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On behalf of

FROM	NAME & TITLE	Henry Raymond, Director of Finance	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 454, City Hall		
	SUBJECT	City Council Bill 22-0101R – Informational Hearing – Mayor’s Recommendations – 30-Day Review of Strategies to Eliminate Vacant and Abandoned Properties		

DATE:

TO

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

July 8, 2022

The Department of Finance is herein reporting on City Council Bill 22-0101R, Informational Hearing – Mayor’s Recommendations – 30-Day Review of Strategies to Eliminate Vacant and Abandoned Properties, the purpose of which is to present to the Baltimore City Council the findings and recommendations of the Mayor’s 30-day review for eliminating privately- and publicly-owned vacant and abandoned properties.

Background

In response to the tragedy which occurred on January 24, 2022, in which three firefighters died in the line of duty, Mayor Brandon Scott announced an official directive to all City agencies to conduct an internal review of operations, procedures, and processes related to how City agencies respond to vacant properties. There are approximately 14,780 vacant houses in Baltimore City, 90% of which are privately owned. On March 1, 2022, the results of the internal review, along with a series of recommendations, were released in a 9-page memorandum, which will inform the City’s strategy in addressing vacant properties.

Fiscal Impact

As the working group of City officials was convening earlier this year, several investments related to addressing vacant housing and eliminating blight were actively being discussed as part of the Fiscal 2023 budget, which went into effect on July 1, 2022.

Within the Department of Housing and Community Development, several investments were made to help address these issues. Under Service 749: Property Acquisition, Disposition and Asset Management, an investment of \$1.7 million was added to the Fiscal 2023 budget. Of this funding, \$800,000 for personnel expenses will support the City’s new In-Rem Foreclosure process. Another \$500,000 will be used for contractual expenses, including title work, appraisal costs, and property donation support. In addition, the budget funds 2 new Title Attorneys and a Paralegal to support acquisition efforts. A Permit Liaison was also funded to support the permit and inspection process.

Other short-term funding provided in the Fiscal 2023 budget includes two new positions within the Department of Finance’s Lien Division under Service 150: Revenue Collection. These positions will allow for process improvements so that all lien abatement requests are processed within 30 days. The new process is anticipated to be implemented by Fall 2022.

In conjunction with the release of the working group’s recommendations, the announcement of \$100 million in dedicated American Rescue Plan Act funding was made in March 2022. With three areas of

focus, the funding includes \$56.3 million for strategic capital investments, \$39.7 million for blight elimination and prevention, and \$4 million for resident protections.

Other Considerations

The recommendations offer several ways to address vacant and abandoned properties, which will be impactful to residents throughout the City. The presence of vacant homes can directly impact neighborhood property values and, in turn, generational wealth for legacy residents, especially in historically redlined communities. In addition, having these properties and land be returned to productive use has a direct impact on revenues that the City receives from property taxes, the largest revenue source within the General Fund.

Conclusion

While the recommendations set forth by the working group provide the City with opportunities to address vacant housing within the City, many of these recommendations come with considerable costs and the resources to address these issues are not unlimited. The Department of Finance will continue to participate in discussions around short-term and long-term funding opportunities to support the efforts of the workgroup in reducing the number of vacant and abandoned properties throughout the City.

cc: Henry Raymond
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