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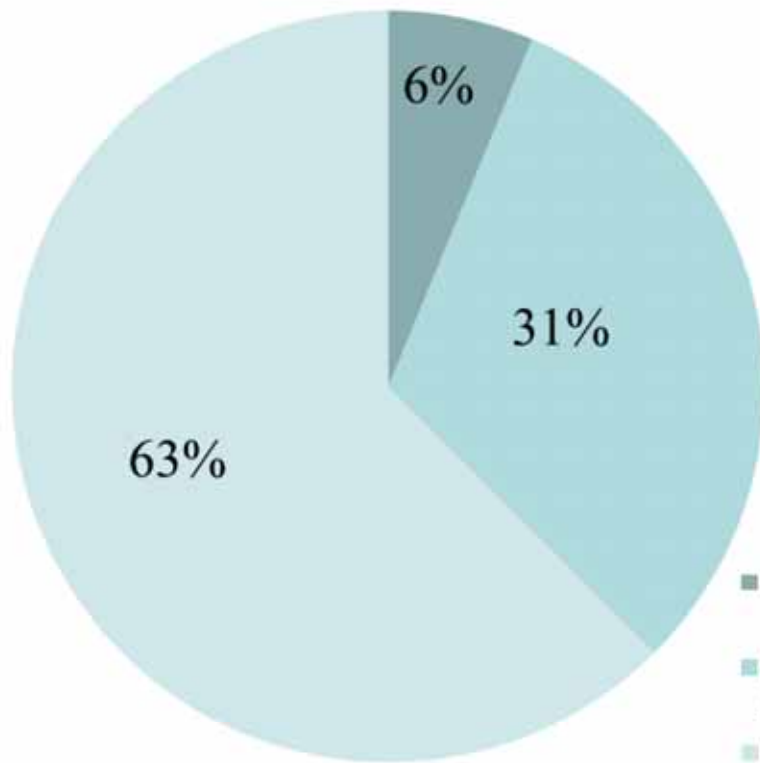
Driving Outcomes through Strategic Code Enforcement

February 2013

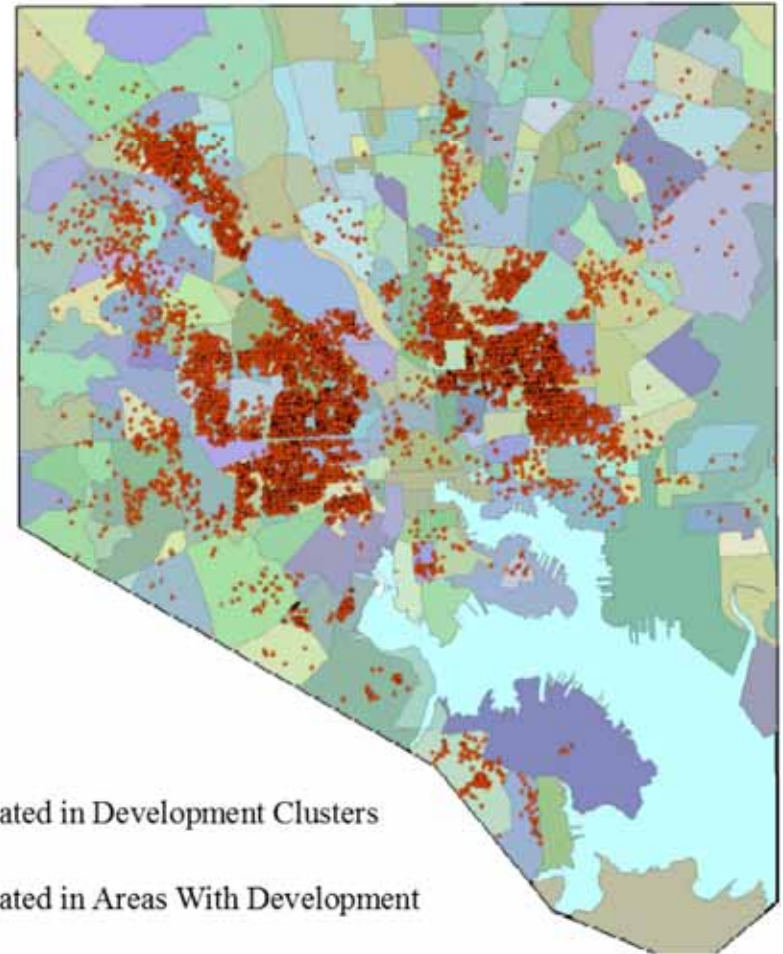
Michael Braverman
Deputy Commissioner
Permits and Code Enforcement

Baltimore's Challenge: 16,000 Vacant Buildings

**Breakdown of the City's 16,000
Vacants by Area Type
(80% Privately Owned)**



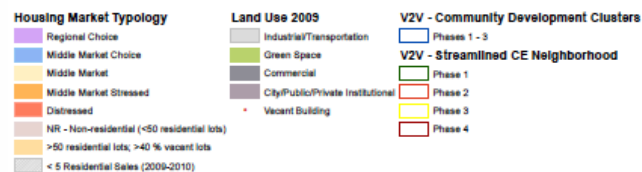
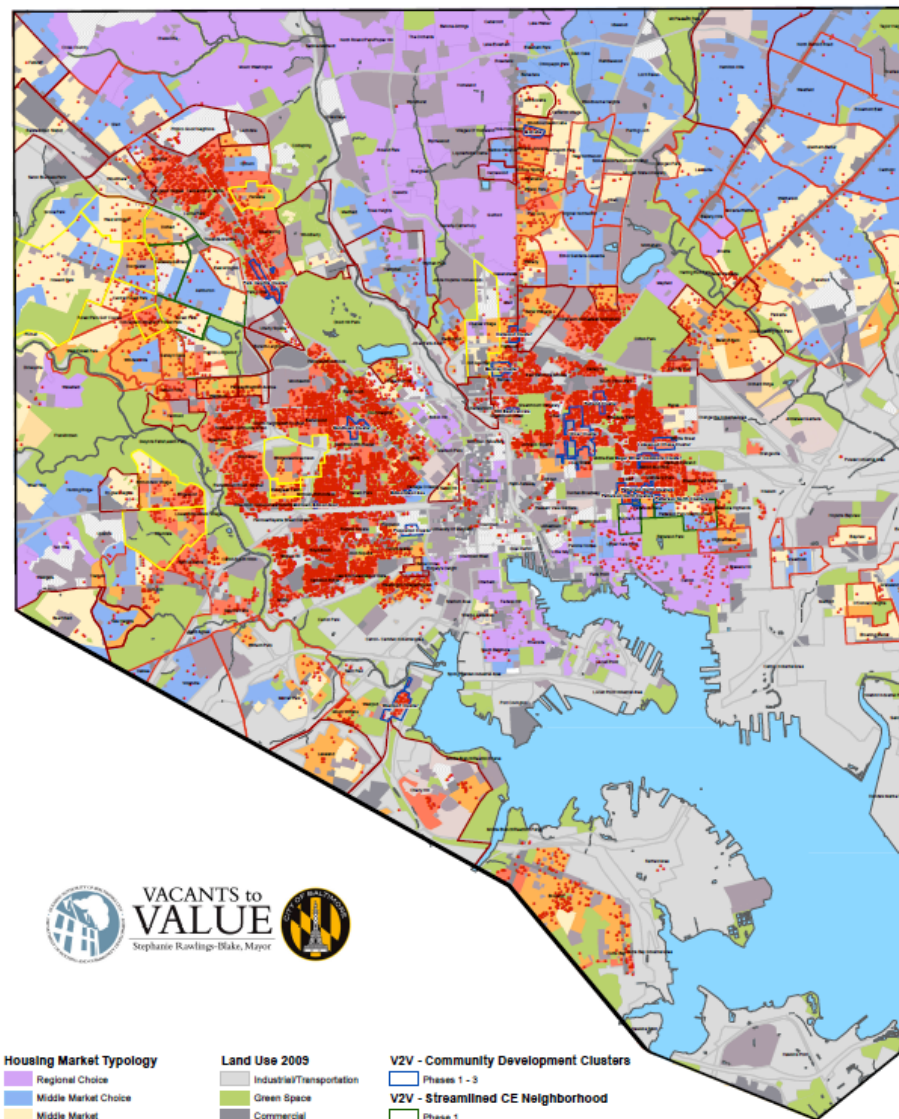
- (1,000 Vacants) Located in Development Clusters
- (5,000 Vacants) Located in Areas With Development Demand
- (10,000 Vacants) Located in Areas Without Development Demand





Market Typologies

- Not all vacants are created equal.
- Different neighborhoods have different markets for redevelopment.
- Available outcomes – and the strategies needed to get to those outcomes – depend on the neighborhood.





- **In distressed neighborhoods with revitalization potential: Build development opportunities through strategic partnerships**
- In relatively strong neighborhoods with scattered vacants: Hold owners accountable through fast-acting enforcement tools
- In severely distressed neighborhoods: Proactively patrol, clean and secure vacants, and eliminate blight through strategic demolition and green reuse



Strategic Partnerships: Community Development Clusters

In high-vacancy areas where whole-block revitalization is possible, Code Enforcement can play a key role in building development opportunities, but **partnerships are critical.**

In Community Development Clusters, Code Enforcement is working to build these partnerships.



Context: How Works Receivership in Baltimore

- Baltimore Housing petitions the court to appoint a receiver for sale
- Buyers must pre-qualify (demonstrate the experience and ability to rehab) in order to bid
- A receivership sale conveys clear title to the new owner regardless of debt on the property

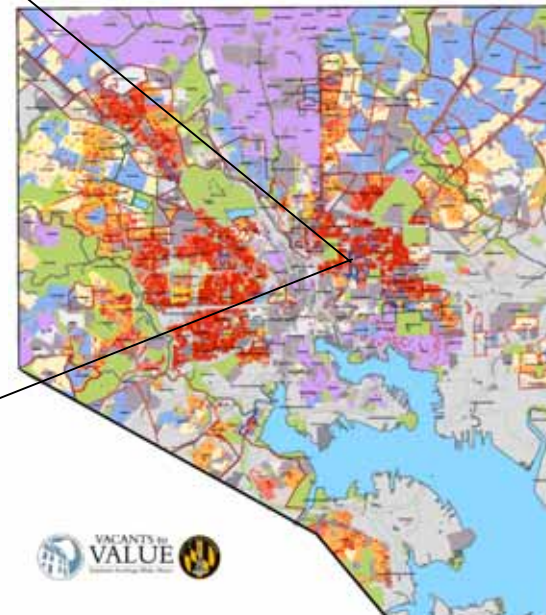


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Building Partnerships in Community Development Clusters: Oliver

- Oliver was one of the most distressed neighborhoods in Baltimore.
- When Vacants to Value was launched, more than 300 of the total 1195 properties in the Oliver footprint were vacant.
- But Oliver is also just west of the Johns Hopkins Medical Campus and EBDI – major redevelopment anchors.





Community Development Clusters: Oliver

- Recognizing the neighborhood's development potential, Baltimore Housing has partnered with a handful of committed developers in the Oliver footprint (and the other 14 CDCs) to get all of the vacants there rehabbed and reoccupied.
- To help make that possible, Code Enforcement has committed to pushing all privately-owned vacants not rehabbed by owners to receivership so that developers can buy them at auction (and Land Resources has committed to conveying all of the City-owned vacants in the footprint to developers).
- At the same time, Mayor Rawlings-Blake has fostered partnerships among the City's Housing, Police, Transportation, Public Works, and Recreation and Parks departments to help address critical public safety and quality of life issues in the Cluster and attract new homeowners.
- The new homes being created are workforce housing, and the City offers incentives to the buyers who purchase them.



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Successes: 1200 Block of N. Bond





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Successes: 1200 Block of Broadway





**BALTIMORE
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Successes: 1200 Block of E. Eager





Outcomes in all CDCs

Number of Clusters	15
Vacants at Start	1287
Vacants at Present	932
Vacants with Rehab Underway or Complete	418
Receiverships Filed	379
Private Investment Leveraged	\$22.3 million

Vacants in Oliver have dropped from 327 to 236 in two years.



Challenges in CDCs

- Public safety issues are an ongoing battle that take dedicated resources to overcome
- Developers need access to financing to redevelop to scale in Distressed markets
- Many potential buyers are income eligible, but need credit repair in order to become homeowners



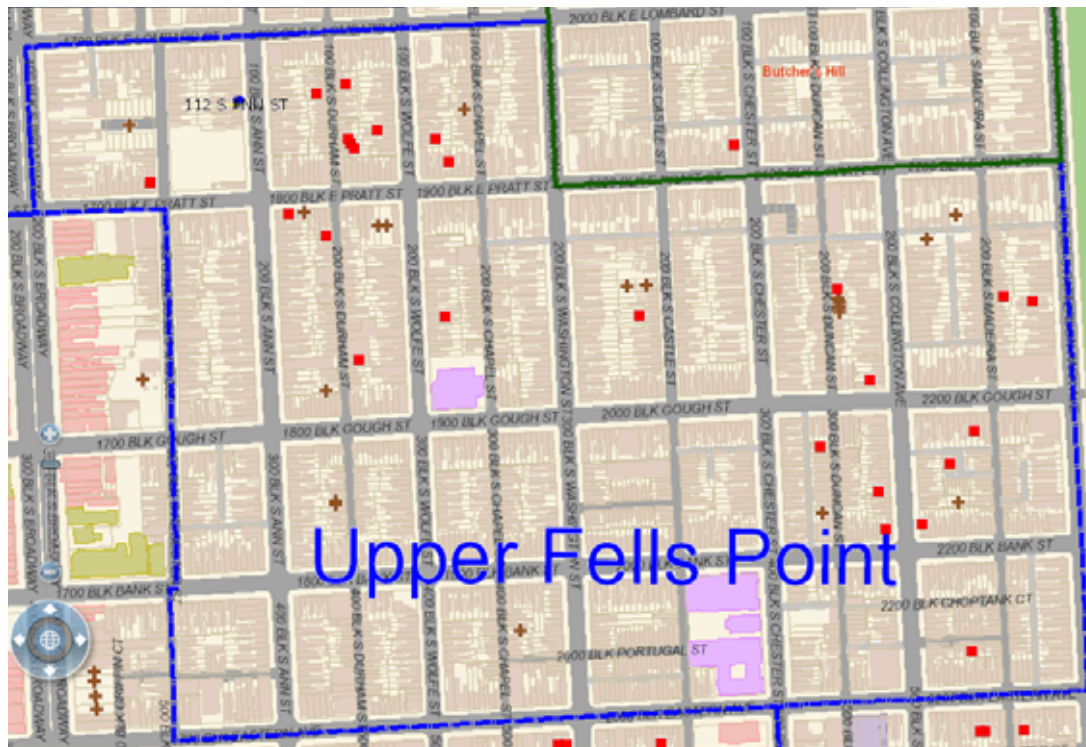
Role of Code Enforcement

- In distressed neighborhoods with revitalization potential: Build development opportunities through strategic partnerships
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Middle Market Areas: Streamlined Code Enforcement

In neighborhoods with relatively strong housing markets, Code Enforcement doesn't need a partner, it needs a hammer.



\$900 citations are a fast way to get results when owners of vacant buildings don't respond to violation notices.

Receivership is used when citations don't do the trick.



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Successes: 3020 Oak Hill Ave

This message is automatically sent to you to inform you that an U&O permit issued on a VBN property.

Permit Num:USE2012-05198, Issued Date:1/4/2013

Notice Num:251618A, Notice Date:10/17/2007

BIN Property? Yes(Phase:3)

CDC Property? No

Address:3020 OAK HILL AVE

Neighborhood:HOWARD PARK

This property was vacant for 5 years. When we issued a citation under V2V, it was promptly sold to a new owner and rehabbed.





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Successes: 4417 Asbury Ave.

This message is automatically sent to you to inform you that an U&O permit issued on a VBN property.

Permit Num:USE2012-04239, Issued Date:12/6/2012

Notice Num:139160A, Notice Date:6/7/2006

BIN Property? Yes(Phase:4)

CDC Property? No

Address:4417 ASBURY AVE

Neighborhood:BELAIR-EDISON

This property had been vacant since 2006. Under V2V, our legal team filed a receivership, and the owner completed rehab 2 months later.



report a problem Image Date: August 2009



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Receivership: Before and After





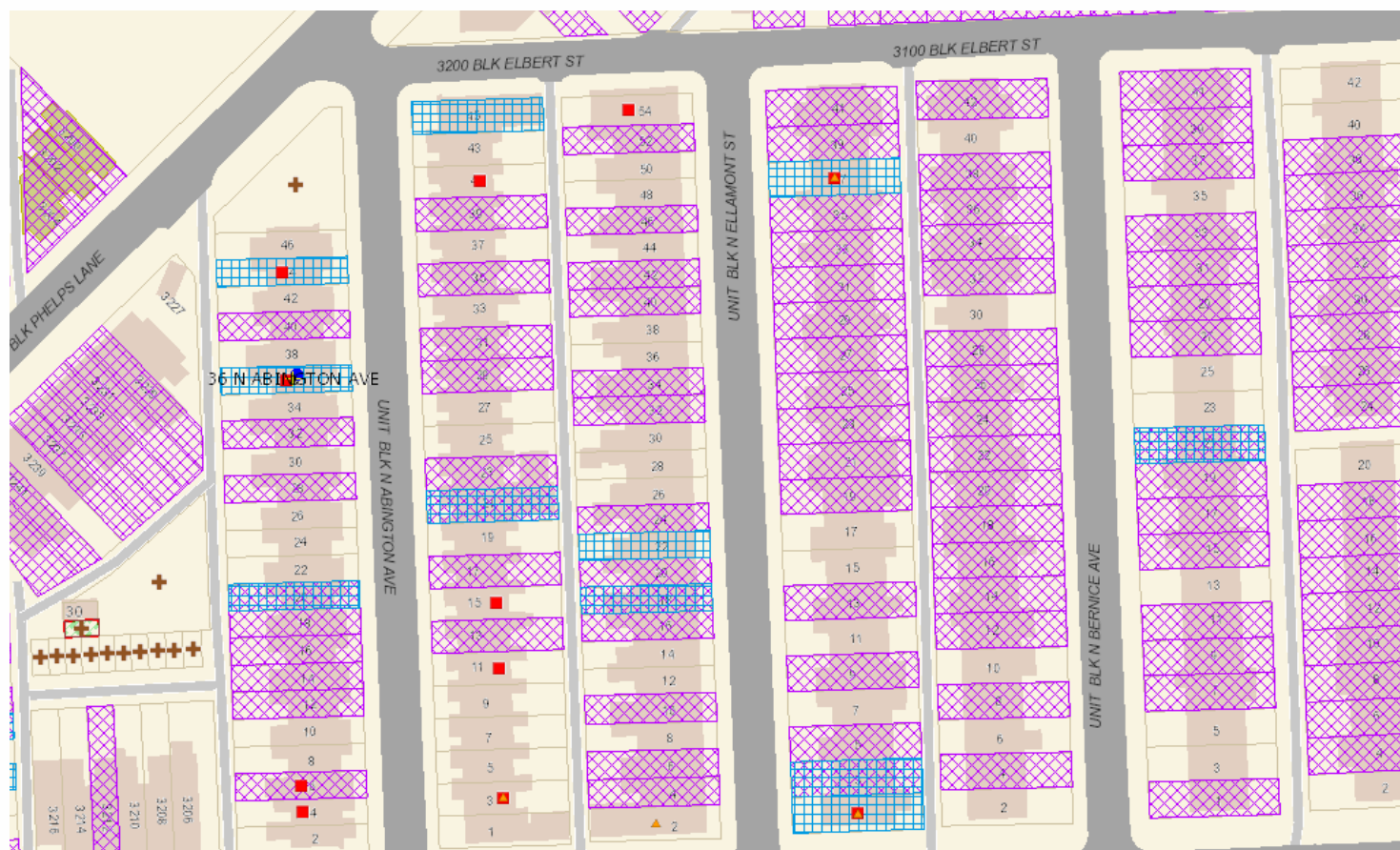
Outcomes in all Streamlined Code Enforcement Areas

Number of Areas	85
Vacants at Start	1593
Vacants with Rehab Underway or Complete	533
\$900 Citations Issued	927
Receiverships Filed	404
Private Investment Leveraged	\$24.4 million



Challenges in Streamlined Code Enforcement Areas

Middle Market neighborhoods are diverse. In some, even though there are many homeowners, housing sale prices are dropping. When they drop below a certain point, neither citations nor receiverships will work if the numbers don't pencil out.





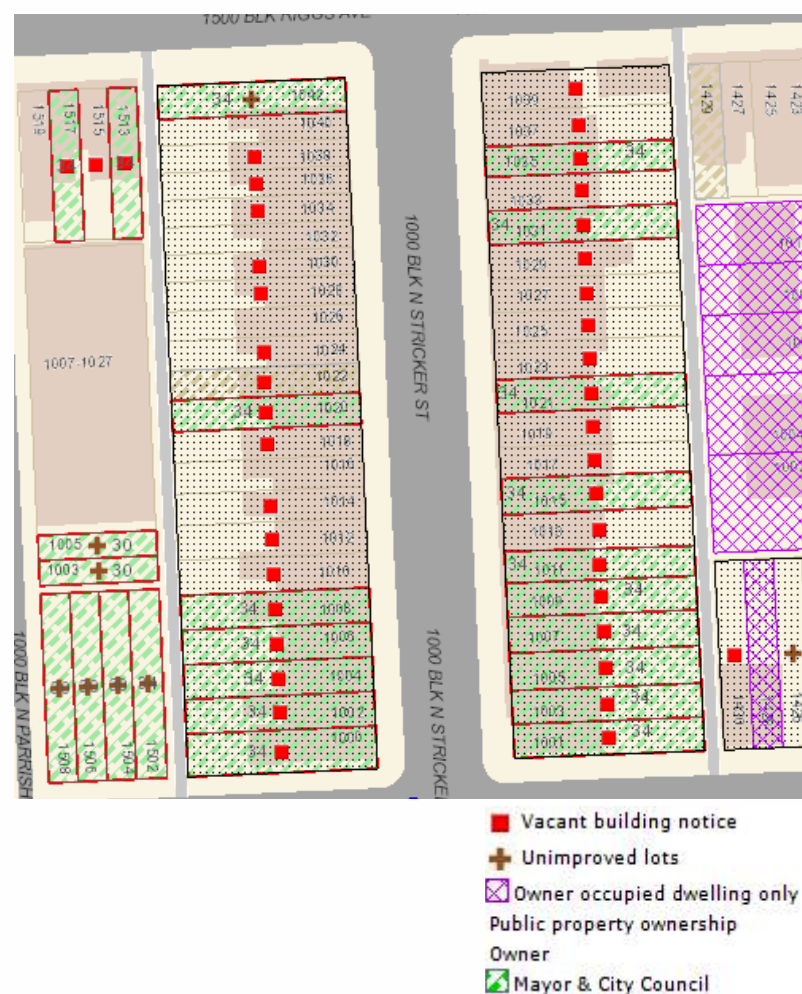
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Highly Distressed Markets: Demolition

In Distressed markets with no development demand, aside from cleaning and boarding, the goal of Code Enforcement is to demolish blighted vacants strategically in order to stabilize housing values, increase public safety, and create reuse opportunities.





Demolition: Before and After



Note: Because of the high costs of acquisition and relocation, whole block demolition wasn't possible at this location.



Challenges: Demolition

Taking demolition to scale is a capital dollar issue. In Baltimore, 10,000 properties are good candidates for demolition. Taking down just the most practical 3,500 of these properties would cost \$165 million. (Baltimore's typical annual demolition budget is \$2.3 million).



Baltimore's Demolition Efforts

- This year, Mayor's Rawlings-Blake announced an initiative to demolish 1,500 vacants over 3 years.
- Priority will be given to whole-block demo sites that will create ideal green reuse pilot sites, protect the health of surrounding housing markets, or address public safety needs.
- Baltimore will continue to look for ways to capitalize demolition at a larger scale over the next 5-10 years.



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Creating New Opportunities



Housing Commissioner Paul T. Graziano
and Mayor Stephanie Rawlings-Blake



Conclusion

Through strategic approaches and partnerships, Code Enforcement can:

- Eliminate blight;
- Hold negligent property owners accountable; and
- Drive development opportunities in distressed neighborhoods.



Useful Links

Get the Vacants to Value overview:

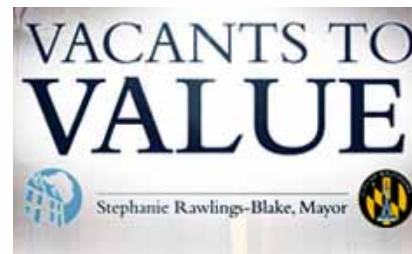
http://www.baltimorehousing.org/vacants_to_value.aspx

See maps, progress updates, and information about individual strategies and neighborhoods:

http://www.baltimorehousing.org/vtov_code



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www.baltimorehousing.org

Baltimore Housing reflects the combined efforts of the Housing Authority of Baltimore city and the Baltimore City Department of Housing & Community Development.