

23-0363 Baltimore’s Land Bank With SPONSOR AMENDMENTS
23-0362 In Rem Land Bank authorization with Sponsor amendments

September 16, 2024

Chart 1 - Comparison of Acquisition/disposition actions - DHCD and Land Bank

Below is a chart with the acquisition/disposition actions for DHCD and the Land Bank. The Land Bank is designed to add capacity to solely focus on eliminating vacant properties and lots through renovation or demolition. The Land Bank is a quasi-governmental entity that acquires and disposes of vacant properties and lots on behalf of the Mayor and City Council. It is flexible in terms of hiring, raising funds, financing projects, transparency, and efficiency.

Acquisition / Disposition Topic	Acquisition/Disposition Actions	DHCD	Baltimore Land Bank Authority
Oversight, Accountability, Transparency	Oversight	DHCD oversight is Mayor and City Council, along with City Administrator and Deputy Mayor	Land Bank has a board whom the Executive Director answers to directly. The Mayor, CP, Comptroller, and DHCD Commissioner or their designees are ex-officio. Mayor has three, CP has 6 appointments. Members are listed below.* City Council would still have agency budget oversight.
	Open Meetings Act	Deliberations not subject to Open Meetings Act.	Land Bank Board is subject to Open Meetings law.
	Financial Plan	DHCD is not required to provide a financial plan	Land Bank is required to provide a financial plan each year to Mayor and City Council. <i>There is a proposed financial plan already available.</i>
	Audit required	DHCD gets audited every 4 years by the Department of	Land Bank gets audited by an independent auditing firm every year

		Audits	
	Annual Reporting	No requirement for annual reports to the Mayor and City Council	Land Bank is required to report to the Mayor and City Council every six months and to the General Assembly every year (as per required by the state's Land Bank law). The City's Land Bank law outlines all the items to be reported.
	Online Inventory and pipeline	DHCD has Buy into Bmore properties online - scattered site vacants. All others are listed on Codemap but no way to tell if available for sale or not, and no listing of status other than legal or in receivership.	Land Bank would maintain a transparent website inventory and pipeline of all properties and make status of the properties clear. Legislation is prescriptive on the details needed on the website.
Efficiency and Flexibility	Hiring Practices	Hiring is through the DHR process and creating positions takes about a year depending on where things are in the budget cycle	Land Bank does not need to go through DHR for hiring. Land Bank can set own positions and salaries.
	Approval for sale	Properties need to be approved for sale by BOE or City Council.	A resolution is necessary from the Board of Estimates stating the relationship between Land Bank and Mayor and City Council, including that the Land Bank can sell property on behalf of the city without the approvals, except for surplus property that would still require handling by the Office of Real Estate and City Council approval.
	Negotiations and process	Developed fix pricing policy to charge set prices for certain properties and certain buyers to minimize the negotiating time.	Land Bank Authority would likely adopt similar fixed pricing that DHCD does. It was always envisioned the Land Bank would have fixed pricing for every property sold.

Community Outreach	Community outreach to understand needs, wants of the community	Currently working with community plans and determining outcomes with communities	Outreach staff will listen and learn about the outcomes needed in neighborhoods, and reflect on the established neighborhood plans. Where neighborhood plans are not existing, Land Bank outreach staff will work with Planning to create
	Picking neighborhoods in which to work.	DHCD is working in Impact Investment Areas, Neighborhood Policing Plans areas, and some adjacent	Land Bank will emphasize areas that currently do not have activity and are more difficult. Language in the legislation includes the intent to begin their work in areas with 10% or more vacancy. Communication is needed between the Land Bank and DHCD.
Acquisition	Acquisition - In Rem*	DHCD lawyers doing title searches and filing In Rem cases on behalf of the Mayor and City Council	Land Bank lawyers doing title searches and filing In Rem cases on behalf of the Mayor and City Council (note, we have to go to the General Assembly to strengthen this).
	Receivership cases (working to do less and less of these)	DHCD Lawyers filing receivership cases	Land Bank acts as receiver along with One House At A Time.
	Purchase acquisitions	DHCD pays market rate for homes to complete a block of vacants	Land Bank pays market rate for homes to complete block of vacants
	Eminent Domain	DHCD has power of Eminent Domain	Land Bank does not have the power of Eminent Domain per state law and per the charter.
	Tax Sales that failed to sell	Currently held by the Comptroller's Office Vendor Lien program	Could be transferred to Land Bank - LB should have all of the tax sale properties that Dept of Real estate has now, until the certificate expires.

	Surplus city properties (school, etc)	DHCD/ Comptroller depending on the property	Surplus property remains with the City and approvals by the City Council.
Maintenance of inventory	Maintenance	DHCD / Comptroller maintain the properties.	Land Bank would maintain the properties in their inventory, including boarding, stabilization, mowing, etc. Is subject to DHCD code enforcement
	Paying property taxes	DHCD/City properties are not subject to property taxes or liens.	The Land Bank properties are not subject to taxes or liens, as they are held on behalf of the City.
Disposition	Communication with interested buyers	DHCD has the Buy into Bmore website and also has properties for block by block disposition.	Land Bank will post on their website that an inquiry has been made to purchase that property, and establish a timeframe to respond to inquiries.
	Disposition communications with residents	Currently none unless there is already a major project proposed or a need outlined by residents.	Land Bank legislation outlines that if there is a buyer for a scattered site property, notice is given to the neighbors on each side of the building. It also says that if there is an interest in multiple properties on a block or a whole block, or a building over 5000 square feet, the residents on each side of that block, the City Council member, and the community association are informed and there will be at least one public meeting. This does not include surplus properties - that will remain with Office of Real Estate/City Council approval.
	Disposition whole block	RFP process - this takes longer to do because of City processes	RFP process LB to decide on transparent process for RFPs.

	Disposition price	Fixed price established 2023 for all properties	Land Bank would likely use same fixed pricing
	Best Outcome	DHCD does not have an obligation to achieve the best outcome on a property.	Land Bank is obligated to find the Best Outcome for a property and the criteria is outlined in the legislation.
	Prequalification of buyers	DHCD has qualifications for buyers for Buy into Bmore, including access to capital, previous track record, etc.	Land Bank will have pre-qualification standards, mostly including capacity to complete the project, access to financing or working with the Land Bank for financing (depending on the buyer), and track record of getting the work done in our communities.
	Agreements with buyers	DHCD Land Disposition Agreements negotiated on every property. Several do not have claw back provisions although that is changing now. DHCD has only used claw back recently.	Land Bank will negotiate agreements with buyers and make them public, using the Best Outcome standard when negotiating agreements with buyers. Agreements can have reverter clauses and other actions the LB can take for noncompliance.
	Lien Release	In Rem actions automatically extinguish the liens. So any property acquired through In Rem will be free and clear of liens. (except state liens, those have to be paid to the state) For any other property (receivership, tax sales that fail, purchasing of the property outright) DHCD and Finance have the power to release liens for redevelopment.	In Rem actions automatically extinguish the liens. So any property acquired through In Rem on behalf of the City will be free and clear of liens. (except state liens, those have to be paid to the state) For other property (receivership, tax sales that fail, purchasing properties outright) Land Bank must request lien release from Finance or whomever the collection agency is (like the state).
Financing	Financing projects	DHCD has ability for grants and	Land Bank has authorization to distribute

		loans, no finance capacity at this time.	grants and loans, as well as raise funds for such purposes. Land Bank also has authority to borrow, and would have finance staff to help with financing projects.
	Issuing bonds	DHCD/Finance must issue bonds in accordance with bonding authority	Land Bank has the power to issue bonds.
Organizational Considerations	Capacity	Unknown	Financial Plan calls for the Director to be hired first, then outreach team, then lawyers. The fiscal plan has over 39 employees in the Land Bank over time
	Community Advisory Panel	Ad-hoc for specific projects/purposes	Established by the Land Bank board to assist with ensuring connections with community and providing an appeal from community if purchase agreements, outreach policies are violated and other items. One step before judicial review.
	Funding	Allocation from Baltimore City annual budget	Allocation from Baltimore City annual budget, investments from private sources, foundations, earned income.

*THE BOARD OF DIRECTORS SHALL CONSIST OF 13 MEMBERS.

EX-OFFICIO MEMBERS: MEMBERS SHALL BE THE FOLLOWING CITY OFFICIALS OR THEIR RESPECTIVE DESIGNEES: Mayor, Comptroller, City Council President, DHCD Commissioner

APPOINTED MEMBERS.

9 appointed members

Members appointed by the Mayor:

1 MEMBER WITH expertise IN HOUSING FINANCE;

2 INDIVIDUALS LIVING IN NEIGHBORHOOD STATISTICAL AREAS DETERMINED

BY THE BALTIMORE CITY DEPARTMENT OF PLANNING, WHERE 20% OR MORE OF THE PROPERTIES ARE ABANDONED OR WERE

ABANDONED IN THE PAST 10 YEARS.

Members appointed by the City Council President

1 member with expertise in public finance and investments

1 member with expertise in Fair Housing or Equitable Development

1 member with expertise in banking

3 INDIVIDUALS LIVING IN NEIGHBORHOOD STATISTICAL AREAS DETERMINED

BY THE BALTIMORE CITY DEPARTMENT OF PLANNING, WHERE 20% OR MORE OF THE PROPERTIES ARE ABANDONED OR WERE ABANDONED IN THE PAST 10 YEARS.

**We will need to increase the capacity of the Circuit Courts for the additional In Rem cases. Currently there is one magistrate and she holds hearings each Wednesday morning for an average of 11 cases each hearing. Processing the cases in the courts is time consuming and detail oriented. The current magistrate needs two more staff members to work the current capacity. The expansion would need an additional magistrate and support staff. The Circuit court is funded by Baltimore City.

Chart 2. Duties of DHCD and the duties of the Proposed Land Bank

Topic	DHCD	Proposed Land Bank
Code enforcement	Yes	No
Tax sale ombudsman	Yes	No
Community services	Yes	No
Acquisition - In Rem	Yes	Yes
Acquisition - imminent domain	Yes	No
Acquisition - purchases	Yes	Yes
Acquisition - donations	Yes	Yes
Disposition scattered site vacants	Yes	Yes
Disposition - block by block vacants	Yes	Yes
Financing for redevelopment	Yes	Yes
Homeownership assistance (closing costs, etc).	Yes	Yes
Home Repair for Older Adults	Yes	No
Rental Licensing	Yes	No
Building permits and inspections	Yes	No
Capacity Building for the sector	Yes	No