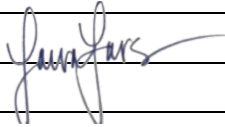




CITY OF BALTIMORE  
MAYOR BRANDON M. SCOTT

<b>TO</b>	The Honorable President and Members of the Baltimore City Council
<b>FROM</b>	Laura Larsen, Budget Director 
<b>DATE</b>	September 16, 2024
<b>SUBJECT</b>	City Council Bill 23-0363

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

**Position: Oppose**

The Department of Finance is herein reporting on City Council Bill 23-0363, Land Bank Authority, the purpose of which is to establish the Land Bank Authority of Baltimore. The bill establishes the Baltimore City Land Bank Authority as a separate legal “Authority”, establishes of a Board of Directors, and grants the authority to hire an executive director, staff, and consultants as employees and agents.

**Background**

Land banks are public authorities that acquire, manage, and develop vacant, abandoned, and tax foreclosed properties. Land banks support local governments by strategically obtaining property titles, with the goal of reducing blight by returning vacant properties to productive, taxable use. In other cities, land banks serve as quasi government agencies or nonprofits and operate through local, state, and federal grants.

**Fiscal Impact**

To understand the potential financial impact of a proposed land bank, the Department of Finance performed a comparative analysis of land banks from peer cities. The table below summarizes the annual budget and budget structure for these land banks.

Jurisdiction	Annual Budget	Staffing Levels & Budget Structure
Rochester Land Bank Corporation	\$1,692,230	<ul style="list-style-type: none"><li>Funds 3-5 FTE</li><li>State and local grants make up 75% of total budget</li></ul>
Cayahoga County (Cleveland) Land Bank	\$15,118,582	<ul style="list-style-type: none"><li>Funds 45 employees</li><li>State and local grants make up 79% of total budget</li></ul>
Detroit Land Bank Authority	\$22,426,130	<ul style="list-style-type: none"><li>Funds 164 employees</li><li>Local grant makes up 47% of total budget</li></ul>
Shelby County (Memphis) Land Bank	\$2,783,510	<ul style="list-style-type: none"><li>Funds 15 employees</li><li>Housed as unit within Dept of Public Works</li></ul>

		• Fully funded by the local General Fund
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All of the jurisdictions we interviewed require significant recurring subsidies from the local government and/or state and federal grants. None of the jurisdictions interviewed generate sufficient proceeds from land bank activities to cover their operating costs.

If a local land bank were established in Baltimore, it will likely require a local subsidy to operate. Funding for the new entity will divert resources from similar programs implemented by the Department of Housing and Community Development.

**Other Considerations**

The Mayor has announced a \$3.0 billion Vacants strategy that seeks to leverage different sources of capital to eliminate vacant properties and reinvest in neighborhoods. This program is anticipated to be funded through a combination of sources (state, local, and private). If a local land bank was established, it would compete with sources and likely prolong strategies geared towards reducing vacants.

**Conclusion**

The goal of reducing vacant properties is a key priority for the City. While we understand the intent and urgency behind the legislation, the creation of a duplicative service runs the risk of creating inefficiencies in City services geared towards reducing vacants.

**For the reasons stated above, the Department of Finance opposes City Council Bill 23-0363.**

cc: Michael Mocksten  
Nina Themelis