



SHEILA DIXON  
Mayor

PAUL T. GRAZIANO  
Executive Director, HABC  
Commissioner, HCDC

## MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council  
c/o Karen Randle, Executive Secretary

From: Paul T. Graziano, Commissioner

Date: November 17, 2008

Re: **City Council Bill 08-0210 Vacant Structures - Requisites for Transfer**

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 08-0210, which was introduced for the purpose of prohibiting the transfer of certain vacant structures without approved plans for the minimal repair of the structures; defining certain terms; and generally relating to the transfer of vacant structures. While DHCD respects the intent of the proposed legislation to address the blight of vacant properties, we regretfully cannot support its passage.

This proposed ordinance would have the legal effect of requiring every purchaser of property in the City to obtain certification from DHCD that the building is not a vacant structure, as defined in § 115.4 of Building, Fire and Related Codes of Baltimore City, before the buyer can record a new deed. If the property is designated as vacant, the bill requires that the purchaser would submit for review by DHCD officials a funded plan to repair the exterior of the structure.

DHCD believes that the best policy to return vacant properties to productive use is to encourage their sale from delinquent owners to new responsible buyers. We also support disclosure of a property's pending code violations in lien and title reports so that the purchaser is best informed as to their obligations upon transfer and recordation. Unfortunately, this legislation might have the opposite effect by inhibiting the transfer of thousands properties to potential purchasers who may find these new regulations too burdensome. Specifically, the requirement of a "funded plan" for repair is a concern. While DHCD believes that a responsible owner should plan for rehabilitation of their property within a year of acquisition, the prerequisite that the buyer should have access to sufficient capital funds at the time of recordation is a higher hurdle to clear in the current fiscal climate and may induce a near freeze on the real estate market.

We estimate that the annual mean number of residential sales in Baltimore City over the last three years (calendar years 2005, 2006 and 2007) was approximately 25,000 sales. Under the provisions of City Council Bill #08-0210, every buyer in

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these thousands of transactions would be required to contact our department to receive certification that the property is not vacant. In order to efficiently administer this process that would include the review of thousands of remediation plans, DHCD would require more staff, resources and file storage capacity than the department currently possesses.

Additionally, DHCD has concern that this legislation might exceed the City's legislative authority to enforce by imposing new regulations on recordation of deeds. In Maryland, procedures and requirements controlling recordation of deeds are governed predominately by state law as found in the Real Property Article of the Annotated Code of Maryland. We believe that the language:

“113.23.1 CERTIFICATION. NO DEED FOR THE TRANSFER OF  
PROPERTY MAY BE RECORDED UNLESS ACCOMPANIED BY A  
CERTIFICATE FROM THE BUILDING OFFICIAL.”

may be reasonably interpreted to impose legal restrictions inappropriately on the processes and employees in the land recordation office over which DHCD has no legal authority. We defer to the City's Law Department for further comment.

In the event that the proposed legislation's restrictions are interpreted to apply only to the property transferee recording a deed and not to the land records procedures as well, DHCD believes that the law will prove difficult to enforce. Once a property owner has recorded a deed, in either deviance or ignorance of this new law, we do not believe that the penalties for noncompliance would substantially enhance the tools already available to Housing Code Enforcement.

The Department of Housing and Community Development respectfully opposes the adoption of City Council Bill 08-0210.

PTG:pmd

cc: Ms. Angela Gibson  
Mr. Demaune Millard  
Mr. Andrew Frank