


FROM	NAME & TITLE	Andy Frank, Acting Real Estate Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Real Estate, City Hall		
	SUBJECT	21-0037R Informational Hearing - Studying Options to Rid Baltimore City of Vacant Properties		

DATE:

TO

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

June 25, 2021

Position: Favorable

The Department of Real Estate (DoRE) is offering comments for the City Council’s consideration regarding City Council resolution 21-0037R Required Real Estate Disclosures – Formerly Vacant Structures. The purpose of this resolution is to invite representatives from various City agencies to discuss the feasibility of specific recommendations to more efficiently and rapidly improve the ability of Baltimore City to remedy vacant dwellings.

Background

The Department of Real Estate is responsible for approximately 1300 properties and 1400 tax sale certificates.

Legacy Lots

The DoRE is responsible for approximately 1300 City-owned parcels. These “legacy lots” were purchased by the City of Baltimore through the tax sale process in the 1980s and 1990s. In the past, it was City policy to purchase en masse tax sale properties that were not purchased at the annual tax sale auction.

Most of these properties are vacant lots, but some are buildings. They are available to purchase on a case-by case-basis or through the city’s adopt-a-lot program.

The DoRE is undertaking a comprehensive review of legacy lots for eventual disposition.

Vendor lien program

The Director of Finance, through the Bureau of Collections, holds an auction sale in May of each year offering the public the right to purchase a tax sale certificate on those properties which have delinquent liens (taxes, water & sewer charges, boarding, cleaning and razing). Upon the completion of the tax sale, certificates which are not acquired are assumed by the City. After six months, these unpurchased certificates become the responsibility of the Office of the Comptroller through the Department of Real Estate and are eligible for the vendor lien program.

Properties in the *vendor lien program* (VLP) must be vacant and have municipal liens that exceed the assessed value of the property. Under the program, developers can negotiate a reduction in municipal liens in exchange for a commitment to return the property to productive use, which generally means renovating the property for home ownership or rental. Without the reduction in liens, the financially upside-down property is not economically feasible to redevelop. Under the program, the purchaser of the tax sale certificate pays the greater of the assessed value or the sum of the base taxes and water bill.

Conclusion

The Department of Real Estate is mandated by Charter with the responsibility for real estate asset management and data keeping. We are committed to working with the City Council on any legislative strategies that preserve homeownership, fight blight, and strengthen Baltimore neighborhoods.

The Department of Real Estate supports the passage of City Council Resolution 21-0037R.

CC: Celeste Amato, Chief of Staff to Comptroller Henry

Erika McClammy, Deputy Comptroller