

**Government of the District of Columbia Advisory Neighborhood Commission 1D**

**Resolution Calling for Reform of Vacant and Blighted Property Laws & Regulations in the District of Columbia**

**Introduced April 30, 2024**

**Whereas:** The District of Columbia includes over 3,600 vacant or blighted properties, with over 1,150 of those properties (26%) sitting vacant for over 5 years[[1]](#endnote-24069). At least 800 of all vacant or blighted properties across the District of Columbia are located in major commercial corridors, hereinafter defined as including Mixed-Use (MU), Neighborhood Mixed-Use (NC), and Mixed-Use-Uptown Arts (ARTS) zones[[2]](#endnote-28766);

**Whereas:** Ward 1 includes over 400 vacant or blighted properties, with over 132 of those properties (27%) vacant for over 4 years[[3]](#endnote-29360). At least 150 of all vacant or blighted properties in Ward 1 are in designated commercial corridors;

**Whereas:** Advisory Neighborhood Commission (ANC) 1D includes 37 vacant or blighted properties[[4]](#endnote-13025);

**Whereas:** Vacant and blighted properties often provide cover for illegal and criminal activity[[5]](#endnote-27113), contribute to lower property values, remove potential housing units from the market, and create unsafe and insanitary[[6]](#endnote-10259) conditions for neighboring buildings and the community;

**Whereas:** Vacant and blighted properties along commercial corridors impede the neighborhood’s economic sustainability and growth potential, significantly limiting some areas from attracting and maintaining businesses, large and small. Therefore, the opportunity cost of properties in commercial corridors is higher than those in residential areas; However, the cost of blighted properties in residential areas is also high in terms of the loss of residential property values, safety, sanitation, and morale within the communities where these deteriorating and neglected properties reside;

**Whereas:** The “Fiscal Year 2011 Budget Support Act of 2010” created a Class 3 property tax rate for vacant properties and a Class 4 tax rate for blighted properties in the District of Columbia. Class 3 is taxed at $5 per $100 of assessed value and Class 4 is taxed at $10 per $100 of assessed value.[[7]](#endnote-5119) These values have not been adjusted for inflation since their creation;

**Whereas:** Despite increased tax rates for Class 3 and Class 4 properties, some property owners will pay the minimum in taxes owed to retain ownership and avoid a tax sale. In this instance, the property maintains its Class 3 vacant or Class 4 blighted status and begins to accumulate the higher tax rate again;

**Whereas:** Despite increased tax rates for Class 3 and Class 4 properties, accumulated taxes may go unpaid or uncollected for many years. Thus, these tax penalties have proven to be an ineffective incentive for owners to rehabilitate the blighted status, occupy the vacant property, and/or dispose of the property by selling it;

**Whereas:** When a vacant or blighted property accumulates significant unpaid monies or is delinquent per Department of Buildings (“DOB”) or Office of Tax Revenue (“OTR”) guidelines, OTR may file a tax lien covering all unpaid taxes, fees, penalties, and interest on the property. These tax liens are sold at auction through a process that has been recognized as predatory and often perpetuating a continued cycle of inaction and a prolonged failure to remedy vacancies or blight;[[8]](#endnote-14552)

**Whereas:** When a lien is sold via a real property tax sale, the current owner has one (1) year from the sale date to redeem the property, which requires paying the minimum owned in taxes to maintain ownership, oftentimes starting the same cycle of non-compliance over again;

**Whereas:** Managing 4,600 vacant properties across the District of Columbia requires DOB and OTR to maintain accurate records, keep up with status changes of the property, collect tax revenue in a timely manner, and have precise communication between agency officials;

**Be it resolved that:** ANC 1D calls on the D.C. Council to pass legislation reforming the way the Department of Buildings classifies vacant and blighted properties, altering the incentives and penalties offered by the Office of Tax & Revenue, and reforming the real property tax sale process;

**Be it further resolved that:** ANC 1D calls for the creation of a “Commercial Area (“CA”)” and “Residential Area (“RA”)” classification to be added to Class 1 – 4 statuses in order to designate properties in commercial corridors versus residential corridors. ANC 1D recommends that Mixed-Use (“MU”), Neighborhood Mixed-Use (“NC”), and Mixed-Use-Uptown Arts (“ARTS”) zones be used to determine properties that fall within the bounds of commercial corridors. ANC 1D recommends that both CA and RA Class 3 and Class 4 properties receive the same tax rates;

**Be it further resolved that:** ANC 1D calls for Class 3 and Class 4 tax rates to be adjusted in accordance with inflation and then to gradually increase in accordance with the length of the property’s vacancy status, therefore encouraging long-standing vacant property owners to act;

**Be it further resolved that:** ANC1D calls for the creation of OTR policy that prevents any possibility of delinquent vacant and blighted CA and RA Class 3 and Class 4 property owners from writing off any fines, fees, interest or tax penalties in any way from DC or Federal Tax responsibilities;

**Be it further resolved that:** Given the additional revenue from higher tax rates for CA and RA properties and long-standing vacant properties, that DOB and OTR hire additional Full-Time Employees to maintain accurate records, collect tax revenue in a timely manner, and ensure precise communication between the two agencies;

**Be it further resolved that:** Given that the DOB has a limited Nuisance Property Abatement budget for blighted properties, ANC 1D recommends that the DOB create a priority list of the most problematic blighted properties in terms of length of time blighted, largest tax debts, overgrown grounds, illegal dumping/ trash accumulation, graffiti, evidence of squatters, evidence of criminal activity, etc. and that the DOB work to remove properties from the vacant and vacant blighted lists that are there unnecessarily in order to focus budget funds on the most urgent blighted property concerns;

**Be it further resolved that:** ANC 1D recommends that the DOB consider creating a list of blighted properties that have the greatest potential for renewal in order to ensure the greatest reward for communities and serve as success stories to propel the effort forward for years to come;

**Be it further resolved that:** ANC 1D calls for the creation of a “Class 4 Commercial Sale Incentive” that would cancel accumulated taxes on a Class 4 CA property if the property owner sells to a certified buyer. ANC 1D recommends the creation of regulatory guidelines to determine what qualifies as a certified buyer and guidelines to evaluate each property’s merit to receive the “Class 4 Commercial Sale Incentive;”

**Be it further resolved that:** ANC 1D Proposes that the OTR explore the possibility of tax break incentives to CA and RA property owners who properly maintain and even improve their properties similar to the Detroit Land Value Tax Plan that the City of Detroit is considering;

**Be it further resolved that:** ANC 1D calls for the real property tax sale process to give preference to abutting and nearby businesses who are interested in buying the vacant property when the property up for tax sale is classified as within a CA. This would encourage the expansion of businesses already located in a neighborhood and increase the likelihood that tax sale buyers will bring the property back in working order;

**Be it further resolved that:** ANC 1D calls for the creation of a “District-wide ANC Taskforce on Vacant & Blighted Building Reform” to recommend legislative and regulatory reforms to the D.C. Council and the Executive. The ANC Taskforce will be comprised of at least one member from every Ward. The ANC Taskforce will also provide input and serve as a resource for the D.C. Tax Revision Commission as it works toward a report to the Council by end of 2024. The Taskforce will also spearhead initiatives per Ward and ANC that will support and assist the DOB in their efforts such as assisting with the priority blighted property and high renewal potential lists and engaging with community groups such as Urban Farming groups, Arts groups, etc. that might be interested in the purchase and renewal of vacant and blighted properties;

**Be it further resolved that:** ANC1D designates Commissioner Angela Allison to represent the Commission in all matters relating to this resolution.

**Be it further resolved that:** In the event the designated representative Commissioner cannot carry out their representative duties for any reason, the Commission authorizes the Vice Chair to designate another Commissioner to represent the Commission in all matters relating to this resolution.

**Be it further resolved that:** Consistent with DC Code, only actions of the full Commission voting in a properly noticed public meeting have standing and carry great weight. The actions, positions, and opinions of individual commissioners, insofar as they may be contradictory to or otherwise inconsistent with the expressed position of the full Commission in a properly adopted resolution or letter, have no standing and cannot be considered as in any way associated with the Commission.

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**Certification**: At a regularly scheduled and publicly noticed meeting held on TBD Advisory Neighborhood Commission 1D considered the above resolution. With a quorum of X Commissioners present, the Commission voted with X yea’s, X no’s, and X abstentions to adopt the above resolution.

1. D.C. Department of Buildings, DOB Public Dashboard https://dataviz1.dc.gov/#/site/OCTO/views/DOBPublicDashboard/VacantProperties (last accessed January 8, 2024) [↑](#endnote-ref-24069)
2. Combined data from DC Office of Zoning and Department of Buildings Public Dashboard (last accessed January 8, 2024) [↑](#endnote-ref-28766)
3. D.C. Department of Buildings, DOB Public Dashboard https://dataviz1.dc.gov/#/site/OCTO/views/DOBPublicDashboard/VacantProperties (last accessed June 14, 2023) [↑](#endnote-ref-29360)
4. D.C. Department of Buildings, DOB Public Dashboard https://dataviz1.dc.gov/#/site/OCTO/views/DOBPublicDashboard/VacantProperties (as of April 20, 2024) [↑](#endnote-ref-13025)
5. Shelterforce, Can We Curb Crime by Cleaning the Corner?, https://shelterforce.org/2021/02/04/can-we-curb-crime-bycleaning-the-corner/ Case Western Reserve University, Exploring the Relationship Between Vacant and Distressed Properties and Community Health and Safety, https://case.edu/socialwork/sites/case.edu.socialwork/files/2018- 10/vacant\_distressed\_props\_comm\_health\_safety.pdf [↑](#endnote-ref-27113)
6. DOB defines ‘insanitary conditions’ as unhealthy conditions, especially infectious, deleterious influences, including non-watertight roofs, walls, floors, doors, windows; improper grading, drainage; open plumbing/sewer lines; defective electrical systems; fire danger; presence of or conditions that encourage breeding of rats, rodents, or disease-carrying insects; and in general, filthy conditions. [↑](#endnote-ref-10259)
7. D.C. Office of the Chief Financial Officer, OTR Vacant Real Property, https://cfo.dc.gov/page/vacant-real-property [↑](#endnote-ref-5119)
8. Washington Post, https://www.washingtonpost.com/sf/investigative/2013/09/08/left-with-nothing/ [↑](#endnote-ref-14552)