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**The District of Columbia Needs a Program To Identify Vacant Houses and Get Them Back on the Market. GGD-78-35; B-118638. February 22, 1978. 24 pp. + 2 appendices (12 pp.).**

**Report to Walter E. Washington, Mayor, District of Columbia; by Victor L. Lowe, Director, General Government Div.**

**Issue Area: Domestic Housing and Community Development: Assisting Urban Communities to Prevent and Eliminate Blight and Deterioration (2102).**

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**Congressional Relevance: House Committee on District of Columbia; Senate Committee on Governmental Affairs.**

**Authority: (87 Stat. 704; District of Columbia Self Government and Governmental Reorganization Act; P.L. 93-198). D.C. Revenue Act of 1975 (P.L. 93-407). D.C. Code 5-622.**

Vacant houses represent a serious problem in the midst of a housing shortage in the District of Columbia. Although the District has been talking about vacant housing for a long time, it has done little to return such housing to the real estate market. The principal reasons are that the District had neither complete and accurate data on the number, location, and physical condition of vacant houses; a system to develop such information; nor a specific program to return such vacant houses to use. **Findings/Conclusions:** A program to deal with vacant housing in the District must establish a vacant house inventory system to ascertain, on a continuing basis, the number, location, and condition of such housing. The Department of Environmental Services (DES) can identify vacant houses through its water meter records and meter reading staff. There is no limit on how long a house can remain vacant and off the market, and the District can take no action against the owner of a vacant house as long as the owner pays property taxes and complies with housing ordinances. Returning vacant houses to use is a complex and difficult problem to resolve. The District is pursuing several approaches, including providing lists of vacant housing to prospective buyers, using Community Development Block Grant funds to rehabilitate vacant houses, and selling tax delinquent property to encourage home ownership. **Recommendations:** The District should develop a specific program to identify and return vacant housing to use. This program should include: initiating procedures to identify vacant housing as part of the DES's proposed meter reading and billing system, providing updated lists of locations and owners of vacant houses to prospective buyers, contacting vacant houses' owners to find

out their plans for the housing, increasing the use of grant funds to rehabilitate vacant housing whenever possible, and completing and implementing tax delinquent property program regulations. (RRS)



**UNITED STATES  
GENERAL ACCOUNTING OFFICE**

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**The District Of Columbia Needs A  
Program To Identify Vacant Houses  
And Get Them Back On The Market**

Getting vacant houses back in use could help relieve the housing shortage in the District.

To do this the District must adopt a system to identify vacant houses and develop approaches for returning these houses to the market.



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT  
DIVISION

B-118638

The Honorable Walter E. Washington  
Mayor of the District of Columbia  
Washington, D.C. 20004

Dear Mayor Washington:

This report recommends a program for identifying and maintaining an accurate vacant housing inventory and suggests some approaches that should be considered to return these houses to use. Returning vacant houses to use would help alleviate the city-wide housing shortage for lower-income residents.

Section 736(b)(3) of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-193, 87 Stat. 774), approved December 24, 1973, requires the Mayor, within 90 days after receiving our audit report, to state in writing to the District Council what has been done to comply with our recommendations and send a copy of the statement to the Congress. Section 442(a)(5) of the same act also requires the Mayor to report, in the District of Columbia's annual budget request to the Congress, on the status of efforts to comply with such recommendations.

We are sending copies of this report to interested congressional committees; the Acting Director, Office of Management and Budget; the Council of the District of Columbia; and the Directors, Department of Housing and Community Development, Department of Environmental Services, Office of Budget and Management Systems, and Office of Municipal Planning.

Sincerely yours,

A handwritten signature in cursive script that reads "Victor L. Lowe".

Victor L. Lowe  
Director

REPORT TO THE MAYOR AND COUNCIL  
OF THE DISTRICT OF COLUMBIA

THE DISTRICT OF COLUMBIA  
NEEDS A PROGRAM TO IDENTIFY  
VACANT HOUSES AND GET THEM  
BACK ON THE MARKET

D I G E S T

Vacant houses represent a serious problem in the midst of a housing shortage. The District of Columbia's fiscal year 1978 application for Federal assistance under the Department of Housing and Urban Development block grant program showed, based on 1970 census data, that about 47,000 lower-income renter households were living in substandard, overcrowded, or too-costly housing. It is important to any housing program to have complete and accurate data on vacant houses--an additional, sometimes major, source of potential housing--and the necessary administrative and legal remedies to return such housing to use.

The District has been talking about vacant housing for a long time, but has done very little, until recently, to get such housing back on the market. The principal reasons are that the District had neither

--complete and accurate data on the number, location, and physical condition of vacant houses, or a system to develop such information nor

--a specific program to return vacant houses to use.

Existing remedies to return vacant houses to use are limited.

NEED FOR BETTER INFORMATION  
ON VACANT HOUSING STOCK

The Department of Environmental Services (DES) can identify vacant houses and continually update such information. District housing officials, however, have not requested DES to provide this information.

Using water meter records and the Department's meter reader staff, GAO identified 2,468 vacant residential houses during the period July 21, 1975, to December 12, 1975.

The District had made periodic, one-time surveys of vacant housing, but does not have a system to continually gather this critical information. The District's Department of Housing and Community Development took a vacant housing survey and as of August 26, 1976, identified 1,079 vacant residential structures, 905 of which GAO had identified as vacant almost a year earlier. A second survey in May 1977 indicated that at least 500 of the 905 houses were still vacant, and identified an additional 800 vacant houses. The Department provided lists generated from these surveys to prospective home buyers. The Department recently announced plans to develop a list of vacant properties it owns.

While the vacant housing problem is not serious in some sections of the District because of private rehabilitation, in other sections it is likely to remain serious and possibly worsen.

GAO believes that a vacant house inventory system can be implemented by using, with some adjustments, DES' proposed computer-oriented meter reading and billing system.

#### NEED FOR A VACANT HOUSING PROGRAM

Identifying vacant housing only solves part of the problem. How to use and make available such housing to those who need it is a more complicated issue. There is no limit on how long a house can remain vacant and off the market. The District can take no action against the owner of a vacant house as long as the owner pays property taxes and complies with housing ordinances. Even if an owner fails to comply with these laws, the District has limited legal

authority to return a house to use. Returning vacant houses to use is a complex and difficult problem to resolve. The District is pursuing several approaches, including providing lists of vacant housing to prospective buyers, using Community Development Block Grant funds to a limited extent to rehabilitate vacant houses, and selling tax delinquent property to encourage homeownership. Other action is also under consideration. The City Council is expected to reintroduce legislation recommending tax exemptions for improving vacant houses and requiring registration and licensing of all vacant real property. (Residential Real Property Transaction Act of 1976.)

More needs to be done. The District does not have a specific program for returning these houses to use. Such a program could include all current efforts, as well as others. For example, the District could strengthen the vacant housing code to promote the habitability of the District's housing stock. Stronger enforcement authority coupled with various financial assistance programs might provide incentive to owners to maintain vacant houses in a habitable condition and utilize them.

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GAO recommends that the District develop a program to identify and return vacant housing to use. The program should include:

- Incorporating procedures to identify vacant housing as part of the Department of Environmental Services' proposed meter reading and billing system.
- Providing updated lists of locations and owners of vacant houses to prospective buyers.
- Contacting vacant houses' owners to find out their plans for the housing and to apprise eligible owners of assistance available for rehabilitating the housing.

- Increasing the use of available Community Development Block Grant funds to rehabilitate vacant housing whenever possible.
- Completing and implementing tax delinquent property program regulations.
- Adopting legislation similar to the Residential Real Property Transaction Act of 1976 as it related to vacant housing.
- Pursuing acquisition of chronically vacant houses in cases where owner compliance with code requirements is not feasible and demolition in cases where chronically vacant property becomes a public nuisance.

The District generally agreed with GAO's recommendations and indicated the steps underway or planned to implement them. (See pp. 23 and 24.) The District also said that it was recommending enactment of an amendment to the D.C. Code which would give the City authority to make necessary repairs to a building to make it habitable in addition to the existing authority to render it sanitary or demolish it. The District believes such authority should quicken an owner's decision to sell or repair a condemned building, rather than merely keeping it sanitary.

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ABBREVIATIONS

DES	Department of Environmental Services
DFR	Department of Finance and Revenue
DHCD	Department of Housing and Community De- velopment
GAO	General Accounting Office
HUD	Department of Housing and Urban Develop- ment

## CHAPTER 1

### INTRODUCTION

In June 1975 during City Council hearings on a proposed bill to tax real estate speculators' profits on the sale of vacant and abandoned houses, a council member stated that the District had over 22,000 boarded-up houses. In its fiscal year 1978 application for Federal assistance under the Department of Housing and Urban Development block grant program, the District of Columbia showed, based on 1970 census data, that about 47,000 lower-income renter households were living in substandard, overcrowded, or too-costly housing.

We reported on October 20, 1975, that the District did not have a housing data base system which could provide an accurate and up-to-date inventory of housing and its condition, such as abandoned housing. Without such data, the District cannot properly determine its need for future housing and community development.

### STUDY APPROACH

There is no generally accepted definition of "abandoned housing." It is a term that has been used by experts and nonexperts to describe a structure that is "uninhabitable;" "vacant and off-the-market;" "vacant or mostly vacant, which is no longer being maintained;" and "vacant and dilapidated." Studies of abandoned housing generally include tailored definitions of the term.

In our study we did not attempt to ascertain if there is a "housing abandonment" problem in the District of Columbia because of the existing uncertainty as to its meanings. However, whether unused houses are defined as abandoned or vacant is not critical. What is critical is that unused houses are not providing needed housing for District families, and their continued vacancy can lead to decay and eventual deterioration of an entire neighborhood. Such housing must first be identified before steps to utilize it can be determined.

Because of the shortage of decent housing in the District, our objective was to study the extent of vacant residential housing in the District; develop a system by which the District can obtain vacant housing data on a continuing basis; and determine steps to return such housing to use.

## SCOPE OF REVIEW

Using criteria we developed, we asked Department of Environmental Services (DES) water meter readers to identify vacant houses in the District. We reviewed about 104,000 water meter records to compile the number of vacant houses identified by the meter readers, and verified the accuracy of the meter readers' information by visual inspection in two sections of the District--Southeast and Southwest.

We reviewed laws, policies, procedures, and regulations for the District's Departments of Housing and Community Development and Finance and Revenue relating to vacant houses. We also met with officials of and examined selected reports, records, and files at these agencies.

## CHAPTER 2

### EXTENT OF VACANT AND

### ABANDONED HOUSING NOT KNOWN

The District has been discussing vacant and abandoned housing for a long time, but has done little to get such housing back on the market. The District did not know the extent of the problem or have a system to identify it. We found that vacant housing data could be obtained from a readily available source. Using this source we developed a system and identified about 2,500 vacant houses in the District.

### EVIDENCE OF A PROBLEM

A 1972 consultant's report <sup>1/</sup> stated that housing abandonment in the District was creating serious problems and contributing to the housing shortage. The report stated that although the District has been spared the more extreme ravages of abandonment that afflicted some other cities, such as Newark, N.J.; St. Louis, Mo.; and Philadelphia, Pa.; vacant, deteriorating buildings were a real problem. The report pointed out that many older neighborhoods were experiencing growing blight, as a result of more than 2,000 vacant structures, which could accelerate significantly and suddenly in at least some neighborhoods. The report concluded that vacant and abandoned structures represented a major blighting factor in many neighborhoods and a waste of low-income housing which, if preserved, could be of great value in meeting the needs of low-income residents of the District.

District officials, however, do not view housing abandonment as a problem. During hearings before the Senate Subcommittee on Appropriations for the District of Columbia in May 1974, housing officials testified that they did not have the abandonment problem that existed in 1970. They stated that about 90 percent of the 5,000 to 6,000 units then vacant were under negotiation for sale or remodeling. District housing officials stated that the positive housing market would soon render all housing in the District saleable.

In mid-1975 District housing officials told us that vacant and abandoned housing was not a current problem in the District. Our observations in several District neighborhoods,

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<sup>1/</sup>Linton, Miels and Coston, Inc., "Final Report on Abandoned Housing," prepared for the D.C. Redevelopment Land Agency, June 1972.

however, indicated that vacant housing existed, especially in the District's Northeast and Southeast sections. In some areas entire blocks were either boarded-up or appeared vacant. In other areas--predominantly Capitol Hill--vacant housing was being renovated and returned to the market. Most of this housing, however, was priced for upper-middle- to upper-income families, not for low- to middle-income families for which the District has stated there is a housing need.

In commenting on a draft of this report, the District said that, while it may not have viewed abandoned housing as a problem, its efforts showed that it was concerned about vacant housing. The District cited the Urban Homesteading Program, the Rehabilitation Loan Program, the Home Purchase Assistance Program, and the development and distribution of lists of vacant residential buildings as efforts designed to deal with the problem of returning vacant housing to the market. The District expressed the view that its efforts to improve service delivery in neighborhoods and otherwise make neighborhoods attractive for the investment needed to stimulate improvement were also noteworthy.

#### LACK OF DATA ON VACANT HOUSES

The District does not have complete and reliable information on vacant houses. We were told by District agencies, Federal and regional governmental agencies, and housing-related trade and research organizations that such data is virtually nonexistent, except for vacant units that the Department of Housing and Community Development (DHCD) and the Department of Housing and Urban Development (HUD) own. Even local gas and electric utility companies, which provide service to nearly every house in the District, did not have information on vacant houses. The District has made two surveys and developed some data on vacant housing since we brought this matter to its attention. (See p. 7.)

#### NO SYSTEM TO IDENTIFY VACANT HOUSING

Any housing program needs readily available and reasonably complete and accurate data on vacant housing to identify (1) an additional, sometimes major, source of potential housing, (2) vacant housing trends, and (3) potential blight areas needing attention. The District, however, does not have a system to readily identify such housing.

On October 20, 1975, we reported to the City Administrator that DHCD should give priority to establishing a housing data base so that an accurate and up-to-date inventory of housing and its condition, such as vacant housing,

would be available for (1) assessing the current housing picture, (2) determining future community development needs, and (3) monitoring housing activities.

Responding to our report, the Director, DHCD, stated that the Department had given a high priority to developing a sound housing data base and was establishing a comprehensive computerized data base system in conjunction with the District's Municipal Planning Office. The system would integrate all of the District's record information concerning land use, assessment, ownership, real estate sales, permits, building condition, and zoning.

On May 18, 1976, DHCD and the Municipal Planning Office agreed to develop the system, which is expected to be operational by late 1977. However, the system being developed will not identify vacant houses--an integral housing data element.

A SOURCE IS AVAILABLE TO READILY  
OBTAIN VACANT HOUSING DATA

DHCD officials stated that they would need a great deal of staff time and the involvement of many District agencies to develop a vacant housing list. We believe, however, that such information could be readily and accurately provided by DES' water meter readers. DES provides water and sewer services to District customers. DES also bills and collects from customers amounts due for water usage based on its water meter readings.

DES has approximately 120,000 metered accounts in the District, 104,000 of which represent residential properties. Each metered building in the City has an individual account number assigned to it. This account number does not change, even though ownership or occupancy of the building changes. A continuous record of these accounts is maintained, whether they are active or inactive. Under this system, DES has an inventory of virtually all buildings. A DES official told us that only buildings that have been demolished or are under construction would not have an account record. Thus, DES probably has the most complete and up-to-date inventory of residential and commercial buildings, including data on account activity and inactivity.

Separate metered accounts are maintained for residential and commercial properties. Residential metered accounts totaling 104,000 are maintained by areas of the District--Southeast; Southwest; Northeast; and Northwest--and are read semi-annually. DES meter readers average 1-1/2 months to complete the readings in each District quadrant.

We believe meter readers provide a ready means for systematically and continuously identifying vacant houses in the District.

**VACANT HOUSES IDENTIFIED**

We identified 2,468 vacant houses using a system we developed (see app. I) and with the assistance of the DES meter readers during their semi-annual reading for a 6-month period (July 21, 1975, to Dec. 12, 1975). The identified vacant houses included only privately owned residential properties.

The following table shows the number of vacant houses we identified in the four District areas.

	<u>Number of houses</u>			<u>Total</u>
	<u>Boarded</u>	<u>Vacant</u>	<u>MORP (note a)</u>	
<b>Verified (note b):</b>				
Southeast	125	135	(c)	260
Southwest	-	2	(c)	2
<b>Total</b>	<u>125</u>	<u>137</u>		<u>262</u>
<b>Unverified:</b>				
Northeast	323	445	105	873
Northwest	<u>502</u>	<u>616</u>	<u>215</u>	<u>1,333</u>
<b>Total</b>	<u>825</u>	<u>1,061</u>	<u>320</u>	<u>2,206</u>
<b>Total</b>	<u>950</u>	<u>1,198</u>	<u>320</u>	<u>2,468</u>

a/MORP, "Meter out, riser plugged," a term used by DES to designate houses with cut off water service.

b/We verified the existence of the vacant houses in these sections.

c/In Southeast and Southwest, MORP houses identified as boarded or vacant are included in those categories.

**A SYSTEM CAN BE IMPLEMENTED  
TO IDENTIFY VACANT HOUSES**

A system similar to the one we used to identify vacant houses can be implemented by DHCD. DES is presently developing a new computerized meter reading and billing system that could provide an accurate and up-to-date list of vacant houses in the District on a routine basis.

Under the system being developed, the meter readers will use cards for recording readings which can be computer processed. The cards include customer name and address; lot and square numbers; dwelling type; and subdivision. The card also includes legend codes for identifying maintenance and reading problems. The proposed computer system can generate a myriad of summary data from these cards.

According to a DES officials, the proposed meter reading card could include a legend code for identifying vacant houses. The data for these houses could then be generated on a routine basis as water meters are read in each District section.

Any DES-generated list of vacant houses will be based on meter readers' observations of the houses' outward appearance. DHCD could verify the list's accuracy by visiting the vacant houses to ascertain their status. These houses would have to be visited, in any case, to ascertain the property's condition prior to pursuing efforts to get the property back in use.

Our verification indicates that meter readers were 86-percent accurate in identifying vacant houses. Accuracy might be improved by stressing to meter readers the need for careful identification of truly vacant housing. For example, meter readers could be instructed not to record as vacant a house that is for rent or sale as evidenced by a posted sign or where there is evidence of renovation in progress.

We believe that DHCD could easily and accurately identify the extent and location of vacant houses in the District by using DES' proposed meter reading cards appropriately marked to identify vacant houses.

#### DHCD USE OF VACANT HOUSING DATA

A current list of vacant houses would provide DHCD with information needed to bring these houses back into use. Because the data can be provided by address, lot and square numbers, dwelling type, etc., it can be used by DHCD in identifying the owners of vacant houses. We believe it is necessary to try to ascertain what plans owners have for their houses before DHCD can successfully begin to put the houses in use.

We provided DHCD with the list of vacant houses we identified so that the Department would have information on the extent that vacant houses existed in the District and could formulate plans to utilize these houses.

DHCD undertook a vacant building survey to identify vacant, privately-owned buildings suitable for rehabilitation and use as housing. Their survey did not include publicly-owned buildings or buildings which were partially vacant. DHCD stated that many inquiries had been made regarding the possible availability of Government-owned housing for rehabilitation but, while such units existed, there was a greater supply of privately-owned vacant housing to restore to the housing supply.

The DHCD survey completed in August 1976 identified 1,079 vacant residential structures, including 905 which we had listed 8 months earlier. For each vacant property, DHCD provided the name and address of the owner; the lot, square, and census tract; the most recent usage (e.g. single-family, apartment house, etc.); and the number of units in the building. The vacant properties identified by DHCD consisted of 856 single-family houses; 62 two-family houses; 128 apartment houses consisting of 848 units; 14 rooming houses; and 19 mixed-use dwellings.

The Director, DHCD, and his staff acknowledged the usefulness of the vacant housing list we developed. They used it along with other housing-related source data to compile their list of vacant residential structures.

DHCD stated that it required a great deal of staff time and the involvement of many District agencies to develop its list. Because of these factors, they were uncertain as to whether a list could be developed on a systematic basis. We told DHCD that DES' meter readers could provide them with an inexpensive and fairly accurate method for identifying vacant houses. We informed DHCD that DES was in the process of developing a computerized meter reading and billing system which could be adapted to provide an accurate and up-to-date list of vacant houses on a routine basis.

DHCD stated that they saw merit in our proposal. They added, however, that the identification of vacant housing would be useful only if subsequent rehabilitation results. DHCD officials stated that their vacant housing list was being used as a source of available vacant houses for prospective buyers and, as such, numerous copies had been provided to the public. They stated another survey of vacant houses would be taken at a future date to determine how many of the originally identified houses were returned to use.

In May 1977 DHCD made a follow-up survey which indicated that about 400 of the 1,079 properties identified in its earlier survey were no longer vacant. If all of these

properties were part of the 900 vacant houses that we initially identified and were still vacant when DHCD made its first survey, there would still be 500 properties which had been vacant for about 2 years. DHCD official advised us that the current survey had disclosed about 800 additional vacant houses that had not been identified as vacant at the time of the first survey. DHCD plans to prepare a list of vacant properties it owns.

It is DHCD's belief that vacant houses in the District will not be a major problem in a few years because of the current interest in rehabilitating vacant houses. However, our survey and DHCD's indicate that some houses remain vacant for long periods of time, increasing the likelihood that deterioration will take place. For example, we compared DHCD's survey results with those of our 1975 study and found that the turnover of vacant properties in the District's Northwest and Northeast sections (where we identified 1,333 and 873 vacant properties and DHCD found that 455 and 326, respectively, were still vacant at the time of its second survey in May 1977), is at a much higher rate than in the Southeast section (where we identified 260 properties and DHCD found 123 still vacant). The District's Southwest section is not considered here because its number of vacant properties was not significant.

## CHAPTER 3

### REMEDIES TO GET VACANT HOUSES BACK IN USE ARE LIMITED

According to various housing studies, vacant housing has long been recognized as a contributor to neighborhood deterioration. <sup>1/</sup> Returning vacant houses to the market before they deteriorate beyond repair can mitigate the problem.

There is no limit on how long houses can remain vacant and off the market in the District. The District Government cannot take any action against a vacant house's owner who pays property taxes and complies with certain housing codes, i.e., the house is boarded and the property is in clean and sanitary condition. Even if the owner fails to comply with these requirements, the District has no legal authority to return these houses to use.

Houses become vacant and unused for many reasons--tax policies, environmental practices, social conditions, crime and vandalism, code enforcement practices, mortgage market practices, sale and rental market conditions, and property maintenance costs. The vacant housing problem is complex and difficult to solve.

The District is pursuing several approaches to return vacant houses to use. It is providing a list of vacant houses' locations and owners to prospective buyers, using the Department of Housing and Urban Development (HUD) Community Development Block Grants to rehabilitate vacant houses, and selling tax delinquent property to encourage homeownership. Other action under consideration by the City Council is legislation recommending tax exemptions for improving vacant houses and requiring all vacant real property to be registered and licenced.

#### AVAILABLE REMEDIES AND THEIR SHORTCOMINGS

##### Selling vacant houses with delinquent taxes

The Department of Finance and Revenue (DFR) is responsible for assessing and collecting taxes in the

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<sup>1/</sup>"Abandoned Housing Research: A Compendium," U.S. Department of Housing and Urban Development.

District. Its duties include selling property, including vacant houses, for which real property taxes are in arrears as of July 1 of each year. DFR can sell this property either by D.C. tax sale, court sale, or a sale provision in the D.C. Revenue Act of 1975 (Public Law 93-407), commonly referred to as the "Rees Law," which provides for expeditious disposal of tax delinquent property to encourage homeownership.

#### D.C. tax sale

The D.C. tax sale is the method most commonly used by DFR. Under this method, if the taxes due, together with the penalties and costs that may have accrued, have not been paid prior to the date fixed for sale, the property will be sold at public auction by DFR to the highest bidder.

Immediately after the close of sale and upon payment of purchase price, DFR issues a certificate of sale to the purchaser. If within 2 years from the date of sale the owner has not paid DFR the amount for which the property was sold, deed to the property will be given to the purchaser, provided the purchaser applies for the deed within 3 years.

Upon the date fixed for sale, if no person bids the amount due, plus penalties and costs on a delinquent property, DFR will bid the amount due plus penalties and costs, and purchase it for the District. According to a DFR official, the District does not actually purchase the property and pay the amounts due, but merely records it and holds it for auction again the next year. If, after 2 years, property which has been offered for bid in the name of the District has not been redeemed, DFR may sell the property at any public or private auction and issue the purchaser of the property a deed, upon payment of all assessments, taxes, costs, and charges due the District.

According to a DFR official, approximately 3,000 tax delinquent properties are brought to tax sale each year. The figure, however, includes vacant land as well as land with improvements. DFR does not maintain any statistical breakdown of these delinquencies. For calendar year 1975 we reviewed deed transfers for residential properties and their applicable tax assessment records, and ascertained that only 12 residential properties were sold for delinquent taxes in that year; 4 of these properties were included in our list of vacant properties.

### Court sale

Another method of sale, though seldom used because it is a time-consuming procedure, involves purchasing the property through the courts. Under this method, any delinquent property which has been offered for sale in the name of the District for more than 2 years and has not been redeemed during that period may, upon petition by the District, be decreed by the courts for sale.

All sales will be conducted by DFR through public auction. Every sale must be reported to and confirmed by the courts. Upon such confirmation and payment of purchase price, the court will issue the purchaser a deed to the property sold.

A DFR official told us that this method was last used successfully about 15 years ago. He said that a sale initiated about 6 or 7 years ago is still pending.

### "Rees Law" sale

In September 1974, legislation (D.C. Revenue Act of 1975, Public Law 93-407) was enacted containing a provision, commonly referred to as the "Rees Law," giving the District authority to dispose of tax delinquent property to encourage homeownership under the law, for delinquent property offered for sale in the name of the District for more than 2 years, which has not been redeemed during that period, the Mayor may enforce the lien for taxes by ordering that deed to the property be issued to the District. Up to the time the deed is issued, the property may be redeemed by the owner upon payment of all taxes, penalties, interest, costs, and other expenses incurred by the District.

The law further authorizes the D.C. City Council to establish a program whereby title to properties acquired by tax sale pursuant to the method described above, for whatever sum deemed appropriate, may be transferred to persons meeting criteria established by the Council. These persons must guarantee to pay taxes on and to live in the property for at least five years, and give assurance of bringing such property into reasonable compliance with the District's building code. A DFR official told us in July 1977 that his Department and the Corporation Counsel are developing regulations for the disposal of these properties. The DFR official told us that he did not know how many tax delinquent houses would be disposed of under this program.

## Enforcing housing ordinances for vacant houses

DHCD's Neighborhood Improvement Administration is responsible for enforcing the Housing Regulations of the District of Columbia. The housing regulations, which were established and authorized by a Commissioner's Order dated August 11, 1955, limit DHCD's ability to enforce correction of housing code violations in vacant houses.

DHCD officials told us that when a vacant house is cited for housing code violations, the owner is notified personally or by certified mail. Upon such notification, the owner is given from 1 week to 1 month, depending upon the estimated time it will take, to correct the violations. However, DHCD can get housing code violations corrected only if the owner chooses to have the house occupied. If this occurs, the house must meet the housing code standards prior to habitation. DHCD cannot enforce correction of housing code violations within the premises if the house is boarded and the outside of the property is in a clean and sanitary condition (section 1211 and 2602, Housing Regulations of the District of Columbia).

If the owner of a vacant house does not comply with these two sections of the regulations, DHCD can seek criminal charges against the owner or contract to have the house barricaded and the property made clean and sanitary. In some cases both actions can be taken against the owner. When DHCD contracts to have a house barricaded and cleaned, a special tax lien covering the cost is added to the owner's real estate property taxes.

We selected 53 of the 260 vacant houses we identified in the District's Southeast section to ascertain if any had housing code violations. Forty of the 53 houses had been cited by DHCD inspectors for housing code violations. The violations cited included no screens, broken glass, trash, rats, no heat or water, and no barricade. As of October 1975, records indicate that most of these violations had been corrected.

DHCD is also responsible for enforcing Title 5, Chapter 6 of the District of Columbia Code which deals with the sanitary conditions of all buildings, including vacant houses, in the District. A building which is found to be in an insanitary condition which endangers the health of its occupants or persons living in the neighborhood may

be condemned by the Board for the Condemnation of Insanitary Buildings and eventually demolished if not brought into compliance with the law.

Upon notification, the owner of a building cited for insanitary conditions is granted 10 days to request a hearing to show why his building should not be condemned. If the hearing is not requested in the time indicated, the Board may condemn the building without further notice to the owner.

If the Board condemns the building, the owner has three options: (1) to render the structure habitable; (2) to render the structure sanitary; or (3) to demolish the structure. If the owner chooses the first option, he will be required to correct the deficiencies. If he chooses the second option, the Board will furnish a list of actions required to render the structure sanitary. If the owner does nothing, the Board elects either the second or third option, and the related cost will be assessed as a tax lien on the owner's property.

The Board only has the power to require an owner cited for insanitary building conditions to make those repairs which are reasonably related to the correction of the insanitary conditions cited by it to exist in the building. Even after the owner corrects these violations, he can have the structure barricaded and still be in compliance with the District's housing regulations. The Board does not have the power to require an owner of an insanitary building to make a building habitable so that it can be returned to use. A Board official stated that often, by the time an insanitary vacant house is condemned, the cost to bring it to a habitable condition is so high that the owner would rather allow it to be demolished.

As of June 1976, 12 of the vacant houses we identified in Southeast in 1975 had been demolished--7 by the District and 5 by the owners. In addition, the Board had condemned 19 other vacant houses we identified.

#### WHAT IS BEING DONE TODAY?

##### Using Community Development Block Grant funds to rehabilitate vacant houses

DHCD can help return vacant houses to habitable condition by using funds from the new HUD Community Development Block Grant Program to finance the rehabilitation of

vacant houses. The District now has the opportunity to channel monies into programs that best meet the District's housing needs. In the District's Second Year Community Development Block Grant Application, approved by HUD on September 10, 1976, funding is available for such programs as the Rehabilitation Property Acquisition Program and the Rehabilitation Loan Program.

The Rehabilitation Property Acquisition Program provides for the purchase of deteriorated, vacant, and/or foreclosed properties when the owner cannot or will not make necessary repairs. The program provides a means for returning vacant units to occupancy and increasing the number of rehabilitated units in the available housing stock. These properties will either be sold by DHCD or disposed as urban homesteads. Under the Rehabilitation Loan Program, DHCD will provide financial assistance for home repairs to persons who cannot afford to obtain conventional rehabilitation loans.

A DHCD official stated that both programs are just being implemented. Initially, DHCD planned to purchase 15 houses for rehabilitation during 1977 under the Rehabilitation Property Acquisition Program. DHCD did not know, as of March 1977, the number of homeowners they would provide financial assistance to for home repairs under the Rehabilitation Loan Program.

#### Disposition of tax delinquent property to encourage homeownership

The District presently has the authority to dispose of tax delinquent property, which could include vacant houses, to encourage homeownership. (See p. 10.) Under legislation enacted in September 1974, the District can take title to a property for failure to pay real property taxes.

The law further authorizes the establishment of a program whereby title to these properties can be transferred to persons who guarantee to meet certain criteria--pay taxes, live in the property for at least 5 years, and give assurance of bringing property into reasonable compliance with the District's building code. This law has been in the books for 3 years, but the program has not yet been implemented; the regulations were still being developed as of July 1977.

Pending City Council legislation  
pertaining to vacant houses

During the City Council's 1976 legislative session, a bill "Residential Real Property Transaction Act of 1976," was introduced to provide incentives for new construction and improvements of residential real property, including vacant houses. The bill also included an approach to deter further housing vacancies. The bill was not acted upon by the City Council in 1976, but was expected to be reintroduced during the 1977 legislative session.

Under the proposed bill, real property tax exemptions would be granted for 5 years to owners who construct a residential structure or make improvements to an existing one. The bill provided that, if the owner sells or rents the residence within 1 year from the date of approval of the exemption, he must do so only to a person or persons whose family income does not exceed either one and one-quarter or one and one-half times (depending upon family size) the median income for the District at that time.

Also, the proposed legislation would require the registration and licensing of all vacant real property. A fee would be charged annually for the license. If the property remained vacant longer than 1 year, an additional charge, based on the amount of taxes assessed against the property, would be added to the licensing fee. For the second and third years of vacancy, the proposed rate for the additional charge is 10 and 15 percent, respectively; for the fourth and succeeding years it is 25 percent of property taxes. Vacant property owned by the District must be registered and licensed, but the District would not be required to pay the licensing fee.

In addition, the bill proposes semi-annual inspections for licensed vacant real property to ascertain whether it is free of hazards and nuisances to the public health, comfort, safety, and welfare. The owner of the property would be required to pay for the inspection.

The City Council's proposed tax exemption would provide property owners an inducement to repair their properties. The registering and licensing provisions of the bill should provide a deterrent to keeping houses vacant.

## WHAT CAN AND SHOULD BE DONE NOW?

### Establish and implement a specific program

The City Council has stated that the District has an acute shortage of decent, safe, and sanitary housing which is both located in a suitable living environment and for sale or for rent at a price within the financial means of the majority of District residents. There is, however, a substantial number of vacant houses in the City which, if returned to use, could help alleviate the District's housing shortage. It is recognized that vacant houses blight neighborhoods, impair property values, present hazards to persons who inhabit neighboring properties, and impede the provision of decent, safe, and sanitary housing for District residents. The District does not have, however, a specific program to return vacant houses to use.

The DHCD, in its draft Statement of Interim Housing and Community Development Policies for the District of Columbia, states,

"It shall be the policy of the District of Columbia to establish a comprehensive program and set of operating procedures for the preservation, rehabilitation and expansion of the City's housing stock in ways which will meet the needs of all types of City households and take effective advantage of the full range of opportunities available to the City."

According to a DHCD official, this policy includes returning vacant houses to use.

While we agree with the District's policy approach, we believe that the problem of vacant houses is an issue which should be specifically addressed. A first step in any program is establishing a system to gather basic information. We describe such a system on page 25 and the District has put together lists of vacant houses and made the lists available to prospective buyers. According to District officials, the first list, made available in August 1976, was widely used by prospective buyers to facilitate contact with owners and sale of some property. A second list was made available in August 1977. This effort should be continued as part of any concerted effort to return vacant housing to the market.

The District should also consider contacting owners of vacant housing to ascertain their plans for the housing and to apprise those who are eligible of programs available to help in rehabilitating the property. In this way the District may eliminate from further consideration those properties which owners may put back on the market within some reasonable period of time.

#### Strengthen housing code regulations for vacant houses

The current housing code allows the District to insure that vacant houses are boarded and in a clean and sanitary condition, or if the houses are in bad enough condition, to see that they are demolished. The District has no authority to return vacant houses to a habitable condition. For houses which are inhabited, however, the District can require that all housing code requirements be met.

It seems to us that some additional course of action should be available to the District to return vacant houses to use. This is especially true when boarding a sound vacant house may promote vandalism, further deterioration, and ultimate demolition; thereby, further depleting the District's housing stock.

In March 1977 we discussed with DHCD officials the possibility of strengthening the District's housing code regulations to help return vacant houses to use. DHCD officials stated that they saw no need for such action. In commenting on a draft of this report, the District said that it saw no need to strengthen housing regulations beyond enactment of one pending revision designed to protect adjacent premises from problems existing in a vacant building. Its belief was that, in a few years, vacant houses in the District will not be a major problem because of the current interest in rehabilitating them. This belief was also based on first-hand knowledge of the efforts being made by DHCD to address the problem of vacant houses and to improve neighborhoods generally.

The officials did not provide any support for their optimism concerning the future. Although we recognize that rehabilitation activities in the Capitol Hill and Adams Morgan areas have received wide publicity, there are other areas in which vacant housing exists where rehabilitation may not be as attractive. (See p. 9.)

In commenting on the draft report, the District's DHCD Director advised:

"Finally, there has been one additional development bearing on this subject which occurred since the last discussion we had with GAO representatives. That is, I have decided to recommend the enactment of an amendment to the statute governing the condemnation of insanitary buildings which would provide greater flexibility through the availability of an additional enforcement option. Section 5-622 of the District of Columbia Code presently authorizes the Board for the Condemnation of Insanitary Buildings to either render sanitary or demolish a condemned building following the expiration of an appropriate notice to the property owner and his or her failure to render it sanitary or demolish it. The amendment I will propose would give the Board the new authority to make whatever repairs to a building may be necessary to render it habitable, in addition to its existing authority to render it sanitary or demolish it. The availability of such authority should quicken an owner's decision to sell or repair a condemned building, rather than merely keeping it sanitary."

Vacant houses may not be a serious problem in some sections of the District if the current interest in rehabilitating these houses continues. On the other hand, because of a lack of rehabilitation interest, the advancing age of a substantial part of the housing stock, and the relatively long length of time that a substantial number of houses have been vacant, we believe the possibility exists that vacant houses will remain a serious problem in many sections of the city.

DHCD should strengthen its housing code regulations to the extent necessary to promote the habitability of the District's housing stock. Stronger regulations and continued enforcement, together with available financial assistance programs, should provide incentive to homeowners to maintain their houses in a habitable condition.

In any event, DHCD should closely monitor the status of vacant housing in the District and, for those properties which are chronically vacant and where compliance with the

code by the owner does not appear feasible, the District should pursue acquisition of the property. In those cases where the property shows evidence of being a public nuisance and rehabilitation is not feasible, the District should pursue demolition of the property.

## CHAPTER 4

### CONCLUSIONS, RECOMMENDATIONS, AND AGENCY COMMENTS

#### CONCLUSIONS

Vacant houses represent a serious problem in the midst of a housing shortage. It is important to any housing program to have complete, accurate data on vacant houses--an additional, sometimes major, source of potential housing--and the necessary administrative and legal remedies to return such housing to use. The District has been talking about vacant housing for a long time, but has done very little to return such housing to the market. The principal reasons are that the District has (1) no program to return vacant houses to use, (2) no system to regularly develop and maintain complete and accurate data on the number, location, and physical condition of vacant houses, and (3) limited existing remedies to return vacant houses to use.

DHCD needs to develop a program to deal with vacant housing in the District. It must first set up a vacant house inventory system to ascertain, on a continuing basis, the number, location, and condition of such housing in the District. Vacant houses must be identified before the action necessary to return these houses to use can be determined.

With the assistance of DES, a vacant house inventory system can be developed. The DES meter reader staff represents an available source for identifying vacant houses in the District. The system that we used to ascertain the extent of vacant houses can be implemented by DHCD using, with some adjustments, DES' proposed new meter reading and billing system to provide an accurate and up-to-date inventory of vacant houses on a routine basis.

Vacant housing has long been recognized as a contributor to neighborhood deterioration. Returning vacant houses to the market before they deteriorate beyond repair can mitigate the problem. Existing remedies to return vacant houses in the District to use are, however, limited. A concerted program with a number of alternatives is one solution. Such a program could include current and new efforts.

The District has made available to prospective buyers the two lists of vacant houses it developed. This effort

should continue. Other approaches used are (1) using Community Development Block Grant funds to rehabilitate vacant houses, although to a limited extent at present, and (2) selling tax delinquent property to encourage homeownership. Other action is under consideration. The City Council is expected to reintroduce legislation recommending tax exemptions for improving vacant houses and requiring that all vacant real property is registered and licensed.

We believe that, as an additional effort, the District could strengthen its housing code for vacant houses to allow it to compel owner compliance with the code when feasible and, when not, to pursue acquisition of the property so the District can return it to use. When a vacant house is considered to be a public nuisance, DHCD could pursue demolition before the property adversely affects the rest of the neighborhood.

#### RECOMMENDATIONS TO THE MAYOR

We recommend that the District develop a specific program to identify and return vacant housing to use. The program should include:

- Incorporating procedures to identify vacant housing as part of the Department of Environmental Services' proposed meter reading and billing system.
- Providing updated lists of locations and owners of vacant houses to prospective buyers.
- Contacting vacant houses' owners to find out their plans for the housing and to apprise eligible owners of assistance available for rehabilitating the housing.
- Increasing the use of available Community Development Block Grant funds to rehabilitate vacant housing whenever possible.
- Completing and implementing tax delinquent property program regulations.
- Adopting legislation similar to the Residential Real Property Transaction Act of 1976 as it relates to vacant housing.

--Pursuing acquisition of chronically vacant houses in cases where owner compliance with code enforcement is not feasible and demolition in cases where chronically vacant property becomes a public nuisance.

#### AGENCY COMMENTS

By letter dated November 30, 1977, the Mayor transmitted the District's comments on the report. (See app. II). The District generally agreed with our recommendations and said that the report, in general, was " \* \* \* accurate and fair in its description of the circumstances as they now exist although in certain respects \* \* \* emphasis was less positive than would appear appropriate." The District also said,

"We agree fully that vacant residential units represent a potentially valuable resource in a city in which the demand for housing is as great as it is in Washington, and we further agree that the city would benefit from a more comprehensive program to address the subject of vacant residential buildings. As the report also points out, however, 'getting vacant houses back in use is a complex and difficult problem to resolve' and 'the District is pursuing several alternative approaches' \*\*\*. We are pleased that GAO recognizes these significant factors."

With respect to our specific recommendations, the District said that it had already agreed that incorporating procedures to identify vacant housing as part of the Department of Environmental Services' proposed meter reading and billing system was worthwhile. The District had already discussed with the Department DHCD's use of the new system when it is implemented. The District also agreed to continue providing prospective buyers with updated lists of information on vacant housing and actively explore the feasibility of writing to all owners of vacant residential property to determine their plans for the property.

The District agreed with the concept of our recommendation to increase the use of available Community Development Block Grant funds, but said that such an increase was subject to some constraints, such as limited Federal funding. It said it would continue to explore potentially effective means of utilizing block grant funds and other available programs to rehabilitate vacant housing.

The District said that DHCD would work with the DFR to accelerate development and implementation of regulations for a program to sell tax delinquent properties to encourage homeownership. The District said, however, that although DHCD supports many portions of the Residential Real Property Transaction Act of 1976, it has serious reservations about other portions and will further analyze the act within DHCD. The District did not elaborate on what its reservations were.

With respect to pursuing acquisition of chronically vacant houses for which owner compliance with code enforcement is not feasible, the District said that it had directed that a very high priority be assigned for developing the Rehabilitation Property Acquisition Program, which is intended to address this problem. With respect to demolition, the District said it believed it should continue to emphasize preservation and rehabilitation--a position we endorse and which, in many respects, is the substance of this report. The District acknowledged that there were instances where demolition might be the most appropriate course of action to pursue.

## OUR SYSTEM TO IDENTIFY VACANT HOUSES

Using DES' meter readers as the primary source, we developed a system to identify vacant houses in the District. The system established criteria to be used by the meter readers in identifying vacant houses, a method to compile the meter readers' input, and a verification procedure to ascertain the meter readers' accuracy.

### CRITERIA

In establishing criteria as to what constitutes a vacant house, we learned that DES' Revenue Division was already identifying vacant houses as a regular operating procedure to determine whether water service should be cut off. Their criteria for a vacant house is one that is not being inhabited because it has no one living in it (as determined by observation) or it is boarded-up, burned, gutted, or in a dilapidated and/or deteriorating state. We considered this criteria acceptable. We requested, however, that the meter readers identify separately those vacant houses that were boarded.

In addition, we learned that Revenue Division meter records identified those properties for which water service had been discontinued. In our belief that a house with no water service will more than likely be vacant (although this was not always the case), we established this condition as part of our criteria in identifying a vacant house.

### COMPILATION OF DATA

The system's second step involved a method for the compilation of the meter readers' input on vacant houses. Processing meter reading data for billing customers accounts is a manual operations system; accordingly, every route book had to be reviewed.

As meter readers completed route books, they returned them to a Revenue Division assignments clerk who scanned the book for completion of assignments and other purposes. To avoid any disruption to the process, the Revenue Division agreed to let us review the completed route books as they were returned or after they had been reviewed by the assignments clerk.

As completed route books were returned, our staff reviewed every metered account and recorded the square, lot, and address of the identified vacant house. In addition, we recorded the route number and area of the District where the vacant house was identified.

VERIFICATION OF DATA

The final step in the system was a verification procedure to ascertain the accuracy of the meter readers' ability to identify a vacant house. We felt this was necessary if the meter readers were to serve as the primary source of information in any formally established system to identify vacant housing. To do this, we made a series of field trips to visually examine these houses. The process involved checking every block in order to verify the accuracy of the meter readers' data. We basically followed the routes used by the meter readers to insure that every street was covered.

We only verified the meter reader's accuracy in identifying vacant housing in the Southeast and Southwest sections of the City. We found that in these two areas, the meter readers were 86-percent accurate in identifying vacant houses. We believe that this indicated a high reliability factor and, as such, we did not verify the vacant houses identified by the meter readers in the other quadrants of the City--North-east and Northwest.

It is possible that we could have inaccurately identified some of the houses as vacant. Some vacant houses identified by the meter readers were urban renewal properties. Using the best available list of these properties, we eliminated them from our totals. Some of these urban renewal properties, however, may have been included in the vacant houses identified.

SYSTEM PROBLEMS ENCOUNTERED

Overall, the system we used to identify vacant houses worked well. We did encounter a few problems in achieving our results.

The first problem involved delayed meter readings because the meter readers could not gain access to some meters and the route books would not be available until completed. Because of these delays, the route book review process was slowed in some cases.

Our second problem involved incomplete and/or inaccurate lot and square numbers for some accounts. This information was necessary in order to gain access to property tax records and, at times, to locate houses during our visual inspections. We obtained this missing information from a computer list at the Municipal Planning Office.

Our major problem involved locating the vacant houses that had been identified. Frequently, house addresses did not follow in sequence, so a house was not where it was expected to be. Some houses did not have addresses marked on them, so best estimates had to be made as to what the addresses were.



## THE DISTRICT OF COLUMBIA

WALTER E. WASHINGTON  
Mayor

WASHINGTON, D.C. 20004

30 NOV 1977

Mr. Victor L. Lowe  
Director  
United States General Accounting Office  
General Government Division  
Washington, D.C. 20548

Dear Mr. Lowe:

This is in reply to your letter dated September 30, 1977, which transmitted your office's draft report entitled "A Program Needed To Identify Vacant Houses And Get Them Back On The Market" and requested our formal comments thereon.

At my direction Mr. Lorenzo W. Jacobs, Jr., Director of the Department of Housing and Community Development, has conducted a thorough review of the aforementioned draft report and has prepared a memorandum report setting forth in detail comments thereon. A copy of that memorandum is enclosed herewith, and I trust that it reflects the concern with which we view this matter. I would also hope that your office will incorporate in its final report such modifications as may be appropriate to address the observations contained in Mr. Jacobs' memorandum.

Thank you very much for your interest in this matter.

Sincerely yours,

A handwritten signature in cursive script that reads "Walter E. Washington".

Walter E. Washington  
Mayor

Enclosure



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
 WASHINGTON, D. C.

Reply To

**MEMORANDUM**

**28 OCT 1977**

**TO:** Mayor Walter E. Washington

**FROM:** Lorenzo W. Jacobs, Jr., Director  
 Department of Housing and  
 Community Development

**SUBJECT:** General Accounting Office Draft  
 Report Entitled "A Program Needed  
 to Identify Vacant Houses and Get  
 Them Back on the Market"

By letter dated September 30, 1977 Mr. Victor L. Lowe, Director, General Government Division of the General Accounting Office, transmitted to you with a request for formal comments a draft report entitled "A Program Needed to Identify Vacant Houses and Get Them Back on the Market." That report contained an assessment of the situation as it existed in the last six months of 1975, as well as various recommendations relating to the identification and return to the market of vacant residential buildings. The purpose of this memorandum is to provide you with our comments on the conclusions and recommendations contained in the draft report.

It is our judgment that the GAO draft is, in general, accurate and fair in its description of the circumstances as they now exist although in certain respects which I shall mention later its emphasis is less positive than would appear to be appropriate. We agree fully that vacant residential units represent a potentially valuable resource in a city in which the demand for housing is as great as it is in Washington, and we further agree that the city would benefit from a more comprehensive program to address the subject of vacant residential buildings. As the report also points out, however, "getting vacant houses back in

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use is a complex and difficult problem to resolve" and "the District is pursuing several alternative approaches" (p. iii). We are pleased that the GAO recognizes these significant factors.

With respect to the specific recommendations contained on page 27 of the GAO report, our comments are as follows:

(1) "Incorporating procedures for identifying vacant housing as part of the Department of Environmental Services' proposed meter reading and billing system."

As the report indicates, we have already indicated our agreement that this step would be worthwhile in facilitating the identification of vacant housing. We have also already had some discussion with the Department of Environmental Services concerning our use of their new system once it has been implemented.

(2) "Continuing to make available to prospective buyers updated listings identifying locations and owners of vacant houses."

The Department fully intends to continue to make available to the public updated listings of vacant houses with accompanying information concerning ownership, use, etc., although the development of the information contained in the two listings issued to date has proved to require the use of significant amounts of personnel resources, at the temporary expense of the ongoing regulatory activity of the housing code enforcement program. Nevertheless, because of the overwhelming public response to the availability of such listings and their apparent usefulness to date, they will be continued.

(3) "Contacting vacant house owners to find out their plans for the housing and to apprise those who are eligible of programs available to assist in rehabilitating the housing."

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Currently, information concerning the availability of programs to assist in the rehabilitation of housing is provided to owners of vacant houses who contact the Department. A number of previously vacant smaller multi-family buildings and single-family buildings are presently being rehabilitated with financial assistance provided under programs administered by the Department. We would agree that the initiation of contact by the Department with all owners of vacant housing may expedite the return of such housing to the market, and we are therefore actively exploring the feasibility of writing to all owners of vacant residential property to determine their plans for their properties. More intensive contact would require substantial personnel resources not currently available to the Department or capable of being funded within our existing budget without having a corresponding adverse effect on other important programs.

(4) "Increasing use of available CD block grant funds to rehabilitate vacant housing whenever possible."

We would agree with this recommendation in concept, but there are at least two major constraints on increasing the use of available Community Development Block Grant (CDBG) funds to rehabilitate vacant housing: (1) the amount of funds provided by the U. S. Department of Housing and Urban Development will be decreasing at the same time that inflationary pressures and the competing demands of other important and valuable programs are continuing, and (2) CDBG funds can only be used in areas which have been declared to be Community Development Areas by the District Government, and there are restrictive statutory provisions concerning the characteristics of such areas which serve to limit the number of areas which may be so designated. We will continue to explore potentially effective means of utilizing CD block grant funds to rehabilitate vacant housing while simultaneously utilizing other available programs, such as Section 312 and Section 8, towards the same end.

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(5) "Completing and implementing tax delinquent property program regulations."

The Department of Housing and Community Development will work collaboratively with the Department of Finance and Revenue to accelerate the development and implementation of regulations for a program to sell tax delinquent properties to encourage home-ownership.

(6) "Adopting legislation similar to the 'Residential Real Property Transaction Act of 1976' as it relates to vacant housing."

The Residential Real Property Transaction Act of 1976, or "anti-speculation tax" act as it is sometimes called, has been reviewed within the Department, and we support many portions of it. We do, however, have very serious reservations about other portions of it, and it is still pending further analysis within the Department.

(7) "Pursuing acquisition of chronically vacant houses in cases where owner compliance with code enforcement is not feasible and demolition in cases where chronically vacant property becomes a public nuisance."

The Rehabilitation Property Acquisition Program, or Code Enforcement Acquisition Program, as it was previously called, is intended to address the situation involving chronically vacant houses concerning which compliance by the owner with the Housing Regulations is not feasible. The program development work for this activity has unfortunately taken longer than anticipated because of the limited size of our program development staff and the broad and sizable workload for which they are responsible. However, I have already directed that this program now assume a very high priority.

With respect to the portion of the recommendation concerning demolition, we believe that our emphasis should continue to be on the preservation and rehabilitation of residential buildings. We would agree, of course, that there are certain instances in which demolition is an appropriate course of action, and in those instances we will continue to pursue it.

**[See GAO note, p. 35 .]**

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[See GAO note, p. 35.]

With respect to the former, we saw no need to strengthen the Housing Regulations beyond the enactment of one amendment that was already pending to protect adjacent premises from problems existing in a vacant building. With respect to the second statement, our belief that vacant houses will cease to be a problem derives not only from the "current interest in rehabilitating these houses," which is an important and welcome indication, but also from our own first-hand knowledge of the efforts being made by the Department to address the problem of vacant houses and to improve neighborhoods generally.

Finally, there has been one additional development bearing on this subject which has occurred since the last discussion we had with GAO representatives. That is, I have decided to recommend the enactment of an amendment to the statute governing the condemnation of insanitary buildings which would provide greater flexibility through the availability of an additional enforcement option. Section 5-622 of the District of Columbia Code presently authorizes the Board for the Condemnation of Insanitary Buildings to either render sanitary or demolish a condemned building following the expiration of an appropriate notice to the property owner and his or her failure to render it sanitary or demolish it. The amendment I will propose would give the Board the new authority to make whatever repairs to a building may be necessary to render it habitable, in addition to its existing authority to render it sanitary or demolish it. The availability of such authority should quicken an owner's decision to sell or repair a condemned building, rather than merely keeping it sanitary.

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I believe the foregoing fully covers the major aspects of the GAO draft report. Should you desire further information on any aspect of these comments, I will be glad to provide same.

**GAO note:** Material deleted from this letter concerns matters included in the report draft which have been revised in the final report.

PRINCIPAL DISTRICT OF COLUMBIA OFFICIALS  
CONCERNED WITH ACTIVITIES DISCUSSED IN THIS REPORT

	<u>Tenure of Office</u>	
	<u>From</u>	<u>To</u>
MAYOR (note a): Walter E. Washington	Nov. 1967	Present
DIRECTOR, DEPARTMENT OF ENVIRONMENTAL SERVICES:		
Herbert L. Tucker (acting)	May 1976	Present
William C. McKinney	Oct 1971	May 1976
DIRECTOR, DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:		
Lorenzo W. Jacobs, Jr.	Dec. 1975	Present
Lorenzo W. Jacobs, Jr. (acting)	July 1975	Dec. 1975

a/Position was entitled Commissioner until January 2, 1975.

(42736)