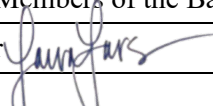




CITY OF BALTIMORE  
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Laura Larsen, Budget Director 
DATE	September 3 <sup>rd</sup> , 2025
SUBJECT	25-0059, Building, Fire, and Related Codes – Vacant Building Receivers – Failure to Sell

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

**Position: Does Not Oppose**

The Department of Finance is herein reporting on City Council Bill 25-0059, Building, Fire, and Related Codes – Vacant Building Receivers – Failure to Sell, the purpose of permitting a vacant building receiver to offer the property for sale to the Mayor and City Council of Baltimore City, if the property fails to sell at public auction; and providing certain limitations on the sale price.

**Background**

Council Bill 25-0059 proposes allowing court-appointed receivers of vacant properties to offer those that fail to sell at public auction to the Mayor and City Council. This bill primarily impacts vacant building receivers such as One House At A Time, Inc. (OHAT), as well as City initiated property acquisition and disposition.

Receivership is a code enforcement strategy used when property owners fail to correct vacant building violations. The Department of Housing and Community Development (DHCD) initiates the process. If the court appoints a receiver, the property is prepared for auction and offered to qualified developers. These properties are often in poor condition sold “as-is,” and come with strict redevelopment requirements. If no buyer comes forward, the property may remain vacant, continuing to undermine neighborhood stability and revitalization efforts. This bill aims to reduce long-term vacancies by creating a mechanism for the City to acquire these unsold properties directly from receivers.

DHCD provided data on properties involved in the receivership process between 2011 and 2021. The number of properties that go to auction through receivership varies from year to year, as does the number of properties that are not sold at auction. There is an additional disposition method known as “immediate sales,” which tracks properties sold off the website. These fluctuations are due to factors such as the condition of the properties and the state of the real estate market. The table below summarizes the disposition of properties that were scheduled for auction, went to auction, sold at auction, and sold later via immediate sale (i.e. sold off the website).

Disposition of Properties in the Receivership Process 2011-2021					
Year	Scheduled for	Auctioned	Sold At	% Sold at	Total Immediate

	Auction		Auction	Auction	Sales*
2011	67	67	56	84%	7
2012	242	193	146	76%	2
2013	373	310	231	75%	30
2014	263	231	184	80%	61
2015	243	211	142	67%	44
2016	234	200	140	70%	53
2017	240	205	162	79%	69
2018	253	212	171	81%	50
2019	290	241	187	78%	61
2020	171	153	144	94%	68
2021	191	160	155	97%	19
<b>Total</b>	<b>2,567</b>	<b>2,183</b>	<b>1,718</b>	<b>79%</b>	<b>464</b>
					<b>*Number sold at later date (i.e. off the website)</b>

This data reflects an auction program in which approximately 80% of scheduled properties between 2011 and 2021 are ultimately sold—either at auction or shortly afterward. However, not all properties that go to auction are successfully sold during the auction process. From 2011 to 2021, the City saw an average of 198 properties go to auction each year. Of these, an average of 156 were successfully sold at auction. Additionally, a total of 464 properties—an average of 42 per year—were sold through the website rather than through the auction.

To determine how many properties might be eligible for purchase by the City under Council Bill 25-0059, the number of properties sold at auction was subtracted from the total number of properties that went to auction.

<b>Properties Eligible for Purchase under 25-0059 2011-2021</b>				
<b>Year</b>	<b>Scheduled for Auction</b>	<b>Auctioned</b>	<b>Sold At Auction</b>	<b>Total Eligible under 25-0059</b>
2011	67	67	56	11
2012	242	193	146	47
2013	373	310	231	79
2014	263	231	184	47
2015	243	211	142	69
2016	234	200	140	60
2017	240	205	162	43
2018	253	212	171	41
2019	290	241	187	54
2020	171	153	144	9
2021	191	160	155	5
<b>Total</b>	<b>2,567</b>	<b>2,183</b>	<b>1,718</b>	<b>465</b>

Between 2011 and 2021, an average of 42 properties went to auction but were not sold, making them eligible for purchase by the City under Council Bill 25-0059. As noted above, the number of properties that enter the receivership pipeline fluctuates from year to year due to conditions in the real estate market. Similarly, the number of properties sold varies based not only on market conditions but also on the physical condition of the properties themselves.

### **Fiscal Impact**

DHCD stated that receivership expenses range between a minimum of \$2,500 and a maximum of \$5,000 per property. The costs vary from property to property. To understand how much the City may spend on purchasing properties based on the maximum and minimum costs provided by DHCD. It is important to note that under 25-0059 DHCD does not have to purchase every property that is not sold at auction.

<b>Estimated Costs of Purchasing Properties under 25-0059 2011-2021</b>			
<b>Year</b>	<b>Total Eligible under 25-0059</b>	<b>Minimum receivership cost</b>	<b>Maximum receivership cost</b>
2011	11	\$27,500	\$55,000
2012	47	\$117,500	\$235,000
2013	79	\$197,500	\$395,000
2014	47	\$117,500	\$235,000
2015	69	\$172,500	\$345,000
2016	60	\$150,000	\$300,000
2017	43	\$107,500	\$215,000
2018	41	\$102,500	\$205,000
2019	54	\$135,000	\$270,000
2020	9	\$22,500	\$45,000
2021	5	\$12,500	\$25,000
<b>Total</b>	<b>465</b>	<b>\$1,162,500</b>	<b>\$2,325,000</b>

The potential costs under City Council Bill 25-0059 vary from year to year due to the number of eligible properties each year. Assuming that every property cost the receiver \$2,500 and DHCD purchased every property, the city would have spent \$1,162,500 for 465 properties, an annual average of \$105,682. Assuming that every property cost the receiver \$5,000 and DHCD purchased every property, the city would have spent \$2,325,000 for 465 properties, an annual average of \$211,364. If 25-0059 is passed, DHCD would have to budget specifically for purchasing properties that fail to sell at auction. This money would have to come from existing resources, in Fiscal Year 2026 and can be budgeted for in Fiscal 2027.

### **Conclusion**

Council Bill 25-0059 presents a targeted solution to address the persistent challenge of long-term vacant properties that fail to sell at auction. By allowing court-appointed receivers to offer these unsold properties directly to the City, the bill creates an additional pathway for property acquisition that supports neighborhood stabilization and revitalization.

Data from 2011 to 2021 shows that while over 80% of properties scheduled for auction are ultimately sold, an average of 42 properties per year remain unsold and would be eligible for City acquisition under this bill. These properties—often in poor condition—are unlikely to attract buyers through traditional channels and may otherwise continue to contribute to neighborhood blight.

Assuming the City opted to acquire every eligible property, the estimated receivership costs range from \$1.16 million to \$2.33 million over the 11-year period, or approximately \$106,000 to \$211,000 annually. However, the bill does not mandate the purchase of all eligible properties, allowing DHCD to apply discretion and prioritize acquisitions based on strategic needs and available resources.

Overall, Bill 25-0059 provides the City with a tool to intervene in difficult vacant property cases and advance its broader goals of housing recovery, redevelopment, and community investment.

**For the reasons stated above, the Department of Finance does not oppose City Council Bill 25-0059.**

cc: Michael Mocksten  
Nina Themelis