


FROM	NAME & TITLE	Andy Frank, Real Estate Officer	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Real Estate, City Hall, Room 304		
	SUBJECT	21-0172 Baltimore City Legacy Residents - Urban Homesteading Program		

DATE:

TO

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

February 16, 2022

Position: Without Recommendation

The Department of Real Estate (DORE) is offering comments on 21-0172 Baltimore City Legacy Residents - Urban Homesteading Program. These comments are in response to the amendments proposed at the City Council Committee of Whole on February 14, 2022 and received on February 15, 2022.

Comments

Previously, DORE interpreted 21-0172 to solely include properties with structures in the proposed public registry. Amendment number three would widen the criteria to all properties that the City has the authority to sell.

This change would make vacant city-owned lots available. DORE has jurisdiction over approximately 1,300 properties that are mostly made up of vacant lots, referred to as legacy lots or the list of 30s. The Comptroller is authorized to resell these lots, acquired via tax sale, under City Code Article 28 § 8-3. Properties offered for sale are first published in the City Council journal. After thirty days, if no objection is received, the DORE proceeds with disposition through the Board of Estimates. On average, DORE sells between 10 and 15 lots each year.

Based on the demand for DORE's legacy lots over the decade, we believe that a large number of properties in our portfolio are not suitable for the economics of new construction homeownership. Our experience with the sale of tax sale certificates is that renovation of existing homes is more financially feasible than new construction. Many buyers are looking to consolidate a parcel in DORE's portfolio with a nearby property that they already owned.

We do not have currently the staffing capacity to assess the legacy lots to determine the degree to which these lots are suitable for new construction homeownership. Methodology would need to be designed to review the properties for lot size, financing, zoning, and potential environmental issues. This would require a budget enhancement to accommodate the increased workload. **We estimate \$125,000 would be needed to support the legislative mandate put forth by CCB 21-0172.**

In addition to the aforementioned issues, we have serious concerns about the program criteria including vacant lots, specifically in these areas:

- § 2C-6, leases
- §2C-7, inspections
- §2C-7, recaptures

The Department of Real Estate is *making no recommendation* on 21-0172, but is providing this fiscal note as our comments. If the bill was to pass, we would need an effective date of at least 180 days after signing to perform our duties.

If you have any questions, please contact KC Kelleher, Director of Communications in the Office of the Comptroller at KC.Kelleher@baltimorecity.gov.

CC: Celeste Amato, Chief of Staff to Comptroller Henry
Nina Themelis, Mayor's Office