Odette Ramos
Baltimore City Councilwoman
District 14
(410) 396 - 4814
odette.ramos@baltimorecity.gov
100 N. Holliday Street, Room 553
Baltimore MD 21202

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The Honorable Jacob Day
Secretary, Maryland Department of Housing and Community Development
Chair, Baltimore Vacants Reinvestment Council
Sent via email

RE: Furthering Discussions Regarding the Baltimore Vacants Reinvestment Council (BVRC) 6th Letter

Dear Secretary Day, Commissioner Kennedy, and the Members of the BVRC:

Thank you for a great meeting last month, and for the ongoing commitment to this work. In this 6th letter to the Baltimore Vacants Reinvestment Council, I talk about the connection between vacant properties and crime based on an experience in my district in March, the vacant property tax, and a discussion about current disposition practices and policies.

Vacant properties' impact on crime

On March 3rd, there was a mass shooting in my district on Greenmount and Venable. Four people were injured. While an arrest has been made in the case, the trauma the community and businesses experienced is palpable.

This corner has been a known open-air drug corner on a major thoroughfare for over 30 years. There are 5 communities that surround the area, and we are working extremely hard to continue the renaissance of that corridor. New businesses have moved in, there is significant investment below 33rd Street, and the Greenmount Avenue/York Road Corridor is the highest ridership bus route in the entire state.

The five neighborhoods have together removed three of the four drug corners in the area:

- 3400 Block of Old York Road used to have most of the homes were vacant. Neighbors demanded the assistance of Baltimore City's Department of Housing and Community Development (DHCD) and a local small developer committed to the area. The homes have now been rehabbed, with only one remaining vacant, which is being demolished for a side yard for one of the homes next door. Attacking the vacant and abandoned properties worked immediately.
- Behind the Giant supermarket. Working with the owner of the building and the management of the Giant, neighbors requested that large bushes on the property be cleared and more lighting installed. We added three murals to cut down on the graffiti. That drug corner is gone.
- Greenmount and 32nd Street. This one was more stubborn. It took BPD and our Mayor's Office of Neighborhood Safety and Engagement to offer the young men something different - including jobs and housing. And it worked.

The open-air drug market on Greenmount and Venable has been there for decades. That part of the corridor is stagnant because of the vacant buildings where thriving shops could be. One very large property has been vacant for over 30 years. We get inquiries all the time from investors and owners interested in the renaissance of the area. The owner (just one!) of all these vacant properties has been a challenge - paying the taxes and water bills to avoid tax sale, but not helping to get new businesses in.

The open-air drug market thrives because some parts of the area look like no one cares with these vacant properties, but that cannot be further from the truth. While we work to offer the young men on the corner alternative ways to gain income and stability in their lives with the assistance of MONSE, we are diligently working to tackle these vacant properties.

Prior to the shooting, only five of all of the vacant properties on this commercial corridor actually had Vacant Building Notices. Getting VBNs on commercial vacant properties is challenging. The usual markers of "uninhabitability" may be different in commercial spaces than residential spaces. Broken windows are a good marker, but if the place does not have broken windows, but does have massive graffiti, no VBN is usually issued.

In this case, after the shooting, and at my request, DHCD has been out to the area and has added a few more VBNs onto these vacant properties on Greenmount, for which I'm grateful. We also worked together to deal with a 311 glitch related to commercial vacant properties. We can now work surgically to pressure the owner to do the right thing for the area.

I've talked in these letters and publicly about either adding criteria (like graffiti) or lowering the VBN threshold to capture and take action on these properties. I am introducing legislation soon that will create a new label for vacant properties that do not quite fit the VBN threshold, and we can take action on these properties through In Rem 2 (again to be explained when I introduce it). I'm working with one of my colleagues to create an empty storefront registry which will also help fill empty storefronts.

The vacant property tax

Adding more VBNs to vacant properties is important for several reasons, one of which is the vacant property tax. The City Council passed my bill to add a 3% additional property tax the first year and then a 4% additional property tax after that on vacant properties with VBNs on them. We will add vacant lots this year. This will either pressure owners to rehab the property to get the Use and Occupancy (U&O), sell, or eventually the liens are high enough for In Rem. The July 1, 2026, tax bills will have the increased rates on vacant properties and soon vacant lots.

The vacant property tax will also assist with Secretary Day's initiative that he announced last meeting. More owners may be motivated to sell because of the higher tax, and may be willing to sell to CDOs or their partners.

Right now, there are no exceptions to applying the vacant property tax. The state enabling law is silent on that, which our Law Department has said means we cannot do it. While we work with the sponsors to integrate simple language into the state statute to allow for exceptions, we are trying to come up with local workarounds. The concerns for the exceptions are:

- Residents who accidentally bought fully rehabbed vacant properties with the VBN still attached (which I discussed in an earlier letter).
- Rehabbers doing the right thing by renovating the properties if they have permits, and the exemption would only be for one year.
- Community development organizations and their partners that are acquiring property for a long term project. This last one can now be exempt thanks to legislation sponsored by Senators McCray and Hayes, and Delegate Young that allows us to put a special tax rate on vacant properties that are owned by nonprofits. Essentially, we can apply the vacant property tax to vacant properties where there are typically no taxes coming from them.

Disposition: Fixed Pricing

Last spring, DHCD announced that vacant properties and lots would be disposed of using a fixed pricing model. Previously, there were appraisals and negotiations which took a lot of time. With fixed pricing, each property is the same price depending on the buyer, no matter the value. This is a great idea to ensure the time for negotiations is removed, and we can quickly dispose of the property. Here is the link to the fixed pricing website.

The announcement in March of 2024 included the time frame of disposition to be 90 days from approval of the application to settlement, depending on the responses of the buyer. One question we need to know is how long this is actually taking. In my last letter, I cited that the disposition of properties on the 1600 Block of Gorsuch took over six months. They will finally be on the BOE agenda for May 7th. A measure of the success of the disposition strategy is the number of properties disposed of within that 90 day window, and then the number that are rehabbed within 12 months as stated in the Land Disposition Agreement.

While fixed pricing was associated in the announcement with the Buy into Baltimore website (discussed below), it applies to all properties sold by Baltimore City. **Appendix A** is the chart of the fixed pricing.

The properties disposed of are listed in the Board of Estimates (BOE) agenda under a fixed agenda item called Fixed Pricing. This will assist us in tracking the progress of the development of the properties and is currently the only transparent way to know the city owned properties being sold and who the purchaser is. Since May of 2024, when the first dispositions occurred under fixed price, 212 properties have been listed on the BOE agenda for fixed price disposition (this number does not include the upcoming BOE meeting). It is unclear how many have settled.

As a side note, the BVRC dashboard does not have completed dispositions. It has completed dispositions with a U&O and which ones have permits. We should probably add to the dashboard completed dispositions, meaning those that have settled to compare if the 12-month timeline for renovating the property is occurring.

Buyers must sign a Land Disposition Agreement (LDA) which is our contract after the BOE approves the sale. It spells out the terms of the sale, the agreed upon use, the time limit before initiating the clawback clause on the property, and other applicable conditions.

Buyers must be qualified to purchase the properties including they must show they have capital in hand to be able to rehabilitate a home. The requirement is $90,000 cash or loan. They also must have a track record of completing projects and have limited VBNs in their portfolio. DHCD checks for any financial issues or judgments as well.

Disposition: Buy into Bmore Website

The Buy into Bmore Website is the place where purchasers can go to apply to purchase a city owned property or lot. On that website is a map with properties scattered across the city. No property that is slated for Whole Blocks is included in the Buy Into Bmore Website. Any buyer or organization can apply to purchase a property, and applications are considered on a first-come, first-served basis. DHCD guaranteed a 2-week turnaround for an answer to the applicant. Based on feedback, this two week turnaround is not occurring, but is another good performance measure related to disposition.

At the time of the announcement, I made clear my concerns about this scatter site approach. First come, first served is not strategic for the community, and there is no transparency around who is bidding or what the outcome of the property will be. Buyers may not be working with communities on their agreed upon outcomes.

Moreover, Baltimore has a history of not monitoring the outcome of a project. If we are to move in this direction of speed, there has to be enforcement of the LDA. Last year, my office conducted an analysis of all of the properties that were vacant. We found that 428 properties that were sold by Baltimore City since the 1990s are still vacant, and several have changed hands up to 5 times. Until now, a claw back clause was not used or enforced, by the Law Department's own admission. Those 428 remain vacant and abandoned today. After hearing my concerns, DHCD and the Law Department have worked out a way to ensure this does not happen again.

Another factor on the Buy into Bmore Website is the listing of other programs that are available. It is unclear why these are listed with the Buy into Bmore program, as there has been a lot of confusion.

- **Adopt a Lot** is a program where communities can maintain a city owned vacant lot through an agreement. Lots available for Adopt-A-Lot are listed on the Buy into Bmore Website, but also are available for sale.
- **Charm City Roots** is designed to reconnect vacant properties with members of the family that once lived there or are connected to the property and provide the opportunity to rehab it. These properties are privately owned,

and so it is unclear how they were chosen and why they are even listed on the website. Charm City Roots could be a good program, but it probably needs to be run differently, where families know they can ask DHCD to assist them with reconnecting with the property. 1606 Homestead is an example. The brother of the owner who lives close by is my constituent and wants to rehab the property. However, it has over $40k in liens, and his brother is deceased. The only way to remove the liens and transfer ownership would be either opening the estate and making him pay the liens, or releasing the liens, or taking the property through In Rem so that the liens are extinguished, the City has the property, and we can work with him to purchase it.

- **Water Access** program allows community gardeners to get access to water for their community gardens. Again it is not clear why this is on the Buy into Bmore Website.
- **Expression of Interest** is the purchasing of scattered site properties. The applications are rolling, but the website pop-up is outdated with a 2024 application deadline.

Starting over on a website that is easy to navigate and only focuses on the available properties for disposition will help move properties forward through the pipeline and ease the confusion. The website also currently says there are no properties available, as DHCD is looking at its inventory. Here is the link to the Buy into Bmore Website.

Disposition: Whole Blocks

When looking at each of the blocks identified in the Whole Block strategy, it would be important to outline the type of disposition that will occur, and track progress based on that strategy. Disposition for clusters of vacant properties and vacant lots occurs in two ways.

- DHCD has engaged in a partnership RFQ so that development partners can apply and be paired with community development organizations or communities. The hope is that they would work with the community on their development goals, rather than buying properties and not being strategic about the outcome. Ideally, the whole block strategy would be accomplished in this way, similar to what we've done on the 1600 Block of Gorsuch. Here is the link to the registry.
- The Request for Proposals (RFP) process is in partnership with the community. RFPs would be sent out through the regular RFP process. The RFPs would have what the community envisions for the set of properties, and the applicant would place their qualifications, track record, and scope in the proposal.

Thank you for the opportunity to outline my experiences regarding this matter. I look forward to my next letter which outlines the legislation my colleagues and I are introducing and the challenges we still face with the building permit office. I am available for any questions you might have.

In partnership,

Odette Ramos
Baltimore City Councilwoman, 14th District

Appendix A

Purchaser Type	Property Type	Price	Criteria
For-Profit Developers 501 (c)(3) Nonprofits (51 or more employees)	Vacant Building	$3,000	Must be developed for residential or mixed-use includes residential with a use and occupancy permit obtained within 12 months from the date of settlement.
501 (c)(3) Nonprofits (50 or less employees)	Vacant Building	$1000	Must be developed for residential or mixed use that includes residential with a use and occupancy permit obtained within 12 months from the date of settlement.
Community Land Trusts	Vacant Building	$1	Must be a registered Affordable Housing Land Trust registered with the Maryland State Department of Assessments and Taxation and in compliance with the states affordable housing land trust laws found in Section 14 of the annotated code of the Maryland Real Property article
Homeowner	Vacant Building	$1	Must maintain as primary residence for a minimum of 5 years after issuance of use and occupancy permit, which should be obtained within 12 months from date of settlement
For-Profit Developers 501 (c)(3) Nonprofits (51 or more employees)	Vacant Lot	$1,000	Must be developed for residential, mixed use that includes residential or green space with a use and occupancy permit obtained (when applicable) within 12 months from the date of settlement
501 (c)(3) Nonprofits (50 or less employees)	Vacant Lot	$500	Must be developed for residential, mixed use that includes residential or green space with a use and occupancy permit obtained (when applicable) within 12 months from the date of settlement.
Community Land Trusts	Vacant Lot	$1	Must be a registered Affordable Housing Land Trust registered with the Maryland State Department of Assessments and Taxation and in compliance with the states affordable housing land trust laws found in Section 14 of the annotated code of the Maryland Real Property article
Homeowner	Vacant Lot	$1	New construction for residential use (Must maintain as primary residence for a minimum of 5 years after issuance of use and occupancy permit, which should be obtained within 12 months from date of settlement), or Side yard for adjacent primary residence