



BALTIMORE
HOUSING

SHEILA DIXON
Mayor

PAUL T. GRAZIANO
Executive Director, HABC
Commissioner, HCD

MEMORANDUM

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

From: Paul T. Graziano, Commissioner

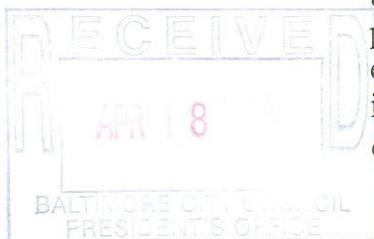
Date: April 7, 2008

Re: City Council Bill 08-0063 Property Maintenance – Responsibilities of
City as Owner or Operator

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 08-0063, which was introduced for the purpose of expressly restating and reaffirming the responsibilities of the City for the repair and maintenance of properties owned or operated by it; requiring certain Departments to submit to the Mayor and the City Council a schedule for bringing all City-owned or -operated properties "to code" within a certain period and to provide periodic progress reports; and generally relating to the scope and applicability of the Building, Fire, and Related Codes of Baltimore City.

DHCD believes that property owned or operated by the City for the purposes of fulfilling a core municipal function such as a housing inspection field office, a fire station, or a vehicle maintenance facility must be maintained in good repair and sanitary condition in compliance with the Building Code. However, City Council Bill 08-0063 would have the legal effect of requiring that all of the property that the City owns or operates, including thousands of vacant buildings, be made habitable within a three-year timeframe. The estimated cost to the City to rehabilitate, repair, or demolish these thousands of buildings would exceed \$300,000,000. The enormity of the expense alone makes even partial compliance with the proposed mandate cost prohibitive. Alternatively, DHCD recommends that the establishment of a future land bank authority that would efficiently and more rapidly dispose of vacant buildings serves as a better resolution than the legislation's proposed three-year unilateral mandate.

At present, DHCD currently possesses approximately 2,500 buildings within its inventory with another 2000 potential acquisitions over the course of the next eighteen months. Most of these properties are presently boarded and were deemed unfit for habitation prior to DHCD's acquisition. It is precisely because of these conditions that the City reluctantly took possession of them. Unlike a private, non-profit, or institutional owner, the City did not acquire these vacants either voluntarily or for investment purposes. Instead, the City took title in the interest of safeguarding the public health and safety and DHCD maintains them only as the owner of last resort.



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It is the DHCD's policy to dispose of vacant buildings as efficiently as possible in order to be return them to productive use rather than bear the cost of rehabilitating these structures. As of this writing, the City has successfully gained passage of state enabling legislation that would authorize the establishment of a local land bank; a quasi-governmental entity which will be empowered to dispose of vacant property in a more rapid and efficient manner than any present process.

With these items discussed, the Department of Housing and Community Development opposes the adoption of City Council Bill 08-0063.

PTG:pmd

cc: Ms. Angela Gibson
Mr. Demaune Millard