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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) 13th Letter

Secretary Day, Acting Commissioner Keane, and Members of the BVRC:

Thanks for the continued engagement to address vacant and abandoned properties in Baltimore City. I am sorry I have missed the last two BVRC meetings. I listened to both recordings and look forward to further discussions.

I started this letter several weeks ago. I am aware of the transition at DHCD but believe that my insights here might be helpful. I look forward to engaging with the Acting Commissioner.

This letter focuses on the systems reform work that has occurred because of the Delivery Chain Working group's conversations. I also have recommendations on the implementation of the Vacant Property Tax, an update on the Circuit Court capacity, and suggestions on future BVRC meetings. Lastly, I comment on some shifts in approach that are occurring.

The Circuit Courts capacity update

Apologies for not keeping the Mayor's Office or DHCD appraised of the work with the Circuit Court. I will commit to communicating better on this, as I had assumed they were having the same conversations. Our partnership with the Circuit Court is critical to the success of In Rem.

According to the current Magistrate, as of this month, the Circuit Court has hired the two attorneys they requested, which are paid with the City's contribution of $250,000 per year. The City has made this a priority and will continue to fund this initiative. The Courts report they can meet the goal of processing 200 filings per month with this additional capacity.

There was confusion with the state's match, because the FY2026 budget language was written a little vague. The Senate President, the new Speaker Pro Tem, and I are working on this and will provide more details shortly.

Future BVRC meeting suggestion

Thanks for the consistent work and communications during the BVRC meetings. However, I find that although it is important to go through the monthly production numbers, there are often questions from the BVRC regarding items that can be answered by the various working groups, yet no time allotted to go deeper.

I also find the discussions at the BVRC meetings are mostly around accountability and reporting for the BVRI state funding. However, I thought the BVRC's role is to look at systems and funding comprehensively toward the goal of systems change to reduce vacant properties across the board. It will take a lot of work, partnership, and transformational reform to get this done, and no one strategy is going to be the silver bullet. It was my understanding that the BVRC was designed to initiate and monitor real change, not just be a grant making and grant monitoring board.

Relatedly, it is not just the BVRI funded properties that are having challenges with the permit system. Changes to the entire permit system need to occur to accomplish citywide reduction of vacant properties and accelerate building more units. Prioritizing the BVRI properties to get permits quicker leaves the conversation behind around much needed reforms for the entire city. Ensuring the systems are changing for all properties needing permits is one of the most critical steps to ensuring our goals for creating intentional mixed income communities are met.

That said, I suggest starting each meeting with one or two of the working groups reporting on their progress and then moving into the dashboard. This will allow the conversations to be more productive and the entire BVRC to understand all facets of the work BVRC set out to do. Please also reduce the amount of time focused on just the BVRI funds. Instead, go deeper through the fundamental reforms that are occurring to highlight the successes and the needed changes.

I realize this approach requires all parties to be ready for the meetings they are assigned to present. I believe this is a well-skilled group that can handle such assignments.

Shift in approach:

I have been in Baltimore over 34 years, and more involved with city government the last 15 years in my previous roles and as the Councilwoman. It used to be that suggestions regarding changes in government were marked by "no, we can't do that." Instead, now I see a different approach. Now, the answer often is "let's figure it out." While we still have resource challenges, often, City government is trying to utilize those resources in the most impactful way. This is a good thing. One example is the lien certificate process. Where we have excellent staff at the Department of Finance providing lien certificates on request, the recent automation will allow staff to spend more time on their other significant tasks and the Finance Department to provide the timely and accurate lien certificate service that residents, real estate professionals, developers, and internal DHCD inquiries need. The demand for timely and correct lien certificates pushed for an innovative solution, and the Department of Finance met the challenge.

However, we do see at times a closing in of the guard related specifically to DHCD to say "we don't need the help, we got this." This approach has not been effective. The BVRC was designed to provide assistance, accountability, and oversight for the vacants reduction work. But it still seems at times that the wagons are being circled around DHCD with the backing of the Mayor's Office. I have outlined several examples of partners and collaboration opportunities in my letters over the past year. The permit system reforms are another example. In our recent hearing, we asked specifically for those reforming the system to reach out to the high frequency users and ensure they are engaged fully in the reforms. To my knowledge, that happens in a limited fashion.

As shown by the dramatic decrease in homicides, Baltimore knows the keys to success. The reduction in homicides can be attributed directly to success in strategic partnerships with organizations who know what they are doing, significant accountability and investment in the lead agency, systems improvements that make the lead agency the most effective and impactful it has ever been, addressing root causes, tremendous resource allocation to the lead agencies, and the act of holding every partner accountable while cheering the team on.

It takes leadership and understanding that stakeholder engagement and mutual accountability is a good thing, because eliminating our vacant properties is an all-hands-on-deck situation, just like reducing homicides and saving lives.

Process Improvements-the Work of the Delivery Chain working group and DHCD:

The process improvements that have been identified by the Delivery Chain working group are substantial and multiple. I highlight here a couple of the items that show this dialogue and partnership have been working to demonstrate that partnership and collaboration in the spirit of accomplishing mutual goals can work:

Property donation program: Currently, DHCD offers the opportunity for owners to donate their vacant homes to the City through DHCD if they have no 3rd party liens on them. To complete the donation, the owner pays a fee of $600 toward the closing costs. As a result, very few properties were donated to the City in the past few years. According to the Reinvest Baltimore dashboard, so far in FY2026 only 9 properties have been donated, and in FY2024 it was 29 properties donated, and in FY2025 it was 27 properties donated.

As a result of our discussions at the Delivery Chain Working Group, DHCD has ended the $600 fee requirement and is sending out notices to owners of VBN vacant properties about the changes in the program. The dialogue also included process improvements for preliminary searches for liens and efficient removal of our municipal liens. The expenses the City will incur for the donation program will be roughly $1,200 per property in transfer and recordation fees. It is a small but significant investment which will lead to more vacant properties in the City's hands and eventually to someone who will rehab the property.

This is an important change that will yield more donations, which will save time and resources for DHCD. While it may not be a lot of properties, it is clear there are several families that just cannot maintain the family homes. During several In Rem hearings that I've observed, residents are relieved to know the City will take the property with no questions asked and no expenses on their part. With the change in the property donation program, we hope residents will take the step of donation rather than the City expending resources for In Rem. In fact, a form should be included with the In Rem notice of the option to donate instead.

In Rem Notices: The Delivery Chain working group went into In Rem 1 at length since this strategy is now and will continue to be the primary acquisition strategy for the city. Most of the In Rem timelines are court and statute mandated, but the time between deciding to take a property to In Rem, and the time the filing actually takes place is completely within our control and is the stage that takes the longest (we will call this the Pre-filing phase, see **Appendix A** for my interpretation of the phasing of In Rem). Hiring more legal support for DHCD or partner with our law firms as I have explained in previous letters will reduce the back long and we can file more cases.

One of the ideas to encourage efficiency that came up in the Delivery Chain Working Group is to remove one of the notice requirements required by state law. A 5-day notice is required to all interested parties on the title search after the filing in the court. This is repetitive to what is required in the Maryland Rules, and since In Rem requires so many other notices, it feels like the right time to make this change. Once the statute is consistent with the Maryland Rules, there will be an initiative to change the Rules accordingly. I am grateful to be working with the Scott Administration on this initiative in the General Assembly, which is HB1110 / SB819.

Vacant Property Tax Implementation

Last term, we passed my bill to create the Vacant Property Tax. I briefly discussed it in my 6th letter to the BVRC. I introduced a bill in June of last year 25-0088 to enhance the Vacant Property Tax by adding vacant lots, removing the sunset, and placing the tax at 4 times the rate. This legislation has not yet moved forward as we are waiting

for the work that DHCD and SDAT are doing to inventory and categorize the vacant lots. A hearing is scheduled May 2nd in the City Council's Housing and Economic Development Committee.

Nevertheless, the Vacant Property Tax of 3 times the current property tax rate is to be charged on the July 1, 2026 tax bills on properties with VBNs on them. A list of the properties that will get the tax has been transmitted to the state per the state law.

The Vacant Property Tax is not a revenue generating tax. It is a behavior modification tax. Hopefully, some of the people who have been sitting on vacant and abandoned properties will finally do something with them to avoid paying higher property taxes.

More importantly, the Vacant Property Tax allows for more properties to be eligible for In Rem 1. With currently roughly 5,400 vacant properties and lots (DHCD estimate) to 7900 vacant properties and lots (Ramos estimate) eligible for In Rem 1, we can get more properties eligible for In Rem 1 by boosting up the liens. The Vacant Property Tax does that.

One challenge with the Vacant Property Tax is that there are no exemptions. As discussed in my 6th letter, there are three categories of owners for whom the Vacant Property Tax will harm:

- Homeowners who have inadvertently purchased homes that have VBNs on them but are fully rehabbed will get the tax. This is a list of about 400 homeowners impacted.
- Developers and our community development partners will get the tax on any VBN property they own and are possibly holding for redevelopment.
- Developers and renovators doing the work to rehab vacant properties that have permits will get the tax.

Our local legislation could not create exemptions to the vacancy tax without authorization from the General Assembly. Discussions are ongoing on the following resolutions, which need to be established immediately:

- Create a rebate program so that when the Use and Occupancy permit is obtained by any of the owners in the above categories, the owner can apply to have the rebate on the increase of the property taxes that they paid. The rebate would apply only to the amount between what the property taxes would have normally been and the increase because of the new rate.
- Remove from the tax sale the 400 homeowners who inadvertently bought rehabbed properties with VBNs on them to provide time to renovate the property. It will take more time for them to achieve the Use and Occupancy permit because they did not expect this level of investment in their homes after purchase. Mayor Scott and the Board of Estimates have the authority to remove homeowners from the tax sale. We cannot expect these homeowners to pay the additional tax because of a scam and lack of oversight on our part that was no fault of their own. So, pulling them from the sale and working with them is the best solution. Then their property tax bill will need to be adjusted when the Use and Occupancy is in place.

Thanks for the opportunity to provide my feedback. There is so much progress! And much more to do.

In partnership,

Odette Ramos
Baltimore City Councilwoman
14th District

Appendix A. Basic In Rem process

Using the categories outlined in the DHCD slides during the 10.21.2025 hearing before the Housing and Economic Development Committee, I have parsed out the basic phases in the process to better visualize the phases, who is responsible, and the notice requirements. This is my interpretation of the law and steps, and has not been verified with DHCD or the courts.

As of 10.21.2025

Step 1 Identified Targets
707 properties in this phase

This is the phase where In Rem eligible properties are "in holding". They are identified and some priority is placed, but no action has occurred yet. DHCD has also ordered a lien sheet to have the exact amount of liens owed on all notices, and to be sure the property is eligible for In Rem. This is a DHCD operation only. Note that there are 5,412 that have yet to be assigned to the In Rem identified targets list, which is the first step

Step 2 - Ordered Title Work
520 properties in this phase

This is the phase where In Rem eligible properties are getting the first action. DHCD has ordered the title work. For In Rem, all interested parties on the title work must receive notice. If there is an "et al" listed as part of the ownership, deeds need to be pulled. This is DHCD handling only. Title work takes 30-60 days to complete.

Step 3 Assigned for Filing
158 properties in this phase

This is the phase where eligible properties receive the first notice – called the Pre-Filing notice- that DHCD is going to take this In Rem foreclosure action. The staff attorney has been assigned to complete the document for filing which includes the amount of the liens, the assessment, the plat, ground rent, the date of the VBN or established as a vacant lot, etc. While it is DHCD handled, the notice language is mandated by the In Rem state and city statutes. After the Pre-File notice is sent, there is a 30 day wait to see if any interested party will answer, or that the outstanding liens are paid. This wait period is DHCD mandated.

Step 4 Cases Filed in Circuit Court-
304 properties in this phase

Cases in this phase have received the 5 Day Filing Notice that has the date of the hearing before the Circuit Court. The process for notice, preparation of documents, and timeline during this phase is mandated in the state and city In Rem codes, as well as worked out with the courts. Timeline between the filing date and hearing varies. From the date of the filing to the foreclosure judgement takes itself is 5-7 months.

Step 5 Post Judgement Phase
264 properties in this phase

The Magistrate has ruled that DHCD filed the cases properly, all information and posting as been done properly, and the court authorizes the In Rem foreclosure on the property. DHCD can take possession at this phase.

DHCD sends another notification to the list of interested parties saying they can appear one more time to claim their interest. There is a 30 day wait period – set by DHCD – and then the city takes title.

Step 6 Final Judgements
596 properties

This number is the total number of properties that have been foreclosed upon through In Rem and the City has taken possession. This is the total from the beginning of In Rem in late 2022.