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### BALTIMORE CITY COUNCIL WAYS AND MEANS COMMITTEE

**Mission Statement** 

The Committee on Ways and Means (WM) is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include: budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

# The Honorable Eric T. Costello Chairman

**PUBLIC HEARING** 

TUESDAY, APRIL 18, 2023 10:00 AM

**COUNCIL CHAMBERS** 

Council Resolution 22-0124R

Informational Hearing – Residential Rental Licensing

#### CITY COUNCIL COMMITTEES

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## RULES AND LEGISLATIVE OVERSIGHT (OVERSIGHT)

Isaac "Yitzy" Schleifer, Chair Kristerfer Burnett Mark Conway Eric Costello Sharon Green Middleton Odette Ramos James Torrence Staff: Richard Krummerich

#### **LEGISLATIVE INVESTIGATIONS**

Eric Costello, Chair Sharon Green Middleton, Vice Chair Isaac "Yitzy" Schleifer, Chair Robert Stokes Danielle McCray Staff: Marguerite Currin

Effective: 01/04/23 Revised: 02/13/23

#### CITY OF BALTIMORE

BRANDON M. SCOTT, Mayor



#### OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director 415 City Hall, 100 N. Holliday Street Baltimore, Maryland 21202 410-396-7215 / Pax: 410-545-7596 email: larry.greene@baltimerccity.gov

#### BILL SYNOPSIS

**Committee:** Ways and Means

Resolution: 22-0124R

#### **Informational Hearing – Residential Rental Licensing**

Sponsor:

Councilmember Burnett, et al

Introduced: August 15, 2022

#### **Purpose:**

For the purpose of inviting representatives from the Department of Housing and Community Development and other interested parties to appear before the City Council to discuss the current rental licensing process for residential properties, problems that arise during the process, and improvements that could be made to the current process.

**Effective:** On the date it is enacted.

#### **Agency Reports**

Law Department	Favorable
Department of Housing and Community Development	No Objection

#### **Analysis**

#### **Current Law**

Baltimore City Code – Article 13, Housing and Urban Renewal - Subtitle 5 – Licensing of Rental Dwellings – outlines the mandates, rules and regulations for Residential Rental Licensing

#### Background

Baltimore City requires ALL residential rental units to be registered, inspected, and licensed to ensure that they meet basic safety and maintenance requirements. Previously one- and two-family dwellings were not required to be inspected and licensed to operate as a rental. On August 1, 2018, a <u>new law</u> took effect requiring all Baltimore City rental properties, including one- and two-family

and multi-family dwellings, to be licensed to operate as a rental by January 1, 2019. If the property is not a rental but is non-owner-occupied it still must be registered annually.<sup>1</sup>

**In order to receive a rental license** from the Department of Housing and Community Development (DHCD) the property must:<sup>2</sup>

- 1) be registered with DHCD using the online portal and
- 2) be inspected by a State Licensed, Baltimore City registered Home Inspector.

On Tuesday, April 18, 2023, pertinent agency representatives and other interested parties will come before the Committee to discuss the current rental licensing process for residential properties, problems that arise during the process, and improvements that could be made to the current process.

#### **Additional Information**

Fiscal Note: None

Information Source(s): City Code, Resolution 22-0124R, see footnotes below, and all agency

Direct Inquiries to: (443) 984-3485

reports received as of this writing.

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Analysis by: Marguerite M. Currin

Analysis Date: April 13, 2023

<sup>1</sup> Department of Housing and Community Development website.

<sup>2</sup> Ibid

Page 2 of 2

## Council Resolution 22-0124R

## AGENCY REPORT(S)

See attached

#### **CITY OF BALTIMORE**

### BRANDON M. SCOTT Mayor



DEPARTMENT OF LAW
JAMES L. SHEA, CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

August 29, 2022

The Honorable President and Members of the Baltimore City Council Attn: Executive Secretary Room 409, City Hall 100 N. Holliday Street Baltimore, Maryland 21202

Re: City Council Bill 22-0124R – Investigative Hearing – Residential Rental

Licensing

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 22-0103R for form and legal sufficiency. This resolution calls on representatives of several agencies to appear before the City Council to discuss residential rental licensing.

A resolution is an appropriate way for the City Council of Baltimore to express its views on a particular matter. *See, e.g., Inlet Assocs. v. Assateague House Condominium,* 313 Md. 413, 428 (1988). Therefore, the Law Department approves this Resolution for form and legal sufficiency.

Very truly yours,

Hilary Ruley Chief Solicitor

cc: James L. Shea, City Solicitor
Nina Themelis, Mayor's Office of Government Relations
Elena DiPietro, Chief Solicitor, General Counsel Division
Ashlea Brown, Chief Solicitor
Jeffrey Hochstetler, Chief Solicitor
D'ereka Bolden, Assistant Solicitor
Michelle Toth, Assistant Solicitor



### **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 18, 2023

## Re: City Council Resolution 22-0124R – Informational Hearing - Residential Rental Licensing

The Department of Housing & Community Development (DHCD) has reviewed City Council Resolution 22-0124R for the purpose of inviting representatives from the Department of Housing and Community Development and other interested parties to appear before the City Council to discuss the current rental licensing process for residential properties, problems that arise during the process, and improvements that could be made to the current process.

DHCD is committed to enforcing the appropriate licensing and registration requirements for all applicable properties in order to promote the health and safety of our communities throughout the City of Baltimore. A discussion about rental licensing must also include registration, which is required in addition to a rental license.

#### Background

All residential <u>rental</u> units in Baltimore City are required to be registered, inspected, and licensed to ensure that they meet basic safety and maintenance requirements. If a property is <u>not a rental</u> but is non-owner-occupied it still must be registered annually. The <u>Baltimore City Code, Article 13, Subtitle 4-2</u>, requires every owner of a residential 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. An annual registration must be completed for all non-owner-occupied property including vacant lots, vacant buildings and occupied properties such as multifamily dwellings and 1- and 2-family dwellings.

Registration provides valuable contact information to the City of Baltimore. Including a description of the premises by street number, the name, street address, telephone number, and email address of the premises' owner of record and the premises' managing operator. Property owners are required to register their non-owner-occupied properties every year and this information is vital to the agency to ensure the owners of non-owner-occupied properties can be reached and held accountable.

If a property owner wishes to rent out their property it must be **registered and licensed**. Residential non-owner-occupied rental properties must obtain a rental license in addition to **Brandon M. Scott**, Mayor • Alice Kennedy, Housing Commissioner



rental registration. In order to receive a rental license from DHCD the property must first be registered and be inspected by a State Licensed, Baltimore City registered Home Inspector. Registration and Licensing can be done online or in person at 417 E. Fayette Street, Room 100.

Home Inspectors are selected by the property owner, and they set their own market-rate fees for these inspections. The inspector will be looking for basic life, health, and safety items to insure the property is up to code and safe for the occupants and neighboring residents, including but not limited to electrical, plumbing, smoke and carbon monoxide detectors, interior and exterior sanitary conditions, utilities, and chipping or flaking paint. All initial licenses are issued for a two-year period. When it is time for renewal, registrants may be able to obtain a three-year license or be limited to a two- or one-year license based on the maintenance record and violation history.

#### Challenges

Some challenges identified by applicants trying to obtain rental licenses include difficulties with the current payment system that came standard with the licensing and registration software. Applicants are able to pay online but must provide banking information. DHCD and BCIT have been working with the vendor to upgrade the system to conform to the City's standard online payment process. Additionally, some applications are delayed because applicants have failed to provide the correct or required information or have not submitted the inspection report within 30 days as required by law.

#### Conclusion

DHCD appreciates the opportunity to discuss agency activities around rental licenses with the City Council and partner agencies. We are committed to protecting the residents of Baltimore City and providing outstanding customer service. DHCD is exploring systems changes such as creation of a centralized call center to manage phone traffic. Our overarching goal is to ensure a system that will provide equitable, user-friendly workflow with ease of accessibility. If community members would like to report an unlicensed or unregistered property, we encourage them to contact 311.

DHCD has **no objection** to City Council Resolution 22-0124R.

#### CITY OF BALTIMORE COUNCIL BILL 22-0124R (First Reader)

Introduced by: Councilmember Burnett

Introduced and read first time: August 15, 2022

Assigned to: Ways and Means Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Housing and Community

Development

	A BILL ENTITLED
1	A COUNCIL RESOLUTION concerning
2	Informational Hearing - Residential Rental Licensing
3 4 5 6	FOR the purpose of inviting representatives from the Department of Housing and Community Development and other interested parties to appear before the City Council to discuss the current rental licensing process for residential properties, problems that arise during the process, and improvements that could be made to the current process.
7 8 9 10 11	<b>Now, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE</b> , That the City Council invites representatives from the Department of Housing and Community Development and other interested parties to appear before the City Council to discuss the current rental licensing process for residential properties, problems that arise during the process, and improvements that could be made to the current process.
12 13 14	<b>AND BE IT FURTHER RESOLVED</b> , That a copy of this Resolution be sent to the Director of the Department of Housing and Community Development and the Mayor's Legislative Liaison to the City Council.