### REGIONAL MANAGEMENT

#### **SENATE BILL 100**

INC.

## Real Property-Actions to Repossess- Proof of Rental Licensure REGIONAL MANAGEMENT, INC. TESTIMONY- FAVORABLE WITH AMENDMENT

January 25, 2023

Regional Management, Inc. (RMI) is a property management company which for over 60 years, has managed over 5,000 multifamily and townhome rental units. RMI is licensed in Baltimore City and in Baltimore County where it is required.

While RMI is generally in favor of the provisions of SB 100, we have made it clear, both last Session and now, that language MUST be added to this Legislation to protect compliant Landlords from the "gotcha" problems associated with local government rental licensing matters, particularly in Baltimore City.

RMI, a founding member of the Maryland Multi Housing Association, is fully supportive of its proposed Amendments which address the regulatory issues that unnecessarily penalize law-abiding landlords and expose them to unmitigated regulatory and litigation abuse.

The following are actual Licensing issues that RMI has encountered in the last 2 years in Baltimore City:

#### 1. "One Bad Apple"

It is typical for local rental licenses to be administered through a real estate parcel system known as the "Block and Lot" system. For example, one such parcel managed by RMI at the College Gardens Townhomes is, Block 2530C, Lot 005C. (See Exhibit 1, Plat map attached) There are 83 rental Townhomes located on this parcel under ONE license for the entire parcel. On October 13, 2022 one of those townhomes (Exhibit 1, 4202 Parkton Street, outlined in red) was cited by a DHCD Inspector for violations. The violations were addressed by November 12, 2022 and requests to have an abatement inspection by the Inspector began. I am happy to report that TODAY, January 24, 2023, fully 3 months after the violation notice was issued, a DHCD Inspector is scheduled to return to the unit for an abatement inspection!

In the meantime, what happened with the rest of the parcel?

- The license for the ENTIRE parcel was unable to be renewed (see Exhibit 1, attachment DHCD license non-renewal notification)
- If any of the other 82 Townhome units failed to pay rent, RMI is prevented from pursuing court action to collect that unpaid rent, and
- Any applicant with a Section 8 voucher is not allowed to rent an affordable Townhome unit in this parcel until the abatement inspection is completed and the license is released.

### 2. "Hello, is anybody listening?"

Baltimore City instituted an on-line registration and licensing system in 2019, and recently revamped its systems. There is an annual registration fee due for all licensed parcels, although a parcel's Rental License may span over several years if there are no violations within the parcel. In addition, the law requires that the property owner upload copies of a parcel's Lead Paint Certification and Inspector's report at that time. Due dates for these annual fees vary over the course of the calendar year.

On August 31, 2022 RMI timely paid its 2021 annual Registration Fees for 224 parcels. On September 9, 2022 the City cashed the check. (See Exhibit 2, Check attached)

As of November 18, 2022, the online Payment Pages for these parcels showed that only 92 of these registrations were recorded as paid, while the other 132 parcels appeared to be unpaid, and thus out of compliance with the law. An email notified DHCD's Supervisor for the Licensing unit regarding these matters. (See Exhibit 2, email Nov. 18, 2022 and Payment page) In addition, two other parcels where Lead Paint Certifications and Inspector's reports were uploaded, appear to have been lost or missing in the system despite RMI having a Receipt proving that they had been uploaded. (See Exhibit 2, email of Nov. 18, 2022, and receipts for Goodnow Rd and Raintree Way.)

How does this untimely record keeping negatively affect these parcels?

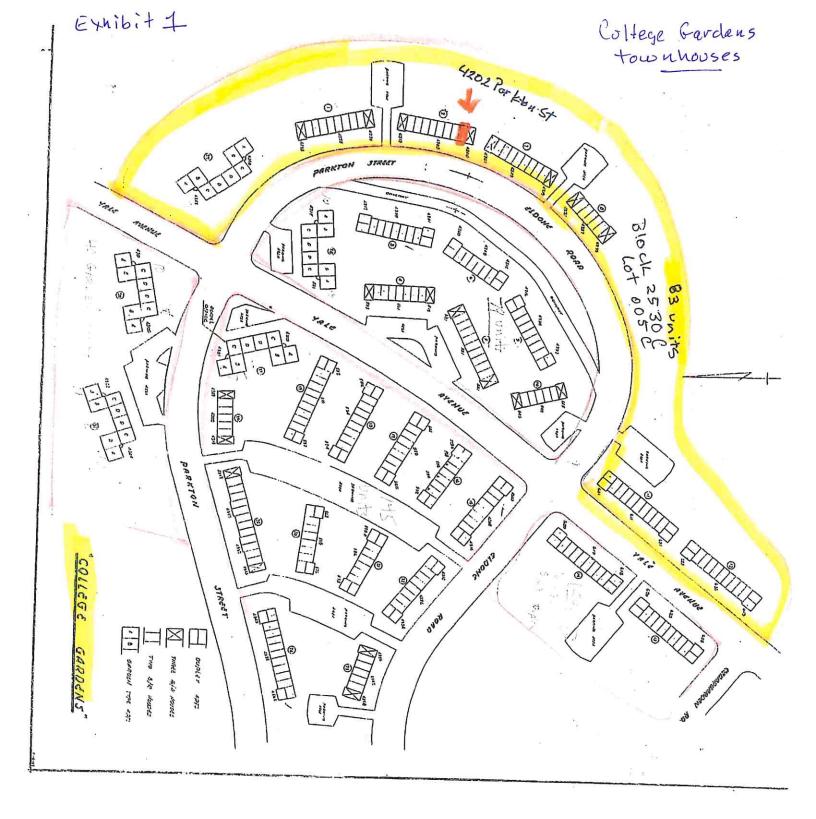
- Despite RMI's timely payment the fees, DHCD's tardy record keeping makes the 132 parcels LOOK UNLICENSED to the public, which has negative ramifications for RMI's ability to enforce its right to collect rent in court.
- The lack of the documentation of Lead Certification and Inspection status not only negatively affects the validity of a parcel's licensure and affecting RMI's ability to go to court to collect rent, it exposes RMI to potential civil and criminal litigation for being non-compliant rental property
- Registration Fees for the current year will not be able to be paid by RMI where the
  previous year's fees are not recorded as paid, thus again making RMI's parcels LOOK
  Unlicensed and non-compliant.

#### 3. "You Need to Try Harder"

Some proponents of SB 100 say there is no need for MMHA's amendments to this bill because property owners can simply complain to regulatory agencies to correct their issues. RMI adamantly disagrees. RMI has been diligent in its responsibilities to comply with the law and understands that there have been hurdles that regulators and property owners alike have dealt with during and since the Pandemic, but neither RMI, nor this Legislature can simply uproot the current Parcel-Block and Lot registration and licensing system.

Make the system fair and workable for all by adding MMHA's amendment, and giving SB 100, a FAVORABLE AS AMENDED report.

Katherine Kelly Howard, Esq. General Counsel, RMI 410 539 2370





# DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT



Home > Property/Alarm Registration > License Search

#### Property License and Registration Search

The link below will allow you to search license and property registration records by address, block/lot, or by zip code. The address and block/lot search are based on the official tax address of the property. The official tax address may be different from the address posted on the building.

		se Number	Dir	Street I	Name		************		
By Add	dress		~						
By Blo	ck/Lot 25	:k 30c	Lot 005	Sc .					
By Zip	Code								
Search									
Record Cou	nt:1								
Reg#	Date Insp	License Pr	int Lic	ensed	License Expiration Date	Valid Reg Year	Address	Zip	Block Lot
9 096655	02/23/2021	10/07/2021		Υ	2/23/2024	2021		21229	2530C-005C

### Click Here if you can not find your record

For additional information, questions or concerns please contact the Property Registration and Licensing Office by email or by calling 410-396-3575. If you would like to report an unlicensed or unregistered property, please contact the Code Enforcement Legal Section by email.



Mayor Brandon M. Scott - Alice Kennedy, Commissioner

Save Draft and Exit

### Confirm your submission

Please ensure you've filled everything completely and accurately, then click "Confirm and Submit" below.

### Contact Information

Edit ... (/submit/62705/applicant)

Sandy Masincupp

Email address

smasincupp@regionalmgmt.com

Phone Number

410-539-2370

Mailing Address

11 E Fayette Street , Baltimore, Md 21202

#### Locations

1 location total

Edit ... (/submit/62705/location?edit=1)

### PRIMARY LOCATION

601 YALE AVE — (e43 Yale Baltimore, MD 21229-4544) 4200 - 4242 Pack

11				
Have	a	pro	ect	#7
	-			

Step 3 of 9 ·

Save Draft and Exit

Application Inf	formation
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Hover over the question mark bubble for additional information

Is this a rental property? \*

Yes

Applicant Type \*

Owner

Ownership Type \* @

Corporation

Property Type \*

Multi-Family Dwelling

Confirm Owner Phone Number \*

410-539-2370

Did the ownership information on the previous page prepopulate with the CORRECT OWNER NAME? \*

Yes

Is there a Property Manager or Managing Operator associated with this property? \*

Yes-

A Rental License for this property will not be issued due to an outstanding violation notice. Please contact your area inspector to schedule a reinspection.

113076

(Renewal)

Your Submission

Attachments

Guests (0)

### O Registration Fee

Confirmation of Registration

Open Notice

### Registration Fee

• Due Now. Please make a payment in order to continue.

Do you have a question? Did something go wrong? Send us a message by Clicking Here! (https://baltimoremddhcd.viewpointcloud.com/categories/1080/record-types/6433)

Please use the online payment portal to process your payment.

If you need to pay by check please **make check out to Director of Finance** and include your registration number on your check and mail to:

Property Registration Office 417 E Fayette St Rm. 100 Baltimore, MD 21202

Property Registration and Rental Licensing

**Dwelling Unit Count Fee** 

\$2,905.00

Total Fee Amount

\$2,905.00

### 113076

(Renewal)

Your Submission

Attachments

Guests (0)

• Registration Fee

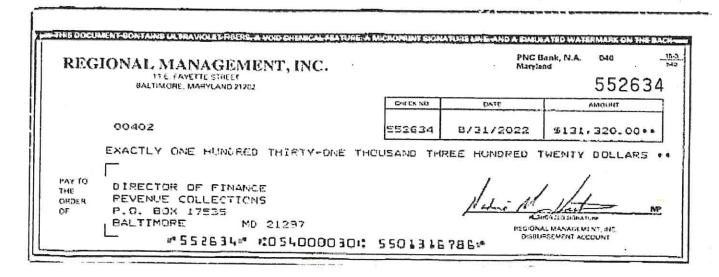
Confirmation of Registration

Open Notice

Exhibit 2

### View Image: Check Management

### **IMAGE FRONT**



#### **IMAGE BACK**

The process fundame where have a special force and principle and advantage of the process and principle and advantage of the process of the p	Commany: FBR GE Commany: City of Ba Bate: 9/2/2022 Bank Name: M and T Account: 11111111	CHECK HEACH PAGE OF STATE OF S
THE REPORT OF	dime.	

### ITEM DETAILS

ACCOUNT NUMBER

5501316786

ACCOUNT NAME

Regional Disbursement Acct

552634

SERIAL NUMBER
DESCRIPTION

\$131,320.00

ISSUE DATE

**AMOUNT** 

08/31/2022

PAID DATE

09/07/2022

ADDL DATA

### Sandra Masincupp

From:

Sandra Masincupp

Sent:

Friday, November 18, 2022 2:28 PM

To:

'Greer, Seth (DHCD)'; Kathy K. Howard

Subject:

**Rental Registrations** 

Attachments:

doc20221118140840.pdf; Check.pdf; 4900- Goodnow Road.pdf; 5000-04 &

5001-05 Raintree.pdf

Tracking:

Recipient

Delivery

Read

'Greer, Seth (DHCD)'

Kathy K. Howard

Delivered: 11/18/2022 2:28 PM Read: 11/18/2022 2:49 PM

Dear Mr. Green

Ms Howard asked that I forward this to you in hopes we could get this taken care of. On August 31, 2022 we had sent in our Rental Registrations for 2021 as we were scheduled to do

so along with our check for payment for those registrations by Hand delivery. On September 2, 2022 the check was cashed for those registrations, canceled check is attached. I have enclosed a copy of our payment pages showing that 132 unpaid and 92 paid registrations. I have been checking this site daily to see if they have been done and as of today 11/18/2022 we are still showing those not paid.

We are now less than 2 weeks away from starting to pay our 2022 Rental Registrations and we are concerned that the payments have not yet been applied to our 2021 Rental Registrations.

Also we had 4900 Goodnow Road Registration # 110717 we sent in the Lead cert on September 12, 2022 and the inspection in on September 6, 2022. When I ask for the license to be sent they are asking for us to send the Lead cert and our inspections and they were already uploaded and attached to that address. I have attached a screen print of those also. Along with reg # 110613, 5000-5004 & 5001-5005 Raintree Way we are waiting on that License also.

If you could please guide us in the direction that we can get this resolved we would greatly appreciate it.

If you should have any questions please feel free to contact me by email or the number below.

Thank you in advance for your cooperation in this matter.

Sincerely,

Sandy Masincupp Legal Dept for Regional Management, Inc. 11 E Fayette Street Baltimore, Maryland 21202

■ Dashboard	☑ Messages	② Profile	Applications (/dashboard/records)
(/dashboard)	(/dashboard/messages)	(/dashboard/profile)	
Projects (/dashboard/projects)	Permits & Docs (/dashboard/docs)	☐ Payments (/dashboard/payments)	☐ Inspections (/dashboard/inspections)

### **Payments**

Payment	Record ID	Location	Status
Registration Fee	Property Registration and Rental Licensing 110717	4900 GOODNOW RD Baltimore, MD 21206-6001	Balance Due
Registration Fee	Property Registration and Rental Licensing 115756	5521 FRANKFORD AVE Baltimore, MD 21206-0000	Balance Due
Registration Fee	Property Registration and Rental Licensing 115548	5623 LOTHIAN RD Baltimore, MD 21212-4008	Balance Due
Registration Fee	Property Registration and Rental Licensing 115250	4937 TODD AVE Baltimore, MD 21206-4601	Balance Due
Registration Fee	Property Registration and Rental Licensing 114487	5519 LOTHIAN RD Baltimore, MD 21212-4018	Paid
Registration Fee	Property Registration and Rental Licensing 114474	5613 SINCLAIR LN Baltimore, MD 21206-4526	Balance Due
Registration Fee	Property Registration and Rental Licensing 114462	5539 LOTHIAN RD Baltimore, MD 21212-4006	Paid
Registration Fee	Property Registration and Rental Licensing 114453	5918 SAINT REGIS RD Baltimore, MD 21206-4042	Paid
Registration Fee	Property Registration and Rental Licensing 114446	3037 MALLVIEW RD Baltimore, MD 21230-3319	Balance Due
Registration Fee	Property Registration and Rental Licensing 114442	3036 MALLVIEW RD Baltimore, MD 21230-3330	Balance Due

4900-1018todenous a 5000-5002, Goodners Road

Your Submission

**Attachments** 

Guests (0)

Registration Fee

Rental License

Registration Confirmation

### **Attachments**

Attachment

File

Passing Inspection Report(s) Required |

All applications for Rental Licenses must include a copy of the most recently passed inspection report for the required number of units, in the event there is more than one unit.

No file uploaded

Upload

Please refer to the MFD chart

(https://dhcd.baltimorecity.gov/sites

default/files/MFD%20UNITS%201

D%20INSPECT%20REV%207-61

22.pdf) as necessary

Copy of HUD1 or Settlement Sheet

IF YOU MADE ANY CHANGE TO THE OWNER NAME YOU MUST ATTACH No file uploaded

THE HUD1 or Settlement Sheet

Upload

4900 Goodnow Road.pdf

Inspections

4900 Goodnow Road.pdf

Uploaded on Sep 6, 2022 at 12:19 pm

Action -

Goodnow Hill Global Cert.pdf

Global certificate for 4900-4910 & 5000-5022 Goodnow Road

Goodnow Hill Global Cert.pdf Uploaded on Sep 12, 2022 at 1:34 pm

Action -

110613

5106-50040 5001-5005 Rankherling

Your Submission

#### **Attachments**

Guests (0)

- Registration Fee
- Registration Confirmation

### Attachments

**Attachment** 

File

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All applications for Rental Licenses must include a copy of the most recently passed inspection report for the required number of units, in the event there is more than one unit.

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Upload

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default/files/MFD%20UNITS%201

D%20INSPECT%20REV%207-61

22.pdf) as necessary

Copy of HUD1 or Settlement Sheet

IF YOU MADE ANY CHANGE TO THE OWNER NAME YOU MUST ATTACH No file uploaded

THE HUD1 or Settlement Sheet

Upload

Regional Mgmt reg pymts.pdf

PYMT

Regional Mgmt reg pymts.pdf Uploaded on Sep 1, 2022 at 3:14 pm

Action -

5000 RAINTREE2.pdf

5000-5004 & 5001-5005 Raintree

5000 RAINTREE2.pdf

Uploaded on Sep 15, 2022 at 3:41 pm

Action -