

Hon. President and Members of the City Council:

RE: CCB #22-0285, Abundant Housing Act

I am writing to oppose the passage of Bill- #22-0285.

I have been a resident of Baltimore City, specifically the Hamilton/Lauraville area, for more than 70 years. I served as the Mayor's representative at the HARBEL Community Organization under Mayor, William Donald Schaefer in the mid 70's. I was then selected by the HARBEL Board to serve as the Executive Director of the Organization. In 1983 I was elected to the City Council from the 3<sup>rd</sup> Councilmanic District and served two terms in the City Council, after which I spent three years as the Director of Fiscal Affairs in the City Council President's Office under President Lawrence Bell.

I left the Council President's Office to become the CEO of the Greater Baltimore Board of Realtors, where I served for 14 years. All together with my time as the head of GBBR and being an active licensed real estate agent, I have nearly 35 years of experience in the real estate business. I have also served on the Board and as Treasurer and President of Live Baltimore and I Served for several years on the Board of the Healthy Neighborhoods Program. I only cite my background to emphasize the fact that I have quite a bit of knowledge and experience with public policy and the housing market.

City Council Bill 22-0285 was supposedly introduced to help stem the tide of population loss in the City, which has declined by more than 160,000 people in the past 30 years. In addition, the rate of home ownership in the City has steadily declined to below 48% according to recent census data. Unfortunately, this bill will only accelerate the decline of homeownership in the City and will have a direct negative impact on many neighborhoods by eliminating the current restriction on converting single family dwellings to multi-family dwelling units.

CCB 22-0285 represents a dramatic change in public policy that will have a profound effect on the very City neighborhoods that have exhibited a high degree of stability and resilience over the past several decades, primarily because a high percentage of residents own their homes. The reason these neighborhoods appeal to home buyers and have remained stable is because housing prices are relatively affordable and the houses and neighborhoods possess a range of desirable characteristics and features such as: larger homes, more open space, lower population densities, less traffic and parking congestion, and less transience among residents. This Bill will directly impact all of the Middle neighborhoods in the City, including those listed below, all of which are strong neighborhoods that have owner occupancy rates well above the City average.

Neighborhoods	Owner Occupancy %
Beechfield/Ten Hills	75%
Hamilton	73%
Lauraville	71%
Howard Park/West Arlington	68%
Glen/Fallstaff	70%
Dorchester/Ashburton	63%

Harford/Echodale	76%
Cross Country/Cheswold	80%
Loch Raven	75%
Morrel Park/Violetville	59%

The inherent appeal of these neighborhoods is understandable. Why the City would want to adopt a policy measure that promotes cramming more rental units and more people into these neighborhoods, which would negatively affect the rate of homeownership, is bewildering. The only thing this bill will accomplish is to increase densities in selected neighborhoods. It will not improve housing affordability or increase home ownership levels. In addition, the bill is highly discriminatory, because it will not apply to any of the very high-priced, low density City neighborhoods like Homeland, Guilford or Roland Park that have even larger homes, because these areas are protected by private covenants prohibiting conversions to multi-family units.

The benefits of homeownership are well documented, in terms of increasing neighborhood and family stability and building generational household wealth. A recent [study](#) released by the National Association of Realtors in April of 2023 found that the net worth of the typical homeowner is 40 times higher than the typical renter. Unfortunately, as stated earlier, this bill will negatively impact homeownership levels throughout the entire City. Homebuyers in many neighborhoods are already competing with major real estate investment companies and speculators in the marketplace. I work with home buyers and sellers throughout the City and it is practically impossible for first-time buyers, who are making a down payment of 3-5% and need to secure a mortgage that requires an appraisal and want to have a home inspection, to compete against an investor. Typically investors buy with cash and settle in 30 days or less with no appraisal and no inspections and they pay all of the transfer taxes and stamps (which in the City amount to 3% of the purchase price). This dynamic is already happening in the current housing market under the present restrictive conditions with respect to multi-family conversions, but the problem will become even more acute if this bill passes.

Simply stated, this measure will permit investors and speculators to cherry pick the most affordable and desirable properties and neighborhoods for the purpose of converting single family homes into multi-family rental units. According to data reported by the PEW Trust and originally gathered by CoreLogic, nationwide as of 2022, investment companies own about one fourth of all single-family homes. Last year, investor purchases accounted for 22% of all homes sold.

Metaphorically speaking, the conversion flood gates have been essentially closed for more than five decades. As a matter of policy, conversions have required authorization by ordinance or variance under the zoning code and because of this there have been a relatively small number of conversions over the past 50 years. This bill, if passed, would open the flood gates entirely and permit conversions as a matter of right. Given the near total ban on conversions that has been in effect for nearly 50 years, the passage of this bill will ultimately result in a torrent of investor activity and multi-family conversions.

It will be an absolute boon to investors and speculators looking to cash in on this major policy change and it has the potential to unravel and counteract the successful efforts that the City and Homeownership Advocates have put forth over many decades to promote homeownership and neighborhood stability. This flood of investment activity may, I repeat MAY boost housing prices in the short term, because of speculative buying, but it will be at the expense of undermining homeownership and neighborhood stability in the long term.

The City does need to develop more rental housing that is clear, but developing rental units by cannibalizing single-family owner-occupied units is a very shortsighted and destructive policy. Most renters are paying as much, or more, per month for housing as homeowners are, but they are more susceptible to displacement and increases in monthly rents. The biggest impediment to renters becoming homeowners is not the monthly payments, it is the upfront downpayment and closing costs. Plus, it is a well-known fact that scattered site rental units are the most difficult to manage and maintain, and many eventually fall behind in terms of maintenance and upkeep, which negatively affects the surrounding neighbors and diminishes home values.

One of the other negative aspects of this bill is that it completely eliminates any off-street parking requirements that would otherwise go along with increased housing densities. Parking is already in short supply in many neighborhoods and parking disputes have led to violent confrontations between residents. Increasing population and vehicle densities while eliminating off-street parking requirements is a recipe for greater discontent and tension between neighbors and will make neighborhoods less appealing to both homebuyers and tenants.

During the 70 plus years that I have lived in the Hamilton-Lauraville area, I have seen the neighborhood go through several transitions - household sizes have shrunk, the racial composition of the neighborhoods has changed from predominantly white to predominantly black, churches and schools have closed, businesses have come and gone, the number of cars has increased exponentially and the level of city of services has steadily declined, yet despite these changes the one thing that has remained constant throughout these transitions is the neighborhood has retained a high level of homeownership and owner occupancy.

It would be a cruel and especially vexing twist of fate for the City to alter its long-standing policy regarding single-family conversions now that these neighborhoods have become more diverse and integrated both racially and economically. I caution the members of the City Council - Do Not underestimate the economic clout of these major real estate investment companies and the extent to which they will go to turn a profit. Absentee landlords do not contribute to or care about neighborhood stability and livability in the way that long-term homeowners and residents do.

This bill might have some merit if it was targeted to apply solely to properties throughout the City that are long term vacant or unoccupied properties or properties larger than 3000 square feet that are not economically marketable as single-family residences. However, this bill removes any type of control on housing conversions in all neighborhoods that aren't under the

protection of enforceable private deed restrictions and will only serve to enrich the large investment firms and speculators that are standing by waiting to seize the opportunity to do multi-family rental conversions if this bill should pass.

While CCB#22-0285 may be well intentioned, it is a seriously misguided measure that will precipitate a flood of unintended consequences and undermine much of the work and investment that has gone into boosting and maintaining homeownership in the City. I strongly urge you to reject this bill in its present form.

Sincerely,

A handwritten signature in blue ink that reads "Joseph 'Jody' Landers". The signature is written in a cursive, flowing style.

Joseph "Jody" Landers

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