



**BALTIMORE CITY COUNCIL
ECONOMIC AND COMMUNITY DEVELOPMENT
COMMITTEE**

Mission Statement

On behalf of the Citizens of Baltimore City, the Committee on Economic and Community Development (ECD) is responsible for supporting strong thriving communities. ECD will review proposed zoning and land use changes, tackle issues related to economic development, oversee housing policy, and promote equitable economic opportunity for all Baltimore residents.

The Honorable Sharon Green Middleton

PUBLIC HEARING

September 16, 2024

2:00 PM

CLARENCE "DU" BURNS COUNCIL CHAMBERS

21-0077R

Informational Hearing - Implementation of Landlord Licensing

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All City Council Members

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RULES AND LEGISLATIVE OVERSIGHT (OVERSIGHT)

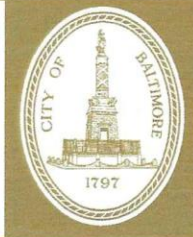
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BILL SYNOPSIS

Committee: Economic and Community Development

Bill: 21-0077R

Title: Informational Hearing – Implementation of Landlord Licensing

Sponsor: Council Member Ramos

Introduced: October 18th, 2021

Purpose: FOR the purpose of requesting representatives from the Department of Law, Department of Housing and Community Development, and Department of Public Works appear before the Council and provide a comprehensive report about progress made on the implementation of Council Bill 18-0185 (“Non-Owner-Occupied Dwelling Units, Rooming Houses, and Vacant Structures – Rental Dwellings – Registration and Licensing”).

Agency Reports

City Solicitor	Approve for form & Sufficiency
Dept of Public Works	No Objection
Dept of Finance	No Objection
Dept of Housing & Community Development	Favorable

Analysis

Background

City Law

City Council Bill 18-0185 Non-Owner-Occupied Dwelling Units, Rooming Houses, and Vacant Structures – Rental Dwellings – Registration and Licensing was passed in May of 2018. This bill was to add non owner occupied 1 & 2 family dwelling units to the licensing and inspection process that other larger multifamily units need to comply with.

Bill Analysis

This resolution authorized a hearing with referred agencies to monitor the implementation of this bill. According to a presentation from Councilman Zeke Cohen approximately 46% of rental units in the City are licensed.

According to the Department of Finance there has been a marked drop in revenue from projections – they attribute this to lingering effects from the COVID-19 pandemic and estimate a net increase in revenue of 2 million dollars.

Rental Property Registration Budget vs. Actual Revenue: FY14 through FY24			
Fiscal year	Budgeted Revenue	Actual Revenue	Difference
Fiscal 2014	\$4,500,000	\$4,750,445	250,445
Fiscal 2015	\$5,000,000	\$4,805,847	-194,153
Fiscal 2016	\$5,090,000	\$4,870,890	-219,110
Fiscal 2017	\$5,186,710	\$5,118,154	-68,556
Fiscal 2018	\$4,997,945	\$5,118,429	120,484
Fiscal 2019	\$5,036,900	\$5,137,363	100,463
Fiscal 2020	\$5,100,000	\$4,214,967	-885,033
Fiscal 2021	\$5,217,000	\$5,788,285	571,285
Fiscal 2022	\$5,306,000	\$3,901,776	-1,404,224
Fiscal 2023	\$5,450,000	\$2,613,144	-\$2,836,856
Fiscal 2024 Estimate (Q3)	\$4,000,000	\$6,000,000	\$2,000,000

Additional Information

Fiscal Note: Not Available

Information Source(s): Agency Reports, 21-0077R 1st reader, Baltimore City Charter,

Analysis by: Anthony Leva

Direct Inquiries to: 410-396-1091

Analysis Date: September 13, 2024

CITY OF BALTIMORE
COUNCIL BILL 21-0077R
(First Reader)

Introduced by: Councilmembers Ramos and Dorsey

Introduced and read first time: October 18, 2021

Assigned to: Economic and Community Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Housing and Community Development, Department of Public Works, Department of Finance

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Informational Hearing – Implementation of Landlord Licensing**

3 FOR the purpose of requesting representatives from the Department of Law, Department of
4 Housing and Community Development, and Department of Public Works appear before the
5 Council and provide a comprehensive report about progress made on the implementation of
6 Council Bill 18-0185 (“Non-Owner-Occupied Dwelling Units, Rooming Houses, and Vacant
7 Structures – Rental Dwellings – Registration and Licensing”).

8 **Recitals**

9 Council Bill 18-0185 (“Non-Owner-Occupied Dwelling Units, Rooming Houses, and Vacant
10 Structures – Rental Dwellings – Registration and Licensing”) was passed in May of 2018, and
11 enacted in August of that year. Implementation of the systems, inspections, and licensing were to
12 be completed 90 days after enactment.

13 Baltimore City Department of Housing and Community Development (“DHCD”) has done a
14 spectacular job setting up this important system to monitor the quality of rental housing. The
15 program requires landlords to be inspected every 3 years to get their license.

16 Licensing is different from registration. All non-owner occupied properties have to be
17 registered (Baltimore City Code, Article 13, § 4-5). That simply means DHCD knows that this is
18 a non-owner occupied property. A licensed property means it has been inspected and is up to
19 code so that residents can live on the premises. Inspections occur when the landlord pays an
20 inspector from the approved list provided by DHCD to inspect the property, and proper
21 paperwork is filed.

22 Residents have called 311 or notified their City Council member or a member of the DHCD
23 team when they suspect a property has not been licensed, or they locate the property on
24 CODEMAP or the City’s link to properties that are licensed. Additionally, neighbors have
25 discovered unlicensed properties by first finding other violations. If that property is not licensed,
26 DHCD issues fines of \$1000 for each infraction and failure to abate the violation.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 21-0077R

1 Unfortunately, even 2.5 years after implementation, there are hundreds if not thousands of
2 properties that are being rented that are not properly licensed. While COVID certainly had a
3 factor in this, COVID also provided the opportunity to require landlords to comply if they wanted
4 their tenants to receive rental assistance. This has prevented these renters from receiving critical
5 aid during the ongoing pandemic.

6 Nevertheless, there are significant cases where landlords are refusing to comply with the law.
7 While we've seen some cases highlighted in news media, we know from research that there are
8 several properties with multiple citations for non-compliance, and there is still no movement on
9 compliance. The current law states that DHCD could remove the renters from a non-licensed
10 property if the living conditions are so poor they should not be living in the property.

11 In addition, there is evidence that false paperwork is presented to DHCD so that landlords
12 can cut corners on repairs and inspections. This deeply undermines the goals of the licensing and
13 registration ordinance.

14 The Baltimore City Council wants to learn about the increase in licensed properties so that
15 rental assistance could be received, the estimated number of properties that have yet to be
16 licensed, properties that have clearly not complied with the law and therefore need strict
17 consequences, resources needed to fully implement the law, and any suggested changes to the
18 legislation.

19 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the City
20 Council requests representatives from the Department of Law, Department of Housing and
21 Community Development, and Department of Public Works appear before the Council and
22 provide a comprehensive report about progress made on the implementation of Council Bill
23 18-0185 (“Non-Owner-Occupied Dwelling Units, Rooming Houses, and Vacant Structures –
24 Rental Dwellings – Registration and Licensing”).

25 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
26 City Solicitor, Director of the Department of Housing and Community Development, the
27 Director of the Department of Public Works, and the Mayor’s Legislative Liaison to the City
28 Council.

ECONOMIC AND COMMUNITY DEVELOPMENT COMMITTEE

21-0077R AGENCY REPORTS

City Solicitor	Approve for form & Sufficiency
Dept of Public Works	No Objection
Dept of Finance	No Objection
Dept of Housing & Community Development	Favorable

Informational Hearing – Implementation of Landlord Licensing

CITY OF BALTIMORE

BRANDON M. SCOTT
Mayor



DEPARTMENT OF LAW
JAMES L. SHEA, CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

October 29, 2021

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 21-0077R – Investigational Hearing – Implementation of
Landlord Licensing

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 21-0077R for form and legal sufficiency. This resolution calls on representatives of several agencies to appear before the City Council to discuss the licensing of landlords.

A resolution is an appropriate way for the City Council of Baltimore to express its views on a particular matter. *See, e.g., Inlet Assocs. v. Assateague House Condominium*, 313 Md. 413, 428 (1988). Therefore, the Law Department approves this Resolution for form and legal sufficiency.

Very truly yours,

Hilary Ruley
Chief Solicitor

cc: James L. Shea, City Solicitor
Nina Themelis, Mayor's Office of Government Relations
Elena DiPietro, Chief Solicitor, General Counsel Division
Ashlea Brown, Chief Solicitor
Victor Tervalá, Chief Solicitor



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Khalil Zaied, Acting Director, Department of Public Works <i>Khalil Zaied</i>
DATE	September 13, 2024
SUBJECT	City Council Bill 21-0077R Informational Hearing - Implementation of Landlord Licensing

The Honorable President and
Members of the City Council
City Hall, Room 400

DATE: September 13, 2024

Position: No Position

SUMMARY OF POSITION

City Council Bill 21-0077R Informational Hearing - Implementation of Landlord Licensing

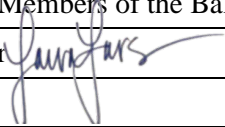
For the purpose of requesting representatives from the Department of Law, Department of Housing and Community Development, and Department of Public Works appear before the Council and provide a comprehensive report about progress made on the implementation of Council Bill 18-0185 (“Non-Owner-Occupied Dwelling Units, Rooming Houses, and Vacant Structures - Rental Dwellings - Registration and Licensing”).

The Department of Public Works was not part of the original process when this legislation was introduced and enacted in 2018. Therefore, we have no position since we were not assigned to this legislation and have nothing to report in regards to any progress made.

The Department of Public Works has no position on City Council Bill 21-0077R



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Laura Larsen, Budget Director 
DATE	9/12/2024
SUBJECT	City Council Bill 21-0077R, Landlord Licensing

The Honorable President and
Members of the City Council
City Hall, Room 400

The Department of Finance is herein reporting on City Council Bill 21-0077R, Landlord Licensing the purpose of which is an informational comprehensive report hearing regarding the implementation of City Council Bill 18-0185.

Council Bill 18-0185 added certain non-owner occupied 1- and 2- family dwellings to the licensing, inspection, and related requirements for multi-family dwellings and rooming houses, to modify procedures and prerequisites for registration and licensing of these units, and to provide for the imposition of penalties and/ or denial suspension or revocation of licenses for rental dwellings.

Background

The City Council passed 18-0815 to reform the residential property licensing system in Baltimore City in 2018 and the legislation went into effect in January 2019. Prior to this legislation, all non-owner-occupied dwelling units were required to be registered with the City. However, the only units that were required to be licensed and inspected were properties with three or more units, or two units and an additional use.

Council Bill 18-0185 changed this by requiring that all one- and two-unit properties be inspected and licensed. At the time, according to DHCD, they represented 43% of the rental market. The legislation also shifted inspections from City inspectors to a state licensed home inspector that registered with the City.

The legislation also changed the licensing system from an annual renewal of a 1-year license, to a three tiered license renewal system of one-, two- or three-year period. The initial license issued under this new system was a two-year license. Then depending upon how the owner's performance in resolving violation notices or orders during that initial period, a license would be issued utilizing the tiered system of one-, two- or three-years.

Revenue/Expenditures

When preparing a report for City Council Bill 18-0185 BBMR did not make any revenues projections regarding the proposed reforms. The table below summarizes actual revenues received from rental property registrations from Fiscal 2014 through Fiscal 2024. Actual revenues have ranged from \$2.6 million in Fiscal 2023 to \$5.8 million in Fiscal 2021. The drop off in revenue in Fiscal 2022 and Fiscal 2023 can be attributed to the lingering impacts of the COVID-19 pandemic and the City's transition to the Workday financial system.

Rental Property Registration Budget vs. Actual Revenue: FY14 through FY24			
Fiscal year	Budgeted Revenue	Actual Revenue	Difference
Fiscal 2014	\$4,500,000	\$4,750,445	250,445
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Fiscal 2024 Estimate (Q3)	\$4,000,000	\$6,000,000	\$2,000,000

Conclusion

The Department of Finance will attend the hearing for this Resolution and respond to any fiscal inquiries.

cc: Michael Mocksten
Nina Themelis



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Alice Kennedy, Housing Commissioner
DATE	September 17, 2024
SUBJECT	21-0077R Informational Hearing - Implementation of Landlord Licensing

The Honorable President and
Members of the City Council
City Hall, Room 400

9/13/2024

Position: Favorable

Introduction

The Department of Housing and Community Development (DHCD) has reviewed City Council Resolution 21-0077R Informational Hearing - Implementation of Landlord Licensing for the purpose of requesting representatives from the Department of Law, Department of Housing and Community Development, and Department of Public Works appear before the Council and provide a comprehensive report about progress made on the implementation of Council Bill 18-0185 (“Non-Owner-Occupied Dwelling Units, Rooming Houses, and Vacant Structures - Rental Dwellings - Registration and Licensing”).

City Council Resolution 21-0077R invites representatives from the Department of Law, Department of Housing and Community Development, and Department of Public Works to report on:

1. The increase in licensed properties so that rental assistance could be received
2. The estimated number of properties that have yet to be licensed
3. Properties that have clearly not complied with the law and therefore need strict consequences
4. Resources needed to fully implement the law
5. Any suggested changes to the legislation

DHCD Analysis

DHCD plans to have representatives on hand to deliver a presentation on the requested information and to take any questions that may arise.

Conclusion

DHCD respectfully requests a **favorable** Report on City Council Resolution 21-0077R.