


MEMORANDUM

March 24, 2017

TO: Planning, Housing and Economic Development Committee

FROM: Amanda Mihill, Legislative Attorney 

SUBJECT: **Worksession:** Bill 39-16, Housing and Building Maintenance Standards – Registration of Vacant Property

Bill 39-16, Housing and Building Maintenance Standards – Registration of Vacant Property, sponsored by Lead Sponsor Councilmember Hucker and Co-Sponsors Councilmembers Leventhal and Navarro, then-Vice President Berliner, Councilmembers Elrich, Riemer, and Rice, and then-Council President Floreen, was introduced on September 20, 2016. A public hearing was held on November 1. Select testimony and correspondence in on ©21-59.

Bill 39-16 would:

- require owners of certain unmaintained vacant buildings to register those vacant buildings with the Director of the Department of Housing and Community Affairs;
- require owners of certain unmaintained vacant buildings to pay certain fees;
- require inspections for certain unmaintained vacant buildings; and
- generally amend County law on housing and building maintenance standards.

Additional background materials from Lead Sponsor Hucker is attached on ©8.

Issues for Committee Consideration

The testimony and correspondence that the Council has received on this issue has been generally supportive. However, a few issues have been raised, which are addressed below.

1. *Should Councilmember Hucker's amendments be adopted?* Since Bill 39-16 has been introduced, Councilmember Hucker developed a series of amendments to the bill to address concerns raised. The Department of Housing and Community Affairs (DHCA) raised substantive concerns related to privacy and public access to the proposed registry. Specifically, DHCA staff felt it was ill-advised to create a real-time list of vacant houses throughout the County since that list would then be subject to the Maryland Public Information Act. (Staff notes that the State

Foreclosure Registry, per the law that created the Registry, is not subject to the Public Information Act.). The Office of the County Attorney also raised concerns, though those are more technical and clarifying in nature.

In response, Councilmember Hucker developed a set of amendments to Bill 39-16. Those amendments are on ©61-65. Because the amendments intertwine throughout the bill, Council staff prepared a redraft of Bill 39-16, which shows how the law would look if Councilmember Hucker's amendments are adopted (©66-69). **Council staff comments:** Council staff believes that Councilmember Hucker's amendment strikes a good balance between addressing the needs of communities to deal with unmaintained properties and the privacy, security, and clarifying issues raised by Executive staff. Council staff understands that DHCA no longer objects to the bill, but questions whether the bill will accomplish the sponsor's intent to incentivize owners of vacant properties to rehabilitate and/or sell the properties. There is no question that further work needs to be done to address vacant, abandoned, and/or unmaintained properties throughout the County. Council staff does believe that this bill is a beneficial step to take.

2. *Should Bill 38-16 apply to vacant properties in condominium communities?* Vicki Vergagni, on behalf of Glen Way Gardens, opposed Bill 39-16 because, as introduced, it was unclear as to whether the bill applied to condominiums. **Council staff comments:** It was the sponsor's intent to include vacant condominiums within the scope of the bill. After discussions with staff from DHCA, Council staff believes that Bill 39-16 should be amended to make that clear. The amendment proposed by Councilmember Hucker would clarify that vacant condominiums are within the scope of the bill (see ©61-65).

3. *Should there be a 2-year grace period for foreclosures?* As introduced, and under the Hucker amendment, Bill 39-16 would not apply to property that is the subject of a probate proceeding or the title is the subject of litigation (including foreclosure proceedings) for up to 24 months. The Hillandale Citizens Association urged that the bill be amended to apply to property in foreclosure proceedings. **Council staff comments:** According to the sponsor, this provision was added because including property owners going through foreclosure within the scope of the bill would add more hardship to an already difficult situation. This is certainly a balancing act. One potential option is to reduce the period of time that exempts these properties from 24 months to 12 months.

4. *Are additional exemptions for construction-related activities necessary?* Bill 39-16, and the amendment proposed by Councilmember Hucker, would exempt properties that are "under active construction or undergoing active rehabilitation, renovation, or repair, and there is a building permit to make the building fit for occupancy that was issued, renewed, or extended within 12 months of the registration date." Additionally, the bill would exempt, for 12 months, property that is the subject of "a pending application for a necessary approval of development before the Planning Board, Board of Appeals, or Office of Zoning and Administrative Hearings." Larry Cafritz argued that the bill should broaden its exemptions for construction related activities to exempt properties "planned for demolition" or under "active pursuit of utility disconnects for razing, active application for subdivision or zoning approval, or of demolition, building or other related permits or issuance of such permits.

Council staff comments: Council staff believes that it would be challenging to implement a law based on an actor's intent and therefore does not recommend exempting properties "planned for demolition" within 18-24 months. However, Council staff suggests that the Committee could exempt properties for which an owner has applied for a demolition permit. In addition, Council staff notes that if the Committee adopts Councilmember Hucker's proposed amendment, which replaces the "registry" with an annual reporting requirement, that in and of itself addresses some of the issues that Mr. Cafritz raises.

This packet contains:

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Bill No. 39-16
Concerning: Housing and Building
Maintenance Standards --
Registration of Vacant Property
Revised: 7/14/2016 Draft No. 9
Introduced: September 20, 2016
Expires: March 20, 2018
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Hucker
Co-Sponsors: Councilmembers Leventhal and Navarro, Vice President Berliner, Councilmembers
Elrich, Riemer, and Rice, and Council President Floreen

AN ACT to:

- (1) require owners of certain unmaintained vacant buildings to register those vacant buildings with the Director of the Department of Housing and Community Affairs;
- (2) require owners of certain unmaintained vacant buildings to pay certain fees;
- (3) require inspections for certain unmaintained vacant buildings; and
- (4) generally amend County law on housing and building maintenance standards.

By adding

Montgomery County Code
Chapter 26, Housing and Building Maintenance Standards
Article I, General

Article II, Registration of Vacant Property
Sections 26-19, 26-20, 26-21, 26-22, 26-23, and 26-24

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Chapter 26 is amended by adding Articles I and II (Sections 26-19, 26-20, 26-21, 26-22, 26-23, and 26-24) as follows:

Article I. General.

* * *

Article II. Registration of Vacant Property.

26-19. Definitions.

In this Article, the following terms have the meanings indicated:

Department means the Department of Housing and Community Affairs.

Director means the Director of the Department or the Director's designee.

Dwelling unit has the same meaning as in Section 26-2.

Fit for occupancy means ready for immediate occupancy by a tenant without more than minor cosmetic changes.

Occupied means the use of one's residence in improved real property on a regular basis.

Public nuisance has the same meaning as in Section 26-2.

Vacant building means residential real property improved by a building which is not occupied. A building is only a vacant building if the Director determines that there is no resident for which an intent to return and occupy the building can be shown. To determine whether there is a resident, the Director must consider:

- (1) past due utility notices and/or disconnected utilities;
- (2) accumulated mail;
- (3) no window covering;
- (4) no furniture observable;
- (5) open accessibility;
- (6) deferred maintenance; and
- (7) the dwelling is boarded up.

Unmaintained vacant building means a vacant building not maintained as required by Chapter 26, Article 1.

Visual blight has the same meaning as in Section 26-2.

26-20. Applicability.

This Article does not apply to any real property that is

(a) owned by:

(1) the government of the United States or its instrumentalities;

(2) the State of Maryland or its instrumentalities; or

(3) a foreign government or its instrumentalities;

(b) under active construction or undergoing active rehabilitation, renovation, or repair, and there is a building permit to make the building fit for occupancy that was issued, renewed, or extended within 12 months of the registration date;

(c) for a period not to exceed 24 months, the subject of a probate proceeding or the title is the subject of litigation, including a foreclosure proceeding; or

(d) maintained as required by Chapter 26, Article 1.

26-21. Registration of unmaintained vacant buildings; inspection; notification.

(a) Building maintenance required. The owner of a vacant building must maintain the building as required by Chapter 26, Article 1.

(b) Unmaintained vacant buildings registry. The Department must maintain a list of unmaintained vacant buildings.

(c) Registration required.

(1) Within 90 days after a building becomes an unmaintained vacant building, the owner must register the building and pay the registration fee required in Section 26-23. An owner must renew

a registration annually from the date of initial registration unless there is a change in ownership.

(2) The Director must identify nonregistered unmaintained vacant buildings. The Director must notify the owner that the owner's building has been designated as an unmaintained vacant building and of the owner's right to appeal this designation.

(d) Inspections required.

(1) Inspections required. The Director must inspect every unmaintained vacant building at least annually to ensure that:

(A) the building complies with all applicable laws, including Chapter 26, Article I; and

(B) vacancy of the building is not;

(i) detrimental to the public health, safety, and welfare;

(ii) a hazard to police officers or firefighters entering the building in an emergency; or

(iii) a public nuisance.

(2) Additional inspections authorized. The Director may inspect a vacant building more often than annually to ensure compliance with this Article.

(e) County notification. The Director of the Department of Finance must notify all property owners of the requirements of this Article at the same time as the Director notifies property owners of any real property taxes due.

26-22. Exemptions.

(a) The Director may grant an exemption from the registration requirement in Section 26-21 for any real property that is:

(1) in compliance with 26-21(a) and the property owner has been actively seeking in good faith to rent or sell the property if:

(A) the time period for sale or rent does not exceed 1 year from the initial listing, offer, or advertisement of sale or rent of a residential building; and

(B) the building has a valid certificate of occupancy;

(2) for a period not to exceed 12 months, the subject of a pending application for a necessary approval for development before the Planning Board, Board of Appeals, or Office of Zoning and Administrative Hearings; or

(3) for a period not to exceed 24 months, the subject of an inheritance.

(b) The cumulative time period that a vacant building may be exempted from this Article must not exceed 3 years.

(c) An application for an exemption from the registration requirement must be made on a form the Director prescribes.

(d) A person that believes the Director has incorrectly denied the person's application for an exemption may appeal that decision according to Section 26-24.

26-23 Fees.

(a) The County Executive must set one or more fees by regulation under Method (2). The fee must increase for larger numbers of inspections performed that the Director determines are necessary to ensure compliance with this Section.

(b) A vacant building owned by the County or its instrumentalities must comply with the registration requirement of Section 26-21, but is not subject to any fees required in paragraph (a).

26-24. Right to appeal.

(a) Within 10 days after the designation of an owner's building as a vacant building, the owner may petition the Director for reconsideration by filing the form prescribed by the Director. Within 30 days after receiving the petition, the Director must issue a notice of final determination.

(b) Any person aggrieved by an action of the Director under this Article may, within 10 days after receiving written notice of the action, appeal that action to the Circuit Court under the Maryland Rules of Procedure for judicial review of a final administrative agency decision. An appeal does not stay the Director's action.

Approved:

Roger Berliner, President, County Council

Date

Approved:

Isiah Leggett, County Executive

Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Bill 39-16

Housing and Building Maintenance Standards – Registration of Vacant Property

DESCRIPTION: Bill 39-16 would require owners of certain unmaintained vacant buildings to register those vacant buildings with the Director of the Department of Housing and Community Affairs; require owners of certain unmaintained vacant buildings to pay certain fees; and require inspections for certain unmaintained vacant buildings.

PROBLEM: The County has inadequate tools to address vacant homes.

GOALS AND OBJECTIVES: To give the County new tools to address the growing number of vacant properties in the County.

COORDINATION:

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Amanda Mihill, Legislative Attorney, 240-777-7815

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: A violation of Chapter 26 is a Class A violation.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

TOM HUCKER
COUNCILMEMBER
DISTRICT 5

MEMORANDUM

TO: Councilmembers
FROM: Tom Hucker
DATE: July 13, 2016
RE: Establishing a vacant property registry

The second part of my housing package is a bill to establish a vacant property registry, which is intended to give the County government new tools to address the growing number of vacant properties in Montgomery County. A review of DHCA's code enforcement data shows that there are more than 350 known vacant properties in the county.

There are also hundreds more unidentified vacant properties because this problem is underreported and not all vacant properties have apparent housing code violations listed. Many of these vacant properties are inherited, owned by out-of-state residents, or by developers who simply have no short-term incentive to care for the property or put it back on the market.

Vacant properties can not only be an eyesore, they also pose serious threats to the community. Research shows they attract squatting, arson and other criminal activity. Vacant properties place a burden on our public safety and housing resources because they are twice as likely to generate a call for fire or police service than a non-vacant property^[2], and they have been found to reduce the community's property values by as much as 9%^{[3][4]}.

The County has inadequate tools to address vacant homes, which is why many of ours remain empty for so long. Several in my neighborhood in Silver Spring have been the subject of constituent complaints for nearly ten years. I've discussed them with previous DHCA directors, the Maryland Department of Housing and Community Development and the Attorney General, each of whom have claimed that they need stronger authority to incentivize owners to rent, sell or occupy their homes.

As a result, many of the vacant properties we researched have generated dozens of County inspections, citations and minor DHCA actions through the Clean and Lien program. A Clean and Lien occurs when a negligent property owner fails to maintain their vacant property after being cited numerous times. In response, DHCA will cut the grass, secure the doors or windows, remove any trash or debris, and put a lien on the property for the cost of these services.

Unfortunately, this program does not provide enough of an incentive for a negligent property owner to rent, sell, or occupy the property because the cost of these services is so low.

My proposed bill addresses these issues by requiring DHCA to establish and maintain a registry of unmaintained vacant properties. Once the property is registered, DHCA must perform an initial inspection for housing code violations. Any subsequent inspections performed by DHCA will be charged to the homeowner using a graduated fee schedule similar to the False Alarm Response Fee Schedule.^[5]

The creation of the registry will allow the County to collect data on the number of vacant houses for the first time. The more robust inspection regimen will make the County agencies aware of more violations and will encourage owners to address violations before they become worse, and the increasing fees will give absentee owners more financial incentive to rent, sell, or occupy long-vacant properties.

This is a best-practice approach that is based on successful laws in Chicago, Los Angeles, Wilmington, and other large municipalities. The District of Columbia also has a very successful approach to vacant properties; the City assesses a special tax of \$5.00 per \$100 of assessed value for vacant properties and \$10.00 per \$100 of assessed value for blighted vacant properties. Unfortunately, this option is unavailable to us under Maryland Constitution, but it illustrates the seriousness with which our immediate neighbors address this problem in the District.

Attached is a copy of the bill, an FAQ sheet, and some slides to explain more about the issue. Thank you in advance for your support of this bill. Please let me know if we can provide any additional information, and please contact my office if you would like to cosponsor.

^[1]<http://www.usatoday.com/story/money/personalfinance/2015/02/14/credit-dotcom-foreclosures/23287085/>

^[2]http://www.communityprogress.net/filebin/Community_Progress_Wilmington_FINAL_REPORT_122214.pdf

^[3]<http://www.pittsburghquarterly.com/index.php/Region/the-cost-of-blight/All-Pages.html>

^[4]http://www.communityprogress.net/filebin/Community_Progress_Wilmington_FINAL_REPORT_122214.pdf

^[5]<http://www.montgomerycountymd.gov/POL/Chief/bureaus/management/mgmtbudget/falsealarm/fee2.html>

Unmaintained Vacant Property Frequently Asked Questions

1. What is the intent of this legislation?

The intent of this legislation is to keep unmaintained vacant properties from becoming a nuisance to the community by requiring that the property owner maintain the property and move towards occupancy.

2. What is an unmaintained vacant property?

Unmaintained vacant properties are residential real properties that have not been continuously occupied and the owner has shown no intent to return. To determine whether a property is vacant, the Department of Housing and Community Affairs (DHCA) must consider utility usage, physical signs of occupancy, and blight or general neglect.

3. Why create a registry?

Unmaintained vacant properties have been shown to reduce the property values of surrounding properties by 6-9%, and they are nearly twice as likely to generate a call for fire service. Given these statistics, the county has a clear and compelling interest in making sure that unmaintained vacant properties are being maintained and not a risk to other homes in the community.

4. Are there any exemptions?

Yes, properties with permits for active renovation, being sold or rented, going through probate proceedings, or being redeveloped are exempt from registering for up to 3 years.

5. Will residents that leave for the winter have to register?

No, residents that leave for the winter will not have to register because they have a clear intent to return.

6. Are there any fees and fines associated with registering?

Yes, the fee for registering the property and the fine for failing to do so will be set by executive regulation.

7. What happens after a property is registered?

DHCA will inspect the property for any code violations. The property owner will then have 30-60 days to address the code violations. Any subsequent inspections performed by DHCA will be charged to the homeowner using a graduated fee schedule similar to the False Alarm Response Fee Schedule.

8. What is the False Alarm Response Fee and how does it work?

The Montgomery County Police Department is requested to respond to over 45,000 false alarms each year. Responding to false alarm calls reduces the police department's effectiveness and undermines its ability to respond to more critical calls. A false alarm is defined as any alarm signal that elicits a response by police personnel and for which there is no evidence of criminal activity to justify a police response.

Below is the False Alarm Response Fee Schedule.

Occurrence	Residential Fee	Commercial Fee
1st	\$0.00	\$0.00
2nd	\$25.00	\$25.00
3rd	\$50.00	\$50.00
4th	\$75.00	\$75.00
5th	\$100.00	\$100.00
6th	\$150.00	\$150.00
7th	\$200.00	\$200.00
8th	\$250.00	\$250.00
9th	\$300.00	\$300.00
10th	\$400.00	\$400.00
11th	\$500.00	\$500.00
12th	\$600.00	\$600.00

13th	\$700.00	\$700.00
14th	\$800.00	\$800.00
15th	\$1,000.00	\$1,000.00
16th	\$1,500.00	N/A
17th	\$2,000.00	N/A
18th	\$2,500.00	N/A
19th	\$3,000.00	N/A
20th	\$4,000.00	N/A

9. Who owns unmaintained vacant properties and why are they vacant?

Research shows that most of these properties are owned by banks or real estate investors that acquired the property through a foreclosure sale. These properties are often vacant because the owners expect to increase profits once the property has appreciated in value.

10. Is the state doing anything to address this issue?

In 2012, the General Assembly created the Foreclosed Property Registry, which requires a foreclosure purchaser to register with the state and transfer the title in a timely manner. This law was needed because it typically took property owners nine to eighteen months to transfer the title, which made it difficult for counties to identify the owner responsible for property maintenance and tax payments.

11. How will this affect property taxes?

Long-term vacant properties tend to have lower property values than similar non-vacant properties. Therefore, many of these properties are assessed lower property taxes than they would be if the property was being occupied and maintained. This legislation encourages occupancy and maintenance, which would result in the property taxes that are on par with other similar non-vacant properties.

12. Why impose fees instead of fines?

Currently, DHCA can impose fines of up to \$500 for code violations that are not addressed within 60-90 days. However, these fines are often contested in court where judges typically extend the deadline for repairs and reduce or eliminate the fines altogether. Fees address these issues because they are charged directly to the property owner for the services provided without the need for judicial intervention. Fees also speed up the process because they escalate with each additional inspection.

13. Will the county lose money if the property is purchased through a tax sale?

No, unlike other jurisdictions where the property and land values can be lower than the cost of demolishing or repairing the property, Montgomery County has a healthy real estate market where the land value can exceed the value of the property itself.

14. How will this affect custom home builders?

As long as the builder can show good faith efforts to sell the property or renovate, then the property will be exempted from the registry.

15. What impact do vacant property registries have?

The vacant property registry in Wilmington, DE, one of the most successful and most awarded in the country, had a 40% decrease in vacant properties two years after it was instituted.



ROCKVILLE, MARYLAND

MEMORANDUM

October 10, 2016

TO: Nancy Floreen, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Alexandre A. Espinosa, Director, Department of Finance

SUBJECT: FEIS for
Bill 38-16, Housing and Building Maintenance Standards – Foreclosed Property
Registration Penalty; and
Bill 39-16, Housing and Building Maintenance Standards – Registration of
Vacant Property

Please find attached the fiscal and economic impact statements for the above-referenced legislations.

JAH:fz

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Clarence J. Snuggs, Director, Department of Housing and Community Affairs
David Platt, Department of Finance
Dennis Hetman, Department of Finance
Pofen Salem, Office of Management and Budget
Naeem Mia, Office of Management and Budget

Fiscal Impact Statement
Bill 39-16
Housing and Building Maintenance Standards - Registration of Vacant Property

1. Legislative Summary

Bill 39-16 would require owners of certain unmaintained vacant buildings to register those vacant buildings with the Director of the Department of Housing and Community Affairs (DHCA); require owners of certain unmaintained vacant buildings to pay certain fees; require inspections for certain unmaintained vacant buildings; and generally amend County law on housing and building maintenance standards.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

DHCA estimates the number of vacant properties in the County is to reach approximately 600 to 700 units, and those vacant properties could fall into the definition of an "unmaintained vacant building". Bill 39-16 requires DHCA to establish and maintain a registry of those unmaintained vacant properties.

Bill 39-16 also requires, at a minimum, an initial inspection of each unmaintained vacant building each year. Currently, each DHCA code enforcement inspector can inspect approximately 700 unique units per year. To implement the proposed legislation, DHCA would require one additional Code Enforcement Inspector III position (Grade 23) to inspect those unmaintained vacant units. First year costs are estimated at \$132,508 for one new merit position and operating expenses (see below).

	FTE	FY17 Estimate
Personnel Cost (Code Enforcement Inspector III, Grade 23)	1.0	\$ 103,315
Operating Expenses --		
<i>One-Time (i.e., Vehicle, IT infrastructure)</i>		\$ 29,193
<i>On-going</i>		\$ 8,150
Total (for Year 1)		\$ 132,508

In addition, Bill 39-16 requires a new inspection fee to be set under Method 2 adoption. The fee would be charged for any subsequent inspection with a recommended graduated fee schedule similar to the False Alarm Fee Schedule. The following fee schedule is used for demonstration purposes only.

Inspection	Fee*
1st	\$ -
2nd	\$100
3rd	\$200
4th	\$300
5th	\$500
6th	\$750
7th	\$1,000
8th	\$1,500
9th	\$2,000
10th	\$2,500

Consistent with the False Alarm Fee Schedule, this schedule carries no fee to be charged on the initial inspection. The first re-inspection (second inspection) carries a fee of \$100. This fee was derived as follows:

- The average hourly total personnel cost (including fringe) for DHCA's Housing Code Inspectors is \$47.18.
- It is assumed that each inspection would take approximately two hours (including travel and inspection time), and the cost is estimated to be \$94.37. With modest overhead for gas, the first re-inspection fee could be set to recoup expenses at \$100.
- Reoccurring inspections would carry a progressively higher charge.

This bill is most applicable to non-multifamily properties. In FY15, DHCA performed 26,166 total inspections, of which 13,890 were multifamily inspections. The balance (12,276 inspections) were non-multifamily inspections. These 12,276 inspections were performed on 7,623 unique units; this equates to 61 percent of all non-multifamily units required re-inspection (see below).

Assuming there are 700 vacant properties requiring inspections and given a 61 percent re-inspection rate and a \$100 fee on initial re-inspections, Bill 39-16 would generate approximately \$42,700 in revenue from initial re-inspections. It is also reasonable to assume that a certain percentage of those units received initial re-inspections would require additional re-inspections. DHCA anticipates a nominal rate of 25 percent to be applied for second re-inspections. This second re-inspection would generate an additional \$21,400 in revenue which result in a total revenue of \$64,100 that is likely to be generated from this bill.

Actual Code Inspections - FY15				
Inspections	Multifamily	Single Family	Total	Inspections per Inspector
Total Inspections	13,890	12,276	26,166	1,308
Total Units Inspected	6,396	7,623	14,019	701
Required Inspections per unit		1.61		
Initial Re-Inspection Rate		0.61		
Revenue Estimate from Re-inspection				
		1st Re-inspection	2nd Re-inspection	Notes
Total Vacant Units Assumed	700			
Vacant Units Required Re-inspection		427	107	Rate assumed for 1st re-inspection=61%; for 2nd re-inspection=25%
Re-inspection Fee		\$100	\$200	
Total		\$42,727	\$21,364	Approximately \$64,100 could be generated from re-inspections

As Bill 39-16 requires annual inspections of all vacant properties, this fiscal impact statement assumes that the fee schedule resets each year, regardless of inspection history, the first re-inspection would be \$100. However, the actual fee schedule will be re-evaluated based on the final number of unmaintained vacant properties identified and registered by DHCA.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

The total six-year revenue or expenditure is estimated as below:

	FY17	FY18	FY19	FY20	FY21	FY22	Total
Revenue	64,100	64,100	64,100	64,100	64,100	64,100	384,600
Expenditure	132,508	111,465	111,465	111,465	111,465	111,465	689,834

Note: Personnel Cost does not include future wage increases.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not Applicable.

5. An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.

Not applicable.

6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not applicable; the proposed legislation does not authorize future spending.

7. An estimate of the staff time needed to implement the bill.

Bill 39-16 would require the inspections of an estimated 700 new units annually designated as unmaintained vacant properties. Currently, each code enforcement inspector inspects approximately 700 unique units. DHCA estimates the implementation of the proposed legislation would require one additional code inspector position as outlined in #2.

8. An explanation of how the addition of new staff responsibilities would affect other duties.

The responsibilities as described in Bill 39-16 cannot be absorbed within the current staff complement and would require an additional 1.0 FTE.

9. An estimate of costs when an additional appropriation is needed.

An additional appropriation of \$132,508 for a Code Inspector III position is needed in the first year of implementation.

10. A description of any variable that could affect revenue and cost estimates.

Bill 39-16 requires a new inspection fee to be set under Method 2 adoption. The fee would be charged for any subsequent inspection with a recommended graduated fee schedule similar to the False Alarm Fee Schedule. Rates on this new fee schedule may affect revenues.

11. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not applicable.

12. If a bill is likely to have no fiscal impact, why that is the case.

Not applicable.

13. Other fiscal impacts or comments.

Not applicable.

14. The following contributed to and concurred with this analysis:


Clarence Snuggs, DHCA

Tim Goetzinger, DHCA

Chris Anderson, DHCA

Dan, McHugh, DHCA

Pofen Salem, Office of Management and Budget



Jennifer A. Hughes, Director
Office of Management and Budget

10/10/16
Date

Economic Impact Statement
Bill 39-16, Housing and Building Maintenance Standards – Registration of Vacant Property

Background:

This legislation would:

- require owners of certain unmaintained vacant buildings to register those vacant buildings with the Director of the Department of Housing and Community Affairs (DHCA);
- require owners of certain unmaintained vacant buildings to pay certain fines; and
- require inspections for certain unmaintained vacant buildings.

1. The sources of information, assumptions, and methodologies used.

The source of information and data includes the DHCA. The Department of Finance did not develop assumptions or methodologies in the preparation of the economic impact statement. According to DHCA in its review of the memorandum dated September 20, 2016, from Councilmember Hucker to members of the County Council, DHCA states that “it is reasonable to estimate that there are 600 – 700 vacant units in the County. It is further reasonable that each vacant property could fall into the definition of an ‘unmaintained vacant property’”. Bill 39-16 would provide DHCA new authority to address the vacant properties.

2. A description of any variable that could affect the economic impact estimates.

The economic impact statement does not analyze the impact on the County’s economy attributed to vacant properties but the impact of providing new authority to DHCA. Therefore, there are no specific economic variables that could affect the County’s economy.

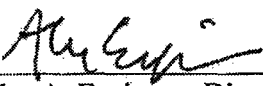
3. The Bill’s positive or negative effect, if any on employment, spending, savings, investment, incomes, and property values in the County.

Bill 39-16 provides new authority to DHCA to address vacant properties. Without specific data on the condition and market value for such properties, it is uncertain to estimate the impact on the County’s economy.

4. If a Bill is likely to have no economic impact, why is that the case?

Please see paragraph 3.

5. The following contributed to or concurred with this analysis: David Platt, Dennis Hetman, and Robert Hagedoorn, Finance.



Alexandre A. Espinosa, Director
Department of Finance

10/7/2016

Date

(20)

Mihill, Amanda

From: MCCouncil@App.MontgomeryCountyMD.gov
Sent: Tuesday, November 01, 2016 7:02 AM
To: county.council@mccouncilmd.lmhostediq.com
Subject: Bills 38-16 & 39-16. - Submitted By:Mrs Bernadine Karns - (Attn: All CMs, Council Webform)

<APP>CUSTOM
<PREFIX>Mrs</PREFIX>
<FIRST>Bernadine</FIRST>
<MIDDLE></MIDDLE>
<LAST>Karns</LAST>
<SUFFIX></SUFFIX>
<ADDR1>3005 Gazebo Court</ADDR1>
<ADDR2></ADDR2>
<CITY>Silver Spring</CITY>
<ZIP>20904</ZIP>
<EMAIL>jeff.karns@verizon.net</EMAIL>
<PHONE_H>3015728018</PHONE_H>
<SUBJECT>Bills 38-16 & 39-16. - Submitted By:Mrs Bernadine Karns - (Attn: All CMs, Council Webform)</SUBJECT>
<MSG>Good morning,

Bill 39-16, Housing and Building Maintenance Standards - Registration of Vacant Property and Bill 38-16, Housing and Building Maintenance Standards - Foreclosed Property Registration Penalty are crucial in keeping communities beautiful, desirable and safe. It is so hard to get any action from the owner, bank or whomever is responsible for the home. We need your help. Please vote yest to these two bills because we need somethings in place to help our communities. Both of these bills are a step in the right direction.

Thank you,

Bernie Karns, Calverton Citizens Association
3005 Gazebo Court
Silver Spring, MD
301-572-8018</MSG>
</APP>

Montgomery County Council Public Hearing
**Bill 38-16: Housing and Building Maintenance Standards –
Foreclosed Property Registration Penalty**
**Bill 39:16: Housing and Building Maintenance Standards –
Registration of Vacant Property**
Tuesday, November 1, 2016

Vicki Vergagni
President, Board of Directors and
On-Site Community Manager
Glen Waye Gardens Condominium

Bill 38-16: Opposed
Bill 39:16: Opposed

My name is Vicki Vergagni. I represent both myself and 214 master-metered condominium units in Glen Waye Gardens. My positions on the two aforementioned bills are based on 40+ years of owning and living in a condominium, 16 years of leading my community as the Board president and serving as its on-site manager, and five years of serving as a Commissioner on the County's CCOC – with two years as Vice Chair. **As the representative of my community and as an individual, we are opposed to the two aforementioned bills.**

Bill 38-16 that penalizes entities for failing to register in the State's Foreclosure Registry foreclosed properties that they have purchased is unclear.

- In one portion of the bills' documentation, the total penalty is \$1,000. This is inappropriate as transfer taxes average \$6,000 per property, so there is a net savings of \$5,000 if the property does not get registered and is simply transferred from a lender's foreclosure stock to a new individual owner.
- In another portion of the bill's documentation, the penalty is \$1,000 per day. This is draconian at best and would most likely ensnare individuals who are making their one-and-only purchase at a foreclosure sale.

Thus, we cannot support Bill 38-16.

Bill 39-16 that deals primarily with “vacant and abandoned buildings” (*i.e.*, single-family attached and detached homes) is great in concept since we all want to live in a neat and tidy neighborhood. However, once again proposed legislation denies to condominiums the County services for which condominium unit owners pay taxes but are excluded from receiving. According to Councilmember Hucker’s staff person, condominiums already have mechanisms with which to deal with these issues and because County employees do not have access to the units, condominiums have been given no additional thought with regard to the issue of “vacant and abandoned” – of which there have been and still may be several hundred in the County in the form of “zombie foreclosures”. Homeowner associations already have mechanisms with which to deal with “vacant and abandoned” issues, and County employees do not have access to those “vacant and abandoned buildings” beyond the yards. Does this mean that the County is going to limit its “drive-by” inspections to free-standing homes?

There are ways that the County can assist condominiums that have “vacant and abandoned units”. Why then, once again, is the County disregarding condominiums that are plagued with larger numbers of and greater debts associated with “vacant and abandoned” units than are single-family attached and detached homes? Clearly the issue is more complex in condominiums, but does that mean that this Council should ignore it?

Thus, we cannot support Bill 39-16.

Montgomery County prides itself on being an “inclusive” community, and to that end has created a myriad of commissions to deal with “protected” groups. There are commissions for the elderly, the disabled, the mentally challenged, veterans, women, minorities, etc. And clearly these are not the most financially well-heeled of our citizens. Yet, when it comes to housing, the County fails to consider time and again the type of housing these individuals can afford to buy: condominiums.

Condominiums in Montgomery County represent the “non-subsidized” affordable home-buying option. Yet these homes are taxed more often and at higher rates than single-family homes; they are not eligible to access many of the programs into which they mandatorily pay;

and they are charged with providing to the County free services that benefit only the County for information-gathering and revenue production. Condominiums continue to contribute more than their share while they continue to receive less than their share from those contributions. Yes, the homeowners in “protected” categories are being treated as “lesser taxpayers” by this County.

For those interested, I can provide a laundry list of such impositions on condominium owners and residents.

Why does it matter that condominiums are treated differently by this County?

1. Real people – not individuals deserving lesser treatment -- own and live in condominiums.
2. Condominium owners and residents typically are a member of one or more “protected” categories.
3. Condominium owners and residents most often have limited funds, with many being lower-income wage-earners.
4. Condominium owners and residents provide valuable basic services upon whom those with moderate and upper incomes must rely.
5. Many condominium communities are on the brink of financial bankruptcy.

To wit: the condominium in Prince George’s County that nearly lost its water/sewer services in 2014 and then was condemned for loss of its gas and electricity services this month (although the Courts recently restored them). Initially somewhere between 100 – 200 families were abandoned to the streets. That is a minimum of 300 – 600 people who now look primarily to local and then state and Federal government for assistance.

Does Montgomery County know the number of its condominiums that are in the same straits? No. But Montgomery County has collected a pile of money from such communities – money that now should be used to support the future of our communities. Start by using some of that money to hire a competent research firm to quantify the economic state of the most beleaguered of these communities, the older, master-metered communities, and identify the

sources of their financial instability. Based on that research, identify the “tipping point” at which a community becomes vulnerable to financial failure, and establish a process to secure timely and appropriate assistance for the community. Also organize a series of "solutions-focused" working groups with active/retired executive, legislative and judicial "COC experts" to explore the genesis of specific issues and brainstorm solutions to empower the communities.

As many of you are acutely aware, inattention to the plight of condominiums has resulted in their dramatically lowered property values that are not recovering at the rate of single-family homes, and thus long-term, reduced income to the County in the form of property taxes. Additionally, County tax dollars now are being spent to save older, master-metered condominiums on the verge of bankruptcy.

In spite of the foregoing, please note that these are not communities to be thrown onto the trash heap, nor are they communities to be “re-wound” into apartments. These are not communities to go down in the annals of history as a failed housing experiment. These are communities that reflect the failure of public policy makers who do not understand these communities and will not be bothered with their complexities.

Condominiums are communities that are a primary source of housing starts today. We must be more proactive in assuring that public policy catches up to the existing and yet-to-be-realized problems that have not been addressed to date. With appropriate public policy support, they can be a stable non-subsidized source of affordable housing for those homebuyers in protected categories.

What can you do as a Councilmember? Start today by taking seriously your commitment to homebuyers at all financial levels by righting this County’s past wrongs and by helping to assure that these communities can get – and keep -- their financial houses in good order. Charge each County agency with identifying the contacts it has with condominiums; require conversation, preferably with front-line community managers, with regard to those contacts; and identify better ways to deliver existing services as well as new services that are needed by these communities. Also assure that legislation that you are considering includes as stakeholders at the

beginning of the process the three different types of common ownership communities with differing needs -- HOAs, condominiums and cooperatives.

Thank you for your consideration as we work together to make Montgomery County a better place for all to live.

Mihill, Amanda

From: Sebastian Smoot <gheca@gheca.org>
Sent: Monday, October 31, 2016 11:18 AM
To: County.Council@montgomerycountymd.gov
Cc: Tom Hucker; George Leventhal; Marc Elrich; Nancy Floreen; Hans Riemer; Roger Berliner; Craig Rice; Sidney Katz; Nancy Navarro
Subject: Public Testimony: Bill 38-16 & Bill 39-16

Support Bills 38-16 & 39-16



GOOD HOPE ESTATES CIVIC ASSOCIATION

DEDICATED TO MAINTAINING AND IMPROVING THE QUALITY OF LIFE WITHIN OUR COMMUNITY

Dear County Council,

Please support Councilmember Hucker's Bills 38-16 & 39-16. Our neighborhood has had multiple foreclosures and vacant homes pull down our property values and make it difficult for people to sell adjacent homes. We support these bills because they would make our neighborhoods safer, more attractive, and more valuable.

There are currently four homes in our neighborhood with advertisements for pre-foreclosure auctions, and several more in the adjacent community of Peach Orchard Estates ([link](#)). We do not want these foreclosures to go vacant or unmaintained, and the proposed bills would help to address these issues.

For example, the property at 1500 Colesberg foreclosed in 2015 and was vacant for nearly a year. The grass was unmowed and the property deteriorated (fences and windows broken), which seriously affected the sales of the two adjacent homes (1424 and 1420 Colesberg): They sat on the market for over three months, much longer than most properties in our neighborhood, because nobody wanted to live on the same street as the eyesore vacancy. But once the vacant house was purchased and fixed up in May, the other homes sold just weeks after.

Many of the people selling homes in our neighborhood are seniors with limited incomes who suffered great financial losses during the recession. Nearby vacant homes and foreclosures can hinder their ability to gain fair market value for their homes, and require them to either settle for less or wait excessively until the time is right. By discouraging vacancies, these bills would help seniors sell their homes and allow them to retire comfortably.

Nearly every street in our community has been affected by foreclosures and vacant homes. There is a house 100 yards from me that is vacant and was recently cited by DHCA for not mowing the lawn (see below). We want the out-of-town owners

to maintain their property without us having to remind them, but the existing penalties for lack of maintenance are inadequate to compel them to do the right thing.

On behalf of the residents of Good Hope Estates, I compel *you* to do the right thing and vote in favor of Bills 38-16 & 39-16.

DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
DIVISION OF HOUSING & CODE ENFORCEMENT
100 Maryland Avenue, Room 250
Baltimore, Maryland 21201

NOTICE OF VIOLATION/SEVERE CONDITIONS

Case Number: 1321 Date: 8/24/16

Owner's Name: Constance Sullivan, Inc. Premise Address: 15417 Vantage St

Owner's Address: 100 Community St

City/State/Zip: Crofton, MD 21114

On Montgomery County, Maryland, the undersigned being duly sworn upon oath, states that on the 24 day of Aug, 2016, on inspection of the above referenced property, found the following severe violation(s) of Chapter 24 of the Montgomery County Code, which affect neighboring properties, the health or safety of the occupants, or the public peace, nuisance, pursuant to Section 24-12, require(s) immediate action:

Violations to be noted or noted items to include:

1. Overgrown and Unmaintained Yard

2. Overgrown and Unmaintained Front Yard

3. Overgrown and Unmaintained Back Yard

4. Overgrown and Unmaintained Side Yard

5. Overgrown and Unmaintained Driveway

6. Overgrown and Unmaintained Parking Area

7. Overgrown and Unmaintained Walkway

8. Overgrown and Unmaintained Fence

9. Overgrown and Unmaintained Gate

10. Overgrown and Unmaintained Screen

11. Overgrown and Unmaintained Wall

12. Overgrown and Unmaintained Roof

13. Overgrown and Unmaintained Foundation

14. Overgrown and Unmaintained Siding

15. Overgrown and Unmaintained Windows

16. Overgrown and Unmaintained Doors

17. Overgrown and Unmaintained Stairs

18. Overgrown and Unmaintained Balcony

19. Overgrown and Unmaintained Deck

20. Overgrown and Unmaintained Porch

21. Overgrown and Unmaintained Terrace

22. Overgrown and Unmaintained Patio

23. Overgrown and Unmaintained Lawn

24. Overgrown and Unmaintained Garden

25. Overgrown and Unmaintained Trees

26. Overgrown and Unmaintained Shrubs

27. Overgrown and Unmaintained Flowers

28. Overgrown and Unmaintained Plants

29. Overgrown and Unmaintained Foliage

30. Overgrown and Unmaintained Grass

31. Overgrown and Unmaintained Weeds

32. Overgrown and Unmaintained Moss

33. Overgrown and Unmaintained Lichen

34. Overgrown and Unmaintained Algae

35. Overgrown and Unmaintained Fungi

36. Overgrown and Unmaintained Bacteria

37. Overgrown and Unmaintained Viruses

38. Overgrown and Unmaintained Parasites

39. Overgrown and Unmaintained Insects

40. Overgrown and Unmaintained Animals

41. Overgrown and Unmaintained Birds

42. Overgrown and Unmaintained Fish

43. Overgrown and Unmaintained Reptiles

44. Overgrown and Unmaintained Amphibians

45. Overgrown and Unmaintained Mammals

46. Overgrown and Unmaintained Monkeys

47. Overgrown and Unmaintained Apes

48. Overgrown and Unmaintained Humans

49. Overgrown and Unmaintained Aliens

50. Overgrown and Unmaintained Gods

51. Overgrown and Unmaintained Demons

52. Overgrown and Unmaintained Angels

53. Overgrown and Unmaintained Saints

54. Overgrown and Unmaintained Sinners

55. Overgrown and Unmaintained Heroes

56. Overgrown and Unmaintained Villains

57. Overgrown and Unmaintained Knights

58. Overgrown and Unmaintained Wizards

59. Overgrown and Unmaintained Sorcerers

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99. Overgrown and Unmaintained Sorcerers

100. Overgrown and Unmaintained Wizards

Thank you for your time and consideration. Please do not hesitate to call or email me with any questions.

Sincerely,

--Sebastian

Sebastian Smoot
President, GHECA

1200 Rainbow Drive
Silver Spring MD 20905-4134
Montgomery County District 5
email gheca@gheca.org
cell: 240-308-1006

website | facebook | nextdoor



TESTIMONY OF *THE GREATER CAPITAL AREA ASSOCIATION OF REALTORS®*
BEFORE THE MONTGOMERY COUNTY COUNCIL ON
Bill 38-16, "*Housing and Building Maintenance Standards - Foreclosed Property Registration
Penalty*"

Position: Support

Bill 39-16, "*Housing and Building Maintenance Standards - Registration of Vacant Property*"
Position: Support

November 1, 2016

Council President Floreen and members of the County Council, my name is Richard Stoner and I am the 2016 Chair of the Greater Capital Area Association of REALTORS® ("GCAAR") Public Policy Committee. GCAAR is the voice of Montgomery County and the District of Columbia's over 10,000 REALTORS®, property managers, and other real estate professionals. GCAAR is also a voice for many homeowners throughout the entire DC metro region on important property rights and land use issues.

On behalf of GCAAR, this testimony is to voice our support of both the "*Foreclosed Property Registration Penalty*" and "*Registration of Vacant Property*" Bills. We believe both bills are practical and reasonable ways to address concerns in the housing community, while maintaining fair protections for property owners.

First, with regards to the "*Foreclosed Property Registration Penalty*" Bill, GCAAR recognizes the serious problem certain communities continue to have with foreclosures. Such delinquencies may put the financial livelihood of entire communities at risk, and warrant attention from lawmakers. GCAAR commends the Council's effort to protect the County's homeowners' to strengthen the foreclosure registry requirement.

As it stands, the foreclosure registry requirement serves as a way to identify who is holding the foreclosed property. In Homeowners and Condo Associations, for example, far too often outstanding fees pile up to an amount that could very well exceed any net proceeds that could be paid to the Association on resale. The uncollected revenue from the delinquent unit is a burden on not just the Associations, but to the owners who are paying. If the Associations aren't well capitalized and can't access reserve funds, then owners face special assessments to make up budget shortfalls.

Bill 38-16 would directly aid the County's many common ownership communities go after the units that are delinquent in payments by strengthening the requirement for the owner of the now foreclosed unit to come forward. Knowing who these owners are will ultimately help with the collection of fees and maintenance of these units until the next owner takes over.

For those foreclosed properties not within a common ownership community, the Bill's increased requirements may move these properties into more productive uses sooner and allow more people the opportunity to become County homeowners. In the long term, keeping our housing market solvent and moving will help the financial health of the County. Not only may we expect to see increased property tax revenues, but homeowners bring a multitude of investments into our neighborhoods such civic engagement, local business support and community development endeavors.

Next, GCAAR also supports the "*Vacant Property Registration*" Bill as written. GCAAR understands the concerns residents may have with unmaintained vacant properties due to safety and health concerns, as well as increased risk of crime. As real estate professionals directly working in the buying and selling of properties, we understand first-hand the relationship an unmaintained vacant property can have with the surrounding properties.

For example, even if you have a home with a multitude of positive attributes, potential purchasers may still have concerns if there is a clearly blighted property next door. In the long-term, this can have a negative impact of the value of real estate, which is only now starting to make a steadier recovery.

GCAAR sees that the “*Vacant Property Registration*” Bill is focused on keeping a more accurate account of unmaintained vacant properties. Many of our members either own or manage properties for family and clients who live elsewhere at different times of the year. These properties, while vacant, are well maintained and definitely not blighted.

The Bill’s distinction between properties which are merely unoccupied and those which are a blight to the community specifically accounts for our one of GCAAR’s primary concerns; keeping the legislation focused on addressed those properties with are vacant and unmaintained, as opposed to well-meaning homeowners who may spend time in away from home for a few months at a time.

Overall, GCAAR encourages the Council to move both the “*Foreclosed Property Registration Penalty*” and “*Registration of Vacant Property*” Bills for the benefit of the entire housing community.

We sincerely thank the introducer of the legislation, Councilmember Hucker for engaging our organization in discussions about the Bills throughout his extensive research process and believe his outreach efforts have ultimately lead to strong legislative measures. As always, we thank the entire Council for consideration of our Association’s perspective on these very important issues.

Hillandale Citizens Association, Inc.

Montgomery County Bills 38-16 & 39-16

Penalty for Not Registering Foreclosed Properties & Listing Vacant Properties

The Executive Committee of the Hillandale Citizens Association supports Councilmember Hucker's two bills crafted to improve the Department of Housing and Community Affairs (DHCA) management of vacant properties. We ask that Council also consider the following:

- Add a time requirement for final registration with the State Foreclosure Registry
- Add a provision to have DHCA list designated unmaintained, vacant properties on their web site, as they do condemned properties
- Remove the two-year grace period for listing properties in foreclosure action from the unmaintained, vacant property designation

Bill 38-16 --- Enacting the State's Foreclosure Registry Penalty Provision in MoCo

Requiring the purchaser of a foreclosed property to promptly report their purchase to the state's foreclosed property database will improve DHCA's ability to identify responsible parties. Imposing a \$1,000 fine will encourage buyers to act quickly and acknowledge their ownership with the *initial* registration.

Unfortunately, the bill stops short of requiring the *final* registration and actual deed transfer be done quickly following the court's ratification of a foreclosure sale. Please make this a requirement.

Bill 39-16 — New Blight-Reduction Tool: Unmaintained Vacant Residential Property List

Establishing and implementing a MoCo *unmaintained vacant residential property* list with an annual inspection requirement and fees will help DHCA to address all types of abandoned properties that drag down a neighborhood. Since many of these properties will not have voluntary registration, it is imperative that DHCA aggressively uses the authority provided in this bill to add qualifying properties to the list. Furthermore, having inspection fees escalate within the service request/complaint system may encourage absentee owners to consider selling or renovating the home. We ask that this list be published on DHCA's web site.

Unfortunately, the more critical vacant, abandoned, unmaintained homes in Hillandale have been lengthy, stalled, or unprosecuted foreclosures. These have not been contested foreclosures for the most part. Some cases have been dismissed due to inactivity, then restarted or refiled. With this experience, the 24-month grace provision in the legislation is too lenient. All vacant and unmaintained homes should be treated equally based on the condition of the property. These properties need to be inspected, with registration charges and fees being added to the tax bill. Mortgage companies routinely pay the tax bills to avoid the possibility of a tax sale. Please remember that the negative impact of these homes on surrounding properties is significant and action must not be delayed.

We also encourage Council to review with DHCA the Department's policies regarding their existing powers to enforce housing code standards, including their ultimate tool, requiring a property owner to "repair or remove" a deteriorated, vacant dwelling through the District Court process. Several years ago, this approach was used in Hillandale with two successful

outcomes. One home was sold and renovated while another was demolished. This is a tool in their tool box that needs to be carefully used when necessary.

Thank you for considering our input as Council reviews and adopts Bills 38-16 and 39-16.

Margie Goergen-Rood, President
Eileen Finnegan, Zoning and Planning

1

Bill 39-16 Housing and Building Maintenance Standards – Registration of Vacant Property
Testimony by Ann Barbagallo, Co-Chair
Justice and Advocacy Council of Montgomery County
Archdiocese of Washington

My name is Ann Barbagallo. I am here speaking on behalf of the Justice and Advocacy Council of Montgomery County, an official voice of the Archdiocese of Washington, whose mission is to advocate on behalf of the poor and vulnerable in Montgomery County. I appreciate the opportunity to testify regarding the Bill 39-16 Housing and Building Maintenance Standards – Registration of Vacant Property.

Catholic Social Teaching proclaims that human life is sacred and that the dignity of the human person is the foundation of a moral vision for society. We believe that every person has a right to those things required for human dignity. A basic moral test is how our most vulnerable members are faring and how well we are fulfilling our responsibility to put the needs of the poor and vulnerable first.

We commend Council Member Hucker and all of his colleagues who support Bill 39-16. Montgomery County is one of the most affluent counties in the United States, but not all of its residents qualify for five hundred thousand, seven hundred thousand or million dollar homes. There is a real shortage of affordable housing. At the same time, there are scores of moderately priced, vacant homes in our county that could help fill that need if they were offered for sale. Many of us have observed vacant homes that are often left unattended for months, even years. In my own community of Damascus, on Route 27 – the main road through town, there have been at least three homes vacant for months, in some cases years. One house is just five doors away from Damascus High School and another is doors away from Cedar Grove Elementary School. Their overgrown yards and lack of maintenance create a public eyesore, their close proximity to schools presents an added danger, and their lack of use is a lost resource. I am happy to report that one house was rehabilitated this summer, went on the market in September, and according to the sign had a contract in about two weeks! That is a clear sign that there is an eager desire for affordable homes.

We welcome actions the County Council can take to make more affordable housing available to our residents.

Thank you for the opportunity to speak to you today.

TESTIMONY OF LARRY CAFRITZ

BEFORE THE

MONTGOMERY COUNTY COUNCIL

BILL 39-16 – HOUSING AND BUILDING MAINTENANCE STANDARDS – REGISTRATION
OF VACANT PROPERTY

Good Evening. I am Larry Cafritz, owner and President of Cafritz Builders and Chairman of the Custom/Small Builders Council of Maryland Building Industry Association, testifying in support of Bill 39-16, subject to certain revisions being made to Article II, Section 26-20, dealing with Applicability and/or Exemptions and specifically paragraph (b) under 26-20. We appreciate the safety concerns raised by the Bill's sponsor about problems created by unmaintained vacant properties and the potential impact on a neighborhood's property values, and we applaud his efforts to address this issue.

We do however believe that additional modifications need to be made to the proposed bill to ensure that vacant properties owned by home builders, developers or their clients, or in the process of sale by or to a homebuilder, developer or client, are fully exempted from the requirements of this proposed legislation. As currently written the bill proposes (Section 26-20 (b)) that the registration requirements would not apply to properties under some form of active construction and provides a 12-month time frame. This language is insufficient and does not adequately address all the circumstances under which a vacant property owned by a home builder, developer or client, or under sales contract by or to a home builder, developer or client, should be exempted from the registration and fee requirement. The bill also needs to address properties that are planned for demolition within 18-24 months of transfer, sale or vacancy of the property, and/or under active pursuit of utility disconnects for razing, active

Page 2

application for subdivision or zoning approval. Additionally, on Page 6, Line 108 of Bill No.39-16, the word “unmaintained” should be inserted before the word “vacant” to further ensure exemption of property owned by or for sale by a homebuilder, developer or client.

You have heard from me and other builders on many occasions about the lengthy and expensive process we must go through to obtain development and building approvals and permits. This is true whether it is a subdivision of multiple houses, or a single lot infill house. It literally takes months and I urge you not to add yet another regulatory action (and fee) to the existing process.

I have attached to my testimony a copy of proposed language that revises Article II, Section 26-20, Items a) through e).

Thank you for your consideration of our concerns.

Laurence Cafritz

Laurence Cafritz Builders

7520 Hampden Lane

Bethesda, MD 20814

Attachment to Testimony by Larry Cafritz on 11.1.16

**BILL 39-16 – HOUSING AND BUILDING MAINTENANCE STANDARDS –
REGISTRATION OF VACANT PROPERTY**

NEW PROPOSED LANGUAGE IN BOLD for

Section 26-20. Applicability.

This Article does not apply to any real property that is

a) owned by :

1. The government of the United States or its instrumentalities;
2. The State of Maryland or its instrumentalities; or
3. A foreign government or its instrumentalities;

b) under active construction or undergoing active rehabilitation, renovation, or repair, **OR under** a building permit to make the building fit for occupancy; **or** ~~that was issued, renewed or extended within 12 months of the registration date;~~

c) **planned for demolition within 18-24 months of transfer, sale or vacancy of the property; or**

d) **under active pursuit of utility disconnects for razing, active application for subdivision or zoning approval, or under active pursuit or issuance of a demolition, building or other related permit; or**

~~e-e)~~ for a period not to exceed 24 months, the subject of a probate proceeding or the title is the subject of litigation, including a foreclosure proceeding; or

~~d f)~~ maintained as required by Chapter 26, Article 1.



12200 Tech Road, Suite 250, Silver Spring, Maryland 20904-1983 Phone: 301-622-2400 Fax: 301-622-2800 www.MHPartners.org

November 1, 2016

The Honorable Nancy Floreen
President, Montgomery County Council
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Dear Council President Floreen:

On behalf of Montgomery Housing Partnership (MHP), please allow me to take this opportunity to express my support for Bills 38-16 Foreclosed Property Registration Penalty and 39-16 Registration of Vacant Property.

These Bills both aim to strengthen the integrity of our neighborhoods, and are critical to supporting our communities through the continuing impacts of the housing market crash. The foreclosure crisis continues to have a visual and detrimental impact on many neighborhoods throughout Montgomery County. As of August 2016, the County was still seeing one foreclosure for every 1,347 housing units, with the hottest spot in Barnesville, with a rate of one in every 89 units. From an economic standpoint, the median sales price of foreclosed properties is 33 percent lower than non-foreclosed homes (RealtyTrac).

In 2012, the Maryland State Legislature enacted a law to develop the State's Foreclosure Registry. The intent of the registry was to provide local jurisdictions with up-to-date information on ownership once the foreclosure process has begun and before the deed has been filed. This period when the ownership is in limbo often leads to property neglect and disinvestment. However, without a clear understanding of the current ownership, it is extremely difficult for the County to enforce housing code and safety regulations. Use of the Foreclosure Registry provides the County with the contact information for the responsible entity during this period. However, many of the lenders initiating the foreclosures fail to register. It is up to each local jurisdiction to enact enabling legislation to fine those not in compliance, and to-date Montgomery County has not done this. Bill 38-16 would rectify this enforcement loophole, and enable Montgomery County to enforce compliance with the Foreclosure Registry.

These issues around the failure to register foreclosures especially impacts the condominium community, MHP has been working with a broad base of stakeholders in the condo community to address their growing needs as this is one area of the County housing market that is still impacted from the downturn in the economy. The failure of banks to register their foreclosures and start paying condo fees can have a

serious, detrimental impact on a condo community's viability. We encourage the Council to pass this Bill and hold the lenders accountable for complying with State law.

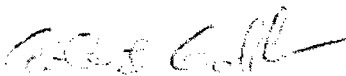
Additionally, we encourage your support of Bill 39-16 to create a vacant property registry for Montgomery County. In the various communities throughout the County that MHP supports, we consistently hear from community members about the vacant properties that are plaguing their neighborhoods. They lack appropriate maintenance, are a drain on area resale prices, and can foster criminal activity. The registry will provide the County with an additional tool to monitor and hold owners accountable for the appearance and safety of their properties. The Bill appropriately provides leeway for those that are trying to sell their home, or work through the intricacies of closing out an estate. However, it is time we start holding negligent owners accountable for the impacts their properties are having on the neighborhood at large. The fees proposed should serve as an appropriate incentive for the owner to re-occupy the unit through a sale, rental, or personal occupancy. Additionally, the regular inspections will ensure at least a minimal level of safety and visual appearance, working to minimize the impact on the surrounding homes.

However, we do want to make sure that Bill 39-16 as written, includes all residential dwelling units, including multi-family. As we noted earlier, the condo market is still struggling to rebound after the housing crisis, and this bill is critical to that sector of the market. In that regard, we would suggest examining the list of factors for consideration of vacancy to include those that may pertain to common ownership communities. For example failure to pay assessments can be a sign of the owner no longer occupying the unit.

We thank Councilmember Hucker, and the many Councilmembers who have already signed on to support one, or both, of these bills, and protect Montgomery County neighborhoods.

I welcome the opportunity to discuss these thoughts with you further. Please feel free to reach me at rgoldman@mhpartners.org or 301-812-4114.

Sincerely,



Robert A. Goldman, ESQ.
President



MONTGOMERY VILLAGE FOUNDATION, INC.

10120 APPLE RIDGE ROAD
MONTGOMERY VILLAGE, MARYLAND 20886-1000

(301) 948-0110 FAX (301) 990-7071 www.montgomeryvillage.com

October 28, 2016

The Honorable Nancy Floreen, President
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Re: Bill 38-16; Bill 39-16

Dear Ms. Floreen and Council Members:

I am writing on behalf of the Montgomery Village Foundation Board of Directors to comment regarding the above-referenced bills.

MVF supports both of these bills and hopes that they will add incrementally to the measures that the County can use to reduce the impact of deteriorating and vacant homes in County neighborhoods.

During the years since the sub-prime lending crisis in 2008 led to a depressed housing market, Montgomery County neighborhoods have experienced a significant increase in vacant and un-maintained properties as the result of defaults on mortgages. The condition of these properties frustrates neighbors during the uncertain period of time when lenders are deciding whether to foreclose or not. The additional time required for the Courts to plod through the many steps in the foreclosure suits that actually do reach the Courts only adds to the frustration.

Although a defaulting property owner remains the legal owner during this lengthy process, owners often move out of their homes at the bank's request, and mistakenly believe their obligations have ended. If an owner can eventually be located, courts do usually impose liability for unpaid HOA assessments, but abandoning a property often leaves a homeowners association and the County without a party who will take concrete steps to maintain a property.

In MVF's experience, after identifying a responsible party, it takes cooperation from the HOA and the County to see improvements to housing and property code violations on a property. For example, MVF does not have the authority to repair buildings and charge the costs to an owner, but the County does. MVF can add to the process through direct appeals to owners and by applying to the courts for injunctions to enforce architectural standards on deteriorated properties. HOAs can enforce covenant violations, including property maintenance; however, enforcement authority is weaker than that of the County. Even working together, it takes diligent persistence to achieve modest results. Although the County Code allows significant fines for repeated housing code violations, the Courts seem reluctant to impose them.

Instead, more often, a generous compliance schedule is established, and this may require several additional inspections and court dates before it achieves results. Oftentimes, neighbors are dissatisfied with the County's enforcement efforts because they do not believe they go far enough to correct all the violations on a property. For instance, the County may go onto a property to board up broken windows or to secure a door, but will not cut grass, remove excessive debris from yards, fix downed gutters, etc. The Department of Housing Affairs (DHCA) uses their authority to secure properties, but in our opinion, could go further to address property maintenance violations on neighborhood properties.

Although these bills seek to impose financial incentives on owners outside of the judicial enforcement of the housing code, our opinion is that realistically, the financial coercion these bills rely on will not make the hundreds of vacant deteriorating properties in the County disappear. This is because the owners of many of these properties simply don't have the money to maintain them, or to pay additional inspection fees and fines. So even if inspection fees are added onto a tax bill, there will be no improvement to many of these properties until after they proceed through the tax sale or foreclosure process as noted above.

In sum, MVF is supporting these bills to add to DHCA's tool chest of enforcement. However, we trust that the Council, DHCA and the courts will continue to work together to utilize State and County codes to significantly reduce vacant and unmaintained properties in our neighborhoods.

Thank you for considering these concerns in your review of Bill 38-16 and Bill 39-16.

Sincerely,



Peter C. Young, President
MVF Board of Directors

cc: County Council Members
MVF Board of Directors
Dave Humpton, Executive Vice President
Christopher Hitchens, General Counsel

Woody Brosnan

Representing PREZCO, the Presidents' Council of Silver Spring Civic Associations

Re: Bill 39-16

Honorable Councilmembers,

When a home is in a rundown condition it negatively impacts the value of nearby homes and how people view their neighborhood.

Many years ago we had a gentleman on my block who didn't mow his grass and didn't fix the holes on his porch screen and generally did not maintain his property. I was so annoyed I thought about reporting this to the county, but then I read some of the rather inflammatory bumper stickers on his beat-up van and allowed discretion to become the better part of valor. Eventually the man died, and fortunately the house was quickly fixed up and flipped.

But that doesn't happen everywhere. Sometimes there are foreclosures where a house can be on the market for a long time. In these circumstances the county should ensure that the bank or other lender is maintaining a property so that it not become an eyesore in the neighborhood.

One more point: Twice I have taken out home equity loans to remodel our house. On both occasions the appraiser used recent home sales to help determine his assessment. If you have a house in terrible condition, its sale can impact the value of other homes in the neighborhood.

This bill is supported by civic associations representing the Indian Springs, Long Branch, Lyttonsville, North Four Corners, North Hills of Sligo, North Woodside, Park Hills, Rosemary Hills, Seven Oaks-Evanswood, Woodmoor-Pinecrest, Woodside, Woodside Forest and Woodside Park neighborhoods.

9101 Louis Avenue, Silver Spring, Md. 20910

301-588-0025

woodybrosnan@verizon.net

FROM LIS

David Evans 13005 Gershwin Way, Silver Spring, MD 20904 (301) 890-1385

Testimony of David Evans: IN SUPPORT OF Bill 39-16, Housing and Building
Maintenance Standards - Registration of Vacant Property Before the Montgomery
County Counsel November 1, 2016

Thank you for the opportunity to address the board in regards to the problem of vacant properties in our neighborhoods.

I am a lifelong resident of Montgomery County and moved into the Silver Spring community of Tanglewood thirty-three years ago where my wife and I reside today.

For over ten years we have been forced to tolerate a boarded up vacant home located at 3017 Schubert Drive which has affected our property values. Sometime in the future should we decide to relocate we could find it difficult sell our home for a reasonable price if something isn't done about this eye sore.

When this property was left vacant people illegally entered the home and found that if they used an extension cord and a power outlet from the deck of a neighboring home that it was the ideal party house. I believe the resident next store discovered the extension cord usage once their Pepco bill showed an increase. The police were called and the home was boarded up. I'm not sure if this action was initiated by the owner or Montgomery County.

Over the years I have contacted the county several times about lawn maintenance issues and the county has promptly issued citations and have had the grass cut and bushes trimmed. There was also a portion of a deteriorating fence that was removed because of safety issues.

I believe the person who owns this property lives outside of the US and has never attempted to rent or sell the property. I'm also certain that no one has entered this home for an inspection or for any other reason in the last ten years.

I have to believe that this kind of problem must exist in other neighborhoods throughout the county. In my opinion the county should have the power to seize a home or take appropriate action after a reasonable amount of time for a neglected or abandoned property. It's only fair to the other residents in the neighborhood.

Thank you for your consideration.

Mihill, Amanda

From: Joan Flaherty <flahertyj54@gmail.com>
Sent: Wednesday, September 28, 2016 8:15 PM
To: County.Council@montgomerycountymd.gov
Subject: Vacant dilapidated housing in Montgomery County

Dear Council Members,

I favor bills that would put a stop to neglected and blighted houses/buildings in Montgomery County and require owners of single-family residential housing and buildings to maintain their properties. Why do I favor this? I lived next store to a single-family house that was in disrepair and neglected for years. After a terrible storm, a tree fell on this house and it was declared unfit for human habitation by the firefighters. The renters moved out and the landlord did nothing for two years. It was not only a danger to the neighborhood but may have led to decreased property values. Fortunately, the house was purchased by a small businessman who improved and transformed the property into a very nice home and sold it.

Thanks for considering my views on this matter.

Sincerely,

Joan Flaherty
240-353-4962

Mihill, Amanda

From: Charlie Garlow <charliegarlow350@gmail.com>
Sent: Tuesday, September 27, 2016 11:26 AM
To: County.Council@montgomerycountymd.gov
Subject: Vacant dilapidated housing in Moco

Dear council members

I favor those bills that would require owners of buildings that are vacant and dilapidated to clean up their act!!

We need these houses on the market to make available more moderate priced housing. We also need to clean up the blight.

Sincerely

Charlie Garlow

9929 Woodburn Rd

Silver Spring MD 20901

Sent from my iPhone

Mihill, Amanda

From: Lauren Grant <laureng919@gmail.com>
Sent: Tuesday, September 27, 2016 11:06 AM
To: County.Council@montgomerycountymd.gov
Subject: Re: Neglected and foreclosed homes

Hi,
I just want to say that I support Tom Hucker's two bills. I can only imagine how frustrating it is for homeowners who live next to or near distressed properties and cannot do anything to resolve the situation. Should these bills pass, at least there is some chance that the homes become occupied or at least properly maintained sooner rather than later.
Lauren G
Silver Spring, MD

Speaker: Becky Lavash
112 East Schuyler Road
Silver Spring MD 20901

November 1, 2016

Bill 39-16, Housing and Building Maintenance Standards - Registration of Vacant Property

and

Bill 38-16, Housing and Building Maintenance Standards - Foreclosed Property Registration Penalty

Comments:

When I heard about these bills related to vacant homes, I reached out to my neighbors on our listserv to ask for addresses of vacant homes in our community. Within an hour I learned about 8 houses in my Community and I heard about the terrible problems the other residents are experiencing. Some of my neighbors are here tonight to talk about one of these 8 houses but others could not attend. I am here to speak for them.

These vacant houses are easy to identify. As I read the emails describing the houses I realized that could recall most of them from my own walks in the neighborhood. But I didn't know all the details. A few years ago at the height of the foreclosure peak, I struggled with neighbors to mow the lawn of a neglected house that was prominently located on Flower Avenue in our neighborhood. But none of us was properly equipped for (nor should we be expected to be) to take on this task. It took us hours and we were concerned we would be in a precarious legal position if anything happened.

I have compiled a list of the houses I learned about to the end of my testimony so you can refer to it later. I will share a few of the descriptions now so everyone can hear it.

These vacant houses are easy to spot. Grass and weeds grow tall and go to seed, bushes are not trimmed, tree branches grow into the sidewalk, die and fall unattended. Rats and raccoons move into the houses and the yards, trees grow into gutters and gutters fall off the house, often blocking doors and windows, making the abandonment obvious. The weeds spread unchecked. Pipes freeze, paint chips and peels, wood rots and holes open that allow squirrels, raccoons, rats, and children inside. Dark windows indicate the abandonment, and the houses visibly deteriorate. Mosquitos breed by the million in unattended pools, buckets, and wheelbarrows.

Our neighbors have to live next door to these neglected buildings and compensate for the neglect. They have to clean up the weeds, vines, and branches, that spread into their yards and keep the rats out of their trash cans. They check the houses to try to see if squatters have moved in, install bright lights pointed at the houses to try and keep squatters away. And they have to call County enforcement, time and again, to try to get some attention and correction for the neglect.

Some of these houses are in long term probate with disinterested and unresponsive owners. Some are in foreclosure with banks that are not equipped or interested in addressing these maintenance issues. Some are abandoned by owners who can not cope with home ownership. In all cases the houses fall into disrepair, lose value, and blight our community.

It takes a long time for the county to get around to inspecting the property, contacting the owner, and then for action to occur to address even the lawn mowing issues. It is clear the current system and level of fines is not working to resolve these problems. Higher fines and more rigorous actions are needed. The houses listed here are proof of the failure of the current laws.

These houses are long term topics on the neighborhood listserv and the problem lingers on for years. They drive down property prices and make the residents' lives more complicated. And unhappy.

Please pass meaningful legislation to better manage these neglected properties and make our neighborhoods a better place. Perhaps significant daily fines will provide the motivation needed to get these neglected homes occupied again.

Following is a list of troubled homes and the problems they cause in our community. It is not a complete list.

9206 Wendell Street.	Longtime owners and longtime neighbors. She developed dementia and they moved to be closer to their son in Frederick MD. Someone comes occasionally and uses a weed-wacker to cut the grass. It's not the best look. The grass has been at least 10 inches high on something of a regular basis. The neighbors have talked about taking up a collection to have the lawn maintained. I paid for the last mowing. There should only be a need for one more mowing this season. But the leaves are coming down and no one is raking them and it is unsightly. I wouldn't want the full weight of the county government to fall on them because they are longtime neighbors. I will probably pay to have the leaves raked before the November leaf collection and for the grass to then be mowed a final time this season. For your purposes, please note that the house is vacant and fully furnished with minimal upkeep of the grounds and the neighbors pitching in.
9303 Bradford Road	<p>You can see, when you pass by, that no one is caring for the place. This home has been empty and abandoned for more than 12 years. The owner has a hoarding problem and is unable to cope with the property. Gas and electric are shut off. The owners son is estranged. The house is condemned.</p> <p>Plants are growing in the gutters, the roof is decaying, the siding is coming off. Someone has been having the grass cut during the summer. Neighbors report that the backyard is an overgrown mess and they have put flower pots along the driveway to try to make it look a little cared for, but it is quite a mess. The county has finally boarded up windows and doors but electric connections to the house are corroded and gas leaks from the line leading to the house have occurred.</p> <p>The homeowner has let all insurance lapse. When a branch fell from a neglected tree and pierced the neighbor's roof, they learned that the owner of the Bradford Rd house had no insurance. So the victims had to cover all costs themselves even</p>

	<p>though they had warned the Bradford owner of the rotting tree.</p> <p>One neighbor is so fearful they have installed a bright spotlight that shines onto the abandoned property and adjoining neighbors.</p> <p>Animals get into the house through large holes in the side. For months a window air conditioning unit was hanging dangerously from a window.</p> <p>But I noticed in the spring a trash can full of water, which I dumped over, not easy. I didn't want Mosquitos to breed in the stagnant water. Then later in the summer I found it was full of water again, dumped it out also. But I don't live close by, I just walk by it occasionally. So this is a health issue.</p> <p>This property is owned by Martha McClendon.</p> <p>Lauren Cary was the last housing inspector of record, 240.777.3698.</p>
9208 Flower Avenue.	<p>We live diagonally behind that house and have been having problems with it for years.</p> <p>There doesn't seem to be anyone living there consistently. My husband and I peer into the windows occasionally when we walk by, but the inside looks pretty empty. And the backyard is a disaster.</p> <p>Among other things, that means the swimming pool is not cared for, and mosquitoes breed there like crazy. We basically can't use our yard at all during the warmer months. And we've had contractors come to do work who've told us that they've never seen such a mosquito swarm in any place they've ever worked. We've reported this to the county, but apparently there's nothing they can do but issue warnings—which have no effect because no one is really living in the house.</p> <p>Also, there's a very scary tree growing in the backyard. It's huge, and it has quite a lean, and I'm afraid it's going to come down in a storm and fall right on our house!</p> <p>Owner's address listed as Leavenworth KS</p>
12 Hamilton Rd	Rental property that is unrentable because of code issues.
3 E Hamilton	<p>Has been vacant for almost 2 years, but the owner does cut the grass at least. Gutters have been down and across the front door all summer. The roof is visibly rotting. The backyard is a mess. Not listed as primary residence.</p> <p>Owner listed as Glen Echo MD</p>
9201 Wire Ave	<p>There is a lack of yard maintenance and rare lawn mowing. Others report raccoons, etc in the attic. Abandoned car in the driveway.</p> <p>Since 2005 - owner address listed as Minnesota</p>

300 East Schuyler	<p>Vacant more than 10 years. Fence is down, deer living in backyard. Numerous calls about windows open in house. Rodents, lawn frequently not mowed. Owner not motivated to make any changes. Zillow rates as \$400K plus house, largely due to corner lot size. Paint peeling, rodents, freezing pipes, condemnation notices.</p> <p>Tax Lien on property as of 2016 for \$7500</p>
nearby	
7219 Central Ave, takoma park, MD 20912	<p>it has been mostly abandoned for the past, at least, 6 years. The owner comes around every once in a while but for the most part the yard is unkempt and often completely maintained. My understanding from the listserv is that there are rodents and also there have been kids vandalizing it at one point.</p> <p>Mostly there have been complaints about it on the listserv for years.</p>

[Company name]

10

To: Montgomery County Council
From: Meghan McCoy, 806 Silver Spring Ave. , 20910 (301) 466-1578
CC: ESSAC
Date: 11/1/2016
Re: Bill 39-16, Housing & Building Maintenance Standards Registration of Vacant Property

Comments: My name is Meghan McCoy my partner and I are raising our family in our 6 person household at 806 Silver Spring Ave. off of Fenton and Silver Spring Ave. We are a multilingual, English & Spanish, multi cultural, African American and Hispanic, multigenerational, 3-74 yrs, household. Our home has been in our family since 1989. We are active community members committed to enjoying the splendor of our neighborhood and the diverse offerings of our community and the businesses attracted to our thriving downtown area.

There are two properties owned by Fenton Group LLC CIO Ulysses S. Glee. on our block 812 & 814 Silver Spring Ave. that have been condemned since 6/24/2016. I have 3 words for these homes: degraded, dilapidated, blighted, vermin infested, magnets for underage drinking, squatters, and other related uses and destructive activities. The sign on the door provided to you in my documentation has a note under ID# 7-3698 which states, " The owner of this property is put on notice to correct the violations noted within immediately or be subject to a fine of \$500 or the first day and \$750.00 each day thereafter." Have fines been assessed? What actions have been taken?

I ask you to picture any given morning Abuelo (grandfather) walking his 3yr old grandson to school, which requires passing these blighted and dilapidated properties. Grandfather is hard of hearing and hard of sight but uses the tools available to him to ensure a safe walk to our son's school. He has two blocks to go to reach Quality Time at 8101 Georgia Ave. And yet on any given day he will face a number of hazards; un-shoveled snow, ice as a result of Fenton Groups contractors or employees dumping snow from the adjacent parking lot onto the side walk, untreated sidewalks with ice, trash such as beer cans and other trash, and my least favorite poison ivy. Each time we encounter these things we file a report with 311.

I wish to have Bill 39-16 passed to ensure real action can be taken in our community against opportunists who wish to sit on properties and wait for the best offer to pad their pockets. Those with no regard for contributing to the safe and thriving community we are proud members of. Thank you for listening I and my neighbors will be looking forward to your action in the right direction on this matter of great concern to families and any community members interested in clean and safe environments to promote the success of our exceptional community.

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Mihill, Amanda

From: Michael Messina <MMessina@afscme.org>
Sent: Wednesday, September 28, 2016 9:36 AM
To: County.Council@montgomerycountymd.gov
Subject: vacant homes bills

I fully support both of representative Hucker's bills regarding vacant homes. Two properties at the end of my street have been vacant for years. Vagrants have occupied them. County firefighters have been called to extinguish fires. They are crumbling, they are an eyesore, and they are unsafe, yet they remain standing. The time to address such an important matter is now. Please vote to enact the proposed legislation. Thank you.

Michael Messina
752 Silver Spring Avenue

Mihill, Amanda

From: Mike Mowery <mikemowery@gmail.com>
Sent: Wednesday, September 28, 2016 8:14 PM
To: County.Council@montgomerycountymd.gov
Subject: In support of Bill 38-16 and 39-16

To Whom it May Concern -

I'm writing to let you know myself and my family would like to encourage you to support bills 38-16 and 39-16. As residents of Silver Spring, on Silver Spring Avenue, I pass by two abandoned/vacant properties on a daily basis.

Bill 38-16, Housing and Building Maintenance Standards - Foreclosed Property Registration Penalty

Bill 39-16, Housing and Building Maintenance Standards - Registration of Vacant Property

Sincerely,
Mike Mowery & Caroline Joyce
707 Silver Spring Ave
SS, MD 20910

Testimony of Francine Panzo 9106 Walden Rd. Silver Spring, MD 20901

Thank you Council Members for allowing me to testify today.

We moved into our beautiful home on Walden Road in 2001.

We fell in love with neighborhood and appreciated the way our neighbors took care of their homes and property including the owners of 300 E. Schuyler Road. They kept the lawn mowed and the house in good order.

Then Mrs. Mae passed away and within 2 years so did Mr. Mae. Sadly since then the heirs to this property have let it go downhill fast.

For the last 11 years I have had to contact the County on a monthly basis to because the grass sometimes gets to be 2 feet high.

Now the house itself is falling apart on the exterior. One can only imagine what's going on inside the property. The bricks on the front of the house are disintegrating and falling off. The roof is sagging, the gutters have plants growing out of them and windows are broken.

It is clear that someone is paying for the utilities on the property because a light is always on in the kitchen.

There are several major concerns I have with this property that I have a perfect view of on daily basis, and both of them are public safety issues.

The first is, now that the corner of Walden and E. Schuyler have become a bus stop for high school and elementary schools kids the house has become a very tempting place for teenagers to hang out and do teenager things. This started to happen last year when they broke into the basement and started to congregate with alcohol, cigarettes, etc.

The police have been called many, many times throughout the years to take investigate break-ins and chase away potential squatters, escalating last year when the bust stop started.

The second concern is that there are several older neighbors that live right next to this property and they are in harm's way every day because of potential fire, vandalism, and rodent and insect infestations which are plentiful and obvious around the property.

The property values in my neighborhood have started to recover slowly but this house is a chain around the necks of every resident near it. It is obvious that the person that owns this house has no concern for it or care about her neighbors at all. At this point I believe this owner should be heavily penalized for the condition of the property and the constant threat to public safety that it presents.

Again thank you for the opportunity to testify today and I hope that this bill will provide some kind of recourse for the neighbors forced endure this growing problem throughout the County.

BILL 39-16: HOUSING AND BUILDING MAINTENANCE STANDARDS

REGISTRATION OF VACANT PROPERTY

October 18, 2016

Testimony – Sylvie PITTMAN

IN SUPPORT OF THE BILL

1. Thank you for the opportunity of testifying today on this important issue and special thanks to Councilmember Tom Hucker for sponsoring) this bill.
2. I am here today to speak about the property at **300 East Schuyler Road, Silver Spring, MD, 20901**, which is directly adjacent to my home at 302 East Schuyler Road.
3. I have lived in my home since May 2006 - thus the house in question has been **vacant for at least 10 years**, and probably closer to 12 years according to neighbors.
4. The house is completely neglected, is in total **disrepair, and the yard is never maintained. The basement door has been ajar for several months, allowing vagrants and teenagers to enter the premises.** The police have been called on multiple occasions. The neighbors and I have systematically filed complaints with the Montgomery County Department of Housing and Community Affairs regarding mowing/debris removal, and illegal entry. Vermin has also been detected around the property. I have also personally spent hundreds of dollars on tree trimming of overhanging branches on my roof and property.
5. My concerns do not only address appearance and maintenance, however, but also my **personal safety and the safety of the neighborhood overall**, and of course the **negative impact on the property values of adjacent homes.**
6. Finally, I strongly believe **this vacant house and others like it should be at the very least registered, and ideally occupied.** I also believe that there should be a **strict timeline imposed, limiting the duration** of these housing vacancies.
7. **I strongly support this bill.**

PH 11-1-16
7:30 p.m.

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Testimony on Bill 39-16, Registration of Vacant Property
November 1, 2016

My name is Richard Rothman. I live at 11209 Fall River Court in Potomac. I have lived there for 38 years. I am here in support of Bill 39-16.

In our neighborhood there are two vacant homes. One is located at 9314 Cranford Drive in Potomac. This house has been vacant for over ten years. It is a custom built house that was never completed and was never occupied. We don't know who the owner is. It is an eye sore in the neighborhood as well as a security and safety concern. Because garage doors were not installed, the garage was open and exposed and several years ago vagrants moved in. Neighbors across the street became concerned and called police when they saw fires in the garage probably being used for cooking. The vagrants were evicted and eventually garage doors were installed.

The second vacant house is at 9108 Marseille Drive in Potomac. It is directly behind my house. This house has been vacant for about 15 months. The owner moved out and left the house in terrible condition. There is a plastic tarp on the roof in an attempt to mitigate leaks into the house. The gutters, soffits, and fascia boards have fallen off in many places exposing the underside of the roof. Weeds and tall grass have grown up around the house. In short, the house is a neighborhood eye sore and poses the same security and safety concerns as the house on Cranford Drive.

I support Bill 39-16 because it will provide a registry where owners of vacant homes can be identified and hopefully, penalties applied, if they fail to maintain their house in a safe and secure manner.

Thank you.

Kathlin Smith and Bernard Van Leer
742 Silver Spring Avenue
Silver Spring, MD 20910

October 7, 2016

Council President Nancy Floreen
and Members of the Council
100 Maryland Avenue, Fifth Floor
Rockville, MD 20850

Dear Council President Floreen and Members of the Council,

We are writing to express our strong support for bills 38-16 (Foreclosed Property Registration Penalty) and 39-16 (Registration of Vacant Property). We cannot be there to testify in person but ask that you add this written testimony to the record.

For years, we and our neighbors have complained about two abandoned homes at 812 and 814 Silver Spring Avenue. One (812) has a very large hole in the roof, allowing rain and snow to accumulate, likely weakening the structure. Windows and doors have been periodically boarded and then unboarded. Squatters have lived there at various points. And a few years ago, a fire broke out. Any of these situations—structural failure, vagrants, and fire—pose serious risk to neighboring homes. How can these conditions be allowed to persist? Who would be responsible if others' property were damaged or injury occurred as a result of this neglect?

We would like to add that there is a further hazard posed by some neglected properties, and that is when trees have become diseased and weakened, and abut neighboring properties. We hope that the inspection of vacant buildings might also include a check on the health of any large trees on the property, especially if a complaint has been registered.

Bills 38-16 and 39-16, if passed, would make it easier for the County to identify who is responsible for abandoned or neglected buildings, and would reduce the number of such buildings by mandating inspections and requiring owners to pay fees for inaction.

We thank Councilmember Hucker for introducing these bills and Councilmembers Berliner, Leventhal, and Navarro for their cosponsorship. We urge the Council to vote for them—for the sake of our neighborhood and for countless other neighborhoods in the County.

Sincerely,

Kathlin Smith

Kathlin Smith

Bernard Van Leer

Bernard Van Leer

Mihill, Amanda

From: Laura <lveamazon@aol.com>
Sent: Tuesday, September 27, 2016 9:04 PM
To: County.Council@montgomerycountymd.gov
Subject: Vacant houses in the County

Dear Council Members,

I am writing to ask you to support Tom Hucker's legislation addressing the problems of vacant and foreclosed homes in our communities. As a former employee of Fannie Mae who worked on affordable housing issues for many years, I can attest that this problem needs to be solved for communities to survive and recover. Please support his two bills which will provide new tools for the County to address these important issues.

Thank you,

Laura Van Etten

Mihill, Amanda

From: Louis Wilen <louiswilen@gmail.com>
Sent: Friday, September 23, 2016 5:56 PM
To: County.Council@montgomerycountymd.gov
Subject: SUPPORT: Bills 38-16 and 39-16

Dear Councilmembers:

Please vote in favor of bills 38-16 and 39-16. These laws are needed to reduce the quantity of dilapidated homes in Montgomery County. These new laws will also spur property owners to put unused homes on the market, which will reduce the housing shortage in Montgomery County.

Thank you for considering my views.

Louis Wilen
Olney, Maryland

301-551-3636



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

TOM HUCKER
COUNCILMEMBER
DISTRICT 5

MEMORANDUM

TO: Councilmember Nancy Floreen, Chair, PHED Committee
Councilmember George Leventhal, Member, PHED Committee
Councilmember Hans Riemer, Member, PHED Committees

FROM: Councilmember Tom Hucker

SUBJECT: Amendment to Bill 39-16, Housing and Building Maintenance Standards
- Registration of Vacant Property

DATE: March 22, 2016

Since I introduced Bill 39-16 in the fall, the Office of the County Attorney and the Department of Housing have raised a number of concerns and suggested improvements to this bill. OCA's concerns are mostly technical in nature as they deal with various definitions and conflicting provisions. DHCA's concerns are more substantive as they are related to privacy and public access to the registry.

In response to these concerns, I have asked Council staff to draft the following amendment. The technical portion of the amendment clarifies many of the definitions and make it clear that this bill applies to condominiums. The substantive portion of the amendment eliminates the registry requirement and simply requires DHCA to designate unmaintained vacant properties. I have also included a reporting requirement in the amendment, so that the Council can be better informed of the size and scope of this problem during budget deliberations.

Thank you in advance for your consideration of this amendment. Please feel free to call me or my staff if you have any questions or concerns.

AMENDMENT

To Bill 39-16

BY COUNCILMEMBER HUCKER

Beginning on page 2, line 5, change Article title to read:

1 **Article II. [[Registration of]] Unmaintained Vacant Property.**

Beginning on page 2, lines 10-14, change definitions to read:

2 [[Dwelling unit has the same meaning as in Section 26-2.]]

3 Fit for occupancy means ready for immediate occupancy [[by a tenant without
4 more than minor cosmetic changes]] as a residence.

5 Occupied means the use of one's dwelling as a residence [[in improved real
6 property]] on a regular basis.

Beginning on page 2, lines 16-20, change definition of "vacant building" to read:

7 Vacant [[building]] dwelling means residential real property improved by a
8 dwelling which is not occupied. A vacant dwelling includes a unit in a
9 condominium. A [[building]] dwelling is only a vacant [[building]] dwelling if
10 the Director determines that there is no resident for which an intent to return and
11 occupy the [[building]] dwelling can be shown. To determine whether a
12 dwelling is vacant, the Director must consider:

*Beginning on page 3, lines 28-30, change definitions of "unmaintained vacant building" and
"visual blight" to read:*

13 Unmaintained vacant [[building]] dwelling means a vacant [[building]]
14 dwelling not maintained as required by Chapter 26, Article 1.

15 [[Visual blight has the same meaning as in Section 26-2.]]

Beginning on page 3, lines 37-44, change Section 26-20 to read:

- (b) under active construction or undergoing active rehabilitation, renovation, [[or]] repair, or demolition, [[and there is]] or under a building permit to make the building fit for occupancy or to be demolished [[that was issued, renewed, or extended within 12 months of the registration date]];
- (c) for a period not to exceed 24 months, the subject of a probate proceeding or the title is the subject of litigation, including a foreclosure proceeding; or
- (d) maintained as required by Chapter 26, Article 1.

Beginning on pages 3-4, lines 45-76, change Section 26-21 to read:

26-21. [[Registration of unmaintained vacant buildings; inspection; notification]] Designation of unmaintained vacant dwellings; inspection.

- (a) [[Building maintenance required. The owner of a vacant building must maintain the building as required by Chapter 26, Article 1.
- (b) Unmaintained vacant buildings registry. The Department must maintain a list of unmaintained vacant buildings.
- (c) Registration required.
- (1) Within 90 days after a building becomes an unmaintained vacant building, the owner must register the building and pay the registration fee required in Section 26-23. An owner must renew a registration annually from the date of initial registration unless there is a change in ownership.
- (2)]] The Director must identify [[nonregistered]] unmaintained vacant [[building]] dwellings throughout the County. The Director must notify the owner in writing that the owner's [[building]] dwelling has been designated as an unmaintained vacant [[building]]

40 dwelling and of the owner's right to [[appeal]] seek
41 reconsideration of this designation and appeal the decision under
42 Section 26-24.

43 [[d)] (b) *Inspections required.*

44 (1) *Inspections required.* The Director must inspect every
45 unmaintained vacant [[building]] dwelling at least annually to
46 ensure that:

47 (A) the [[building]] dwelling complies with all applicable laws,
48 including Chapter 26, Article I; and

49 (B) vacancy of the [[building]] dwelling is not;

50 (i) detrimental to the public health, safety, and welfare;

51 (ii) a hazard to police officers or firefighters entering the
52 [[building]] dwelling in an emergency; or

53 (iii) a public nuisance.

54 (2) *Additional inspections authorized.* The Director may inspect [[a]]
55 an unmaintained vacant [[building]] dwelling more often than
56 annually to ensure compliance with this Article.

57 [[e) *County notification.* The Director of the Department of Finance must
58 notify all property owners of the requirements of this Article at the same
59 time as the Director notifies property owners of any real property taxes
60 due.]]

Beginning on page 5, lines 90-95, change Section 26-22 to read:

61 (a) The Director may grant an exemption from the [[registration]]
62 requirement in Section 26-21 for any real property that is:

63 * * *

64 (3) for a period not to exceed 24 months, the subject of [[an
65 inheritance]] a probate proceeding.

66 (b) The cumulative time period that a vacant [[building]] dwelling may be
67 exempted from this Article must not exceed 3 years.

68 (c) An application for an exemption [[from the registration requirement]]
69 must be made on a form the Director prescribes.

Beginning on page 5, lines 100-106, change Section 26-23 to read:

70 [[a)] The County Executive must set one or more fees by regulation under
71 Method (2). The fee must increase for larger numbers of inspections
72 performed that the Director determines are necessary to ensure
73 compliance with this Section.

74 [[b)] A vacant building owned by the County or its instrumentalities must
75 comply with the registration requirement of Section 26-21, but is not
76 subject to any fees required in paragraph (a).]]

Beginning on page 6, lines 108-117 change Section 26-24 to read:

77 (a) Within 10 days after the [[designation of an owner's building as a]]
78 Director sends written notice that an owner's property has been
79 designated as an unmaintained vacant [[building]] dwelling, the owner
80 may petition the Director for reconsideration by filing the form prescribed
81 by the Director. Within 30 days after receiving the petition, the Director
82 must issue a notice of final determination.

83 (b) Any person aggrieved by [[an]] a designation or notice of final action of
84 the Director under this Article may, within [[10 days after receiving]] 15
85 days after the Director sends written notice of the action, appeal that
86 action to the Circuit Court under the Maryland Rules of Procedure for
87 judicial review of a final administrative agency decision. An appeal does
88 not stay the Director's action. A party aggrieved by the decision of the
89 Circuit Court may appeal that decision to the Court of Special Appeals.

Beginning on page 6, after line 117, add Section 26-25 to read:

26-25. Annual report.

By March 1 each year, the Director must submit to the County Executive and County Council a report on the Department's activities related to unmaintained vacant dwellings. The report must include:

- (a) the address of each property inspected during the prior calendar year;
- (b) for each property inspected, a summary of violations by number found and number corrected;
- (c) the number of citations issued to each property owner during the prior calendar year; and
- (d) the amount of fees collected from each property owner during the prior calendar year.

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Sec. 1. Chapter 26 is amended by adding Articles I and II (Sections 26-19, 26-20, 26-21, 26-22, 26-23, and 26-24) as follows:

Article I. General.

* * *

Article II. Unmaintained Vacant Property.

26-19. Definitions.

In this Article, the following terms have the meanings indicated:

Department means the Department of Housing and Community Affairs.

Director means the Director of the Department or the Director's designee.

Fit for occupancy means ready for immediate occupancy as a residence.

Occupied means the use of one's dwelling as a residence on a regular basis.

Public nuisance has the same meaning as in Section 26-2.

Vacant dwelling means residential real property improved by a dwelling which is not occupied. A vacant dwelling includes a unit in a condominium. A dwelling is only a vacant dwelling if the Director determines that there is no resident for which an intent to return and occupy the dwelling can be shown.

To determine whether a dwelling is vacant, the Director must consider:

- (1) past due utility notices and/or disconnected utilities;
- (2) accumulated mail;
- (3) no window covering;
- (4) no furniture observable;
- (5) open accessibility;
- (6) deferred maintenance; and
- (7) the dwelling is boarded up.

Unmaintained vacant dwelling means a vacant dwelling not maintained as required by Chapter 26, Article 1.

26-20. Applicability.

This Article does not apply to any real property that is

(a) owned by:

(1) the government of the United States or its instrumentalities;

(2) the State of Maryland or its instrumentalities; or

(3) a foreign government or its instrumentalities;

(b) under active construction or undergoing active rehabilitation, renovation, repair, or demolition, or under a building permit to make the building fit for occupancy or to be demolished;

(c) for a period not to exceed 24 months, the subject of a probate proceeding or the title is the subject of litigation, including a foreclosure proceeding; or

(d) maintained as required by Chapter 26, Article 1.

26-21. Designation of unmaintained vacant dwellings; inspection.

(a) The Director must identify unmaintained vacant dwellings throughout the County. The Director must notify the owner in writing that the owner's dwelling has been designated as an unmaintained vacant dwelling and of the owner's right to seek reconsideration of this designation and appeal the decision under Section 26-24.

(b) Inspections required.

(1) Inspections required. The Director must inspect every unmaintained vacant dwelling at least annually to ensure that:

(A) the dwelling complies with all applicable laws, including Chapter 26, Article I; and

(B) vacancy of the dwelling is not;

(i) detrimental to the public health, safety, and welfare;

(ii) a hazard to police officers or firefighters entering the dwelling in an emergency; or

(iii) a public nuisance.

(2) Additional inspections authorized. The Director may inspect an unmaintained vacant dwelling more often than annually to ensure compliance with this Article.

26-22. Exemptions.

(a) The Director may grant an exemption from the requirement in Section 26-21 for any real property that is:

(1) in compliance with 26-21(a) and the property owner has been actively seeking in good faith to rent or sell the property if:

(A) the time period for sale or rent does not exceed 1 year from the initial listing, offer, or advertisement of sale or rent of a residential building; and

(B) the building has a valid certificate of occupancy;

(2) for a period not to exceed 12 months, the subject of a pending application for a necessary approval for development before the Planning Board, Board of Appeals, or Office of Zoning and Administrative Hearings; or

(3) for a period not to exceed 24 months, the subject of a probate proceeding.

(b) The cumulative time period that a vacant dwelling may be exempted from this Article must not exceed 3 years.

(c) An application for an exemption must be made on a form the Director prescribes.

(d) A person that believes the Director has incorrectly denied the person's application for an exemption may appeal that decision according to Section 26-24.

26-23 Fees.

The County Executive must set one or more fees by regulation under Method (2). The fee must increase for larger numbers of inspections performed that the Director determines are necessary to ensure compliance with this Section.

26-24. Right to appeal.

(a) Within 10 days after the Director sends written notice that an owner's property has been designated as an unmaintained vacant dwelling, the owner may petition the Director for reconsideration by filing the form prescribed by the Director. Within 30 days after receiving the petition, the Director must issue a notice of final determination.

(b) Any person aggrieved by a designation or notice of final action of the Director under this Article may, within 15 days after the Director sends written notice of the action, appeal that action to the Circuit Court under the Maryland Rules of Procedure for judicial review of a final administrative agency decision. An appeal does not stay the Director's action. A party aggrieved by the decision of the Circuit Court may appeal that decision to the Court of Special Appeals.

26-25. Annual report.

By March 1 each year, the Director must submit to the County Executive and County Council a report on the Department's activities related to unmaintained vacant dwellings. The report must include:

- (a) the address of each property inspected during the prior calendar year;
- (b) for each property inspected, a summary of violations by number found and number corrected;
- (c) the number of citations issued to each property owner during the prior calendar year; and
- (d) the amount of fees collected from each property owner during the prior calendar year.