



BALTIMORE CITY
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Alice Kennedy, Acting Housing Commissioner

Date: September 23, 2020

Re: **20-0563 Charter Amendment – Disposition of City-Owned Property**

The Department of Housing and Community Development (DHCD) has reviewed 20-0563 for the purpose amending the City Charter to repeal the City's general authority to dispose of City-owned real property at private sale; conforming and clarifying related provisions; and submitting this amendment to the qualified voters of the City for adoption or rejection.

If enacted, 20-0563 would prohibit the Department of Real Estate from disposing of City-Owned property at private sale.

DHCD has co-existed with Article V, Section 5 of the Charter, which gives the Comptroller the authority to sell City owned property to meet development and blight elimination objectives. Article 13, § 2-7 (f)(1) of the Baltimore City Code gives the Commissioner of DHCD the ability to dispose of City-owned property at public or private sale, in accordance with applicable Renewal Plans or Conservation Plans, for defined blight elimination purposes including; conservation, development, or redevelopment, including but not limited to renovation or rehabilitation.

The majority of DHCD property dispositions, are “public sales,” in that they are advertised to the public before DHCD awards a property and prior to Board of Estimates approval of a Land Disposition Agreement, or other form of sale. DHCD frequently coordinates the offering and sale of City owned property in conjunction with the Department of Planning, other City agencies, and community stakeholders to achieve community development outcomes. DHCD conducts a public offering such as an Expression of Interest (EOI), Request for Proposals (RFP), media and web advertisement or other forms of public

procurement. In some instances, DHCD assists the Comptroller, Department of Planning, Baltimore Development Corporation, and or the Department of General Services with disposition of surplussed City-owned properties such as closed school buildings. In these cases, DHCD utilizes the same public sale methods for an offering. As such, because DHCD does not commonly dispose of City-owned property at private sale, and thus the proposed legislation would not directly affect DHCD's mission.

However, we believe the legislation would negatively impact our ability to work with other city agencies to amass parcels for development projects and may drive up costs for land development. For instance, DHCD works with DOT on street and alley closures for development projects. This Charter amendment would severely limit, if not eliminate the City's street closing, opening and sales, as those are typically sold to a business or developer adjacent to the street.

In addition, there are occasions in which DHCD identifies City owned properties appropriate for transition to the Housing Authority of Baltimore City (HABC) to meet public housing and community development needs. This Charter amendment will impact the City and HABC's ability to transfer properties with favorable terms or otherwise in a fashion that best facilitates public and affordable housing goals. City Council Bill 20-0563 would limit the City's ability to influence future uses of a property by selecting the purchaser, and potentially drive up development costs.

For these reasons DHCD **opposes** the passage of City Council Bill 20-0563.

MB:sm