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FROM	NAME & TITLE	Robert Cename, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941		
	SUBJECT	City Council Bill 18-0185 – Non-Owner-Occupied Dwelling Units – Registration and Licensing		

TO

DATE:

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

February 16, 2018

Attention: Ms. Natawna Austin

We are herein reporting on CCB 18-0185, the main purpose of which is to add certain non-owner-occupied 1- and 2- family dwellings to the licensing, inspection, and related requirements for multi-family dwellings and rooming houses, to modify procedures and prerequisites for registration and licensing of these units, and to provide for the imposition of penalties and/or denial, suspension, or revocation of licenses for rental dwellings.

Background

Per Article 13, Subtitle 4-2 of the Baltimore City Code, all non-owner-occupied rental properties must be registered with the Housing Commissioner by September 1st of each year and any time the property is transferred. Initial registration must be completed in person or via mail and the registration is valid for one year. Previously registered properties can be renewed online. The registration fee varies depending on the number of dwelling units, but annual revenue generated for the City General Fund is nominal.

While all rental dwellings must register under the current legislation, rental dwellings with 3 or more units must also obtain a license and pass a City housing inspection to ensure that they meet minimum fire/safety standards and comply with State lead paint reporting requirements. There is no licensing fee. In Fiscal 2016, housing inspectors licensed and inspected 62% of multi-family dwellings with 3 or more units. Rental dwellings with 1- or 2- units are not required to pass a housing inspection.

Analysis

The proposed legislation would now require property owners to pay out-of-pocket for a third-party housing inspection, regardless of how many units their rental dwelling contains. The inspection must be conducted by a State-licensed inspector who is registered with the Housing Commissioner and must meet the same standards as a City inspection. Outsourcing the routine inspection process will allow City housing inspectors to focus their efforts on quality control tactics such as spot inspections or investigations of renters' complaints. It should also increase the number of multi-family rental dwellings that are inspected annually.

There is no added operational burden from this change, as all rental dwellings regardless of unit number currently register with the Housing Commissioner. Under the proposed legislation, rental dwellings with 1- or 2-units must provide proof of inspection within 90 days of registration, as do multi-family rental dwellings of 3 or more units.

The legislation also changes the registration expiration from September 1st to January 1st of each calendar year, and grants an initial two-year license rather than one-year. Subsequent renewals of the initial license can be issued in 3-, 2-, or 1-year periods based on the property owner's responsiveness to violation notices or orders issued under the City Building, Fire, and Related Code Article. There is no impact to revenue as all rental dwellings are required to register and pay the registration fee annually.

Conclusion

City Council Bill 18-0185 would increase efficiency within the Department of Housing and allow housing inspectors to focus on quality control and oversight of the City's rental housing market to improve the standards of living for our residents. Furthermore, this legislation imposes no additional fiscal or operational burden to the City. For these reasons, the Department of Finance supports the passage of City Council Bill 18-0185.

cc: Henry Raymond
Angela Gibson

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