


MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Natawna Austin, Executive Secretary

FROM: William H. Cole, President and CEO 

DATE: January 31, 2018

SUBJECT: Council Bill No. 18-0185

The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill 18-0185, for the purpose of requiring that certain non-owner occupied 1- and 2-family dwelling units be subject to the licensing, inspection, and related requirements for multi-family dwellings.

The provision of safe, affordable housing for residents across all income levels is a necessary component of an economically successful City. While BDC generally has concern for regulations that present an undue burden on private enterprise, inhibit the competitiveness of Baltimore City in the regional, national, or global market, or present high regulatory barriers to entry for prospective businesses, we believe that the proposed regulation provides essential oversight in a segment of the residential rental housing market that is not closely regulated.

BDC has some concern that in certain cases, the cost and compliance burdens of this regulation will drive away high-quality landlords who consistently provide quality housing and reasonable rents. As such, the legislation could lead to: 1) higher rents to compensate for the additional cost of compliance 2) increased vacant property, as the cost of providing compliant housing exceed the potential rental income the property can generate and 3) reduction in “mom-and-pop” landlords who currently provide safe, affordable housing, but lack the sophistication or will to deal with the additional regulatory burden.

Even so, BDC believes that the cost of regulatory compliance in this case is relatively small, and all property owners should bear the cost of bringing a property into habitable, code-compliant condition. BDC believes that the potential negative effects of this legislation are far outweighed by the positive benefits of safe housing for Baltimore City residents. The licensing component of this legislation, in particular, provides a meaningful mechanism for reducing the amount of sub-standard housing offered by non-compliant landlords, and BDC hopes that it will lead to a substantial reduction in sub-standard housing throughout the City. BDC supports Bill 18-0185 and respectfully requests favorable consideration by the Committee.

cc: Colin Tarbert
Kyrn Banks