advocacy Services retainer client, the City of Hagerstown will continue to receive the following:

Legislative and Policy Tracking – TFG will actively monitor federal legislation, regulations, and programs that may impact the city's priorities, and will offer timely updates on emerging opportunities and challenges.

Strategic Advice – TFG will provide strategic counsel to the city on all matters concerning applicable congressional action, federal agency policy and regulation, and any federal activity that may have an impact on the city and your priorities.

Assistance in Communicating and Working with Federal Officials – TFG will assist the city in contacting Members of Congress and staff, congressional committees, the Trump Administration, and other federal agency officials and staff, and will assist the city in educating and advocating its objectives with these officials and staff. As appropriate, TFG will contact these officials and others directly on your behalf.

Development of Legislation – If federal legislation is necessary to achieve a city objective, TFG will provide city's congressional delegation and the relevant congressional committees and federal agencies with institutional expertise and support as necessary to develop, advocate for, and implement federal legislation and authorities.

Build Stakeholder Support – TFG will advise the city on obtaining and coordinating the support of key organizations or stakeholders that may be necessary to implement your strategy or objectives.

Appropriations Advocacy – Where federal funding assistance supports the city's objectives, TFG will provide logistical support to your congressional delegation in pursuing programmatic funding requests for federal programs that have a significant impact on the city. This includes developing, drafting, submitting, advocating for, and tracking funding requests, as well as conducting direct lobbying activities to maximize the likelihood of success.

Congressional Earmark Support – TFG will advocate for congressionally directed spending (earmark) requests for city priorities and will provide comprehensive support throughout the appropriations process. This includes direct engagement with congressional offices and strategic advocacy before the House and Senate Appropriations Committees to advance the city's funding priorities.

Communications and Publications – TFG will host a regularly scheduled call with designated city staff to allow TFG and the City to provide relevant updates, share political "intelligence," and highlight any issues that may warrant discussion. The city will also have access to weekly/biweekly publications, issue briefs, special reports, and real-time federal updates on issues relevant to the city's priorities.

Washington, DC Advocacy Support – TFG will provide full support during any Washington, DC visits, including organizing and facilitating meetings for city leaders with Members of Congress, congressional staff, and key federal agencies. More specifically, TFG will schedule meetings, prepare briefing materials, and provide talking points to ensure productive and impactful meetings.

Grant Application Advocacy – TFG will support and advocate for the grant applications prepared and submitted by the city to the federal government. This includes direct engagement with relevant federal agencies and congressional offices to ensure strong support and successful outcomes for the city's funding initiatives.

Additional Grant Consulting Services – As a TFG retainer client, the city will have access to a wide range of grant consulting services, including custom grant research, weekly alerts and updates, project development, grant editing and review, and full access to TFG's Grant Funding Hub, featuring grant guides, grant profiles, and the latest grant news. The city will also have access to the Grant Showcase, a database of over 2,000 successful grant applications. Additional services, including grant writing, training, and administration, are available at a 15% discounted rate. A tailored cost proposal for any additional services will be provided upon request, with fees based on current-year pricing.

Terms and Conditions

The City of Hagerstown's engagement with TFG will commence on January 1, 2026, and continue through December 31, 2026. Either party may terminate the agreement, with or without cause, by providing sixty (60) days' written notice. In the event of termination, TFG will submit a final invoice for services rendered and expenses incurred through the effective date of termination.

Under this arrangement, the city will retain TFG on a twelve-month basis to provide ongoing professional services. As compensation, the city will pay TFG a fixed retainer fee of six thousand three hundred dollars ($6,300) per month, invoiced monthly, with payment due within thirty (30) days of receipt. The total retainer amount shall not exceed seventy-five thousand six hundred dollars ($75,600), which reflects a five percent (5%) increase over the current contract. In addition, the city agrees to reimburse TFG for reasonable and necessary expenses - including travel, lodging, and materials - incurred in the performance of services, up to a maximum of one thousand dollars ($1,000) over the term of the engagement. The total contract value, inclusive of retainer fees and reimbursable expenses, shall not exceed seventy-six thousand six hundred dollars ($76,600).

A formal contract reflecting these terms will be prepared and provided for review and execution.

TFG appreciates the opportunity to partner with the City of Hagerstown and looks forward to building upon the progress achieved this year. If you have any questions, please do not hesitate to call me or your TFG client manager, Charmayne Anderson at (202) 331-8500 or contact me via email at rgwinn@tfgnet.com.

Sincerely,

W. Roger Gwinn
CEO

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Warehouse Zoning/Federal Immigration Plans – *Scott Nicewarner, City Administrator*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates: