



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Caron Watkins Interim Director, Office of Equity & Civil Rights Interim Chief Equity Officer
ANALYST	Zachary Wellman Equity Policy Analyst, Office of Equity & Civil Rights
DATE	September 16, 2024
SUBJECT	OECR Report on Baltimore City Council Bill 23-0363 Land Bank Authority

OECR POSITION: Unfavorable

SUMMARY OF LEGISLATION

The Office of Equity & Civil Rights (OECR) has reviewed and is herein reporting on City Council Bill 23-0363 – *Land Bank Authority*. This bill seeks to:

- Establish a Land Bank Authority (LBA) in the city of Baltimore.
- Outline the Authority’s powers, duties, and limitations.
- Establish a Board of Directors for the Authority.
- Outline other provisions of the LBA’s establishment and function.

This would be accomplished using powers granted in Article – Local Government, Sections 1-1401 to 1-1431 of the Annotated Code of Maryland and Article 2, Section 65 of the Baltimore City Charter. Through these powers, Council Bill 23-0363 would add Subtitle 22 - Land Bank Authority to Article 5 - Finance, Property, and Procurement of the Baltimore City Code.

ANALYSIS

Land banking is a vacancy reduction strategy that seeks to acquire vacant properties and determine an appropriate use, be that development, sale, or demolition. Through land banking, many municipalities throughout the United States have successfully aggregated parcels of vacant land and allocated them for reuse, including Cleveland, St. Louis, and Atlanta.

As a targeted community redevelopment strategy, land banking is associated with significant strides in improving racial and socioeconomic equity because low-income and BIPOC neighborhoods face disproportionate rates of community disinvestment, slums, vacancies, and abandoned properties. This is especially true of Baltimore City in which neighborhoods in the

“White L” and “Black Butterfly” receive wildly disparate outcomes in terms of funding, investment, and development due to the legacy of structural racism and redlining that still influence Black Baltimore communities today.

City Council Bill 23-0363 would establish The Land Bank Authority of Baltimore City, Inc., a non-profit quasi-governmental corporation tasked with acquiring, disposing of, and demolishing vacant properties throughout the city.

While land banking has seen success in other municipalities throughout the United States and can do much in the way of improving the equity of residents blighted by vacancies within their communities, the land bank authority established by Council Bill 23-0363 would hurt the equity of Baltimore residents. This is because the establishment of a quasi-governmental authority is not the only mechanism for land banking. The establishment of such an entity would divert much of the resources and function away from the Baltimore City Department of Housing and Community Development (DHCD), which is already being used to combat the vacancy crisis in Baltimore. This would in turn stifle much of the progress the DHCD has already made on this front, including reducing vacancies in the city from 17,000 as of 2015 to 13,191 as of September 12, 2024.

According to the Center for Community Progress, the organization that houses the National Land Bank Network (NLBN), land banking programs may exist as a department of an existing entity, such as a housing department. This is because LBAs must be individualized to the needs and laws of each municipality they serve.

The DHCD, through various pieces of legislation such as Council Bill 20-0529 - *Property Tax – In Rem Foreclosure*, has had a “land banking” program established within the agency by way of acquiring vacant properties through In-Rem foreclosure, condemnation, and even government sanctioned eminent domain. However, the LBA would not be able to engage in any of these processes unless further enabled by state legislation.

Additionally, the DHCD has the capability to engage in block-level planning to address each property individually and determine a community development outcome for the betterment of residents. This is opposed to simply dispossessing acquired properties to developers without much input into the community-wide development strategy, as a LBA would do.

If created to continue Baltimore’s land banking project, the LBA would strip the duty to acquire, dispose, and demolish vacant properties from the DHCD. This would result in a less effective vacancy reduction strategy because such a LBA would lack the diverse toolset to acquire vacant properties that have been vested in the DHCD through the aforementioned legislation and government powers.

This is problematic because In-Rem foreclosure, condemnation, and eminent domain are all effective mechanisms for acquiring properties, particularly in Baltimore, where slumlords frequently sit on abandoned buildings that are upside down on property taxes rather than sell the property. Additionally, without the ability to acquire by condemnation, failed negotiations with property owners would either need to be transferred back to DHCD to complete the acquisition or be terminated completely.

As such, establishing an independent LBA would pose a significant setback for the land banking

project already being conducted by the DHCD, which has made significant strides toward mitigating the detrimental effects vacancies have had on low-income and BIPOC communities across Baltimore. Establishing a land bank to steward a municipality's vacancy project is effective when there is no pre-existing infrastructure to do so. However, in the case of Baltimore City, the DHCD has demonstrably shown efficacy in reducing the number of vacant properties throughout the city with its multifaceted approach.

Instead of using resources to create a new agency, the OECR believes the most effective way to address Baltimore's urgent vacancy crisis is to bolster the existing agency and programs already doing the work. Recognizing that DHCD already has all the functionality of the proposed LBA and then some, establishing the LBA would cause a major disruption in the implementation of the City's vacancy reduction work and could likely exacerbate the problem by having to start over from the beginning.

CONCLUSION

The Office of Equity & Civil Rights has reviewed City Council Bill 23-0363 and requests an **unfavorable** committee report due to the equity repercussions that could result from diverting functions of the Department of Housing and Community Development to a separate Land Bank Authority and the setbacks therein regarding Baltimore's vacancy strategy.

Respectfully Submitted,



Caron Watkins
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