



Bringing people together to build homes, communities & hope

June 28, 2021

Baltimore City Council
Economic and Community Development Committee
Chair Middleton
100 N. Holliday St.
Baltimore, MD 21202

Dear Economic and Community Development Committee:

Habitat for Humanity of the Chesapeake applauds the Council Bill 21-0037R's focus on creating new means for solving the problem of vacant houses in the City. As a nonprofit home developer that has rehabilitated vacants in the City for nearly four decades, we both attest to the need for reduction of blight as well as the challenges in doing so.

In our organization's experience in renovating 601 properties into homeownership that is affordable for working families in the 30 to 80% AMI, we've gained an appreciation for the kind of effort and funding it requires to rehabilitate vacants in various states of distress or decay. While many are considered gut rehabs, the operation can sometimes be like building new construction in the footprint of the home.

In being knowledgeable about the series of steps involved in rehabilitation of vacant properties – from identifying and declaring a property as vacant to its establishment of a newly renovated space – we'd like the committee to consider the following:

An Improved Receivership Process and Developer Vetting: Baltimore's receivership program is a nationally recognized tool for reversing aging and abandoned housing stock and, as one of many small developers in the City who work on blocks where receivership is used as a tool, we can attest, along with others, to its usefulness. The Vacants to Value program has been a shining star in the process, taking properties one step closer to the ideal goal, homeownership, and ensuring access for many families to purchase through its financial incentives.

That said, the road to receivership can be a long one for any individual or group of properties, and can be frustratingly long for communities, developers, and, we imagine, for DHCD itself. We imagine that providing additional resources to DHCD to expand their receivership process would yield even better outcomes related to timeliness and reversing blighted blocks.

Additionally, it would be helpful for community-focused organizations concentrating on whole block or whole neighborhood revitalization to have, in addition to receivership, other options. There are sometimes less community-minded developers bidding at these auctions, and they can outbid those who are truly invested in the community. We believe community outcomes would be better if received properties were aimed into the hands of vetted, qualified developers.

More Efficient Permitting Process: The full process from acquisition through pre-development can also pose hurdles and challenges that hurt potentials. For example, if permitting takes an exceptionally long time, it may set a developer back significantly, affecting a project's financing and/or ability to secure other funding. Streamlining the process from identification of vacants through to acquisition by good actors, followed by timely permitting may allow for more progress toward communal goals and making a dent in revitalizing blight.

Comprehensive Solutions Following Property Improvement: As an organization focused on homeownership affordability, we view owner-occupied residences and community-based resources for homebuyer education as key for the potential of securing stable outcomes for neighborhoods. Our own homebuyer education program is 50 hours long and includes deep one-on-one counseling throughout the process, geared toward budgeting. In addition, we teach the basics of home maintenance.

We're aware that there are multiple groups in the city, including homeownership counseling agencies and CDCs focused on providing tools and education that aid in achieving stability at the household and block level. We'd like to imagine a future where the question of vacants includes a comprehensive set of solutions that includes the full spectrum of need after a property is declared vacant in the first place. What's next could include support for DHCD code enforcement operations that secure vacants, new solutions for selling the properties to qualified developers, and more efficient and timely permitting processes for the City and the developers seeking to build.

While the mechanics of the internal City processes in development are largely unknown to us, in regard to this inquiry on options for ridding Baltimore City of vacant properties, we applaud the appetite for the conversation and earnestly hope for a continued conversation that brings the practical aspects of both development and community interests into the set of solution-building.

Sincerely,



Mike Posko,
Chief Executive Officer