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**Government of the District of Columbia**

**ADVISORY NEIGHBORHOOD COMMISSION 3/4G**

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**ANC 3/4G Testimony Before the**

**Committee of the Whole**

**Public Roundtable Hearing on**

**Vacant and Blighted Properties**

**January 25, 2022**

Chairperson Mendelson and Councilmembers, I am Randy Speck, Chair of ANC 3/4G (Chevy Chase, Barnaby Woods, and Hawthorne). Thank you for the opportunity to testify today about vacant and blighted properties in the District and particularly our experience in ANC 3/4G. I am testifying on behalf of our Commission, which authorized this testimony at its January 24, 2022 meeting by a vote of \_ to \_ (a quorum being 4).

The Commission testified on this same topic at the Committee’s May 25, 2021 roundtable hearing.[[1]](#footnote-1) This testimony updates our review of several properties in our ANC that commissioners and constituents identified as vacant or blighted and discusses our efforts to work with the Department of Consumer and Regulatory Affairs (DCRA) on a pilot program to improve its procedures. We have relied on the most recently available DCRA[[2]](#footnote-2) and Office of Tax and Revenue (OTR)[[3]](#footnote-3) online databases.

**Update on Vacant and Blighted Properties in ANC 3/4G**

**2900 Military Road, NW** — The ANC and the Committee have focused on this property since 2020,[[4]](#footnote-4) but there has been recent progress toward making it habitable and occupied. DCRA’s SCOUT data base indicates that the property continues to be listed as “vacant-non-exempt,” which was confirmed on September 15, 2021. OTR records continue to classify the property as vacant, with no tax payments in the last three years and a balance owed of $95,737.90.[[5]](#footnote-5)

In fact, the property has been sold, and the new owner has been actively renovating the home since about August 2021. I have met with the new owner and nearby residents, and we expect the house to be returned to occupancy when construction work is completed. DCRA’s change in the status of the property to “vacant and blighted” seems to have been at least one factor in motivating the sale and the new owner’s renewal of construction work. I understand from the mortgage holder, however, that the disposition of the outstanding tax liability remains an open issue between the seller and buyer.

**5504 Nebraska Avenue, NW and 3216 Morrison Street, NW** — These properties (around the corner from each other) are both owned by Cornelius Donnelly and both have been continuously vacant for several years but have not been listed by DCRA or OTR as vacant. DCRA’s SCOUT database now indicates that both property are “vacant-non-exempt” as of June 25, 2021, but they are both also listed under Permits as “vacant/property/registration” “Exempt-Construction.” The only construction permit identified in DCRA’s database are a post card permits issued on June 24, 2021. OTR lists the Nebraska Avenue property as not vacant in the first half of 2022 but vacant for the second half of 2022; it lists the Morrison Street property as vacant for both halves of 2022 even though neither house has been occupied. Of course, no taxes are yet due for 2022, and there are no delinquent taxes.

This owner has for several years obtained multiple construction permits but has never undertaken any significant work. When asked about any recent construction activity at the Morrison Street property, the next door neighbor reported, “No construction since he put the last set of fake work orders up. And the council can always be reminded that no work has EVER been done to the house since he’s owned it, other than boarding up broken windows after I complained.” While there was some cleanup activity and feigned construction work following DCRA’s inspection and determination that the properties were vacant, no material construction work has followed. The properties both remain vacant with no active construction, and DCRA records do not show any construction inspections.

**6820 32nd Street NW** — DCRA inspected this property in April 2020, and determined that it should be classified as vacant, but that determination was changed to occupied in 2021 after an explanation from the owner that the property was occupied and that he had not visited the property from his second home in Florida because of the pandemic. OTR has continuously classified the property as occupied. There was a payment of $42,481.62 for the second half of 2021, however, that apparently resolved the previous amounts owed, and there is currently no outstanding property tax balance.

**6005 Utah Avenue, NW** — This house has not been occupied for at least 30 years, and was in a dilapidated, overgrown condition when DCRA inspected in in May 2021. DCRA’s SCOUT database indicates that on June 16, 2021, it identified the property as “vacant-non-exempt.” The property had first been tagged as vacant on December 12, 2017. There is now a construction permit that is “ready for issuance.” OTR records indicate that the property is currently classified as vacant for all of 2021 and 2022, despite being classified as occupied for every period since 2018. There is a balance of $24,058.40 owed for unpaid taxes, penalties, and interest from the second half of 2021.

Shortly after DCRA’s reclassification of the property as vacant, in June 2021, the property was sold to KDX Enterprises LLC. Considerable work was done to clean up the property and to secure the house from further deterioration, including replacement of all windows. Nevertheless, the house remains vacant, and it appears that no permitted construction has begun.

**5400 30th Street, NW** — DCRA placed this property on its vacant property lists for 2019 and 2020, but it is currently listed as occupied and no records are available on SCOUT. OTR continues to list this property as occupied, as it has for all the years in OTR’s online database.

Nothing has changed at this house, and it continues to appear to be unoccupied. The next door neighbor reported on January 17, 2022, that she has “never seen anyone go in or out of the house or met anyone on the street claiming they live in the house.” It is not clear what criteria DCRA used to conclude that it is occupied.

**6294 29th Street, NW** — For several years, this house has had trash and debris in the yard and porches, a car with open windows permanently parked in the driveway, accumulated mail in the mail box, a porch light that is never turned off, and broken screens that allow vermin to enter the house. A DCRA inspector told Commissioner Speck informally in May 2021, that the property was “listed as Vacant and cited for excessive growth and debris.” DCRA still has no online records of inspections for this property, and OTR continues to list the property as occupied, although there is an unpaid property tax balance of $4,342.49 for 2021.

After DCRA’s May 2021 inspection, there were some efforts to remove some of the debris in the yard. Nothing has been done since, however, and as of January 18, 2022, the property is in essentially the same condition.

**Pilot Project with DCRA on Vacant and Blighted Properties**

In late May 2021, Commissioner Chuck Elkins (ANC 3D01) and I proposed to DCRA Director Ernest Chrappah that it conduct a pilot project with ANC 3/4G to identify vacant and blighted properties and any obstacles to restoring them to occupancy and propose steps that could improve DCRA’s processes for handling such properties. DCRA first gave us a list of 68 properties in our ANC that its records indicated were vacant. Our commissioners went through that list and found that the vast majority of properties that DCRA thought were vacant were either occupied or under active construction.

For my Single Member District, DCRA listed ten properties as vacant.[[6]](#footnote-6) Of those, four were unequivocally occupied, one house was apparently occupied, and one house had been razed in 2016 and replaced by two new houses. Theses properties may have been vacant temporarily during construction, but none of them should have been listed as vacant in DCRA’s records. Of the remaining four houses, I had asked DCRA to inspect three of them. DCRA identified only one additional house that appeared to be vacant. That house is still listed on SCOUT as vacant, but has been granted an “exemption-hardship.”

Commissioner Elkins and I reported these findings to DCRA, along with our analysis of the relevant records. DCRA’s online records were often internally inconsistent and did not agree with OTR’s records. We had a few meetings with DCRA’s designated representative, Chief Executive Officer Tiffany Crowe, and on July 23, 2021, we provided our ideas for approaches to address issues that we had identified. On August 21, 2021, I provided an update on all the properties described in this testimony. On September 29, 2021, DCRA advised us that it would be working on revising its vacant and blighted properties program internally. Commissioner Elkins’ testimony summarizes what we learned from truncated pilot project and where we identified areas for improvement.

**Conclusions** — Based on the seven vacant/blighted properties in ANC 3/4G and the short pilot project with DCRA, we can draw several conclusions (similar to those we offered last May).

1. DCRA’s data systems in 2021 could not systematically identify vacant or blighted properties, and it is reactive, conducting inspections only in response to complaints. DCRA needs a program — perhaps by using the ANCs — to solicit information on vacant or blighted properties and conduct timely investigations. It should consult with and use information from residents and ANC commissioners to inform those investigations, and it should provide timely, substantive feedback to ANC commissioners on the results of inspections. It should be a collaborative process between ANCs, the community, and DCRA to make vacant and blighted properties habitable and occupied.

2. DCRA’s actions to trigger higher property tax rates through OTR can motivate owners to restore vacant properties to the market for occupancy. We saw instances when DCRA’s designation of a property as vacant or blighted was a factor in restoring the property to use. Some owners will only be spurred to action when they receive a tax bill that is six or ten times the residential rate, and DCRA and OTR should use that tool whenever warranted.

3. DCRA continues to permit owners to use a succession of bogus construction permits to avoid vacant tax rates. DCRA should conduct regular inspections to determine whether construction work is actually being undertaken pursuant to the permit and revoke permits or deny extensions when the property remains vacant and no work is ever done. The incentive of vacant tax rates could stimulate owners to complete permitted work.

4. DCRA’s focus should be on creating incentives that encourage owners to correct blighted properties and to occupy vacant properties. DCRA should promptly identify and impose financial penalties on vacant and blighted properties rather than imposing higher tax rates retroactively. Otherwise, owners may incur overwhelming tax burdens before they can take corrective action.

5. The Council should consider changes to the criteria for when a property is “vacant” or “blighted” to ensure clarity and consistency and to facilitate enforcement.**[[7]](#footnote-7)** Whether the Council initiates changes or not, DCRA, should issue implementing regulations that spell out its standards for what constitutes a vacant or blighted property. The standards need to be specific and enforceable, and inspectors will need to be trained to apply those standards rigorously.

Our experience suggests that forceful DCRA action, in coordination with OTR, can encourage property owners to rectify their vacant or blighted properties. In order to be effective, however, DCRA must (1) improve its ability to identify these properties, (2) maintain thorough, accurate, publicly available records, and (3) follow through to ensure that any exemptions granted are fully warranted. Reducing the number of vacant and blighted properties will address both the District’s acute housing shortage and the negative impact these properties have on neighborhoods. We urge the Council and the Mayor to take steps that will restore our existing housing stock to productive use.

Thank you.

1. ANC 3/4G Testimony Before the Committee of the Whole Public Roundtable Hearing on Vacant and Blighted Properties for ANC Commissioners, May 25, 2021, available on the ANC’s [website](https://anc3g.org/wp-content/uploads/2021/06/Testimony-on-Vacant-and-Blighted-Properties-5-25-21-final-.pdf). Please refer to this testimony for more details on each of the properties discussed below. [↑](#footnote-ref-1)
2. The link for “Vacant Building Reports,” referenced on DCRA website for “[Vacant Building Information](https://dcra.dc.gov/page/vacant-building-information),” is not operable and leads to a [message](https://dcra.dc.gov/node/1409161) that the page “cannot be found” as “we transition to our new website.” Thus, that important source of information on the status of vacant properties is not currently available. [↑](#footnote-ref-2)
3. Recent photos of each property are available at . [↑](#footnote-ref-3)
4. ANC 3/4G Testimony Before the Committee of the Whole Performance Oversight Hearing on the Department of Consumer and Regulatory Affairs, March 18, 2021, available at [here](https://bit.ly/3wc33IR); ANC 3/4G Testimony Before the Committee of the Whole Performance Oversight Hearing on the Department of Consumer and Regulatory Affairs, March 5, 2020, available at [here](https://bit.ly/36isNro). [↑](#footnote-ref-4)
5. The outstanding balance for taxes, penalties, and interest in May 2021, was $105,191.74. The mortgage holder, Capital Bank N.A., advised me that “The property taxes were appealed and according to my latest info the current amount due is around $65k.  Inexplicably, DC reversed the vacant tax on three non-consecutive installments, but not the other three.” Given these discrepancies, it is not clear what taxes are owed. [↑](#footnote-ref-5)
6. I have attached a spreadsheet of the information I learned from visiting the properties and searching the available on-line records as of June 18, 2021. [↑](#footnote-ref-6)
7. The current definitions are in [D.C. Code § 42–3131.05](https://code.dccouncil.us/us/dc/council/code/sections/42-3131.05). [↑](#footnote-ref-7)