

BaltAC

FROM	NAME & TITLE	Robert Cename, Budget Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 19-0429 – Vacant Structures – Posting Owner Information		

DATE:

TO

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

July 27, 2020

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 19-0429, Vacant Structures – Posting Owner Information, the purpose of which is to create more transparency for communities and to hold vacant structure owners more accountable.

Background

Baltimore has roughly 17,000 vacant structures owned by individuals, companies, and the City. The Department of Housing and Community Development (DHCD) conducts regular inspections of vacant properties to track building stability and assess the need for further direct action by the City. As drafted, this legislation would require that owners post signage on vacant structures, providing residents with more information on the property owner and a means to contact them. In addition, owners that do not meet posting requirements are assessed a fine of not more than \$500 per offense.

Amendments drafted by the sponsor and DHCD transfer the responsibility of posting signage to DHCD and modifies the contents of the sign to provide a website and QR code for residents to access information set forth by the property registration statement, which will improve efficiency in updating data.

Fiscal Impact Analysis

With the proposed amendments, the estimated fiscal impact for the City is approximately \$10,554.60 in the first year and \$2,564.60 for subsequent years.

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Expense	\$30,107.93	\$10,385.93	\$10,385.93	\$10,385.93	\$10,385.93
<i>Less Staff Time</i>	<i>(\$19,553.33)</i>	<i>(\$7,821.33)</i>	<i>(\$7,821.33)</i>	<i>(\$7,821.33)</i>	<i>(\$7,821.33)</i>
Revenue	\$0	\$0	\$0	\$0	\$0
Total Impact	\$10,554.60	\$2,564.60	\$2,564.60	\$2,564.60	\$2,564.60

Expense	Cost	Quantity	Initial Costs	Recurring Quantity	Ongoing Annual Costs
Staple Gun	\$41.39	120	\$4,996.80	10	\$413.90
Staples	\$4.69	120	\$562.80	30	\$140.70
Signage	\$0.25	20,000	\$5,025.00	8,000	\$2,010.00
Code Enforcement Investigator Time (2 min. per sign)	\$29.33/hour	666.66 hrs	\$19,553.33	266.66 hrs	\$7,821.33
Total Starting Costs			\$30,107.93	Total Annual Costs	\$10,385.93

Based on the proposed amendments, the Department of Finance discussed estimated costs with DHCD, and the quantities in this estimate are based on estimates provided by DHCD.

Material costs were calculated based on an estimate from the Print Shop, following the specifications in the legislation and using weather-proof materials, and review of online vendors for staple guns and staples. The ongoing signage costs may change depending on the vendor used for the project.

While DHCD will now be required to post the signage on the vacant buildings, this will be implemented as part of the regularly completed inspections completed by DHCD on a 30, 60, or 90-day basis, thereby absorbing the additional workload into the current personnel budget.

The proposed amendments eliminate initial revenue sources from fines levied against property owners that do not comply. As such, no additional revenue is expected from this legislation.

Other Considerations

Municipalities across the country address vacant buildings in a variety of ways and there does not appear to be one standard practice. There is some discussion about whether posting signage may result in increased property damage or raise public safety concerns. However, overall, there is a shared interest among municipalities in expanding community involvement and transparency around vacant properties.

In Chicago, owners of vacant properties are required to post a visible notice providing name, street address, and phone number to contact the owner; however, less than a third of Chicago's vacant properties report have vacant sign postings. In Arlington, Virginia, while vacant notices are not required, the City allows vacant structures to be boarded up on a temporary basis and requires that boards blend in with the existing color scheme. In Cincinnati, owners of vacant properties may not post a sign of vacancy. In San Diego, it is illegal for a building to be vacant unless the owner files a "Statement of Intent" with the City providing a timeframe of how long the property will be vacant.

Conclusion

The Department of Finance projects initial costs of this program, excluding staff time, to be minimal, with \$10,554.60 for the first year and \$2,564.60 on an annual basis. Posting requirements for vacant structures will work to further the City's missions to create transparency for its residence and contribute to eliminating blight in Baltimore.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 19-0429.

cc: Henry Raymond
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