



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Alice Kennedy, Housing Commissioner
DATE	September 17, 2024
SUBJECT	23-0363 Land Bank Authority

The Honorable President and
Members of the City Council
City Hall, Room 400

09/17/24

Position: Unfavorable

Executive Summary

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 23-0363 Land Bank Authority for the purpose of providing certain unamended authorizing language for context of this Ordinance; establishing the Land Bank Authority of Baltimore City; providing for the Authority's powers, duties, and limitations; providing for a Board of Directors, for the selection and terms of the Board's members, and for the powers and duties of the Board; providing certain immunities; providing for certain tax exemptions; and generally relating to the establishment and operation of a Land Bank Authority, as authorized by the City Charter.

As the result of decades of racist housing policies, redlining, deindustrialization, and significant population loss, Baltimore is home to a significant concentration of vacant properties - which the City defines as a property that is uninhabitable. From approximately 17,000 vacants in 2015, Baltimore City, largely through the work of DHCD, has reduced that number to 13,191 vacant properties as of September 12, 2024 – a **22.41% decrease**. Under Mayor Scott's leadership, the City has worked closely with State – particularly the Moore-Miller Administration - and other stakeholders to develop and fund a holistic comprehensive strategy to reduce the number of vacants in Baltimore. DHCD is the lead agency for many elements of the strategy, and drawing on our years of expertise, established programs, processes, and longstanding partnerships, has delivered tangible results for all Baltimoreans.

If enacted, City Council Bill 23-0363 would create the Land Bank Authority of Baltimore City (LBA), a quasi-governmental entity tasked with the acquisition, disposition and demolition of vacants, all functions that DHCD currently carries out.

For the reasons listed below, and following are explained, DHCD **strongly requests an unfavorable report** Council Bill 23-0363:

1. DHCD is already positioned as the best entity to address Baltimore City's vacants crisis
2. The LBA does not propose anything new - and will lack the ability to do many of the functions DHCD currently does
3. The City already has a strategic plan outlined in the 15-year strategy in place to eliminate vacant properties
4. The cost of setting up the LBA, with respect to both time and resources, and the lack of a dedicated funding stream for the LBA both threaten the progress and current momentum that DHCD has to eliminate vacants
5. The vacants reduction work benefits most from being executed by an official city agency

Background

The History of Land Banks

Starting in the 1960s, land banks became a development tool to combat urban sprawl and the abandonment of urban households. Cleveland, St. Louis, and Atlanta were among the first cities to establish land banks, and they were often not stand-alone agencies. These initial land banks functioned as part of existing government agencies. The legal complexities related to property and tax foreclosure law greatly prohibited the widespread adoption of land banks across the country. In the late 1990s and early 2000s, Ohio and Michigan passed laws changing their tax sale foreclosure systems and dedicated state-level funding to land banks. This resulted in an increase in land banks in both states. The Great Recession of 2008 brought land banks to the forefront as a purported solution to the sudden and exponential growth of vacant homes resulting from the foreclosure crisis.

Land Banks Today

The National Land Bank Network (NLBN), the Country's largest supportive network for land banks reports a total of 315 land banks nationwide. Over 82% of the land banks were created since the 2008 Great Recession. Approximately one third are organized by municipal governments and the remaining two thirds serve county governments. Just a handful operate across jurisdictions or statewide. Michigan, Ohio, New York, Georgia and Pennsylvania are the states with the highest number of land banks, reflecting supportive state laws for land banks and oftentimes because there is available state funding.

NLBN reports that the number one priority for land banks is creating affordable housing, and that most of the work done by land banks is property maintenance and demolition. In a 2023 survey, NLBN noted that 65% of Land Banks consider lack of funding to be the biggest challenge to success, and that approximately two thirds of properties in land bank inventories

came from property tax foreclosure.¹ In most cases, land banks were created to assist jurisdictions that did not already have the means to acquire properties, dispose of properties, demolish properties or do any type of code enforcement. This is not the case in Baltimore City, as DHCD already has all the aforementioned powers needed to address vacant properties and lots.

A Case Study: The Detroit Land Bank Authority

The Detroit Land Bank Authority (DLBA) was created in 2008 to address the dramatic influx of foreclosed properties post Great Recession and to manage the approximately \$250 million in federal Troubled Asset Relief Program (TARP) funds Detroit received to address blight elimination. Detroit did not previously have an entity to acquire properties or to hold ownership of vacant properties. In 2014, Detroit Mayor Mike Duggan moved all blight remediation operations, including property demolition to the DLBA, resulting in the largest land bank in the country. As of January 2024, the DLBA’s inventory consisted of 7,697 vacant properties and 62,501 vacant lots, of which nearly 30,000 of those lots are being held for major development projects.² The DLBA does this work with approximately 150 staff and has an operating budget of \$23.7 million, of which the City of Detroit provides \$11 million annually.³

Unfortunately, the DLBA also illustrates that land banks share the same challenges and struggles as governmental agencies and are not immune from poor management and leadership. In February 2023, the DLBA paid a \$1.5 million settlement to the US Attorney’s Office to settle an investigation into unsubstantiated billing of TARP funds.⁴ The Office of the Detroit Inspector General also investigated the DLBA around their lack of billing documentation, finding that “The failure to collect backfill invoices to verify that contractors incurred costs resulted in fraudulent reimbursements and financial losses to the HHF Demolition Program.”⁵ In spring 2023, the Georgetown Journal on Poverty and Law, published an article by Samantha Rudelich titled “The Detroit Land Bank Authority: A Modern Tool Perpetuating Racism and Classism in the City.” Rudelich argues that the current structure of the DLBA perpetuates racism for two reasons. First, through DLBA’s use of the tax sale foreclosure system as its primary acquisition method. Second that as a quasi-agency it is not as accountable to the residents of Detroit because the DLBA is able to make decisions in a private manner, not based on public interests.

Land Banks in Maryland

In 2017, State Senator Addie Eckhardt introduced SB0957, enabling legislation that allowed

¹“State of Land Banking: 2023 Survey Highlights,” Center for Community Progress, December 13, 2023. <https://communityprogress.org/blog/2023-land-bank-survey-highlights/>

² Barrett, Malachi. Having trouble buying land bank property? It may be reserved for development. *Bridge Detroit*, June 20, 2024. [Having trouble buying Detroit land bank lots? They may be reserved \(bridgedetroit.com\)](https://bridgedetroit.com/2024/06/20/having-trouble-buying-detroit-land-bank-lots-they-may-be-reserved/)

³ <https://detroitmi.gov/sites/detroitmi.localhost/files/2022-03/DLBA%20FY%202023%20budget%20daily.pdf>

⁴ <https://www.justice.gov/usao-edmi/pr/detroit-land-bank-authority-pays-15-million-resolve-false-claims-act-allegations>

⁵ <https://detroitmi.gov/sites/detroitmi.localhost/files/2024-06/Final%20DLBA%20Report%20w%20Attachments%206.3.2024.pdf>

local governments to create land bank authorities, which was passed unanimously and signed into law by then Governor Larry Hogan.⁶ Senator Eckhardt was prompted to introduce the bill by Dorchester County, which had no legal mechanism of disposing of non-productive and vacant properties. In 2024, Cambridge - Dorchester County's county seat - established the State's first ever land bank.⁷

Land Banks in Baltimore City

In 2009, Mayor Sheila Dixon introduced Council Bill 09-0261 to establish the Land Bank Authority of Baltimore City. At the time, then Council President Stephanie Rawlings Blake and Comptroller Joan Pratt, and members of the City Council were extremely reluctant to relinquish control of a Mayor and City Council led vacants reduction strategy and argued that instead of creating a new and unproven agency, the city should focus on improving the City's current land disposition processes and supporting the Housing Authority.⁸

DHCD Analysis

1. DHCD is Already Positioned as the Best Entity to Address Baltimore City's Vacants Crisis

As outlined above, jurisdictions typically create land bank authorities when they do not already possess the legal authority or ability to acquire properties, dispose of properties, demolish properties or do any type of code enforcement. However, in Baltimore City, these functions are already well established and implemented daily by DHCD. Therefore, there is no need for unnecessary duplication.

Reducing the number of vacants, preventing new properties from becoming vacant, equitably revitalizing neighborhoods, preventing displacement, building Black generational wealth, and creating vibrant thriving whole block outcomes for all Baltimoreans requires much more than just the acquisition and disposition of vacant properties. As a full stack development agency, DHCD is uniquely positioned to address all aspects of community development.

DHCD consists of six divisions: Administration, Code Enforcement & Emergency Operations, Consolidated Planning, Development, Homeownership & Housing Preservation, and Permits & Litigation, all of which enable the agency to work together to implement a comprehensive vacants reduction strategy. Through DHCD's block level planning practice, all of the divisions

⁶ Budget and Taxation Senate Committee, Bill Hearing on SB957, Maryland General Assembly, February 8, 2017. 3:58:20 – 4:13:00

<https://mgahouse.maryland.gov/mga/play/c2876f25a0204eacab98243ec633bd6a1d?catalog/03e481c7-8a42-4438-a7da-93ff74bdaa4c&playfrom=14299000>

⁷ Trovato, Maggie, "Cambridge Establishes land bank", Dorchester Star. April 3, 2024.

https://www.myeasternshoremd.com/dorchester_star/news/cambridge-establishes-land-bank/article_789e5fec-ed1e-11ee-ad25-a7de281e9822.html

⁸ Linksey, Annie. Land Bank Debated. Baltimore Sun. May 4, 2009. October 26, 2018. [Land bank debated – Baltimore Sun](#)

work in partnership to identify which DHCD strategy is needed to address each property in order to achieve the whole block outcome goals identified and iterated in partnership with neighborhood level community leaders. In these meetings, proposed demolition can be tied to acquisition activities, and where the Development Division might not be able to acquire a property through In Rem Tax Lien Foreclosure, Permits & Litigation is there to identify if the property would qualify for receivership. Code Enforcement can quickly follow up on properties identified as potential risks of becoming vacants, and Homeownership & Housing Preservation is able to target their home repair resources for residents living near future development activity. Being part of these meetings also enables Consolidated Planning to best deploy Baltimore City's Community Development Block Grants (CDBG) funds most effectively. Finally, the Administration Division – out of the Office of Policy & Research - can collect and track data across all of these fields. Removing just part of these functions, the acquisition, disposition, and demolition of properties, will eliminate the efficiencies that DHCD has realized with all divisions working in concert with each other to best serve Baltimoreans.

As an established agency, DHCD already has programs, policies and procedures in place. They have the human resources, fiscal, and administrative infrastructure necessary to facilitate the implementation of vacants reduction programs.

DHCD's programs are the result of extensive planning, drawing on the deep expertise and skills of DHCD's approximately 400 staff members. All these programs took significant time and energy to stand up. Changing these proven programs and moving them to a new and unproven entity is an irresponsible use of the City's limited resources. For example, DHCD's Receivership program is nationally recognized as a leader in the field and is a model that other jurisdictions around the county have copied, due to its success in "moving large numbers of vacant properties into new ownership and reuse."

Instead of wasting resources to create a new agency, the most effective way to address Baltimore's urgent vacants crisis is to maximize and expand resources for the existing agency and programs already doing this work. Recognizing that DHCD already has all the functionality of a land bank, creating the LBA would cause a major disruption in the implementation of the City's vacancy reduction work and could likely exacerbate the problem by having to start over from the beginning.

2. The LBA Does Not Propose Anything New and Will Actually Lack the Ability to do Many of the Functions DHCD Currently Does

The proposed functions of the LBA are to acquire, dispose and demolish vacant properties, all functions that DHCD currently carries out.

DHCD acquires vacant lots and buildings by tax-sale foreclosure, in-rem foreclosure, negotiations, property donations, and condemnation. All of these acquisition tools are needed, along with other tools such as receivership, to achieve whole block outcomes, as not all vacants

are in-rem eligible. Despite the focus of the LBA being acquiring vacant property, under current state law and even with the passage of Council Bill 23-0362, the LBA does not appear to have legal authority to acquire property via condemnation or in-rem. The statute is also unclear if the LBA will have the legal authority to acquire property through tax sale foreclosure.

In May of 2020, bill 20-0529 Property Tax – In Rem Foreclosure and Sale – Vacant and Abandoned Property was introduced on behalf of the Administration at that time, the Ordinance was signed into law in September of 2020. With the introduction of in rem foreclosure as the newest tool available, Baltimore City had to develop the legal process with our implementation partners before being able to fully benefit from this new and innovative tool. This involved an extensive process between DHCD, the Mayor’s Office, the Law Department, the Clerk of the Court, the Sheriff, and the Circuit Court to operationalize In-Rem Tax Sale Foreclosure. Now that the infrastructure has been constructed, DHCD will be able to increase the number of in-rem filings, thus ramping up the rate of property acquisition.

As Law Department reports, the LBA would not have the authority to do in-rem acquisition without additional state enabling legislation. But as a quasi-agency, it is possible that the in-rem process that DHCD and other agency partners have so painstakingly developed would have to be completely changed. Furthermore, without the ability to acquire by condemnation, failed negotiations with property owners would either need to be transferred back to DHCD to complete the acquisition or be terminated completely. This reliance on DHCD to complete the acquisitions that the land bank has no legal authority to perform would likely result in extended acquisition times that do not currently exist because of the legal authority already established for DHCD.

Other than requiring the LBA to notify neighboring property owners for the disposal of every property, the legislation does not provide any clear guidance on how they are to dispose of properties. DHCD, however, has established disposition processes and has recently made significant investments in tech solutions to streamline the disposition process. In 2022, we launched the *BuyIntoBmore* initiative, an evolution of the City’s property disposition and community investment programs. This initiative modernizes the system by creating a streamlined, single access point for constituents, developers and other stakeholders to participate in Baltimore City’s property and development opportunities. This new system emphasizes shortening processing times, improving transparency, and enhancing user accessibility.

Through the *BuyIntoBmore* site, interested parties can:

- Apply to purchase City-owned properties through the Fixed Pricing Program and Open Bid Program
- Submit Requests for Proposals (RFPs) and Requests for Qualifications (RFQs)
- Submit Expressions of Interest for development opportunities
- Apply to participate in the City’s Vendor Lien program
- Adopt vacant lots through the Adopt-A-Lot program
- Apply for water access for community-managed open spaces

BuyIntoBmore integrates data from the State Department of Assessments and Taxation (SDAT) and various City agencies to provide a comprehensive, GIS-based tool. This system allows users

to easily navigate the City's investment programs and submit applications. The platform also accepts online application fees, eliminating the need for physical checks or in-person payments, further streamlining the process and improving the efficiency of City services.

DHCD also has the data tools required to track all City owned vacants and manage the acquisition and disposition. We also recently made a significant investment in the software system Tolemi with their suite of programs consisting of Slate, PubliCity, and BuildingBlocks. These programs process applications submitted through the *BuyIntoBmore* and manage the acquisition, disposition and various development-related responsibilities of the Department. These tools have modernized DHCD's technology infrastructure, reduced processing times, improved transparency, and enabled seamless communication between internal departments, external applicants, and partner agencies.

This interconnected system improves DHCD's ability to assess the context of properties and development projects, offering staff a broader, more detailed perspective as it relates to the acquisition and disposition of vacants. As a result, DHCD can make more informed decisions and better monitor its development-related initiatives, ensuring greater transparency, efficiency, and accountability in the execution of its duties.

The bill also provides for the LBA to undertake demolition. DHCD has over forty years of experience in managing demolition and stabilization work in Baltimore City. DHCD performs both emergency demolition as well as strategically planned demolition. Over the years DHCD has worked to improve demolition contracts to have a safe and efficient demolition process while also reducing the impact demolition has on the residents of Baltimore City. In 2007, Baltimore became the first city in the country to adopt measures specifically designed to reduce lead dust exposure from demolitions. We have continued to make improvements to our contracting requirement. In 2024, we adopted new wall construction methods and are requiring 100% clean fill at all demolition sites.

While this bill emphasizes the need for equitable neighborhood development, the LBA would not have the necessary tools to adequately prevent displacement and gentrification where it is undertaking property acquisition or demolition. On the other hand, DHCD already possesses the programs needed to ensure development without displacement and that current residents can stay in their communities and reap the rewards of their neighborhood's revitalization. DHCD is able to plan and offer preventative programs as part of the renovation and demolition strategy, ensuring this work is done for the benefit of current residents, not at their expense.

Through the following programs, DHCD supports current homeowners with home renovations and financial assistance to ensure they can remain in the home they own, and we also support renters with homebuyer incentives to help them purchase homes and remain in their neighborhood. All of these programs are critical to preventing new vacants, preserving Baltimore's housing stock, investing in our legacy residents, building intergenerational wealth, supporting first time homebuyers, writing down the mortgages of vacants that we provide construction capital to rehab, and above all, executing on the Mayor's 15-Year Vacants Elimination plan.

- **Emergency Mortgage & Housing Assistance Program** - Assists Baltimore City homeowners and renters whose homes are at risk of foreclosure or eviction due to economic hardships with paying mortgages, rent, taxes and water bills.
- **Weatherization and Energy Efficiency** - Energy efficiency improvements that lower utility bills and make homes safer and more comfortable. This reduces the household budget to be able to cover additional expenses.
- **Housing Rehabilitation and Repairs** – Repairs that address emergencies, code violations, and health and safety issues for owner-occupied properties. To now only assure safety but to sure equity for legacy residents.
- **Lead Hazard Reduction** - Lead remediation for the eligible owner- and tenant-occupied properties. Households must include a pregnant woman or a child under 6.
- **Tax Sale Coordination and Prevention Services** - Assists homeowners in avoiding tax sale and in understanding the tax sale process.
- **Homeownership Incentives** - Closing cost and downpayment assistance to make buying a home more affordable. This program brings in new homeowners as properties come back online for sale.

DHCD already carries out the acquisition, disposition and demolition of vacants, as well as the critical vacants prevention work needed to support our City and has invested in the systems, programs and resources needed to effectively and efficiently. The Land Bank will not be able to replicate, nor properly amplify or support, this comprehensive and complex work.

3. The City Already has a Strategic Plan and a Vacancy Reduction Strategy in Place to Eliminate Vacant Properties

In 2019, DHCD implemented [A Framework for Community Development](#), a comprehensive community-centered plan to guide the city into a new era of neighborhood investment. The Framework articulates a comprehensive vision for community development that leverages prior successes, builds partnerships and breaks new ground through innovative and bold new resources and approaches to collaborative neighborhood improvement. The result of a collaborative community driven process, the Framework is built on proof-of-concept whole block, whole neighborhood work in Greenmount West, Barclay, Oliver, and Reservoir Hill. It is market-based, data-driven, and geographically focused. Despite the outbreak of the COVID-19 pandemic in early 2020, since the introduction of the Framework in 2019, the number of vacants in the city continues to decrease at impressive rates, with a 15% reduction just since Mayor Scott took office on December 8, 2020. Moreover, the city has the lowest number of vacants in decades.

In December 2023, the Administration and DHCD announced a \$3 billion Vacants Elimination Strategy, which was the culmination of over two years of extensive work to create a feasible, obtainable strategy to once and for all solve the decades old crisis of vacant homes in our city. This was done in partnership with the Department of Finance, the Mayor’s Office, State DHCD, external partners, BUILD and GBC. This strategy recognizes that Baltimore City and DHCD currently have all the tools needed to reduce and prevent vacants in the city.

The Vacants Elimination Strategy addresses the long missing piece – the capital resources -

needed to do the work at the size, scale, and speed that is needed to make a meaningful positive impact in the lives of our residents through the revitalization of neighborhoods across the city, with a focus on formerly redlined and disinvested communities. Conspicuously, the LBA does not address funding sources at all, nor does it speak to providing the capital resources needed to carry out the renovations that actually reduce vacants. The City, with its \$300M commitment, has made the largest investment in addressing vacants in recent memory. Through the Affordable Housing TIF and reviving the Industrial Development Authority, the City anticipates investing up to \$300 million. This is part of a capital stack that draws on State and private sources to reach a total of \$3 billion of investment.

To achieve the Strategy's programmatic goals, DHCD's leadership has and continues to improve the integration of its division functions to ensure mutual goals, consistent communication, and ongoing review of strategies and results. To aide in this work, DHCD has created a vacant performance and delivery plan to guide DHCD's work over the next 15 years – acknowledging where resources are needed to enhance and accelerate progress.

Progress has been evident. Under Mayor Scott's leadership, the Administration has reduced the number of vacants by 2,652, going from a total of 15,843 vacants when he took office on December 8, 2020, to just 13,191 vacants as of September 12, 2024.

4. The Cost of Setting up the LBA, in Terms of Both Time and Resources, and the Lack of a Dedicated Funding Stream for the LBA Threaten the Progress and Current Momentum that DHCD has in Reducing Vacants

While DHCD is already doing the work, the LBA would have to be created at considerable cost, in both the time and capital resources it would take to establish a brand-new quasi-agency.

There are multiple steps needed to set up a new entity, most pressingly the need to hire staff, establish policies & procedures and identify office space. Instead of dedicating time and resources to filing in-rem cases or creating Land Disposition Agreements (LDA), it would instead have to be spent on tasks such as setting up an HR team, Finance team, creating a website and emails, ordering furniture and computers, and other startup items - all things that already exist in Baltimore City government. Additional costs would include creating an accounting system, purchasing the needed software and databases to manage and track the acquisition and sale of property, identifying insurance and many other small mundane tasks that nonetheless take away hundreds of staff hours from doing actual work related to eliminating blight and vacants in Baltimore City.

Furthermore, the time spent recreating processes for what DHCD already does, along with the time spent transferring records and training brand-new staff would be wasted time. It is also unclear what functions would remain with DHCD and what functions would transfer to the new LBA, further creating confusion and wasted time.

If enacted, a significant number DHCD staff could face possible unemployment as their role in

DHCD would be eliminated by the proposed LBA. Even if those staff members were hired by the LBA, they would no longer be employed by Baltimore City, thus wiping out their retirement benefits and others associated with careers as public servants. The average length of service of DHCD staff members is 10 years, indicating a dedicated staff who is passionate about the work they do while working as public servants for all Baltimoreans. Every single employee at DHCD puts in extensive effort and energy to carry out DHCD's vacant reduction work, just to be let go because of the creation of the LBA – a proposed entity without a clear charge, mission, purpose, or funding source.

Baltimore residents do not have the time to wait for a new organization to be stood up, with money and time that could be put to better use. There is a vacant crisis, and DHCD is already doing the work. DHCD and the Scott Administration have made organizational adjustments, and supported adding staff capacity at DHCD, which builds off of existing operational infrastructure – at a fraction of the cost needed to support an entirely new entity. DHCD recognizes that there is extreme urgency to reducing the number of vacants in our city. Therefore, it is inconceivable that we spend our limited time and money on creating a new agency, when one already exists.

5. The Vacants Elimination Work Benefits from Being Done by an Official City Agency

While DHCD is the lead agency for many of the programs associated with the vacant elimination strategy, we are not the only city agency that is responsible for the work. The Department of Planning is a key partner in the Impact Investment Areas, DPW deals with abating water liens, the Department of Finance is critical to obtaining property lien information, the Law Department carries out condemnation cases, DOT coordinates street and lighting infrastructure, along with additional city agencies.

By having DHCD do this work, we are able to share data and resources across agencies, and work cooperatively. As the LBA would be a quasi-agency, it is unclear if city agencies would be able to share data and other resources with the Authority, as they currently do with DHCD.

Another significant concern, and one that has been voiced multiple times in Detroit, is that as a quasi-agency, there would be less accountability and oversight of the LBA than there is of DHCD. The LBA would not have to go to the Board of Estimates, which has long served as an important accountability measure in Baltimore City.

Highlights of Growth and Innovation

DHCD has been at the forefront of vacancy elimination and innovation as evidenced by the Agency's successes over the years. We continue to set the pace nationwide in our legal tools and use of data and imagery. The Agency continues to innovate and strive for excellence to best serve Baltimoreans and address the urgent vacant crisis that has such profound negative impacts on our communities. Below we highlight a few of our most recent innovations.

Highlight 1: Permit System Upgrades

DHCD, working with BCIT, has developed a permit call center that has increased call answer rates to over 98%. This innovation not only improves customer service but creates additional downstream efficiencies within the permitting process, freeing up staff time and allowing them to focus on processing permits timely.

DHCD is currently in the middle of replacing the current building permits system and the code enforcement system. The city is transitioning from an outdated, non-user friendly, in-house built system to an external platform with Accela, a market leader in permitting and enforcement software. Their product closely aligned with Baltimore's needs for a user-friendly permitting system that can handle the complexities of building in Baltimore. Work on implementing the new system began in October 2023.

Highlight 2: Developing an AI Tool to more quickly identify dangerous buildings

DHCD collaborated with the City's Chief Data Officer and Carnegie Mellon University's Data Science for Social Good (DSSG) research group to develop a cutting-edge artificial intelligence (AI) tool that detects collapsed rooftops in Baltimore.

DHCD is testing the use of an AI algorithm to automatically detect rooftops showing signs of damage or collapse using the City's existing code-enforcement data and geographic information systems (GIS) aerial flyover imagery. This tool will help the City to be proactive in flagging buildings for possible emergency demolition, and in the future, will provide further advance warning to first responders about dangerous structures.

Highlight 3: Fixed Pricing

DHCD created a streamlined disposition process to move applications efficiently through each stage of the process. One of the key components of streamlining the process, was creating a clearly defined pricing structure. The transparent fixed pricing structure removes the guessing or estimates for the price of a property – which empowers those purchasing property from the City to make informed decisions and develop comprehensive scopes of work and budgets faster and easier.

Highlight 4: Expanded Development Division

DHCD's Development Division is pivotal to the work of vacancy reduction. This Division has three sections: Legal, Project Finance and Land Management. Together they formulate the team that focuses on community engagement, acquisition, disposition to developers and providing developer incentives which help developers and communities bring their vision and work to fruition. To meet the scale of the vacants reduction strategy, over the past four years, the division has almost doubled, growing from 55 to 101 employees.

The legal section has recently hired 4 additional attorneys to file and complete in rem foreclosure cases and will have started by October 1, 2024. In addition, we have hired a Managing Attorney, and two additional paralegals. This new staff will increase filing capacity dramatically and accelerate the timeline for City taking title to the properties needed for site assemblage.

Identifying that title work was a bottleneck in the in rem process, the division responded by adding 4 title attorneys who have streamlined our case-preparation work. This will result in quicker case preparation, and ultimately more In Rem case filings. Another pain point in the In Rem process was receiving lien certificates, something that the LBA would also have to deal with. DHCD has since funded a dedicated position within the City's Liens Division. This role is specifically tasked with assisting in the preparation of lien redemption statements, a critical requirement for filing in rem cases.

In addition, DHCD worked closely with the Liens Division to streamline the process for generating lien certificates, which are essential for the City's disposition programs. These initiatives reflect DHCD's commitment to ensuring that administrative and legal processes are optimized to support the City's vacancy reduction strategy, despite external capacity challenges.

The Land Management Section has the primary role of acquisition, relocation, land preparation and disposition, and is currently process of hiring several Real Estate Officers to increase acquisition and disposition capacity. We have also reimagined the current Neighborhood Development and Outreach team to better focus on community engagement, increased strategy around acquisition and disposition, and land development readiness. The team consisted of four Neighborhood Development Officers (NDOs) and the Director, but in order to achieve our goals, we are in the process of more than doubling the size of the team by creating a new Redevelopment Strategy arm within the Neighborhood Development & Outreach team. DHCD is currently interviewing for this team which will consist of four City Planner positions and a City Planner Supervisor. The current NDO team will remain as a second arm in the reimagined Neighborhood Development and Outreach team thus creating a stronger more full-service approach to land management and development.

The Redevelopment Strategy team is planned to be a multi-disciplinary technical and design-based team that will focus on strategic land redevelopment planning around vacant properties. They will support the other Divisions in DHCD in our Block Level Planning work and will work with communities on visioning and helping them reimagining spaces, designed to inform more refined Requests for Proposals and other offerings from DHCD.

Highlight 5: Community Outreach and Engagement

Community and stakeholder outreach and engagement is critical to the work that DHCD does. We believe strongly in partnerships and understand that the work we do can only happen with understanding the vision that the communities have for their neighborhoods. In addition, we understand that developers are also a partner with both DHCD and communities. DHCD prioritizes community and other stakeholder outreach and engagement in many aspects of our work, including, but not limited to:

- **Coffee Break with Alice:** In January 2023, Commissioner Kennedy instituted Coffee Break with Alice, informal monthly zoom calls where all Baltimoreans can engage about housing related issues. At the August Coffee Break, Secretary Jake Day of Maryland State DHCD joined the call to engage with residents.

- **Neighborhood Development and Outreach Team:** They are the first line for DHCD’s Development Division for working with communities, interested developers and participating in outreach events lead by the Agency or others. Neighborhood Development Officers (NDOs), geographically based community marketing outreach officers, engage with neighborhoods and other stakeholders daily by managing the Impact Investment Area work, attend Community Association meetings, staff and facilitate the community participation in RFPs (including developer presentations and community surveys) and staffing outreach events such as those offered by Live Baltimore or other City sponsored symposiums and events. The Redevelopment Strategy Team will lead communities in visioning and reimagining vacant buildings and land in their neighborhoods. This community engagement work will inform the creation of RFPs issued by the Agency as well as inform block level strategy work.
- **Impact Investment Area (IIA) Working Groups:** Community engagement is the cornerstone of our Impact Investment Area work. There are several aspects of this engagement briefly described below:
 - **Community Conversations:** In 2022 and 2023, DHCD hosted what we called community conversations in each of the IIAs. The conversations were a time we the entire community was invited to participate in target conversations around development and quality of life in the neighborhood. In addition, there was an open question time where they could ask questions directly to the Commissioner. This information, has been used to help frame and continue to grow the
 - DHCD hosts bi-monthly workgroup meetings with each of the Impact Investment areas where community group representatives, some development partners and other City Agency representatives meet to discuss projects, plans and progress within the area. In addition, it is a time for community groups to raise some additional issues that are not related to development projects such as code enforcements, dumping, graffiti and other quality of life concerns.
 - Mayor’s Neighborhood Sub-cabinet- DHCD and Department of Planning staff work with community groups via the IIA workgroups to present to the Mayor, Deputy Mayor and Cabinet members to provide updates and uplift pressing community concerns that would require Mayoral level attention or coordination to implement. Key community members and development partners are invited to attend and participate in the presentations.
- **Community Walks:** The Mayor’s Office, Councilmembers and community associations often host community walks and other forums where multiple Agencies are invited to discuss current issues. DHCD staff from all Divisions often participate, depending on the focus of the walk or the main concerns that may arise. For example, there are times when the focus may be code enforcement, other times it may be centered around crime. In addition, DHCD staff often schedule neighborhood site visits and walks with community groups as part of our daily strategy work.
- **Housing and Homeownership Preservation (HHP):** DHCD’s Housing and

Homeownership Preservation team works directly with neighborhood organizations and property owners to implement our many rehabilitation and other programs to help legacy homeowners, seniors and others that may want to access funds. HHP staff often partner with local community organizations to host intake days in neighborhoods where individuals can come to submit applications for the programs. Not only do they coordinate intake days in the communities, but they also provide one-on-one assistance with individual to make sure the applications and needed materials are complete and correct.

Highlight 6: Chief of Implementation and Innovation

The Chief of Implementation and Innovation is a new position at DHCD and is tasked with defining, developing, refining, and implementing a comprehensive strategy for organizational transformation and innovation that will enable DHCD to achieve the objectives of the Framework for Community Development and the Mayor’s Vacants Financing Strategy.

The person filling this position starts with DHCD on September 16, 2024, and will immediately be the lead for coordination across agency divisions, city agency partners, and non-governmental agency partners.

Summary and Recommendation

As discussed in detail above, DHCD is well underway with the work of vacancy reduction. We do not believe that moving current functions to an untested quasi-agency is in the best interest of the City or its residents as:

- DHCD has consistently delivered services to the City of Baltimore and is strengthening under the Scott Administration
- DHCD currently provides the services that are proposed as the duties of the Land Bank Authority that this legislation would establish
- A new LBA would not have access to the full suite of services currently within DHCD that allow our Agency to work more collaborative internally, with other City agencies, as well as our local, state and Federal partners. Our ability to be nimble and pivot to the needs of the City come from our full wrap around suite of tools and services
- It will take several years for a LBA to become well established and operate at capacity
- At capacity it will not be able to provide what DHCD can
- Is not fiscally prudent for the City

For these reasons, DHCD recommends an **unfavorable** report of City Council Bill 23-0363 Land Bank Authority.