Odette Ramos

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100 N. Holliday Street, Room 553

Baltimore MD 21202

November 4, 2025

Testimony
25-0080 – In Rem Foreclosure – Vacant Structures and Nuisance Properties
Support with Amendments

Dear Chair Torrence and Members of the Housing and Economic Development Committee:

I am writing to request your favorable report with amendments to 25-0080 – In Rem Foreclosure – Vacant Structures and Nuisance Properties.

According to the DHCD dashboard, there are 12,336 vacant and abandoned structures in Baltimore City, which are those marked with a Vacant Building Notice or VBN (which is the red square on Codemap). There are also approximately 13,000 vacant lots (which are not on the dashboard yet). While there has been amazing progress - to the tune of rehabbing or demolishing a little under 1,000 vacant structures a year in the last three years, we still have a very long way to go. Baltimore City government only owns 971 of these vacant properties and about 1/3 of the vacant lots.

Because the City only owns 7.8% of the vacant and abandoned structures, we need more tools to make sure we can acquire them, work with communities on the outcomes, and make them available to our partners who will ensure that the threat of fire or unsafe environment caused by these vacant structures is eliminated through rehabilitation or demolition.

The current reduction in vacant structures is largely due to the private market - either families selling their vacant homes to wholesalers, investors obtaining vacant properties via tax sale, or other reasons. This means communities may not be able to have input on what happens with the vacant homes. In addition, we have already seen at least two major scams and fraud involving Baltimore City vacant structures because of private investors.

Background on the creation and implementation of In Rem 1

In 2015, as part of their commissioned study about solutions to Baltimore City's tax sale system, the Center for Community Progress recommended the use of In Rem Judicial Foreclosure, rather than tax sale, to take hold of vacant properties. In 2019, the General Assembly passed legislation that created and authorized jurisdictions like Baltimore City to conduct In Rem Judicial Foreclosure actions (In Rem means "against a thing"). In this iteration, which I will call "**In Rem 1," the City can foreclose on a vacant and abandoned structure or vacant lot when the unpaid liens exceed the assessed value of a property, meaning the vacant structure or vacant lot has no value**. The liens are then extinguished in the judgement, which allows the City to transfer the property to a new owner with clear title. I'm proud to have worked with a broad coalition to get this passed in my previous role as the Executive Director for the Community Development Network of Maryland, prior to becoming a City Councilwoman.

Shortly after that, the Baltimore City Council passed DHCD's bill to begin conducting In Rem actions. "In Rem 1" is extremely important because we know that there are several thousand vacant and abandoned structures and vacant lots with hundreds of thousands of dollars in unpaid liens. No one was purchasing these in tax sale, and no one would approach owners to purchase these vacant properties with such high liens. They were stuck as vacant forever - owned by mostly deceased people, families who have moved away, forfeited LLCs, absent landlords, and the like. This was the case of the Stricker Street property where Lt. Butrim, Lt. Sadler, and FF/EMT Lacayo were killed. "In Rem 1" is the best tool to address these kinds of properties. As a matter of fact, **using 2025 lien data from the Department of Finance, 28% of the vacant and abandoned structures, and 48% of the vacant lots are eligible for In Rem 1.** In addition, once the city acquires the property through In Rem, we can control the outcome - it does not have to be auctioned to the highest bidder. For whole block outcomes, this is critical.

While implementation of In Rem 1 was hampered because of the pandemic, filing of In Rem 1 cases began in earnest in early 2022, and the first cases landed in the Circuit Court in November of 2022. I want to thank the Circuit Court for their very important role here, because our In Rem cases are in a separate docket with one dedicated Magistrate. The Circuit Court is one of the greatest partners in this initiative. In Rem is designed to be faster. Other forms of acquisition of vacant properties or lots take years. In Rem takes months. In Rem 1 cases - from filing the case to judgement - take 120-180 days, which is meteoric speed compared to all the other methods of acquisition.

In Rem 1 has had 2.5 years of implementation, and to date, the City has acquired over 569 vacant and abandoned structures and vacant lots, with several in my district, particularly for the whole block strategy on the 1600 Block of Gorsuch which was our test block for In Rem. Thanks to Mayor Scott and the City Council, over the past two budgets we have now 13 lawyers in the In Rem team, and hiring one more. Thanks also to Chair Clippinger, Senate President Ferguson and the entire General Assembly, with a match by the Administration in this past budget, we have provided significant funds for the Circuit Court to hear more cases. Currently In Rem cases are heard every Wednesday morning, and the additional funding will allow for either more time each Wednesday, or to establish an additional day for cases in this dedicated docket.

DHCD is now using In Rem as the primary mode of acquisition, which is exactly how we envisioned it. The goal is to file 200 cases per month, and according to the report we received at the oversight hearing the other day, DHCD is currently filing around 70-100 cases per month. More capacity to reach our goals is needed. I want to thank DHCD for their very good work and dedication to implementing In Rem.

25-0080 is what I will call "In Rem 2."

25-0080 expands In Rem to allow for the City to foreclose when the unpaid liens are below the assessed value of a vacant and abandoned structure or vacant lot, and liens are in arrears for more than 6 months. The City would have to pay the difference between the appraised value – using the highest of two independent appraisals - and the liens to the last known owner to avoid a taking. The state authorization for this phase of the work came in 2023 thanks to Senator McCray and Delegate Smith who sponsored the Scott Administration bill enabling Baltimore City to conduct In Rem 2 actions.

Using data from the Department of Finance, 50% of the privately owned vacant and abandoned structures and 23% of the privately owned vacant lots citywide qualify for In Rem 2 actions. These vacant properties would likely go to receivership, but in receivership, vacant properties are auctioned off to the highest bidder. This does not allow community development organizations to bid because the bids these days are so high, and the winner may not have the interest of the community in mind. Moreover, receivership is not authorized for vacant lots. In Rem 2 is so much better, it will be faster, and we will be able to truly accomplish whole block outcomes using both In Rem 1 and In Rem 2.

Based on the analysis conducted by my office, we believe with the full complement of the In Rem tools, the City could acquire 78% of the privately owned vacant and abandoned structures and 71% of the privately owned vacant lots in our city ensuring these properties are removed as a safety and danger risk to our residents and neighborhoods, get to the hands of partners who will ensure they are brought up to code.

Appendix A is a chart that summarizes In Rem 1 and In Rem 2. In **Appendix B** are two maps, one regarding In Rem 1 and In Rem 2 eligible vacant structures, and the other the In Rem 1 and In Rem 2 eligible vacant lots. Here is the interactive map. In **Appendix C**, please find a chart with data from the Department of Finance analyzed by my office that outlines how many properties are eligible for In Rem 1 and In Rem 2 for each district, and an addendum with the challenges with the data.

Nuisance Properties

In Rem 2 also allows for action against "nuisance" properties. The nuisance properties part of this bill refers to the fact there are significant properties that are sitting empty but are not getting VBNs. In the state tax article that authorized In Rem 2 it refers to a vacant or nuisance property as "as a vacant lot or improved property determined to be a vacant property or nuisance property under the Baltimore Building Code." In our Building code, in our Building Code in § 116.4.1.3, defines nuisance properties as:

1. an unoccupied structure for which 2 or more final, non-appealable Building Code, Fire Code, or Property Maintenance Code violations remained unabated for 10 days or more beyond the date by which the violation notice, citation, or order required the violation to be corrected; or
2. the exterior premises of an unoccupied structure for which, at any time within the preceding 12 months, on 6 or more separate occasions, final, no-longer appealable violation notices, citations, or orders were served to correct violations of Property Maintenance Code, § 305 {"Exterior Sanitary Maintenance – General"} or § 306 {"Exterior Sanitary Maintenance – Trash, Garbage, and Debris"}.

I have asked DLR to draft legislation to further define "nuisance" properties as those with outstanding liens, no utilities, and no mail delivery. These properties will eventually get VBNs. My pending legislation will enable us to find them, classify, and provide data about them to take action either by In Rem 2, or through contacting family members to assist with what they desire with the property or taking other action.

"Nuisance" in this case does not mean properties where there are criminal or other activities that are impacting communities. Those are in a separate part of the code, and not relevant here. Please note that nuisance properties are not considered in the Appendices, as we don't have a clear definition and no data associated with these properties.

Reaction to Agency Bill Reports:

The Law Department reported that they can approve the bill for form and legal sufficiency with specific amendments. The amendments are in the queue to be drafted. Apparently, there is a new process now that Law will not draft amendments anymore. Essentially, the Law Department says just having two appraisals is not enough to determine "just compensation" for a property that has value. Among some technical amendments, the Law Department suggests adding a process for contesting the valuation and noting that title cannot be transferred to the City until the value is paid to the old owner. During the hearing, we will go through all of the points related to the Law department's proposed amendments. **I am prepared to accept all of the Law Department's amendments to this legislation.**

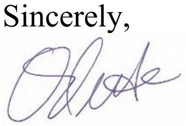
The Department of Finance report outlines that a possible new process would be needed for In Rem 2 on nuisance properties. They completely ignore the idea that In Rem 2 is most particularly for vacant properties and vacant lots where the liens are below the assessed value of the vacant property. I am unsure where their numbers came from for calculating the cost of the "new" process or their projected number of properties. I ask the Department of Finance to calculate the potential property tax revenues from the rehab and sale of the vacant properties, and when we have the numbers, nuisance properties. That will far exceed the expenses outlined in their report.

While it is upsetting that DHCD would outright oppose this bill – a bill whose authorization they helped pass in the General Assembly in 2023 – it is my hope that we can continue to work together on this. DHCD does not comment on the section of the bill that is regarding the VBNs and vacant lots where the liens are below the value of the property. I can only assume they are fine with this part of the bill and will change their position once the Law Department's amendments are completed. In their report, DHCD instead focuses on the nuisance properties part of the legislation. Arguments made in this bill report do not match the arguments they have made to me directly.

Because the urgency of the matter is clear, we need all the tools to address the vacant property crisis. In Rem 1 has already proven to be a powerful tool, and In Rem 2 has the potential to be just as impactful.

Please support 25-0080 In Rem 2. Thank you for your consideration. I can be reached on 410-396-4814 or via email at odette.ramos@baltimorecity.gov should you have any further questions.

Sincerely,



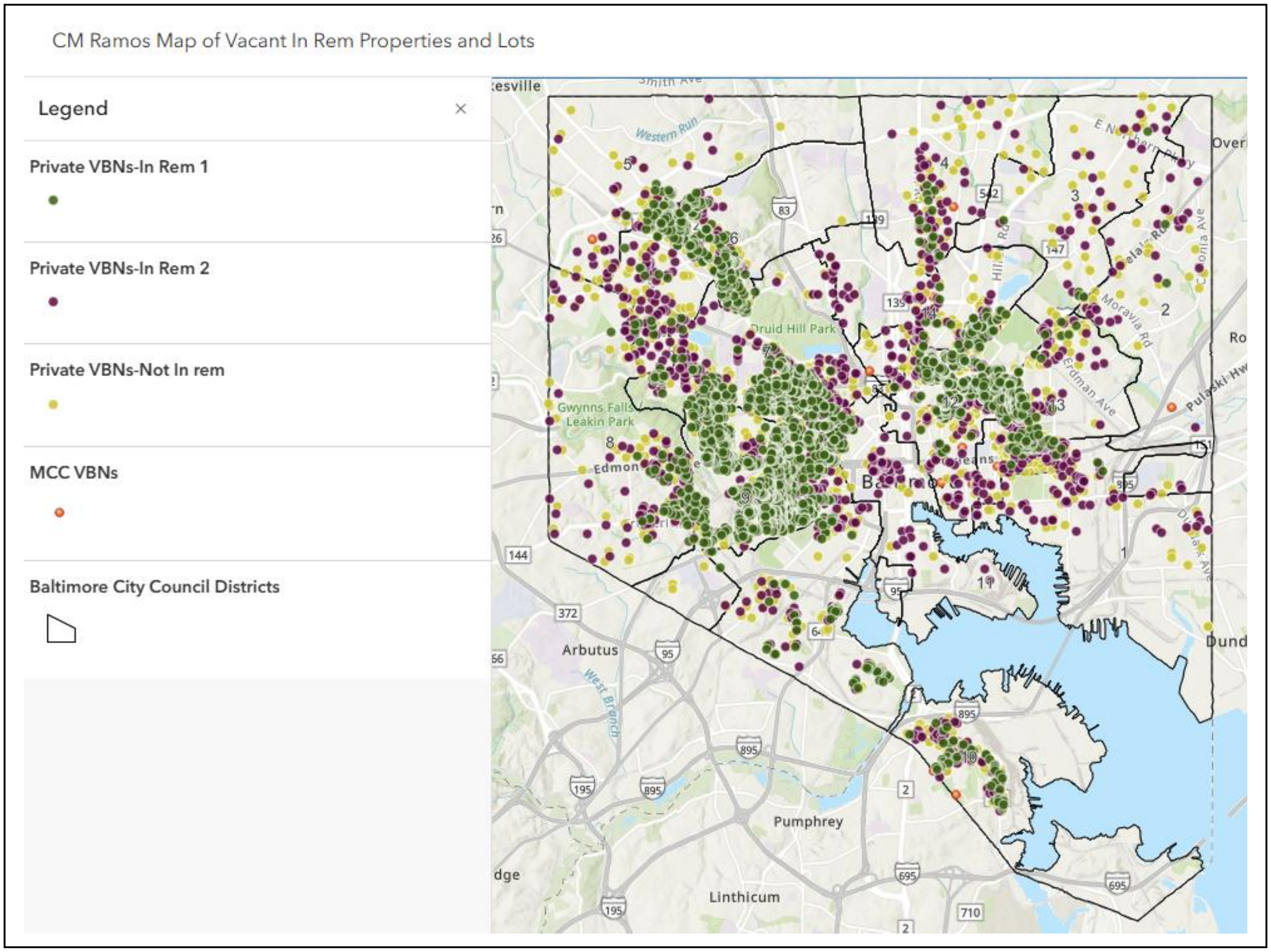
Odette Ramos
Baltimore City Councilwoman, District 14

Appendix A Comparison between In Rem 1 and In Rem 2

Topic	**In Rem 1 City Code Article 28 section 8.1**	**Proposed In Rem 2 City Code Article 28 section 8.2**
Applies to vacant and abandoned structures and lots - with VBNs.	Yes	Yes
Applies to nuisance vacant structures and vacant lots.	No	Yes
Eligible vacant properties and lots: When the unpaid lien amounts <u>exceed</u> the assessed value of the vacant and abandoned property or lot.	Yes	No
Eligible properties: When unpaid lien amounts are <u>below</u> the assessed value of the vacant and abandoned property or lot.	No	Yes
Title Search and Notice Requirements: 3 title searches and 3 notices plus one posting (a) pre-court filing, (b) post-court filing and posting, and (c) post judgment notice. This allows all parties on the title to receive notice, and the opportunity to contest the action in court.	Yes	Yes
Timeframe from court filing to judgement (ideally): 6-8 months.	Yes	Yes
Outstanding liens are foreclosed upon judgement and the right to cure the debt is extinguished.	Yes	Yes
Requirement to auction the property to the highest bidder.	No	No
Compensation to the last known owner of record: The difference between the outstanding lien amount and the appraised value of the property or proceeds from the auction sale.	No	Yes
Estimated percentage of privately owned vacant and abandoned structures and lots eligible (using Department of Finance lien data)	78%	71%

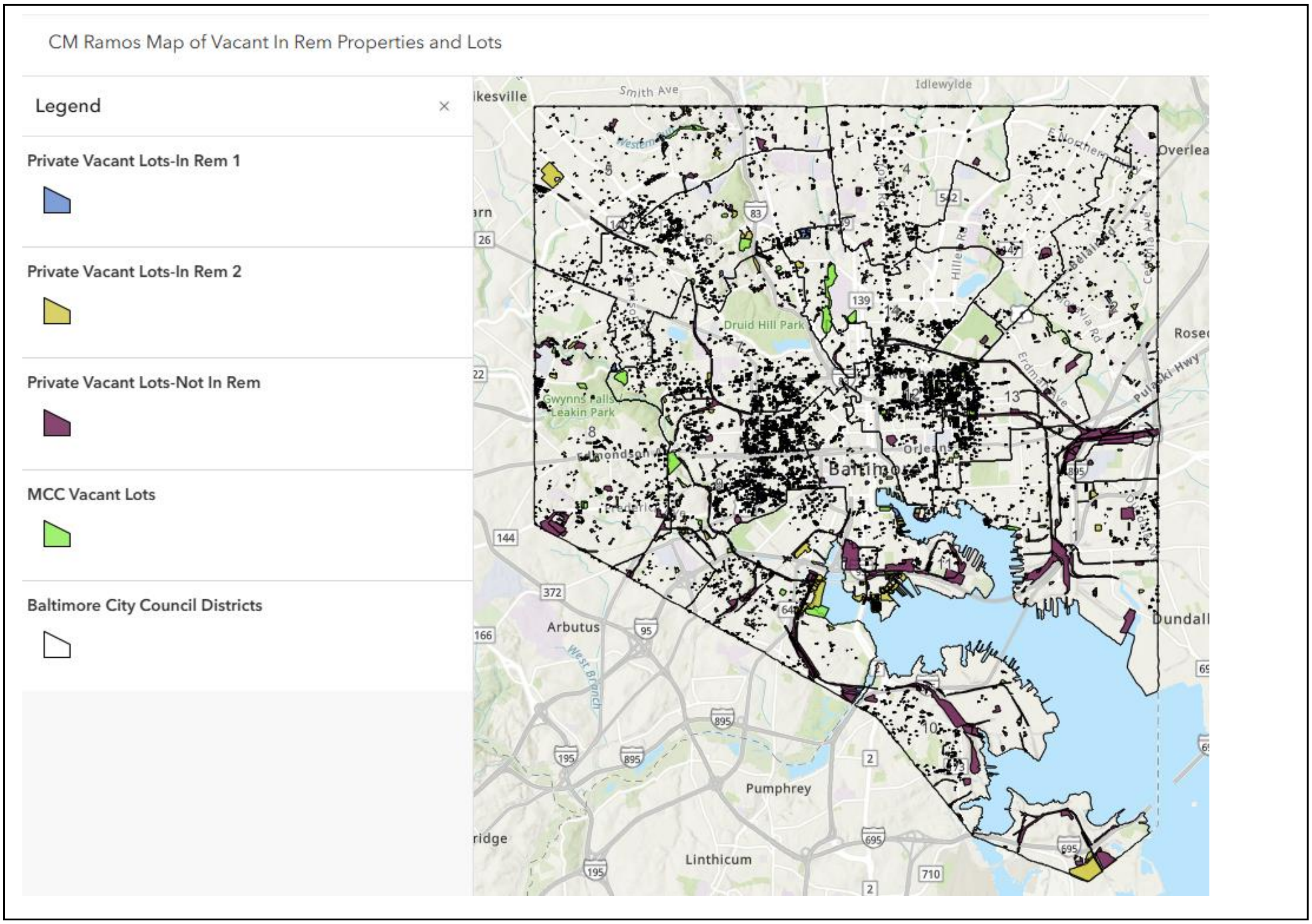
Appendix B.1

Map of In Rem Eligible Vacant Structures – Created by the Mayor's Office of Performance and Innovation using Department of Finance data analyzed by the Office of Councilwoman Odette Ramos



Appendix B.2

Map of In Rem Eligible Vacant Lots – created by the Mayor's Office of Performance and Innovation using Department of Finance Data analyzed by the office of Councilwoman Ramos



Appendix C.1 Chart of In Rem eligible properties by district, using data from the Department of Finance and analyzed by the Office of Councilwoman Odette Ramos

VBN PROPERTIES

# by District	total	privately owned	mayor & cc/Gov't owned	privately owned in-rem 1.0 eligible	percentage privately owned In Rem1	privately owned in-rem 2.0 eligible	percentage privately owned In rem 2	privately owned total open-recievables	privately owned total assessed value
1	174	174	0	4	2%	86	49%	$1,168,160.82	$21,981,333.00
2	63	62	1	1	2%	45	73%	$627,770.34	$8,479,100.00
3	73	73	0	4	5%	35	48%	$1,043,294.13	$11,337,932.00
4	145	139	6	10	7%	76	55%	$1,911,898.47	$14,234,666.00
5	169	161	8	44	27%	63	39%	$1,872,215.61	$10,583,898.00
6	937	883	54	259	29%	432	49%	$15,392,908.45	$48,106,759.00
7	1,897	1,761	136	481	27%	889	50%	$29,824,265.14	$93,112,700.00
8	300	295	5	40	14%	173	59%	$5,841,431.12	$26,373,425.00
9	4,087	3,842	245	1,462	38%	1,717	45%	$60,206,017.85	$103,759,383.00
10	651	598	53	95	16%	346	58%	$9,017,506.19	$35,848,518.00
11	196	163	33	19	12%	96	59%	$1,915,755.88	$29,367,963.00
12	1,444	1,316	128	321	24%	691	53%	$17,197,876.62	$87,087,297.00
13	1,088	1,032	56	215	21%	540	52%	$11,380,555.71	$44,455,665.00
14	394	330	64	82	25%	177	54%	$4,244,357.04	$20,361,634.00
total	***11,618***	***10,829***	***789***	***3,037***	***28%***	***5,366***	***50%***	***$161,644,013.37***	***$555,090,273.00***

Source: Baltimore City Department of Finance, Analysed by Councilwoman Odette Ramos office

# by District	total	privately owned	mayor & cc/Gov't owned	privately owned in-rem 1.0 eligible	percentage privately owned In Rem1	privately owned in-rem 2.0 eligible	percentage privately owned In rem 2	privately owned total open-recievables	privately owned total assessed value
VACANT LOTS									
# by District									
1	424	409	15	95	23%	126	31%	$1,744,087.13	$15,986,300.00
2	365	349	16	75	21%	108	31%	$1,091,680.58	$4,849,033.00
3	328	321	7	58	18%	109	34%	$418,382.79	$3,551,467.00
4	449	419	30	158	38%	100	24%	$1,334,930.56	$4,886,520.00
5	492	462	30	189	41%	112	24%	$1,260,577.16	$6,875,932.00
6	989	558	431	269	48%	115	21%	$2,710,620.71	$7,255,534.00
7	1,493	994	499	526	53%	201	20%	$4,760,957.28	$10,726,900.00
8	2,278	1,527	751	495	32%	446	29%	$3,885,121.37	$16,186,431.00
9	1,318	1,254	64	1,217	97%	37	3%	$13,499,937.21	$3,826,833.00
10	932	873	59	254	29%	293	34%	$4,925,182.34	$41,881,475.00
11	592	470	122	95	20%	268	57%	$5,388,414.85	$78,724,186.00
12	2,035	1,172	863	672	57%	236	20%	$5,125,392.37	$18,806,233.00
13	1,363	929	434	615	66%	124	13%	$5,615,416.64	$10,472,800.00
14	556	349	207	143	41%	81	23%	$1,866,464.21	$3,287,933.00
total	***13,614***	***10,086***	***3,528***	***4,861***	***48%***	***2,356***	***23%***	***$53,627,165.20***	***$227,317,577.00***

Source: Baltimore City Department of Finance, analyzed by Councilwoman Odette Ramos office

Appendix C.2 Explanation of the data in the Charts

Privately Owned VBN properties: Appendix C the first chart provides a general overview of summary of the privately owned VBN properties eligible for In Rem 1 and In Rem 2, the percentage of them, and amount of the liens vs assessed value. It is also organized by the City Council district. You will note the following from this summary:

- The total amount of vacant properties reviewed is off. I'm not sure why roughly 1,000 are missing from this list. It could be that they are new VBNs, or a recording error between DHCD and Finance.
- This list has roughly 787 VBN properties owned by the Mayor and City Council, as well as the Housing Authority of Baltimore City and the State of Maryland. These government publicly owned vacant properties are removed for the purposes of our analysis.
- Roughly 28% or 3,037 of the privately owned VBN properties are eligible for In Rem 1 in that the unpaid liens exceed the assessed value of the property.
- Roughly 50% or 5,366 of the privately owned VBN properties are eligible for In Rem 2 where the unpaid liens are below the assessed value of the property and in arrears for at least a year. This calculation is a rough estimate. I estimated that if a VBN property had a specific value of unpaid liens or less, that they are about to pay the taxes and therefore not eligible for In Rem 2. This might be different depending on the value of the property. I assumed one amount for each district, with District 1 being $3,000 and District 9 being $500
- The last 22% or roughly 2,426 are current on their taxes and paying the citations. There are four subsets that will need further analysis to understand what actions to take:
    - VBNs fully rehabbed but without permits and the U and O was never applied for
    - VBNs in the process of rehab
    - VBNs being held by a developer in the hopes of working on the entire block or area at the same time, and waiting for financing
    - VBNs being held by the owner and may need receivership intervention.

Privately Owned Vacant Lots: The same analysis was conducted for privately owned vacant lots using September 2025 data from the Department of Finance, and is on the 2nd chart in Appendix C.

- The total amount of vacant lots may be inaccurate. This list has 13,614 vacant lots, when we've quoted different numbers in the past. This is the first year I am conducting this analysis for vacant lots, and DHCD is still doing work to clean up the vacant lot data.
- This list has roughly 3,358 vacant lots or 25% of the entire total of vacant properties are owned by the City or other government entity. These are removed for the purpose of our analysis. Please note that several City owned properties are slated for redevelopment already, such as in Park Heights and the Tivoly Project in Coldstream Homestead Montebello.
- Roughly 48% or 4,861 of the privately owned vacant lots are eligible for In Rem 1 where the unpaid liens exceed the assessed value of the property.
- Roughly 23% or 3,356 of the privately owned vacant lots are eligible for In Rem 2 where the unpaid liens are below the assessed value of the property and in arrears for at least a year. This calculation is a rough estimate. I estimated that if a VBN property had $250 value of unpaid liens or less, that they are about to pay the taxes and therefore not eligible for In Rem 2. This might be different depending on the value of the property. For instance, properties in District 1 may be of more value and therefore the threshold to assume someone will pay the property taxes is higher. Separate analysis should be done district by district for accuracy.
- The last 1,869 or 29% are current on their taxes and paying the citations. While In Rem 1 and In Rem 2 can be used on vacant lots, receivership cannot be used on vacant lots. The only strategy for these vacant lots where the taxes and citations are being paid is private sale. The vacant property tax proposed in my legislation might help with this as an incentive to do something with the property, or for the liens to stack up enough for In Rem.