

CITY OF BALTIMORE
RESOLUTION _____
Council Bill 09-0265

Introduced by: The Council President, President Rawlings-Blake
At the request of: The Administration (Department of Law)
Introduced and read first time: January 12, 2009
Read second time: January 12, 2009

A RESOLUTION OF THE MAYOR AND CITY COUNCIL CONCERNING

**In Support of the City Solicitor's Formation of a
Multi-City Litigation Work Group on Foreclosures**

FOR the purpose of supporting the City Solicitor's efforts to partner with other cities to create a united local government front for addressing the foreclosure crisis, to hold lenders accountable, to reduce the number of foreclosures, and to eliminate vacant homes; and providing for a special effective date.

Recitals

WHEREAS, The number of mortgage foreclosures in the United States and in the State of Maryland has significantly increased in the past few years and has had a significant negative impact on the cities in this country and in the State of Maryland.

WHEREAS, The number of mortgage foreclosures in the State of Maryland in 2005 was 5,141. That number increased in 2007 to 25,109; in 2008 it will exceed 30,000. The City of Baltimore has seen the number of mortgage foreclosures increase from 3,000 in 2005 to 4,020 in 2007, and the number of mortgage foreclosures projected for 2008 will again exceed 4,000.

WHEREAS, The increase in mortgage foreclosures has resulted in an increase in the number of vacant homes in the City of Baltimore, there now being over 16,000 registered vacant homes in the City. The increase in the number of vacant homes has a deteriorating effect on the neighborhoods in the City of Baltimore, causing a decrease in property values.

WHEREAS, The increase in mortgage foreclosures has reached epic proportions, establishing the need for local action by cities. The City of Baltimore has responded to this mortgage-foreclosure crisis in a number of ways, including but not limited to partnering with neighborhood and nonprofit organizations to provide mortgage foreclosure workshops, individual mortgage foreclosure counseling, targeted outreach to households threatened with foreclosure to make them aware of available assistance, public service announcements, and direct mailings.

WHEREAS, The City of Baltimore has also responded by partnering with nonprofit organizations, foundations, and the state and federal governments to seek to provide: (1) mortgage intervention assistance that would provide loans or grants of up to \$5,000 to households when that assistance, in combination with counseling, would likely result in retention of the home; (2) mortgage refinancing that would provide low-interest, flexible-term refinancing to households that, once refinanced, would be able to retain their homes; and (3) neighborhood asset control through which nonprofit housing providers would buy, rehabilitate, and sell to

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

Council Bill 09-0265

1 homeowners foreclosed properties to insure that whole communities do not enter a foreclosure
2 fueled disinvestment cycle.

3 **WHEREAS**, Mayor Sheila Dixon authorized the City Solicitor and the Housing Commissioner
4 to develop strategies to address and abate the negative effects of mortgage foreclosures in
5 Baltimore.

6 **WHEREAS**, The City Solicitor and Housing Commissioner have implemented legal strategies
7 to ensure that lenders are accountable for the care and maintenance of vacant homes, for the
8 swift payment of assessments, fees, and property taxes, for a systemic approach to quickly
9 evaluate and sell the vacant homes, and to get the lenders to focus on foreclosure prevention to
10 avoid vacant homes.

11 **WHEREAS**, On January 8, 2007, the City Solicitor, with co-counsel Relman & Dane, filed on
12 behalf of the City a Fair Housing Act claim against Wells Fargo for racially discriminatory
13 predatory lending, seeking injunctive relief and damages.

14 **WHEREAS**, The City Solicitor has actively participated in the revision of the Maryland Rules
15 governing mortgage foreclosure actions, to allow for mediation of foreclosure actions in
16 appropriate cases and to safeguard the interests of renters in properties being foreclosed.

17 **WHEREAS**, The City Solicitor proposed and Mayor Dixon sponsored enactment of a City
18 Ordinance to provide notice of the date of eviction to occupants of residential properties that
19 have been foreclosed.

20 **WHEREAS**, In September 2008, the City Solicitor co-founded and, with the City Attorney of
21 St. Paul, Minnesota, is Co-Chair of a multi-city litigation working group under the auspices of
22 the International Municipal Lawyers Association. This group comprises legal officers for
23 municipalities throughout the nation, with the purpose of jointly devising and implementing
24 legal strategies to proactively address the foreclosure crisis, by holding lenders accountable,
25 reducing the number of foreclosures, and eliminating vacant homes.

26 **SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
27 Mayor and City Council of Baltimore supports the Solicitor's efforts to partner with other cities
28 to create a united local government front for addressing the foreclosure crisis, such as creating a
29 multi-city litigation working group that comprises legal officers for municipalities throughout
30 the nation, to hold lenders accountable, to reduce the number of foreclosures, and to eliminate
31 vacant homes.

32 **SECTION 2. AND BE IT FURTHER RESOLVED**, That the City Solicitor will report back to the
33 Mayor and City Council of Baltimore in 90 days on the progress of the multi-city working group.

34 **SECTION 3. AND BE IT FURTHER RESOLVED**, That this Resolution takes effect on the date it
35 is enacted.

Council Bill 09-0265

Certified as duly passed this _____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,
this _____ day of _____, 20__

Chief Clerk

Approved this _____ day of _____, 20__

Mayor, Baltimore City