
Government of the District of Columbia



Department of Consumer and Regulatory Affairs

Testimony of

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Director

on

The Efficient Administration of the Vacant Property Program

Council of the District of Columbia
Committee on Public Services and Consumer Affairs
Muriel Bowser, Chair

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John A. Wilson Building
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Good morning, Chairperson Bowser, members, and staff of the Committee on Public Services and Consumer Affairs. I'm Linda Argo, Director of the Department of Consumer and Regulatory Affairs. With me today are Nick Majett, Deputy Director for Customer Service, and Reuben Pemberton, Program Manager for Vacant Property. We're here today to discuss the DCRA administration of the District's vacant property registration program. I want to assure you that we are fully prepared to implement the new vacant property laws, effective October 1.

We're all aware of vacant properties in our neighborhoods. Many of these properties sit there year after year – empty, slowly falling apart, attracting nuisances, and depressing property values. They can represent owners' failures to meet one of the fundamental duties of property ownership: maintenance of the property's building conditions and appearance.

We believe a successful government regulatory program to deal with these properties requires the following three conditions, which we refer to as the "Three I's": Identify, Inspect, and Incentivize.

A. IDENTIFY

First and foremost, registration of vacant properties is essential in establishing ownership for regulatory enforcement purposes. In the District, properties are owned by individuals, corporate entities, non-profit institutions, and District, federal, or foreign governments. Having accurate ownership information

is crucial to knowing who to contact when a vacant property is not being maintained according to District standards.

Vacant property registration also allows DCRA to move away from a complaint-based system to one where we proactively identify and deal with a vacant property before it becomes dangerous or a neighborhood blight.

B. INSPECT

Once a property is identified as vacant, DCRA inspectors will conduct a four-point inspection of the property to ensure it is free of trash and vegetative overgrowth, and that it is properly secured so as to prevent trespassing.

Inspections of vacant buildings help prevent neighborhood blight by identifying and penalizing “broken windows” conditions that give the impression to neighbors and the public that the neighborhood has given up on itself and doesn’t care how the vacant property looks or the nuisances it attracts.

C. INCENTIVIZE

Simply identifying and inspecting a vacant property is not going to return it to productive use. Economic disincentives to letting a property remain vacant can serve as a significant factor in motivating the property owner to either revitalize their vacant property or lease or sell the property to someone else who will.

The District’s tax rate for a vacant property has whipsawed in just the past three fiscal years from \$5 per \$100 of assessed value, to \$10 per \$100 of assessed

value, to \$0, and, as of October 1, back to \$5. While DCRA does not take a position on the issue of property tax rates, it is clear that annually changing the vacant property tax rate creates massive confusion among property owners, neighbors, and the general public.

A robust system of civil infractions issued for building code violations will further penalize those vacant property owners – regardless of whether the property is designated as blighted – who fail to maintain their building’s conditions.

Attached to my testimony is a map showing identified vacant properties in the District, as of July 12, 2010 (Attachment A). The map clearly shows that vacant properties are far more prevalent in the eastern half of the District, with some neighborhoods having excessive clusters. Overall, the District has 2,896 identified vacant properties. As of October 1, 2010, these properties will be subject to the \$5 property tax rate, unless they qualify for an exemption.

I have also attached a map showing vacant properties designated as blighted, as of July 12, 2010 (Attachment B). Currently, we have 243 vacant properties that have been designated as blighted. These properties are currently subject to the \$10 property tax rate.

I want to note for the record that we have ongoing coordination with the Office of Tax and Revenue to ensure both agencies have accurate information on vacant property designations, as well as to make sure property owners have

sufficient notice of the designation. Constant inter-agency communication is critical to the success of the program.

Before I conclude my testimony, let me note that a bill that you, Chairperson Bowser, introduced and is still pending with this committee – Bill 18-546, the Neighborhood Preservation Amendment Act of 2009 – contains a variety of very useful tools that would give DCRA significant flexibility both in designating vacant properties as blighted, as well as requiring vacant property owners to take additional measures to secure their properties from potential trespassers.

Chairperson Bowser, thank you for the opportunity to discuss DCRA's administration of the vacant property registration system. My staff and I are prepared to answer any questions you may have.