

**CITY OF BALTIMORE
COUNCIL BILL 09-0265
(Resolution)**

Introduced by: The Council President, President Rawlings-Blake
At the request of: The Administration (Department of Law)
Introduced and read first time: January 12, 2009

A RESOLUTION ENTITLED

1 A RESOLUTION OF THE MAYOR AND CITY COUNCIL concerning

2 **In Support of the City Solicitor's Formation of a**
3 **Multi-City Litigation Work Group on Foreclosures**

4 FOR the purpose of supporting the City Solicitor's efforts to partner with other cities to create a
5 united local government front for addressing the foreclosure crisis, to hold lenders
6 accountable, to reduce the number of foreclosures, and to eliminate vacant homes; and
7 providing for a special effective date.

8 **Recitals**

9 **WHEREAS**, The number of mortgage foreclosures in the United States and in the State of
10 Maryland has significantly increased in the past few years and has had a significant negative
11 impact on the cities in this country and in the State of Maryland.

12 **WHEREAS**, The number of mortgage foreclosures in the State of Maryland in 2005 was
13 5,141. That number increased in 2007 to 25,109; in 2008 it will exceed 30,000. The City of
14 Baltimore has seen the number of mortgage foreclosures increase from 3,000 in 2005 to 4,020 in
15 2007, and the number of mortgage foreclosures projected for 2008 will again exceed 4,000.

16 **WHEREAS**, The increase in mortgage foreclosures has resulted in an increase in the number
17 of vacant homes in the City of Baltimore, there now being over 16,000 registered vacant homes
18 in the City. The increase in the number of vacant homes has a deteriorating effect on the
19 neighborhoods in the City of Baltimore, causing a decrease in property values.

20 **WHEREAS**, The increase in mortgage foreclosures has reached epic proportions, establishing
21 the need for local action by cities. The City of Baltimore has responded to this mortgage-
22 foreclosure crisis in a number of ways, including but not limited to partnering with neighborhood
23 and nonprofit organizations to provide mortgage foreclosure workshops, individual mortgage
24 foreclosure counseling, targeted outreach to households threatened with foreclosure to make
25 them aware of available assistance, public service announcements, and direct mailings.

26 **WHEREAS**, The City of Baltimore has also responded by partnering with nonprofit
27 organizations, foundations, and the state and federal governments to seek to provide:
28 (1) mortgage intervention assistance that would provide loans or grants of up to \$5,000 to
29 households when that assistance, in combination with counseling, would likely result in retention
30 of the home; (2) mortgage refinancing that would provide low-interest, flexible-term refinancing
31 to households that, once refinanced, would be able to retain their homes; and (3) neighborhood

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 asset control through which nonprofit housing providers would buy, rehabilitate, and sell to
2 homeowners foreclosed properties to insure that whole communities do not enter a foreclosure
3 fueled disinvestment cycle.

4 **WHEREAS**, Mayor Sheila Dixon authorized the City Solicitor and the Housing Commissioner
5 to develop strategies to address and abate the negative effects of mortgage foreclosures in
6 Baltimore.

7 **WHEREAS**, The City Solicitor and Housing Commissioner have implemented legal strategies
8 to ensure that lenders are accountable for the care and maintenance of vacant homes, for the
9 swift payment of assessments, fees, and property taxes, for a systemic approach to quickly
10 evaluate and sell the vacant homes, and to get the lenders to focus on foreclosure prevention to
11 avoid vacant homes.

12 **WHEREAS**, On January 8, 2007, the City Solicitor, with co-counsel Relman & Dane, filed on
13 behalf of the City a Fair Housing Act claim against Wells Fargo for racially discriminatory
14 predatory lending, seeking injunctive relief and damages.

15 **WHEREAS**, The City Solicitor has actively participated in the revision of the Maryland Rules
16 governing mortgage foreclosure actions, to allow for mediation of foreclosure actions in
17 appropriate cases and to safeguard the interests of renters in properties being foreclosed.

18 **WHEREAS**, The City Solicitor proposed and Mayor Dixon sponsored enactment of a City
19 Ordinance to provide notice of the date of eviction to occupants of residential properties that
20 have been foreclosed.

21 **WHEREAS**, In September 2008, the City Solicitor co-founded and, with the City Attorney of
22 St. Paul, Minnesota, is Co-Chair of a multi-city litigation working group under the auspices of
23 the International Municipal Lawyers Association. This group comprises legal officers for
24 municipalities throughout the nation, with the purpose of jointly devising and implementing
25 legal strategies to proactively address the foreclosure crisis, by holding lenders accountable,
26 reducing the number of foreclosures, and eliminating vacant homes.

27 **SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
28 Mayor and City Council of Baltimore supports the Solicitor's efforts to partner with other cities
29 to create a united local government front for addressing the foreclosure crisis, such as creating a
30 multi-city litigation working group that comprises legal officers for municipalities throughout
31 the nation, to hold lenders accountable, to reduce the number of foreclosures, and to eliminate
32 vacant homes.

33 **SECTION 2. AND BE IT FURTHER RESOLVED**, That the City Solicitor will report back to the
34 Mayor and City Council of Baltimore in 90 days on the progress of the multi-city working group.

35 **SECTION 3. AND BE IT FURTHER RESOLVED**, That this Resolution takes effect on the date it
36 is enacted.