

Introduced by: Councilmember Clarke, *Young, J.C.H.* DORSEY, *Bellack, Cohen, Midd*

Prepared by: Department of Legislative Reference *Costello, Pinkett, Stokes, Burnett, Sheed* Date: August 8, 2017

Referred to: **HOUSING AND URBAN AFFAIRS** Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

*Schleifer, Reisinger, Henry*

CITY COUNCIL 17-0037R

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

**A "Dollar House" Program for the 21<sup>st</sup> Century**

FOR the purpose of calling on the City to develop a 21<sup>st</sup> Century "Dollar House" program that could revitalize marginal neighborhoods by matching construction ability at the grass roots of Baltimore to production of affordable housing for workers' families and neighbors.

*Margaret Clarke*  
*Bob Young*  
*Sheed*  
*For Dorsey*  
*Jessy*  
*Ed. Cost*  
*Le. Lortevice*  
*Robert Stokes*  
*Edward Reisinger*  
*Henry*  
*Henry*

**\*\*The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

**Agencies**

- |   |   |
|---|---|
| <input type="checkbox"/> Baltimore City Public School System                        | <input type="checkbox"/> Department of Public Works               |
| <input type="checkbox"/> Baltimore Development Corporation                          | <input type="checkbox"/> Department of Real Estate                |
| <input type="checkbox"/> City Solicitor   | <input type="checkbox"/> Department of Recreation and Parks       |
| <input type="checkbox"/> Comptroller's Office                                       | <input type="checkbox"/> Department of Transportation             |
| <input type="checkbox"/> Department of Audits                                       | <input type="checkbox"/> Fire Department                          |
| <input type="checkbox"/> Department of Finance                                      | <input type="checkbox"/> Health Department                        |
| <input type="checkbox"/> Department of General Services                             | <input type="checkbox"/> Mayor's Office of Employment Development |
| <input checked="" type="checkbox"/> Department of Housing and Community Development | <input type="checkbox"/> Mayor's Office of Human Services         |
| <input type="checkbox"/> Department of Human Resources                              | <input type="checkbox"/> Mayor's Office of Information Technology |
| <input type="checkbox"/> Department of Planning                                     | <input type="checkbox"/> Office of the Mayor                      |
| <input type="checkbox"/> Other: _____   | <input type="checkbox"/> Police Department                        |
| <input type="checkbox"/> Other: _____   | <input type="checkbox"/> Other: _____                             |
| <input type="checkbox"/> Other: _____   | <input type="checkbox"/> Other: _____                             |

**Boards and Commissions**

- |  |   |
|--|---|
| <input type="checkbox"/> Board of Estimates                                  | <input type="checkbox"/> Environmental Control Board                |
| <input type="checkbox"/> Board of Ethics                                     | <input type="checkbox"/> Fire & Police Employees' Retirement System |
| <input type="checkbox"/> Board of Municipal and Zoning Appeals               | <input type="checkbox"/> Labor Commissioner                         |
| <input type="checkbox"/> Comm. for Historical and Architectural Preservation | <input type="checkbox"/> Parking Authority Board                    |
| <input type="checkbox"/> Commission on Sustainability                        | <input type="checkbox"/> Planning Commission                        |
| <input type="checkbox"/> Employees' Retirement System                        | <input type="checkbox"/> Wage Commission                            |
| <input type="checkbox"/> Other: _____  | <input type="checkbox"/> Other: _____                               |
| <input type="checkbox"/> Other: _____  | <input type="checkbox"/> Other: _____                               |
| <input type="checkbox"/> Other: _____  | <input type="checkbox"/> Other: _____                               |

**CITY OF BALTIMORE  
COUNCIL BILL 17-0037R  
(Resolution)**

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Introduced by: Councilmember Clarke, President Young, Councilmembers Scott, Dorsey,  
Bullock, Cohen, Middleton, Costello, Pinkett, Stokes, Burnett, Sneed, Schleifer, Reisinger,  
Henry

Introduced and read first time: August 14, 2017

Assigned to: Housing and Urban Affairs Committee

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Committee Report: Favorable

Adopted: October 30, 2017

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**A COUNCIL RESOLUTION CONCERNING**

**A “Dollar House” Program for the 21<sup>st</sup> Century**

1  
2 FOR the purpose of calling on the City to develop a 21<sup>st</sup> Century “Dollar House” program that  
3 could revitalize marginal neighborhoods by matching construction ability at the grass roots of  
4 Baltimore to production of affordable housing for workers' families and neighbors.

**Recitals**

5  
6 As Baltimore looks to solve the seemingly intractable problem of revitalizing neighborhoods  
7 beset by vacant homes, it would do well to look to solutions that have succeeded here in the past.  
8 The City’s highly successful “Dollar House” program from the 1980’s could serve as a useful  
9 model for true grassroots neighborhood revitalization in the modern era.

10 In the 80’s the City was able to assist in the transformation of neighborhoods such as Barre  
11 Circle, Otterbein, and Ridgely’s Delight from marginal to long term stability by selling large  
12 numbers of City owned vacant properties for \$1 each to individuals who agreed to rehab the  
13 properties with the assistance of low interest loans from the City and then live in the newly  
14 refurbished homes. This effort proved to not only be successful in stabilizing the neighborhoods,  
15 but also profitable for the City.

16 Today, the acquisition of clusters of vacant properties in a number of City neighborhoods has  
17 laid the groundwork that could make a second dollar home effort successful once again. If the  
18 City were to redirect funding currently earmarked to tear down these properties into 1% interest  
19 loans to modern day homesteaders willing to purchase the properties for \$1 and rehabilitate them  
20 this proven model could be replicated and the City could save money over the long term.

21 Pairing these homeownership incentives with construction job training and apprenticeship  
22 programs in the targeted neighborhoods could simultaneously provide the two things most  
23 needed to turn lives around there – affordable housing and access to meaningful well-paying  
24 work. A vacant property rehabbed using local labor for \$100,000 could be paid for with a  
25 \$300/month 1% mortgage, an amount easily affordable by someone working steadily on the new  
26 construction jobs the program would spur.

**EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike-out~~ indicates matter stricken by amendment.**

**Council Bill 17-0037R**

1       A 21<sup>st</sup> Century “Dollar House” program could use local minority skilled-trades and financing  
2 experts to keep costs down in rehabbing blighted homes for affordable homeownership. It would  
3 involve local, minority trades in the City’s rehab efforts – so they can salvage their own  
4 neighborhoods for affordable sales to local residents. The City needs to take advantage of the  
5 opportunity that its acquisition of clusters of vacant properties provides to develop a 21<sup>st</sup> Century  
6 “Dollar House” program that matches construction ability at the grass roots of Baltimore to  
7 affordable housing for workers’ families and neighbors. History shows that these efforts can be  
8 both highly effective and economical over the long term.

9       **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the  
10 Council calls on the City to develop a 21<sup>st</sup> Century “Dollar House” program that could revitalize  
11 marginal neighborhoods by matching construction ability at the grass roots of Baltimore to  
12 production of affordable housing for workers’ families and neighbors.

13       **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the  
14 Housing Commissioner, local and minority skilled construction trades and financing advocates  
15 promoting this proposal, and the Mayor’s Legislative Liaison to the City Council.

**BALTIMORE CITY COUNCIL**  
**Housing And Urban Affairs Committee**  
**VOTING RECORD**

DATE: 10-25-17

BILL#CC: 17- 0037R BILL TITLE: Resolution – A “Dollar House “ Program for the 21<sup>st</sup> Century.

MOTION BY: Henry SECONDED BY: Cohen

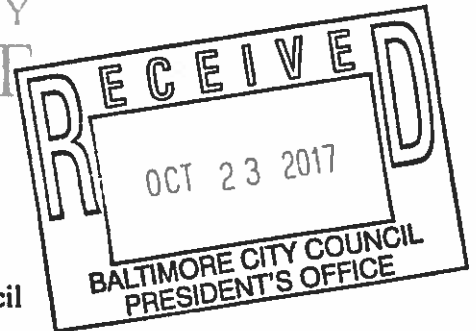
- FAVORABLE                       FAVORABLE WITH AMENDMENTS  
 UNFAVORABLE                       WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Bullock, J. Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schleifer, I. Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Burnett, K.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry, B.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sneed ,S.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cohen, Z	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dorsey, R.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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<b>TOTALS</b>	<u>5</u>	<u>0</u>		

CHAIRPERSON: [Signature]  
 COMMITTEE STAFF: Richard G. Krummerich, Initials: RK



The Baltimore City Department of  
HOUSING & COMMUNITY  
DEVELOPMENT



## MEMORANDUM

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

From: Michael Braverman, Housing Commissioner *(MFB)*

Date: October 19, 2017

Re: City Council Bill 17-0037R – A “Dollar House” Program for the 21<sup>st</sup> Century

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The Department of Housing and Community Development (HCD) has reviewed City Council Bill 17-0037R for the purpose of calling on the City to develop a 21<sup>st</sup> Century “Dollar House” program that could revitalize marginal neighborhoods by matching construction ability at the grass roots of Baltimore to production of affordable housing for workers’ families and neighbors.

The Dollar House Program was a successful short-lived initiative which began in 1973 that helped revive a handful of neighborhoods with a concentration of unoccupied, city-owned properties. The neighborhoods that most benefitted from the program were Otterbein, Barre Circle and Stirling Street. The success of the Dollar House Program could be attributed to a few key factors that included:

- Contiguity of houses in self-contained whole blocks
- Property located close to downtown
- Property unoccupied for only a few years
- Availability of low interest city backed loans
- Dedicated and well-staffed city office that provided renovation guidance

While the Dollar House Program garnered much positive publicity, it was a product of its time and place and circumstances have changed. Most particularly, the federal and local financial and technical support that made the program possible is no longer available, Baltimore’s population has declined by over 250,000 persons since the program’s inception, and the number of unoccupied properties in the city with a Vacant Building Notice (VBN) has risen to some 16,500 from the approximately 5,000 that existed in 1973. While the City remains willing to sell properties for a dollar, it no longer owns large concentrations of properties in proximity to the downtown. Fortunately, the City has developed new programs and tools with which to rehabilitate and reoccupy structures with VBNs, and has used them to revive many times the number of properties achieved by the Dollar House Program. While the Program

*Comments*





should be fondly remembered, and serve as an inspiration of what concerted joint effort can bring about, it is a misuse of the past to make it a model for current action when viable successors are in place and working.

The Mayor and City Council (MCC) currently owns approximately 10,540 properties that are the responsibility of various city agencies. Approximately 7,500 of these properties are the responsibility of HCD. The Land Resources Division of HCD uses different strategies to market Baltimore's vacant properties and lots to homeowners, investors and businesses through the Open Bid Program, an annual surplus sale and the side yard program. The listing of available MCC owned property and the application to purchase property is located on HCD's website. All properties have a *suggested* offer price, but interested buyers can offer any amount they deem fair to pay, along with their project scope and rehabilitation estimates. Negotiated sales prices are established after factoring in scope of the project, community impact and impact on surrounding blight and often result in a nominal final sales price, even at times \$1.00. Once sold, Land Resources staff monitor the progress of the rehabilitation and compliance with the Land Disposition Agreement.

To assist with neighborhood revitalization, HCD uses code enforcement and land resource strategies to mitigate blight and spur development. These strategies take into account a market analysis carried out every three years by the Reinvestment Fund, the Department of Planning and HCD that assesses the strength of Baltimore's housing markets. Based on that analysis, targeted approaches are developed for addressing blight neighborhood by neighborhood.

- **Streamlined Code Enforcement neighborhoods (SCENs)** – In areas of the City that have relatively healthy housing markets, but scattered vacant and blighted properties threaten the strength of some blocks we use code enforcement tools. Housing inspectors will issue \$900 citations – like parking tickets – when owners of boarded up buildings don't respond to Vacant Building Notices, and \$250 citations when owners of occupied homes don't respond to violation notices (e.g., for overgrown grass or overflowing trash). The fines that come with citations rise quickly if no action is taken to abate the citation so owners are pushed to take action right away. If \$900 citations do not spur action, legal action is pursued to remove the property from the current owner – receivership, which allows the courts to assign the property to a “receiver” who can auction the property to a new owner for rehabilitation. While these strategies cannot fully combat the effects of clusters of foreclosures or the trajectory of larger market forces, they do ensure that blighted properties are not “stuck” in the hands of unresponsive owners in neighborhoods where there are buyers willing to fix and reoccupy those properties. **Since 2010, the work undertaken in SCENs has helped contribute to the rehab of more than 2,500 vacant properties.**
- **Community Development Clusters** – In designated footprints near anchors of strength, HCD partners with non-profit and for-profit developers committed to rehabilitation in distressed markets with many vacant and blighted properties on a block or set of blocks. HCD “receivers” and auctions privately-owned abandoned properties, and transfer any City-owned board-ups to developer partners. At the same time, HCD has programs to assist long-time residents make improvements to their properties. In addition, the city supports improvements to these neighborhoods more broadly, undertaking strategic demolition, repairing poorly maintained streets and sidewalks, and planting new trees. Given the opportunity to transform entire



footprints, developers are willing to make significant investments in these distressed neighborhoods and continue to expand areas of strength within them. Since 2010, the work done in Community Development Clusters has helped contribute to the rehab of more than 1,400 vacant properties.

- **Proactive Code Enforcement and Demolition** - Given that Baltimore has lost significant population, rehabbing and reoccupying every vacant properties with a new resident simply is not consistent with the number of people seeking housing in Baltimore. In distressed markets where there is not resident interest (by far the majority of these types of markets), HCD is committed to a proactive code enforcement approach to ensure that board-ups are continually inspected and emergencies are addressed. HCD also targets these distressed neighborhoods for whole-block demolition that helps transform vacant, blighted properties into green spaces that are assets, instead of detriments, to communities.

It is important to note that this resolution calls for dedicating a percentage of the City's demolition budget to the proposed dollar house program, an aspect of the proposal that would be extremely detrimental for Baltimore City neighborhoods facing blocks of severely blighted properties. Even if properties are purchased for a dollar, it could cost way over a \$100,000 per property to rehabilitate and are located in neighborhoods where there simply have not been the population trends needed to reoccupy them. The current demolition budget is \$10 million annually from the City and \$7.5 million annually from the State, while the total funding need for demolition exceeds \$500 million. Current residents reach out every day to ask for demolition, and every cent of the demolition budget is essential to address both emergency and strategic blight elimination needs in impacted communities.

- **311 Service Requests** - In addition to the strategic efforts mentioned above, Code Enforcement Inspectors respond to nearly 80,000 311 requests each year with an average close time of 5 days.

HCD's code enforcement strategies have been successful in neighborhoods across the City. For example, in 2008, the Barclay and Greenmount West neighborhoods together held nearly 500 vacant and abandoned buildings. In the last 9 years, there has been a 68% reduction (down to 151), and 41% of current vacants are under permit. In addition, hundreds of millions of dollars have been invested in these neighborhoods, including the renovation of two schools—one, a public charter design school—and a state of the art maker space. (Permitted construction has totaled \$167 million.) Wealth is being built for longstanding homeowners, and their feedback indicates quality of life is rising for all. As Barclay and Greenmount West continue to improve, it is important that housing for low-income households be retained. The City and its federal, state, and private sector partners have invested tens of millions of dollars in building new affordable rental housing units and preserving existing units over the past decade. Over 700 units have been built or substantially rehabbed, the majority of which are new construction. HCD's work in these neighborhoods is representative of the successes realized through the initiatives now being utilized by the City to strategically target vacant properties.



The Dollar House Program was a great program for its time and place and should be fondly and respectfully remembered. Baltimore has changed in the intervening years and so have the strategies by which blight is combatted, building on the lessons learned from efforts such as the Dollar House Program. Acquisition cost should never be the impediment to redevelopment. We will continue to see that it is not.

The Department of Housing and Community Development welcomes the opportunity to attend the public hearing on October 25, 2017 to discuss Community Development Initiatives in Baltimore.

MB:sd

cc: Ms. Karen Stokes, *Mayor's Office of Government Relations*  
Mr. Kyron Banks, *Mayor's Office of Government Relations*





**HEARING NOTES**

**City Council Resolution: CC 17-0037R**

**A "Dollar House" Program for the 21<sup>st</sup> Century**

**Committee:** Housing and Urban Affairs  
**Chaired By:** Councilmember John Bullock

**Hearing Date:** October 25, 2017  
**Time (Beginning):** 5:05 PM  
**Time (Ending):** 8:40 PM  
**Location:** Clarence "Du" Burns Chamber  
**Total Attendance:** 196  
**Committee Members in Attendance:**  
John Bullock Zeke Cohen  
Isaac "Yitzy" Schleifer Ryan Dorsey  
Kristerfer Burnett  
Bill Henry  
Sharon Sneed

Bill Synopsis in the file? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Attendance sheet in the file? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Agency reports read? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Hearing televised or audio-digitally recorded? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Certification of advertising/posting notices in the file? .....	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> n/a
Evidence of notification to property owners? .....	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> n/a
Final vote taken at this hearing? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Motioned by: .....	Councilmember Henry		
Seconded by: .....	Councilmember Cohen		
Final Vote: .....	Favorable		

**Major Speakers**

*(This is not an attendance record.)*

- Sharon Daboin - Baltimore Housing
- Julie Day - Baltimore Housing
- Walter Horton - Department of Real Estate





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**Major Issues Discussed**

1. Chair Bullock convened the Hearing welcoming the assembled guests and recognizing Councilwoman Mary Pat Clarke (D 12<sup>th</sup>) the sponsor of the resolution
2. Council Member Clarke stated she introduced this Resolution to explore solutions to the growing housing crisis in Baltimore.
3. Officials of Baltimore Housing explained the existing programs that give new buyers access to old houses for very little investment.
4. Walter Horton testified that the Dollar House Program of the last century produced very few home owners and is not suited for current times.
5. Numerous community residents and activists asked the Council to bring back the Dollar House concept to give people of modest means a chance at home ownership.
6. The Resolution was approved on a 5-0 vote with two Members absent.

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**Further Study**

Was further study requested?

Yes  No

If yes, describe.

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**Committee Vote:**

J. Bullock:..... Yea  
I. Schleifer: ..... Absent  
K. Burnett: ..... Yea  
B. Henry: ..... Yea  
S. Sneed: ..... Yea  
Z. Cohen: ..... Yea  
R. Dorsey: ..... Absent  
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: .....  
: .....  
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Richard G. Krummerich, Committee Staff

Date: October 26, 2017

cc: Bill File  
OCS Chrono File



CITY OF BALTIMORE

CATHERINE F. PUGIL, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director  
415 City Hall, 100 N. Holliday Street  
Baltimore, Maryland 21202  
410-396-7215 / Fax: 410-545-7596  
email: larry.greene@baltimorecity.gov

## BILL SYNOPSIS

Committee: Housing and Urban Affairs

City Council Resolution CC 17-0037R

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### A "Dollar House" Program for the 21<sup>st</sup> Century

**Sponsor:** Councilmember Clarke, et al

**Introduced:** August 14, 2017

**Purpose:**

For the purpose of calling on the City to develop a 21<sup>st</sup> Century "Dollar House" program that could revitalize marginal neighborhoods by matching construction ability at the grass roots Baltimore to production of affordable housing for workers' families and neighbors.

**Effective:** Upon enactment

**Hearing Date/Time/Location:** October 25, 2017 at 5:00 PM in the Council Chambers

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### Agency Reports

Department of Housing and Community Development



## Analysis

### Current Law

None

### Background

Baltimore has thousands of empty homes. As inflation in housing costs makes home ownership increasingly difficult for middle income communities housing activists are looking for ways to rehabilitate and market old houses.

In the last century Baltimore operated a program where residents agreed to purchase an abandoned house for \$1 and repair it so that it would pass Building Code inspection. This program added several thousand homes to the tax rolls.

CC 17-0037R calls on the City of Baltimore to create a new "Dollar House" program to alleviate 21<sup>st</sup> Century housing shortages.

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### Additional Information

**Fiscal Note:** Not Available

**Information Source(s):** Bill File

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Analysis by: Richard G. Krummerich *RK* Direct Inquiries to: 410-396-1266  
Analysis Date: 10-13-17





INTRODUCTORY\*

CITY OF BALTIMORE  
COUNCIL BILL \_\_\_\_ R  
(Resolution)

APPROVED FOR FORM STYLE AND TEXTUAL SUFFICIENCY  - 7-8-17  DEPT LEGISLATIVE REFERENCE
--

Introduced by: Councilmember Clarke

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

A "Dollar House" Program for the 21<sup>st</sup> Century

FOR the purpose of calling on the City to develop a 21<sup>st</sup> Century "Dollar House" program that could revitalize marginal neighborhoods by matching construction ability at the grass roots of Baltimore to production of affordable housing for workers' families and neighbors.

Recitals

As Baltimore looks to solve the seemingly intractable problem of revitalizing neighborhoods beset by vacant homes, it would do well to look to solutions that have succeeded here in the past. The City's highly successful "Dollar House" program from the 1980's could serve as a useful model for true grassroots neighborhood revitalization in the modern era.

In the 80's the City was able to assist in the transformation of neighborhoods such as Barre Circle, Otterbein, and Ridgely's Delight from marginal to long term stability by selling large numbers of City owned vacant properties for \$1 each to individuals who agreed to rehab the properties with the assistance of low interest loans from the City and then live in the newly refurbished homes. This effort proved to not only be successful in stabilizing the neighborhoods, but also profitable for the City.

Today, the acquisition of clusters of vacant properties in a number of City neighborhoods has laid the groundwork that could make a second dollar home effort successful once again. If the City were to redirect funding currently earmarked to tear down these properties into 1% interest loans to modern day homesteaders willing to purchase the properties for \$1 and rehabilitate them this proven model could be replicated and the City could save money over the long term.

Pairing these homeownership incentives with construction job training and apprenticeship programs in the targeted neighborhoods could simultaneously provide the two things most needed to turn lives around there – affordable housing and access to meaningful well-paying work. A vacant property rehabbed using local labor for \$100,000 could be paid for with a \$300/month 1% mortgage, an amount easily affordable by someone working steadily on the new construction jobs the program would spur.

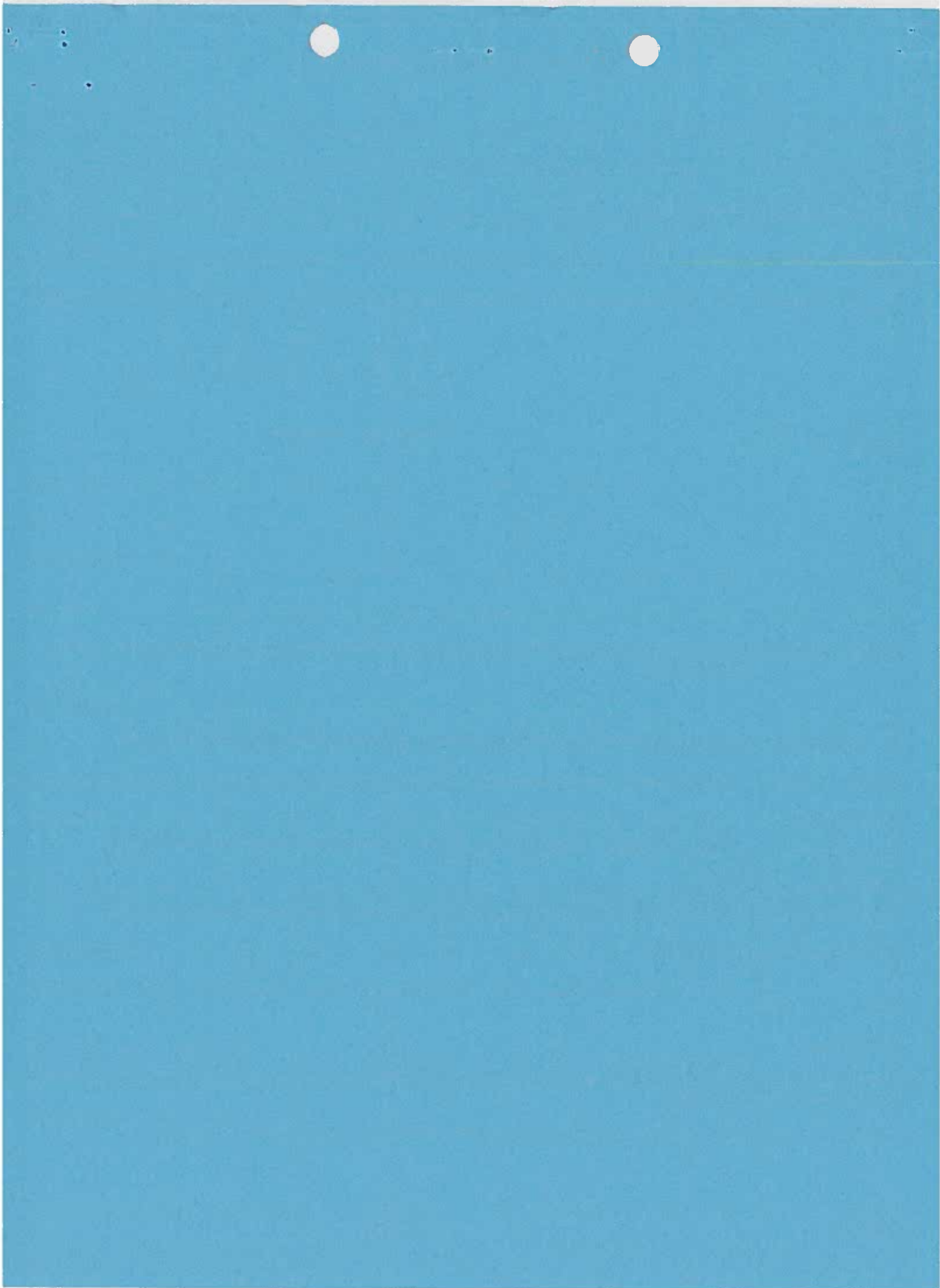
A 21<sup>st</sup> Century "Dollar House" program could use local minority skilled-trades and financing experts to keep costs down in rehabbing blighted homes for affordable homeownership. It would

\* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.  
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

involve local, minority trades in the City's rehab efforts – so they can salvage their own neighborhoods for affordable sales to local residents. The City needs to take advantage of the opportunity that its acquisition of clusters of vacant properties provides to develop a 21<sup>st</sup> Century “Dollar House” program that matches construction ability at the grass roots of Baltimore to affordable housing for workers’ families and neighbors. History shows that these efforts can be both highly effective and economical over the long term.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the Council calls on the City to develop a 21<sup>st</sup> Century “Dollar House” program that could revitalize marginal neighborhoods by matching construction ability at the grass roots of Baltimore to production of affordable housing for workers’ families and neighbors.

**AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the Housing Commissioner, local and minority skilled construction trades and financing advocates promoting this proposal, and the Mayor’s Legislative Liaison to the City Council.



**ACTION BY THE CITY COUNCIL**

AUG 14 2017  
20

FIRST READING (INTRODUCTION) \_\_\_\_\_ 20

PUBLIC HEARING HELD ON 10-25 \_\_\_\_\_ 20

COMMITTEE REPORT AS OF 10-30 \_\_\_\_\_ 20 17

FAVORABLE \_\_\_\_\_ UNFAVORABLE \_\_\_\_\_ FAVORABLE AS AMENDED \_\_\_\_\_ WITHOUT RECOMMENDATION

[Signature]  
Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

OCT 30 2017  
20

\_\_\_\_\_ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING \_\_\_\_\_ 20

\_\_\_\_\_ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) \_\_\_\_\_ 20

\_\_\_\_\_ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) \_\_\_\_\_ 20

WITHDRAWAL \_\_\_\_\_ 20

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

\_\_\_\_\_  
President

\_\_\_\_\_  
Chief Clerk

**CITY OF BALTIMORE  
COUNCIL BILL 17-0037R  
(Resolution)**

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Introduced by: Councilmember Clarke, President Young, Councilmembers Scott, Dorsey,  
Bullock, Cohen, Middleton, Costello, Pinkett, Stokes, Burnett, Sneed, Schleifer, Reisinger,  
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Introduced and read first time: August 14, 2017

Assigned to: Housing and Urban Affairs Committee

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Committee Report: Favorable

Adopted: October 30, 2017

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8 The City’s highly successful “Dollar House” program from the 1980’s could serve as a useful  
9 model for true grassroots neighborhood revitalization in the modern era.

10 In the 80’s the City was able to assist in the transformation of neighborhoods such as Barre  
11 Circle, Otterbein, and Ridgely’s Delight from marginal to long term stability by selling large  
12 numbers of City owned vacant properties for \$1 each to individuals who agreed to rehab the  
13 properties with the assistance of low interest loans from the City and then live in the newly  
14 refurbished homes. This effort proved to not only be successful in stabilizing the neighborhoods,  
15 but also profitable for the City.

16 Today, the acquisition of clusters of vacant properties in a number of City neighborhoods has  
17 laid the groundwork that could make a second dollar home effort successful once again. If the  
18 City were to redirect funding currently earmarked to tear down these properties into 1% interest  
19 loans to modern day homesteaders willing to purchase the properties for \$1 and rehabilitate them  
20 this proven model could be replicated and the City could save money over the long term.

21 Pairing these homeownership incentives with construction job training and apprenticeship  
22 programs in the targeted neighborhoods could simultaneously provide the two things most  
23 needed to turn lives around there – affordable housing and access to meaningful well-paying  
24 work. A vacant property rehabbed using local labor for \$100,000 could be paid for with a  
25 \$300/month 1% mortgage, an amount easily affordable by someone working steadily on the new  
26 construction jobs the program would spur.

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike-out~~ indicates matter stricken by amendment.

**Council Bill 17-0037R**

1 A 21<sup>st</sup> Century “Dollar House” program could use local minority skilled-trades and financing  
2 experts to keep costs down in rehabbing blighted homes for affordable homeownership. It would  
3 involve local, minority trades in the City’s rehab efforts – so they can salvage their own  
4 neighborhoods for affordable sales to local residents. The City needs to take advantage of the  
5 opportunity that its acquisition of clusters of vacant properties provides to develop a 21<sup>st</sup> Century  
6 “Dollar House” program that matches construction ability at the grass roots of Baltimore to  
7 affordable housing for workers’ families and neighbors. History shows that these efforts can be  
8 both highly effective and economical over the long term.

9 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the  
10 Council calls on the City to develop a 21<sup>st</sup> Century “Dollar House” program that could revitalize  
11 marginal neighborhoods by matching construction ability at the grass roots of Baltimore to  
12 production of affordable housing for workers’ families and neighbors.

13 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the  
14 Housing Commissioner, local and minority skilled construction trades and financing advocates  
15 promoting this proposal, and the Mayor’s Legislative Liaison to the City Council.

The Baltimore City Department of  
HOUSING & COMMUNITY  
DEVELOPMENT

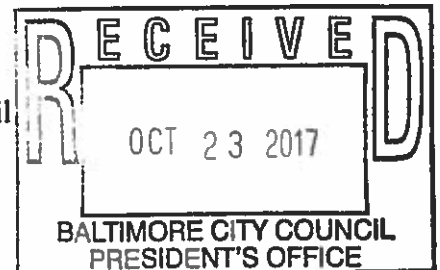
MEMORANDUM

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

From: Michael Braverman, Housing Commissioner *MB*

Date: October 19, 2017

Re: City Council Bill 17-0037R – A “Dollar House” Program for the 21<sup>st</sup> Century



The Department of Housing and Community Development (HCD) has reviewed City Council Bill 17-0037R for the purpose of calling on the City to develop a 21<sup>st</sup> Century “Dollar House” program that could revitalize marginal neighborhoods by matching construction ability at the grass roots of Baltimore to production of affordable housing for workers’ families and neighbors.

The Dollar House Program was a successful short-lived initiative which began in 1973 that helped revive a handful of neighborhoods with a concentration of unoccupied, city-owned properties. The neighborhoods that most benefitted from the program were Otterbein, Barre Circle and Stirling Street. The success of the Dollar House Program could be attributed to a few key factors that included:

- Contiguity of houses in self-contained whole blocks
- Property located close to downtown
- Property unoccupied for only a few years
- Availability of low interest city backed loans
- Dedicated and well-staffed city office that provided renovation guidance

While the Dollar House Program garnered much positive publicity, it was a product of its time and place and circumstances have changed. Most particularly, the federal and local financial and technical support that made the program possible is no longer available, Baltimore’s population has declined by over 250,000 persons since the program’s inception, and the number of unoccupied properties in the city with a Vacant Building Notice (VBN) has risen to some 16,500 from the approximately 5,000 that existed in 1973. While the City remains willing to sell properties for a dollar, it no longer owns large concentrations of properties in proximity to the downtown. Fortunately, the City has developed new programs and tools with which to rehabilitate and reoccupy structures with VBNs, and has used them to revive many times the number of properties achieved by the Dollar House Program. While the Program

*Comments*





should be fondly remembered, and serve as an inspiration of what concerted joint effort can bring about, it is a misuse of the past to make it a model for current action when viable successors are in place and working.

The Mayor and City Council (MCC) currently owns approximately 10,540 properties that are the responsibility of various city agencies. Approximately 7,500 of these properties are the responsibility of HCD. The Land Resources Division of HCD uses different strategies to market Baltimore's vacant properties and lots to homeowners, investors and businesses through the Open Bid Program, an annual surplus sale and the side yard program. The listing of available MCC owned property and the application to purchase property is located on HCD's website. All properties have a *suggested* offer price, but interested buyers can offer any amount they deem fair to pay, along with their project scope and rehabilitation estimates. Negotiated sales prices are established after factoring in scope of the project, community impact and impact on surrounding blight and often result in a nominal final sales price, even at times \$1.00. Once sold, Land Resources staff monitor the progress of the rehabilitation and compliance with the Land Disposition Agreement.

To assist with neighborhood revitalization, HCD uses code enforcement and land resource strategies to mitigate blight and spur development. These strategies take into account a market analysis carried out every three years by the Reinvestment Fund, the Department of Planning and HCD that assesses the strength of Baltimore's housing markets. Based on that analysis, targeted approaches are developed for addressing blight neighborhood by neighborhood.

- **Streamlined Code Enforcement neighborhoods (SCENs)** – In areas of the City that have relatively healthy housing markets, but scattered vacant and blighted properties threaten the strength of some blocks we use code enforcement tools. Housing inspectors will issue \$900 citations – like parking tickets – when owners of boarded up buildings don't respond to Vacant Building Notices, and \$250 citations when owners of occupied homes don't respond to violation notices (e.g., for overgrown grass or overflowing trash). The fines that come with citations rise quickly if no action is taken to abate the citation so owners are pushed to take action right away. If \$900 citations do not spur action, legal action is pursued to remove the property from the current owner – receivership, which allows the courts to assign the property to a “receiver” who can auction the property to a new owner for rehabilitation. While these strategies cannot fully combat the effects of clusters of foreclosures or the trajectory of larger market forces, they do ensure that blighted properties are not “stuck” in the hands of unresponsive owners in neighborhoods where there are buyers willing to fix and reoccupy those properties. **Since 2010, the work undertaken in SCENs has helped contribute to the rehab of more than 2,500 vacant properties.**
- **Community Development Clusters** – In designated footprints near anchors of strength, HCD partners with non-profit and for-profit developers committed to rehabilitation in distressed markets with many vacant and blighted properties on a block or set of blocks. HCD “receivers” and auctions privately-owned abandoned properties, and transfer any City-owned board-ups to developer partners. At the same time, HCD has programs to assist long-time residents make improvements to their properties. In addition, the city supports improvements to these neighborhoods more broadly, undertaking strategic demolition, repairing poorly maintained streets and sidewalks, and planting new trees. Given the opportunity to transform entire



footprints, developers are willing to make significant investments in these distressed neighborhoods and continue to expand areas of strength within them. Since 2010, the work done in Community Development Clusters has helped contribute to the rehab of more than 1,400 vacant properties.

- **Proactive Code Enforcement and Demolition** - Given that Baltimore has lost significant population, rehabbing and reoccupying every vacant properties with a new resident simply is not consistent with the number of people seeking housing in Baltimore. In distressed markets where there is not resident interest (by far the majority of these types of markets), HCD is committed to a proactive code enforcement approach to ensure that board-ups are continually inspected and emergencies are addressed. HCD also targets these distressed neighborhoods for whole-block demolition that helps transform vacant, blighted properties into green spaces that are assets, instead of detriments, to communities.

It is important to note that this resolution calls for dedicating a percentage of the City's demolition budget to the proposed dollar house program, an aspect of the proposal that would be extremely detrimental for Baltimore City neighborhoods facing blocks of severely blighted properties. Even if properties are purchased for a dollar, it could cost way over a \$100,000 per property to rehabilitate and are located in neighborhoods where there simply have not been the population trends needed to reoccupy them. The current demolition budget is \$10 million annually from the City and \$7.5 million annually from the State, while the total funding need for demolition exceeds \$500 million. Current residents reach out every day to ask for demolition, and every cent of the demolition budget is essential to address both emergency and strategic blight elimination needs in impacted communities.

- **311 Service Requests** - In addition to the strategic efforts mentioned above, Code Enforcement Inspectors respond to nearly 80,000 311 requests each year with an average close time of 5 days.

HCD's code enforcement strategies have been successful in neighborhoods across the City. For example, in 2008, the Barclay and Greenmount West neighborhoods together held nearly 500 vacant and abandoned buildings. In the last 9 years, there has been a 68% reduction (down to 151), and 41% of current vacants are under permit. In addition, hundreds of millions of dollars have been invested in these neighborhoods, including the renovation of two schools—one, a public charter design school—and a state of the art maker space. (Permitted construction has totaled \$167 million.) Wealth is being built for longstanding homeowners, and their feedback indicates quality of life is rising for all. As Barclay and Greenmount West continue to improve, it is important that housing for low-income households be retained. The City and its federal, state, and private sector partners have invested tens of millions of dollars in building new affordable rental housing units and preserving existing units over the past decade. Over 700 units have been built or substantially rehabbed, the majority of which are new construction. HCD's work in these neighborhoods is representative of the successes realized through the initiatives now being utilized by the City to strategically target vacant properties.



**The Dollar House Program was a great program for its time and place and should be fondly and respectfully remembered. Baltimore has changed in the intervening years and so have the strategies by which blight is combatted, building on the lessons learned from efforts such as the Dollar House Program. Acquisition cost should never be the impediment to redevelopment. We will continue to see that it is not.**

**The Department of Housing and Community Development welcomes the opportunity to attend the public hearing on October 25, 2017 to discuss Community Development Initiatives in Baltimore.**

**MB:sd**

**cc: Ms. Karen Stokes, *Mayor's Office of Government Relations*  
Mr. Kyron Banks, *Mayor's Office of Government Relations***



**Krummerich, Richard**

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**From:** karen meyers <karencmeyers@gmail.com>  
**Sent:** Monday, October 23, 2017 10:21 AM  
**To:** Bullock, John; Schleifer, Isaac; Burnett, Kristerfer; Henry, Bill (email); Sneed, Shannon; Cohen, Zeke; Dorsey, Ryan; Krummerich, Richard  
**Subject:** 17-0037R

To the members of the Housing and Urban Affairs committee of the Baltimore City Council:

I am writing to urge you to support Councilwoman Clarke's proposal to revive the dollar house program which seems to me to be a great way to encourage people to live in the city and to revive depressed neighborhoods. It would be a better use of tax dollars than the demolition of vacants in a city that is already short on affordable housing.

Karen Meyers  
4310 Roland Springs Dr.  
Baltimore MD 21210

