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Testimony 22-0250 – The Councilmember Mary Pat Clarke Tenant Opportunity to Purchase Act SUPPORT with Sponsor Amendments

Dear Chair Middleton and Distinguished Members of the Economic and Community Development Committee:

Thank you for the opportunity to provide testimony for City Council Bill 22-0250 The Councilmember Mary Pat Clarke Tenant Opportunity to Purchase Act. I am humbly requesting your support for this legislation.

When Councilwoman Clarke was a city councilwoman representing Northeast Baltimore, she worked with St. Ambrose Housing Aid Center founders Vinnie Quayle and Frank Fisher on the original Tenant Right of First Refusal legislation. It was the first such legislation in the country giving an opportunity for tenants to purchase the homes in which they live when a landlord was ready to sell. In fact, in 1997, I purchase my first house on Guilford Avenue using that same legislation.

Shortly after that, in one of the short times that Councilwoman Clarke was not in office, the legislation was watered down a bit, making it harder for tenants to purchase the homes in which they live. And while we know of great examples where it does happen, the legislation before you today brings the original level of opportunity back to the policy, and updates the language.

Specifically, with the Sponsor amendments, 22-0250 is applicable only to single-family rental properties. It is not for multi-family rentals, because that is going to be a separate process. In addition, the bill does the following:

- A. Removes the exemption that if the property is placed on the market by a realtor that it no longer is eligible for the tenant to purchase in this manner or that the tenant has to negotiate in the same manner as any other person interested in purchasing.
- B. Specifically defines a landlord as the person who not just manages the property but also owns the property.
- C. Replaces gender specific language.
- D. Keeps the timeframes of the original law related to the tenant using federal or state financing.
- E. Adds the reporting requirement so that DHCD and the City Council can determine how the law is working.
- F. Removes a harmful wholesaling clause which I missed in the original draft.
- G. Adds an enforcement clause.

This bill does repeal using the term "tenant right of first refusal" and changes it to Tenant Opportunity to Purchase to reflect what the program has always done – when an owner decides to sell the property, they work with the tenant first and the tenant sends a letter of intent within 14 days of being provided an offer. The tenant then seeks financing and negotiates contract terms. Once a contract is signed, the process is the same as for any other contract agreement.

Putting the property on the market and making the tenant negotiate like any other buyer is removed from this bill. This will allow more tenants to purchase, but also, will allow for a more fair chance for tenants to negotiate with the owner.

The legacy of the work of Councilwoman Clarke (and then Council President Mary Pat Clarke) cannot be overstated. This is just one way to honor her, by ensuring the original intent of the Right of First Refusal law is in place- that tenants have a chance to purchase the properties in which they currently live.

I humbly request your support for this landmark legislation.

Respectfully Submitted:

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