



MEMORANDUM

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

From: Christine Griffin, Deputy Director of Policy and Government Relations

Date: September 16, 2024

Re: City Council Bill 23-0363 - Land Bank Authority

Position: Oppose/Comments

Overview

City Council Bill 23-0363 proposes the establishment of the Land Bank Authority (LBA) of Baltimore City. The bill outlines the powers, duties, and limitations of the Authority, establishes a Board of Directors including their selection and term, and provides for certain immunities and tax exemptions.

The Office of the Comptroller opposes the bill as currently drafted but provides comments outlining our concerns and offering alternative routes to our shared goal of a more efficient and expedient disposition process for City-owned property.

- I. **Funding and Resource Allocation:** Initially, the Office of the Comptroller supported the concept of a Land Bank Authority, based on external conversations describing it as funded largely, if not entirely by external stakeholders. That model envisioned a public-private partnership where local government would provide properties, while a quasi-public entity funded by external partners would secure and manage the resources necessary to dispose of the properties in a timely fashion. Such a model held promise for leveraging private expertise and funding to improve property disposition processes.

However, CCB 23-0363 deviates from this initial idea. Instead of a collaborative approach, the bill would simply require municipal government to cede all control over the disposition of its properties, while still expending public funds to support an external entity that would now be duplicating existing processes. Public money would continue to be spent on these functions internally, since the City would still be acquiring and disposing of other properties, but even more total public funding would now be spent paying for the overall process. Government would now be investing in an external body that duplicates functions already handled by existing city agencies, rather than using that additional funding to simply expand those agencies' efforts.

II. **Lack of Transparency & Neighborhood Involvement:** A Land Bank Authority is not a government agency and thus does not have the same accountability structures. There is no provision for the City Auditor to perform performance or financial audits, it doesn't allow residents to submit Maryland Public Information Act requests for detailed information, and so on. The Authority would operate outside the direct control of the Mayor, City Council, and the Board of Estimates (BOE), which would reduce the opportunity for Baltimoreans to have a direct say in the disposition of properties in their neighborhood. This is potentially problematic in the objective but becomes a worthwhile discussion if the effort is being funded externally. Asking Baltimoreans to give up their say over the disposition of properties that they currently own *and also* pay for the privilege of doing so is asking too much.

III. **Inefficiencies in the Process:** While a better-funded Land Bank Authority would have some advantages over the less-well-funded status quo, it still would not be addressing several process issues that City agencies currently face, issues that are primarily responsible for slowing down the disposition of City property. The City should invest in overhauling and improving its disposition of property processes, not simply pay to privatize an ineffective and outdated process.

For example, a more effective and efficient lien expungement policy is imperative for any entity to expedite the disposition of City property. Rather than continue to follow the existing process out of bureaucratic inertia, the City should pursue a new lien expungement policy for the sale of City-owned property. My office has made these recommendations previously in multiple conversations and will be sharing a written proposal with the directors of HCD and Finance.

Conclusion

As written, CCB 23-0363 - Land Bank Authority proposes less of a solution and more of a personnel change. It shifts public funds to an external body without clear improvements in process efficiency, lacks necessary public oversight, and significantly reduces accountability and community input.

The City should definitely invest in overhauling and improving its disposition of property processes, but if the City can manage to provide additional resources, they would be better spent supplementing existing efforts, not on starting up a whole new administrative structure.

For the reasons stated above, the Comptroller opposes CCB 23-0363 - Land Bank Authority.

