



MEMORANDUM

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

From: Alice Kennedy, Housing Commissioner

Date: April 4, 2022

Re: City Council Bill 22-0204 - Vacant Structures – 3-1-1 Complaint Fines

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 22-0204 for the purpose of establishing a fee structure for repeated substantiated 3-1-1 service requests; providing for a special effective date; and generally relating to fining the owner of a vacant structure for repeated service requests.

If enacted, City Council Bill 22-0204 would establish a fee structure for repeated 3-1-1 service requests intended to incentivize vacant property owners to address multiple complaints about their properties. The legislation requires that after a city agency responds to a substantiated service request at a vacant structure for the second time in a twelve-month period a fee shall be imposed and an invoice shall be sent to the owner of the structure for each service request response. The fees are to be based upon a schedule that starts at \$100 for the 2nd offense and increases to \$2,500 for the 10th offense.

DHCD Analysis

DHCD Code Enforcement Inspectors already routinely visit vacant properties driven by both 3-1-1 service requests, regularly scheduled routine inspections and proactive patrols in areas with a high density of vacant properties. They typically issue 1,564 new notices (average of New VBNs issued for calendar years 2018-2021) and 1,023 Failure to Abate (FTA) vacant building notice citations in a given year to the owners of vacant residential properties in an attempt to hold owners accountable. The effectiveness of these notices and citations varies. It is unclear if imposing the graduated fee schedule outlined in this legislation would compel property owners to abate the vacant building notice more expeditiously than we are presently seeing. The accrual of additional liens on the property may impact the likelihood and timeline for rehabilitation. The liens may help or hinder the process depending on a variety of other circumstances. For instance, the transfer and rehabilitation of vacant structures in many cases is completed on very slim margins. Additional or compounding fines in many cases will make the rehabilitation impossible and slow the progress we are currently seeing in the rehabilitation of vacant properties.

Many vacant properties don't have a responsible party to fine or hold accountable, for example a deceased owner or a defunct entity. More than half of the VBNs currently issued were issued at least 5 years ago and have failed to be abated despite owners receiving multiple \$900 failure to abate citations, suggesting that fining the owner of a vacant structure is not necessarily

going to get the desired response. The lack of clear title of many privately owned vacant properties poses a significant challenge to the City, such as their ongoing need for services like cleaning and boarding and finding a path for putting these properties back into productive re-use.

The Bill does not specify who would investigate the 311 complaints and send the associated invoices to property owners. The legislation allows any City employee in any agency who is authorized to do so to issue environmental citations to execute this legislation, including Baltimore City Police Officers and Special Code Enforcement Officers. It would be difficult for multiple agencies of City Government to coordinate the monitoring, tracking and enforcement of the escalating fee schedule for substantiated and un-substantiated complaints within the specified time period for vacant properties city wide due to the revolving nature of newly created and recently rehabbed VBNs, in addition to the issue of abandoned vacants where no responsible party can be found. The implementation of this legislation would likely require IT upgrades to the 311 system and additional administrative staff to monitor and track the fee schedule and send invoices for the various levels of response to owners of vacant structures. **The escalating fines & fee schedule proposed in this legislation overcomplicates a system that already provides for increasing fines for failure to abate VBNs.**

Some of the definitions are superfluous and unnecessary. The legislation defines vacant structure as “any structure that is subject to an unabated violation notice issued under § 116 {“unsafe structures”} of the Baltimore City Building Code. The word “unabated” in the definition is unnecessary. The structure either has a vacant building notice or it does not.

The enforcement provisions included in the bill around Late fees and Penalties add additional administrative burden and are counter to the purpose of property registration. The legislation provides that the Director of the Environmental Control Board may revoke the vacant structures registration under subtitle 4 {“Registration of non-owner-occupied dwellings, rooming houses and vacant structures”}. It is unclear how revoking the properties registration would further incentivize the property owner to abate the vacant building notice.

The [Baltimore City Code, Article 13, Subtitle 4-2](#), requires every owner of a non-owner occupied dwelling unit, "whether occupied or vacant, whether it is producing revenue or not producing revenue, whether habitable or not habitable, "to file a registration statement with the Housing Commissioner. This registration provides valuable contact information to the City of Baltimore. Property owners are required to register their vacant property every year. By revoking the properties registration, we move more vacant properties out of compliance. It is unclear how revoking the properties registration would further incentivize the property owner to abate the vacant building notice albeit they may be subject to additional penalties. By revoking their registration, we may also lose our annual opportunity to obtain up to date contact information about ownership and property management.

Conclusion

DHCD recognizes the blighting influence city owned and privately-owned, vacant properties have on our communities and the hardships they can impose on adjacent residential properties. However, we have practical and organizational capacity concerns around the complexity of enacting a requirement to fine an owner of vacant properties on a sliding scale for repeated service requests. Imposing the graduated fee schedule would add additional administrative burden, complicate the likelihood for rehabilitation, all the while it remains unclear if this legislation would compel property owners to abate the vacant building notice more expeditiously than we are presently seeing.

DHCD is committed to implementing the 30-day vacancy recommendations to reduce the number of vacant properties developed by the Scott Administration workgroup led by CAO Christopher Shorter and comprised of senior officials from the Department of Housing and Community Development, the City Solicitor's Office, the Department of Public Works, and the Department of Finance.

We respectfully request an **unfavorable** report on Council Bill 22-0204.

AK/sm

cc: Ms. Nina Themelis, Mayor's Office of Government Relations

Ms. Natawna Austin, Executive Secretary of the City Council

Brandon M. Scott, Mayor • **Alice Kennedy**, Housing Commissioner

417 East Fayette Street • Baltimore, MD 21202 • 443-984-5757 • dhcd.baltimorecity.gov