



MEMORANDUM

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

From: Alice Kennedy, Housing Commissioner

Date: March 26, 2024

Re: City Council Bill 23-0357 - Strengthening Renters' Safety Act

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 23-0357 for the purpose of establishing a priority inspection; establishing criteria for priority dwellings and priority inspections; requiring the Commissioner of the Department of Housing and Community Development to post certain notices; amending certain rental dwelling license application requirements; amending certain prerequisites for new and renewed rental dwelling licenses; amending license fees; updating inspection requirements; requiring the posting of license numbers; updating causes for denial, suspension, or revocation of a license; bolstering public access to information; authorizing the initiation of enforcement of the subtitle by complaint; providing for certain data collection; establishing the Baltimore City Rental Licensing and Inspection Task Force; providing for the composition, terms, and organization of the Task Force, establishing the duties of the Task Force, adding a civil citation fine for violating of licensing requirements; requiring annual reporting; amending certain definitions; providing a time period when the Task Force shall first convene; and providing for a special effective date.

Background

DHCD is committed to enforcing the appropriate inspection, licensing and registration requirements for all applicable rental properties in order to promote the health and safety of every tenant throughout the City of Baltimore. DHCD does not presently give priority treatment to a specific subset of multi-family dwellings. Responses related to unsatisfactory living conditions are driven by the frequency and nature of complaints received through the 311 system. Code Enforcement conducts over 200,000 Property Maintenance Code Enforcement inspections annually and responds to over 60,000 Code Enforcement Service Requests. In FY23 92% of those SRs were completed on time and the majority of complaints were responded to in under 4 days. Inspectors' issue notices and citations, as appropriate, to property owners to address any health and safety issues and conduct re-inspections of open notices to determine if the issues were abated.

These requests can be made anonymously at any time through the 311 system. Additionally, resources are available for renters from a number of organizations that provide free legal advice, and, in some cases, representation to renters facing eviction and other landlord-tenant issues including but not limited to unlicensed landlords and landlords refusing to fix major problems with the unit.

All residential rental units in Baltimore City are already required to be registered, inspected, and licensed at specific intervals to ensure that they meet basic safety and maintenance requirements. Home inspections to meet licensing requirements are not conducted by City Inspectors, they are selected by the property owner, and they set their own market-rate fees for these inspections. Because of the high number of rental properties in the City of Baltimore the use of third-party inspectors is an essential part of DHCD's licensing and registration program. Presently 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.

DHCD Analysis

City Council Bill 23-0357 is intended to target large scale multi-family dwelling properties perceived to be the “worst offenders” by targeting “Priority Dwellings” for additional City-led inspection and enforcement actions. The intent of the legislation is to hold property owners accountable for timely repairs by increasing the number of inspections and possibly denying, suspending, or revoking a license for failure to abate open notices or citations at the time of relicensure.

This bill would require DHCD “Multi Family Dwelling Certified Senior Inspectors” to conduct priority inspections of at least 30 priority dwellings 2 times each inspection year. The number of inspections would depend on the number of units in each priority dwelling and would require at least 11 additional staff. Based on initial analysis, there are roughly 453 properties that could qualify as priority dwellings, if DHCD were required to conduct priority inspections of at least 30 priority dwellings, as required by this Bill, the agency would need at least 1 dedicated fulltime Senior Housing Inspector and 4 fulltime Housing Inspectors to do 810 inspections, 1 Office Support Specialist III, 2 Secretary Support Staff II to coordinate inspections and 1 Data Analyst to determine which properties to inspect and to track the program. DHCD would also require 2 additional Emergency Operations Ombudsman in our Code Enforcement Division to serve in a coordinating and mediating role between landlords and tenants and assist with relocation should a building become uninhabitable.

The Department of Finance anticipates total annual cost of these positions to be \$924,401 (based on Fiscal 2024 salary and benefit costs) with supplies and materials adding \$50,000 annually, for a total figure of approximately \$975,000. We also anticipate that costs may increase based on software enhancements needed for the City's permitting system to accommodate the legislation change. This Bill would be difficult to operationalize and DHCD does not presently have the staff capacity to perform these inspections in addition to their current Housing & Code enforcement duties.

This Bill is problematic for a number of reasons

1. The Bill requires the Commissioner of DHCD to post a notice in an accessible area to all occupants when the rental dwelling is rented without a currently effective license.

This information is already publicly available through DHCD's website. The additional printing, posting and enforcement costs would add additional operational and fiscal burden on DHCD Inspector's. It would be difficult to ensure that the notice was posted for 90 consecutive days or until the building was licensed, as required by the bill and would require additional random follow up inspections.

2. The Bill would codify the license application form and contents.

This is unnecessary and redundant, DHCD already has the appropriate forms and requires the information suggested by the Bill and more. That information is publicly available.

3. The Bill requires the distribution of inspection reports by building owners to each resident of the residential dwelling for which a person is applying for a new or renewed rental license at the time the application is submitted.

This provision is unenforceable by DHCD. The Bill requires landlords to provide notices to current and perspective tenants, weather that notice occurs would be up to the landlord or tenant to prove or disprove, we would have no way of knowing if this took place.

4. The Bill adds a requirement for a licensing fee for priority dwellings at the rate of \$100 per "dwelling" units and \$75 per "rooming" unit.

These costs may have a substantial impact on those operating qualifying priority dwellings, this cost may be passed on to tenants. We do not presently have the IT infrastructure required to put such a system in place. The additional fees will require the software currently in place to be upgraded, it is not currently programmed for different fees. We would either need to get the company to change their program, which may not be possible, or put such a system in place.

5. The Bill retains the tiered licensing system currently in place for some multi-family units and creates a 1-year renewal term for those priority properties that fail to abate an open notice.

DHCD already requires open notices and citations to be abated at the time of initial or re-licensure.

6. *Section 5-10* of the Bill “Priority Inspections” establishes a complicated and convoluted system in which DHCD must annually identify all priority dwellings, notify the owners of record of why they have been identified for priority dwelling status, notify the owners of the license fee that must be paid, and DHCD’s obligation to inspect at least two times per year and the number and frequency of inspections.

This will create a tremendous administrative burden on the agency to operationalize.

7. The Bill requires DHCD to provide notice to all tenants of a priority dwelling of a scheduled priority inspection no fewer than 30 days prior to the date of inspection.

It would be extremely complicated to coordinate with not only the owners of the properties but the tenants that reside within to gain interior access to units that were both anonymously identified and randomly selected for inspection. This requirement may inconvenience tenants who may need to take off of work or make other arrangements to have their unit inspected.

8. The Bill provides for public access to information that is already publicly available through DHCD’s website.

You can look up registration, license number and status here.
https://cels.baltimorehousing.org/reg/Reg_MFD_Search.aspx

9. The Bill also creates a Rental Licensing and Inspection Task Force that provides advice on HCD’s inspection and licensing tasks, reviews data and makes recommendations.

This is unnecessary, time consuming and redundant. DHCD completes most inspections in under 4 days. A Task Force would create more bureaucracy for a system that is already working in most cases. Presently, properties identified by community members, elected officials or the administration can receive increased inspections at any time provided the request is communicated to DHCD through the 311 system or direct outreach to DHCD staff.

10. The Bill provides a mechanism for anonymously reporting issues.

This system is already in place through the 311 system. However, if you are requesting an interior inspection you will need to provide your contact information so the time/place and access can be arranged for the inspector.

11. The Bill provides for license revocation for priority dwellings that fail to abate open violation notices.

This is contradictory to the goals of the registration and licensing program which seeks to enforce the requirements equally to promote the health and safety of all our communities throughout the City of Baltimore. Revocation of a building's license could lead to housing insecurity for building tenants.

Conclusion

This Bill is problematic for several reasons, it is overly complicated and redundant to the work that DHCD already does, it would add a tremendous fiscal and operational burden on the agency and does not address the problem it is seeking to address which is keeping renters safe.

DHCD has found that it is not typically the larger multi-family buildings that fail to address safety and sanitary issues in a timely manner. These buildings often have on-site or on-call maintenance staff and more resources to fix larger problems when they arise. It is generally the “mom and pop” landlords of smaller multi-family units that are the worst offenders. Sometimes due to being new to property management, sometimes due to not having the resources to make the necessary repairs, sometimes due to ignorance of the situation at hand or sometimes due to willful neglect.

Our goal is to work with all property owners of multi-family dwellings to make sure that their properties are in compliance and meet health and human safety needs while providing equal protections for tenants across the City of Baltimore. Our inspectors are always looking for life, health, and safety items to insure a property is up to code and safe for the occupants and neighboring residents. We look forward to continuing the conversation with the sponsor as to how to best address the intent of the bill.

We respectfully request an **unfavorable** report on Council Bill 23-0357.

AK/sm

cc: Ms. Nina Themelis, Mayor's Office of Government Relations

Ms. Natawna Austin, Executive Secretary of the City Council