

**COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
DRAFT COMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

TO: All Councilmembers

FROM: Chairman Phil Mendelson
Committee of the Whole

DATE: November 13, 2018

SUBJECT: Report on Bill 22-465, the “Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018”

The Committee of the Whole, to which Bill 22-465, the “Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018” was referred, reports favorably thereon, with amendments, and recommends approval by the Council.

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I. BACKGROUND AND NEED

Bill 22-465, the “Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018”¹ was introduced by Chairman Mendelson and Councilmembers Cheh and Evans on September 19, 2017. The purpose of Bill 22-465 is to allow the Department of Consumer and Regulatory Affairs (DCRA) to register foreign government owned buildings that are not authorized as exempt from real estate taxes by the United States Department of State’s Office of Foreign Missions (OFM) as vacant or blighted vacant. Moreover, the District’s Office of Tax and Revenue (OTR) will be authorized to tax these buildings at the Class 3, i.e. vacant, and Class 4 i.e. blighted vacant, real property tax rates. The bill also requires DCRA to maintain and publish a list of vacant and blighted vacant buildings that have been authorized as exempt from real estate taxes by OFM. Further, the bill, as amended, establishes a Foreign Government Owned Real Property

¹ The title of the bill has been updated to reflect that the bill was introduced in 2017 but is being considered by the Council in 2018.

Task Force to address matters relating to real property owned by foreign governments or their instrumentalities.

The District of Columbia, as the Nation's Capital, is home to over 530 diplomatic properties.² With the high number of foreign government owned properties that are located in the District, there are some instances in which the properties and the buildings located on the properties are not maintained and have become a blight on the neighborhood. Moreover, some of these properties have failed to adhere to the District's building and related codes.

At the hearing on Bill 22-465, the Committee heard testimony from residents regarding the state of disrepair of some embassies and other properties owned by foreign governments. Ms. Irene Wurtzel testified that she and her husband have dealt with a blighted vacant property owned by the Argentina ever since they moved into their house in 1993.³ Commissioner Ellen Goldstein testified regarding long-empty and derelict properties owned by Egypt, Pakistan, Albania, Serbia, Senegal, Colombia, Cameroon, and Sri Lanka.⁴ Ms. Marie Drissel stated that in one instance there was a 3-alarm fire at an embassy on Wyoming Avenue, which damaged surrounding properties, that was caused by haphazard wiring for computers that were not in compliance with the District's electrical safety codes.⁵

In many of these cases, if the properties are entitled to diplomatic status by OFM the District government is limited in what action it can take to address the concerns of the District residents. The Foreign Missions Act designates the U.S. Department of State as the federal agency that is responsible for ensuring that foreign government owned properties are properly maintained and are in substantial compliance with the District's building and related codes.⁶ In addition, if the foreign government owned building is vacant or blighted vacant the District cannot assess the property at the Class 3 and Class 4 real property tax rates to incentivize a foreign government to renovate the building.⁷ Bill 22-465, attempts to work around these restrictions to bring more attention, resources, and enforcement to address these nuisance properties.

Taxation of Vacant and Blighted Vacant Foreign Government Owned Buildings

Congresswoman Norton, in response to the ongoing concerns heard by residents, wrote a letter to Mayor Bowser, Chairman Mendelson, and Mr. Dewitt which provided that the District may have the authority to tax foreign government owned properties that are no longer used for

² Jenna Portnoy, *Only in D.C.: What to do when your neighbor is a foreign government*, Washington Post (September 8, 2017), https://www.washingtonpost.com/local/virginia-politics/only-in-dc-what-to-do-when-your-neighbor-is-a-foreign-government/2017/09/08/4b22044a-8e77-11e7-8df5-c2e5cf46c1e2_story.html?utm_term=.e264bb919eaa.

³ Irene Wurtzel, Testimony before the DC Council Committee of the Whole, 1, September 26, 2018.

⁴ Ellen Goldstein, Commissioner, ANC 2D02, Testimony before the DC Council Committee of the Whole, 2, September 26, 2018.

⁵ Marie Drissel, Secretary, Sheridan-Kalorama Neighborhood Council, Testimony before the DC Council Committee of the Whole, 1, September 26, 2018.

⁶ See 22 U.S.C. 4306(g).

⁷ A vacant building is taxed at the Class 3 real property tax rate which is \$5.00 per \$100 of assessed value; A blighted vacant building is taxed at the Class 4 real property tax rate which is \$10.00 per \$100 of assessed value.

diplomatic purposes.⁸ The Congresswoman wrote that other jurisdictions, such as New York City, have taxed such properties and have placed liens on some of these properties, an action that was upheld by the Supreme Court.⁹ The Committee reviewed the Congresswoman's letter and determined that when a foreign government property has had its tax-exempt status revoked by OFM, OTR already had the authority to collect real property taxes.¹⁰

The Committee did find that when a foreign government owned property had lost its tax-exempt status by OFM, District law prohibited DCRA from registering a building on that property as vacant or blighted vacant. In 2001, the Council approved the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000 (Bill 13-646),¹¹ which authorized the Mayor to inspect and register vacant buildings. However, Bill 13-646 provided that a foreign government owned property or its instrumentality, no matter of its diplomatic status, shall not be classified as vacant or blighted vacant. Bill 22-465 will narrow this exemption, so it only applies to foreign government owned buildings that still are authorized as tax-exempt by OFM.

Bill 22-465 would not only allow DCRA to register these buildings as vacant or blighted vacant, but it will require DCRA to transmit a list to OTR of the status of the building. In turn, OTR would be able to tax these properties at the Class 3 and Class 4 real property tax rates in order to incentivize the foreign governments to renovate these buildings. As Director Bolling stated at the hearing on Bill 22-465, "[t]hese heightened property taxes act as a deterrent to absentee property owners who possess empty properties and provides them with an economic incentive to return abandoned properties to productive use more quickly."¹² The Committee believes this change will help ensure that foreign governments are keeping these properties in a good state of repair which will help protect the health and safety of District residents.

It should be noted that Bill 22-465 requires DCRA to be more proactive in addressing issues with vacant and blighted vacant foreign government owned buildings that are entitled to diplomatic status. DCRA will be required to publish and deliver to the Mayor, Council, and OFM a list of these buildings on a semi-annual basis. The goal is to have DCRA inspect and track these buildings on a consistent basis. The Committee believes by identifying and shining more light on these nuisance buildings could lead to quicker enforcement action by OFM or could incentivize the building owner to renovate the building.

⁸ Letter from Eleanor Holmes Norton, Congresswoman, to Muriel Bower, Mayor of the District of Columbia, Phil Mendelson, Chairman of the Council of the District of Columbia, and Jeffery S. DeWitt, Chief Financial Officer for the District of Columbia (September 6, 2017) (On file with the Committee).

⁹ *Id.* See also *Permanent Mission of India to the U.N. v. City of New York*, 551 U.S. 193 (2007).

¹⁰ See D.C. Official Code § 47-1002(3). See also Letter from Charles S. Faulkner, Bureau of Legislative Affairs for the U.S. Department of State to Eleanor Holmes Norton, Congresswoman (September 6, 2017) (On file with the Committee). The letter provided that once a property loses its diplomatic status, resulting in the loss of its tax exemption, the District government was free to treat that property no differently than they would if the property were owned by a corporation or a private citizen.

¹¹ (D.C. Law 13-281; D.C. Official Code § 42-3131.02 *et seq.*).

¹² Melinda Bolling, Director, Department of Consumer and Regulatory Affairs, Testimony before the DC Council Committee of the Whole, 3, September 26, 2018.

Task Force

As mentioned above, OFM is responsible for enforcing the District's building and related codes for properties with diplomatic status. In fact, inspectors from the District government are not allowed to issue notice of infractions for code violations. Under current practice to address a potential code violation, an inspector must make note of a violation from a public sidewalk or street, since they are not allowed on a foreign government owned property unless granted access by OFM. Then the inspector must alert OFM of the potential code violation and OFM must contact the government that owns the property to ensure that code violation is abated. OFM relies on being alerted by District inspectors from agencies, such as DCRA, regarding potential issues with a foreign government owned property. This is the same process that occurs if a property has been determined to be vacant or blighted vacant.

Commissioner Goldstein testified, at the hearing on Bill 22-465, that in response to the limitations on the District's enforcement authority an informal coalition called the Embassy-Neighborhood Relations Task Force was created.¹³ The purpose of the Task Force was to pull together representatives from the community and the District and Federal government to address issues around safety and security, code compliance, parking, and trash disposal.¹⁴ Commissioner Goldstein testified that the Task Force should be included in the bill and it should be required to submit a report to the Mayor and the Council.¹⁵

The Committee agrees with Commissioner Goldstein that a Task Force should be included in the bill to address matters relating to real property owned by foreign governments or their instrumentalities. Bill 22-465 was amended to add the Foreign Government Owned Real Property Task Force (Real Property Task Force) which will review the tax status of a property, the condition of a property, and determine whether the property is in substantial compliance with District law and regulations. The impetus of the Real Property Task Force is to ensure there is an open dialogue between residents and representatives from the District government and OFM. The Committee believes the Real Property Task Force will be able to quickly address situations with problematic problems by highlighting the concerns and putting more pressure on the property owners and the District and Federal governments to address these issues.

Further, the Real Property Task Force can help provide better coordination between the community and District agencies if a property no longer has diplomatic status. If OFM revokes a property's diplomatic status that can be relayed to OTR and DCRA and other District agencies and the District government can ensure the property comes into compliance with the District's building and related codes or is renovated and put back into productive use.

Each of the changes proposed by Bill 22-465 will benefit District residents who live next door to these derelict properties. Accordingly, the Committee recommends Council approval of the Committee Print.

¹³ Supra note 4 at 2.

¹⁴ *Id.*

¹⁵ *Id.* at 3.

II. LEGISLATIVE CHRONOLOGY

- September 19, 2017 Bill 22-465, the “Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018” is introduced by Chairman Mendelson and Councilmembers Cheh and Evans and referred to the Committee of the Whole.
- September 19, 2017 Notice of Intent to Act on Bill 22-465 is published in the *DC Register*.
- August 10, 2018 Notice of Public Hearing on Bill 22-465 is published in the *DC Register*.
- September 26, 2018 The Committee of the Whole holds a public hearing on Bill 22-465.
- November 13, 2018 The Committee of the Whole marks up Bill 22-465.

III. POSITION OF THE EXECUTIVE

Melinda Bolling, Director, Department of Consumer and Regulatory Affairs, testified on behalf of the Executive in support of Bill 22-465. Her testimony is summarized below.

IV. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

ANC 2D approved a resolution on October 4, 2018 endorsing the testimony provided by Commissioner Ellen Goldstein at the September 26, 2018 hearing on Bill 22-465. A copy of the resolution can be found in the public record for Bill 22-465.

V. SUMMARY OF TESTIMONY

The Committee of the Whole held a public hearing on Bill 22-465 on Wednesday, September 26, 2018. The testimony summarized below is from that hearing. Copies of written testimony are attached to this report.

Melinda Bolling, Director, Department of Consumer and Regulatory Affairs testified in support of Bill 22-465. Director Bolling testified that designating properties as vacant and blighted vacant and subjecting them to higher property taxes acts as an economic incentive to return the abandoned properties to productive use more quickly. She stated that the bill poses some potential implementation challenges, but DCRA appreciates the Council’s continued focus on ensuring that vacant and blighted vacant properties are being returned to productive use. Director Bolling testified that the bill should be amended to clarify that a building can maintain an exemption only if it is authorized as tax-exempt by OFM. Further, she stated that DCRA would be required to update its Accela system to be able to track and report on vacant and blighted vacant buildings owned or leased by foreign governments.

Ellen Goldstein, Commissioner, ANC 2D02, testified in support of Bill 22-465 and stated that it was as a good start, but warned that little will change without appropriate pressure and enforcement. Commissioner Goldstein discussed issues with properties in her neighborhood and the time and energy it takes to convince a foreign government to renovate its property. In addition, she provided the following recommendations: (1) Ensure there is an accurate count of all foreign-government owned properties in the District; (2) Examine how other world capitals manage to get better compliance from embassies; and (3) Codify and institutionalize a Task Force to address issues from foreign government owned properties.

Irene Wurtzel, Public Witness, testified regarding her family's experience living next door to a vacant and uncared property that is owned by the Government of Argentina. She stated that the property has been in a state of disrepair for the past 25 years and every attempt to contact the embassy to have the property renovated has been unsuccessful.

Marie Drissel, Secretary, Sheridan-Kalorama Neighborhood Council (SKNC), testified that the SKNC passed a resolution in support of Commissioner Goldstein's testimony. Further, she added that the chief problem in ensuring compliance of the District's building codes is enforcement.

Sally Berk, Public Witness, testified in support of Bill 22-465. Ms. Berk stated that she is in strong support of any action that will address the problem of absentee owners being required to maintain their property according to the District's building code.

VI. IMPACT ON EXISTING LAW

Bill 22-465 amends D.C. Official Code § 42-3131 to clarify that a foreign government owned building that is authorized as exempt from real estate taxes by OFM shall not be registered as vacant or blighted vacant building. Further, a new section is added to require DCRA to track and monitor vacant and blighted vacant buildings that are authorized as exempt from real estate taxes by OFM.

Bill 22-465 amends D.C. Official Code § 47-1011 to clarify that a foreign government owned property that has diplomatic status shall be exempt from assessments for improvements.

VII. FISCAL IMPACT

The attached **November XX, 2018** fiscal impact statement from the District's Chief Financial Officer states that funds are sufficient in the FY 2018 through FY 2021 budget and financial plan to implement Bill 22-465.

VIII. SECTION-BY-SECTION ANALYSIS

Section 1 States the short title of Bill 22-465.

Section 2 Amends An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes.

subsection (a) Authorizes DCRA to include on the list of registered vacant buildings transmitted to OTR those foreign government owned vacant and blighted vacant buildings that have not been authorized as exempt from real estate taxes by OFM.

subsection (b) Requires a foreign government to register and pay a registration fee for a vacant building that has not been authorized as exempt from real estate taxes by OFM.

subsection (c) Adds a new section 18a to require DCRA to publish and deliver semiannually to the Mayor, the Council, and OFM a list identifying each building that is authorized as exempt from real estate taxes by OFM and has been determined to be a vacant or blighted vacant building.

Section 3 Makes a technical and clarifying amendment to section 47-1011.

Section 4 Establishes the Foreign Government Owned Real Property Task Force. Provides that the Task Force shall meet on a quarterly basis to review and identify issues with real property owned by foreign governments or their instrumentalities. Requires the Task Force to submit a report on its findings and recommendations to the Mayor, Council, and OFM by October 1 of each year.

Section 5 Adopts the Fiscal Impact Statement.

Section 6 Establishes the effective date (standard 30-day congressional review language).

IX. COMMITTEE ACTION

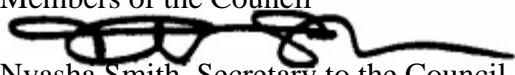
X. ATTACHMENTS

1. Bill 22-465 as introduced.
2. Written Testimony.
3. Fiscal Impact Statement for Bill 22-465.
4. Legal Sufficiency Determination for Bill 22-465.
5. Comparative Print for Bill 22-465.
6. Committee Print for Bill 22-465.

COUNCIL OF THE DISTRICT OF COLUMBIA
1350 Pennsylvania Avenue, N.W.
Washington D.C. 20004

Memorandum

To : Members of the Council

From : 
Nyasha Smith, Secretary to the Council

Date : September 21, 2017

Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Committee of the Whole on Tuesday, September 19, 2017. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Foreign Government Owned Vacant and Blighted Building Amendment Act of 2017", B22-0465

INTRODUCED BY: Chairman Mendelson and Councilmembers Evans and Cheh

CO-SPONSORED BY: Councilmembers Silverman, Bonds, Grosso, Allen, and Nadeau

The Chairman is referring this legislation to the Committee of the Whole.

Attachment

cc: General Counsel
Budget Director
Legislative Services

1
2
3 
Councilmember Jack Evans


Chairman Phil Mendelson

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6 
7 Councilmember Mary Cheh

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11 A BILL
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15
16 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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21 To amend An Act to provide for the abatement of nuisances in the District of Columbia by
22 Commissioners of said District, and for other purposes, to allow the Department of
23 Consumer and Regulatory Affairs (“DCRA”) to classify foreign government owned
24 buildings not used for legation purposes as vacant or blighted, to require DCRA to
25 maintain and publish a list of foreign government owned buildings that are used for
26 legation purposes that are deemed to be vacant or blighted; and to make a conforming
27 amendment to section 47-1011 of the District of Columbia Official Code.
28

29 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
30 act may be cited as the “Foreign Government Owned Vacant and Blighted Building Amendment
31 Act of 2017”.

32 Sec. 2. An Act To provide for the abatement of nuisances in the District of Columbia by
33 the Commissioners of said District, and for other purposes, approved April 14, 1906 (34 Stat.
34 114; D.C. Official Code § 42-3131.01 *et seq.*), is amended as follows:

35 (a) Section (6)(b)(2) (D.C. Official Code § 42-3131.06(b)(2)) is repealed.

36 (b) Section 9(a) (D.C. Official Code § 42-3131.09(a)) is amended by striking the phrase
37 “or its instrumentalities or by a foreign government or its instrumentalities.” and inserting the
38 phrase “or its instrumentalities.” in its place.

39 (c) New section 18a is added to read as follows:

40 “Sec. 18a. Vacant buildings belonging to foreign governments.

41 “(a) The Department of Consumer and Regulatory Affairs shall publish and deliver
42 semiannually to the Council, the Mayor, and the United States Department of State Office of
43 Foreign Missions a list identifying each building belonging to a foreign government and used for
44 legation purposes, as determined by the United States Department of State Office of Foreign
45 Missions, that is registered as, or has been determined to be, vacant or blighted pursuant to this
46 act.

47 “(b) Nothing in this act shall be construed to impose any obligation on any foreign
48 government relating to any building belonging to that foreign government and used for legation
49 purposes, as determined by the United States Department of State Office of Foreign Missions.”.

50 Sec. 3. Section 47-1011 of the District of Columbia Official Code is amended by striking
51 the phrase “owned by foreign governments for legation purposes” and inserting the phrase
52 “belonging to a foreign government and used for legation purposes” in its place.

53 Sec. 4. Fiscal impact statement.

54 The Council adopts the fiscal impact statement in the committee report as the fiscal
55 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
56 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

57 Sec. 5. Effective date.

58 This act shall take effect following approval by the Mayor (or in the event of veto by the
59 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
60 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
61 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
62 Columbia Register.

**ORAL STATEMENT OF ELLEN GOLDSTEIN
TO THE COMMITTEE OF THE WHOLE
COUNCIL OF THE DISTRICT OF COLUMBIA
CHAIRMAN PHIL MENDELSON**

Re: Bill 22-465 "Foreign Government Owned Vacant and Blighted Building Amendment Act of 2017"

Wednesday, September 26, 2018- 10:30AM
Hearing Room 412

Mr. Chairman and Members of the Council: My name is Ellen Goldstein. I currently serve as ANC Commissioner in Sheridan-Kalorama, an historic district where an estimated 15-20% of our residential housing stock is foreign-owned missions—we have more than any other neighborhood in DC.

While most embassies are good neighbors there are lots of problems associated with such a strong presence of foreign mission property in our neighborhood. They contribute more traffic, trash, parking issues, congestion, building code and aesthetic violations, etc. Embassies often do not have to follow the same rules as their neighbors when it comes to their property.

We are here today to discuss one specific problem embassies sometimes present and that is abandoned, derelict buildings.

Such property poses many threats to a predominantly residential neighborhood like ours. These eyesores pose safety and security issues – rats chewing electrical wires, dark corners where people of ill will can gather, trash, overgrown weeds, and so on. They lower the value of neighbors' properties and the longer they

remain vacant, the greater the damage, and the more costly it is therefore to fix them up—becoming a vicious cycle.

When I first became commissioner in 2015 we had a long list of long-empty and derelict properties. I am pleased to say that most of these properties have been renovated --or have firm plans to renovate in the coming two years.

Such “success stories” are no accident and are the result of years of persistent pressure, cajoling, soft coercion, lobbying, shaming, and so on by neighbors and commissioners, and sometimes with an assist by State.

One glaring exception is Pakistan – they own 4 properties in S-K-- whose formerly splendid classical building at R and 22nd St NW continues to degrade. This property – vacant over 20 years – provides a good example of just how far the District can go to protect residents and property in DC. Last year the State Department finally became convinced to remove its diplomatic protection and the City was thus able to levy property taxes on it. Not surprisingly, the taxes went unpaid and DC was able to put it up for a tax sale. But there is a provision in law that permitted the Government of Pakistan to pay off the tax bill and buy it back. Which it did. And the property, with a fraying Pakistani flag flying from a rusted, flaking flag pole, still sits, empty, crumbling and rotting -- a close neighbor to multi-million dollar homes.

A welcome development is that this year after years of discussion, an informal coalition of DC agencies and offices – “The Embassy-Neighborhood Relations Task Force” —which includes MPD, the S-K Commissioners, and the leadership of the State Department Office of Foreign Missions, was formed and has met twice so far this year. We have a good relationship with State and have been

working together to identify and address lots of issues that involve safety and security, DC public schools, trash disposal, parking, and so on. We continue to address clarifying jurisdictional ambiguities like – is it OK for the MPD to enter the grounds of an abandoned foreign property if neighbors have reason to believe there are drug dealers or trespassers hanging out there? Etc.

Mr. Chairman— we think your bill is a good start, but without appropriate pressure and enforcement, I fear little will change.

Here are some things I would ask you all to also consider:

1. There is no accurate and dynamic census of all foreign-owned properties across the District that also assesses their condition and whether they deserve historic status, etc. Let's get that done.
2. I've walked extensively around major capitals like Paris, London, and Amsterdam, including their embassy areas, and I never see such derelict properties or such massive violations of neighborhood protocols and norms like we see here. I recently walked our neighborhood with a reporter from Amsterdam and he was stunned by some of the properties I showed him. Maybe we should find out how other world capitals manage to get better compliance from embassies.
3. Let's codify and institutionalize the new Task Force I mentioned. The Task Force should be required to meet at least 4 times a year and possibly be convened and organized by DCRA or the Office of Planning.

4. Finally, let's get the City to stiffen its resolve to address these issues in a determined manner and not shrug its collective shoulders and say there's not much we can do. There is! Even the State Department would like to see DCRA take a strong stand against serious building and property violations. Maybe your proposed bill to create a new Department of Buildings can improve this kind of needed resolve.

Let's not let these buildings crumble – it would be a real shame and a blow to our cultural heritage.

9-25-18

**TESTIMONY OF ELLEN L GOLDSTEIN
TO THE COMMITTEE OF THE WHOLE
COUNCIL OF THE DISTRICT OF COLUMBIA
CHAIRMAN PHIL MENDELSON**

Re: Bill 22-465 "Foreign Government Owned Vacant and Blighted Building Amendment Act of 2017"

Wednesday, September 26, 2018- 10:30AM Hearing Room 412
Washington DC 20004

Mr. Chairman and Members of the Council: My name is Ellen Goldstein. I currently serve as ANC Commissioner in Sheridan-Kalorama (2D02) where I have lived since 1980. Sheridan-Kalorama, an historic district, is characterized by its distinguished late 19th and early 20th Century architecture, and includes over 600 historic buildings. Our two-member commission represents this stately and elegant residential neighborhood that includes such neighbors as President and Mrs. Obama, First Daughter Ivanka Trump and her family, and soon, Amazon founder and publisher of the Washington Post Jeff Bezos.

An estimated 15-20% of our residential housing stock is foreign-owned missions—we have more than any other neighborhood in DC. While this gives our neighborhood perhaps some additional caché – and let me say that most embassies are good neighbors (and many in recent years have tried hard to be part of the community by opening their doors for public tours and cultural events and lending their elegant space for nonprofit fundraisers)—there are lots of problems associated with such a strong presence of foreign mission property in our neighborhood. They contribute more traffic, trash, parking issues, congestion, building code and aesthetic violations, etc.

And embassies do not have to follow, for the most part, the same rules as their neighbors when it comes to their property. The City government oftentimes has its hands tied in efforts to get embassies to comply with established rules and requirements. We are here today to discuss one specific problem embassies sometimes present and that is abandoned, derelict buildings.

Abandoned foreign mission property poses many threats to the City and especially in a predominantly residential neighborhood like ours. These eyesores pose safety and security issues – rats chewing electrical wires, dark corners where people of ill will can gather, trash, overgrown weeds, and so on. They lower the value of neighbors' properties—and who would want to live next to one of these buildings for 20 days –let alone 20 years? And the longer they remain vacant, the greater the damage, and the more costly it is therefore to fix them up—this becomes after awhile a vicious cycle for many countries that own them.

When I first became commissioner in 2015 we had long-empty and derelict properties owned by Egypt, Pakistan, Albania, Serbia, Senegal, Colombia, Argentina, Cameroon, Sri Lanka, etc. (By the way, there is no accurate census maintained by the City that we know of that identifies each and every foreign-owned property in DC.)

I am pleased to say that almost all of these properties have been renovated --or have firm plans to renovate their derelict properties -- to some level of acceptability. Just recently Serbia announced approval of a \$3 million + budget to repair their two S-K properties, empty since the beginnings of the Cold War, and a blighted Argentine property on R St., empty over 20 years—is now for sale.

One glaring exception is Pakistan (they own 4 properties in S-K) whose formerly spectacular classical building at R and 22nd St NW continues to degrade. This property – vacant over 20 years – provides a good example of just how far the District can go to protect residents and property in DC. Last year the State Department finally became convinced to remove its diplomatic protection and the City was thus able to

levy property taxes on it. Not surprisingly, the taxes went unpaid and DC was able to put it up for a tax sale. But there is a provision in law that permitted the Government of Pakistan to pay off the tax bill and buy it back. Which it did. And the property, with a fraying Pakistani flag flying from a rusted, flaking flag pole, still sits, empty, crumbling and rotting and a close neighbor to multi-million dollar properties. (But it is still subject to tax.)

The “success stories” (and not all renovations go well as those who live or travel by the renovation of the Cameroon Embassy at 24th and Mass. Ave. can attest) are no accident and the result of years of persistent pressure, cajoling, soft coercion, lobbying, shaming, and so on by neighbors and commissioners, and sometimes with an assist by State.

Another welcome development is that after years of discussion, an informal coalition of DC agencies and offices – “The Embassy-Neighborhood Relations Task Force” —which includes MPD, the S-K Commissioners, and the leadership of the State Department Office of Foreign Missions, was formed and has met twice so far this year. We have a good relationship with State and have been working together to identify and address lots of issues that involve safety and security, DC public schools, trash disposal, parking, and so on. And while State has been a helpful and sincere team player, they have dual and sometimes conflicting objectives of working with us on improving embassy conduct and compliance, but not pressing too hard for fear of possible retaliation by some governments against our property overseas. We continue to address clarifying jurisdictional ambiguities like – is it OK for the MPD to enter the grounds of an abandoned foreign property if neighbors have reason to believe there are vagrants or drug dealers or trespassers hanging out there? Can DCRA force the Embassy of Myanmar to comply with electrical code requirements on external wiring? Can we get Moldova and Albania to dispose of their trash properly – and not use DC street bins? And so on....

Mr. Chairman—we welcome your leadership on how we can improve such situations and the nagging problems posed by foreign-owned derelict property—buildings that Rep. Norton has called a “public embarrassment.” Bill 22-465 would require that DCRA classify such property as “vacant” or “blighted,” and to prepare a report on these properties for the Mayor, Council and the State Department.

This is a good start, but without appropriate pressure and enforcement, I fear little will change.

Here are some things I would ask the Chairman Mendelson and Council to also consider:

1. As I stated earlier, there is no accurate and dynamic census of foreign-owned properties across the District (perhaps exceeding 500?) that also assesses their condition and whether they deserve historic status. Let’s get that done. This includes counting not just the formal embassies, but the military and cultural offices, chanceries, ambassadorial residences, and more obscure properties like the Colombian Mission to the OAS.
2. I’ve walked extensively around major capitals like Paris, Ottawa, London, and Amsterdam, including their embassy areas, and I never see such derelict properties or such massive violations of neighborhood protocols and norms like we see here. I recently walked our neighborhood with a reporter from Amsterdam and he was stunned by some of the properties I showed him. I think we should find out how other world capitals manage to get better compliance from embassies.
3. Let’s codify and institutionalize the new Task Force I mentioned earlier, that includes or should include ANCs, MPD, DCPS, DCRA, DPW, DDOT, State, and reps from Council and Cong. Norton’s office. The Task Force should be required to meet at least 4 times a year and possibly be convened and organized by DCRA or the Office of Planning. The Task Force should prepare a report every so often and submit to the Mayor and to Council.
4. Finally, let’s get the City to stiffen its resolve to address these issues in a determined manner and not shrug its collective shoulders and say there’s not much we can do. There is! Even the State Department would like to see DCRA take a stronger stand against serious building and property

violations. Maybe your proposed bill to create a new Department of Buildings can improve this kind of needed resolve.

What attracted me to DC back when I moved here in 1970 was its beauty—the French style avenues and Georgian, Federal Revival, Victorian and Beaux-Arts architecture. And while there is no such crime as an architectural crime (unless you ask Prince Charles) I think to let these buildings crumble is a real shame and a blow to our cultural heritage.

[n.b. A thorough review of the issues facing Sheridan-Kalorama because of the preponderance of foreign mission property in our neighborhood can be found in the briefing document: "Foreign Missions and the Threat They Pose to Sheridan-Kalorama's Historic, Residential Character," prepared in May, 2003 for the Mayor's Office of Planning, the National Capital Planning Commission (NCPC), the D.C. City Council, the U.S. Congress]

9-24-18

2136 R St, nw

In July of 1993 my husband Alan and I were delighted to have found a house at 2134 R St that we liked so much. We bought it, and still live there happily, but for one ongoing problem. Next door to us in 1993, and continuing to this day, is a vacant, uncared for house owned by the Argentine Embassy. For these 25 years, except for a brief period when someone rented the house and turned it into a noisy rooming house, the house has not been occupied. During this short rooming house period, our neighbors on the street and around the corner were outraged, and the illegal boarders were evicted by the police.

Throughout these twenty five years, the house next door has been a continuing dilemma for us: how can we convince the Argentine embassy to repair or sell this vacant property? Over the years, decaying pieces of concrete, bricks and wooden window frames dropped onto our patio, and cut into our new patio awning. Pigeons flew in and out of open windows and built nests inside the once lovely rooms. The small green untended space in the front of the house produced huge unsightly weeds that crept onto our front garden. When we complained to the embassy they covered the garden space with large rocks.

Worst of all was the passage of bugs, mice and rats into our home. Although we had regular services of an exterminator, we were constantly appalled by the vermin that visited our home. Pointing to the neighboring house, our pest control person kept saying "Gotta get them to clean their house." Wish we could, we replied.

Over the years, we have tried many times to make contact with the embassy. Most often the embassy staff politely acknowledged the situation, said they'd take action, but did little to remedy the situation. Once the ambassador came to breakfast at our house, claimed to be surprised and dismayed by what he saw, and declared that he'd take action. Weeks turned into months, months into years, and neither he or his successor did anything substantial to bring about the clean -up and restoration changes he seemed to endorse.

It's sad to see this once beautiful house in decay. And it's even sadder to live next door. Now the house is on the market, sale sign out front. The asking price is

high, as is the task of restoring the property. But we remain optimistic that it will sell.

**TESTIMONY OF SHERIDAN-KALORAMA NEIGHBORHOOD COUNCIL,
MARIE DRISSEL, SECRETARY
TO THE COMMITTEE OF THE WHOLE
COUNCIL OF THE DISTRICT OF COLUMBIA
CHAIRMAN PHIL MENDELSON**

Re: Bill 22-465 "Foreign Government Owned Vacant and Blighted Building Amendment Act of 2017"

Wednesday, September 26, 2018- 10:30AM Hearing Room 412
Washington DC 20004

Mr. Chairman and Members of the Council:

My name is Marie Drissel and I am here testifying as Secretary of the Sheridan-Kalorama Neighborhood Council. SKNC was organized over 50 years ago to ensure that the residential character of our neighborhood is protected. It is wonderful to live in a community which is surrounded by embassies. They are an integral part of our every day living.

SKNC passed a resolution in total support of SK ANC Commissioner Goldstein's written testimony. The history she presents is a mirror of 50 years of ups and downs with various foreign controlled properties. One of the worse was a 3-alarm fire which destroyed an embassy on Wyoming Avenue heavily damaging the adjacent hotel with very thick smoke filling a large condominium on Connecticut Avenue. Many of the fire investigation reports pointed to haphazard wiring for computers with no compliance to the DC electrical safety codes.

On the other hand, many of the ambassadors lend their gorgeous homes for neighborhood fundraising events which are always well attended. There seems to a difference in how an embassy is maintained versus a chancery where business is conducted.

Thank you for this opportunity to testify in support of this bill and the testimony of our ANC.

**TESTIMONY OF MARIE DRISSEL, RESIDENT
TO THE COMMITTEE OF THE WHOLE
COUNCIL OF THE DISTRICT OF COLUMBIA
CHAIRMAN PHIL MENDELSON**

Re: Bill 22-465 "Foreign Government Owned Vacant and Blighted Building Amendment Act of 2017"

Wednesday, September 26, 2018- 10:30AM Hearing Room 412
Washington DC 20004

My name is Marie Drissel. I have lived in Sheridan-Kalorama for 39 years and was ANC Chairman between 1992-94.

The chancery of Nepal on Leroy Place is not just a blight it is so dilapidated that it poses serious health problems. There have been numerous hoc repairs to the building over the years, both inside and out, that are not keeping with the historical character of the building, the neighborhood and do not comply with safety codes. The chimney is literally falling down and the basement area is crumbling providing shelter for rodents. There are numerous exposed wires running up and down the back and front of the house and the back yard is a haven for rats. Neighbors have tried unsuccessfully to manage the rat epidemic, but a private pest company and the City rat control team have indicated that this will be impossible without cooperation of the Nepalese chancery staff, which has not been forthcoming.

The Nepalese chancery stores their trash on the sidewalk in front of the property rather than inside. Often trash is piled up next to the cans and on numerous occasions large items have remained on the sidewalk for weeks. Moreover, the cans are completely chewed through providing a steady source of nutrition for the rat population. The chancery does not seem to have a private collection contractor. We have tried to address this issue with the appropriate DC Government office to no avail.

The neighbors next door with very small children had their basement flooded recently caused by this property. The staff were uncooperative. The insurance paid but the company could not collect from the foreign government.

It has just been brought to our attention that there is a possibility that the function of this foreign owned property will change to be used as a multifamily property for staff. With this proposed change we believe the pressure to improve the property will lessen because no official business will be transacted inside of the chancery leaving no reason to maintain the property.

Over the years we have worked with your Committee and the appropriate federal and DC government entities and still feel our chief problem is enforcement. Thank you.

Johnson, Peter (Council)

From: Mendelson, Phil (COUNCIL)
Sent: Monday, October 8, 2018 12:01 PM
To: Johnson, Peter (Council)
Subject: FW: Bill 22-465"Foreign Government Owned Vacant & Blighted Building Amendment Act of 2017"

From: Sally Berk [mailto:sallyberk65@gmail.com]
Sent: Friday, October 05, 2018 10:40 PM
To: Mendelson, Phil (COUNCIL) <PMENDELSON@DCCOUNCIL.US>
Cc: Kindy French <kindyf@verizon.net>; Donna Hays <donnasmithhays@earthlink.net>; Holly Sukenik <hsukenik@hotmail.com>; Marie Drissel <marie.drissel@verizon.net>; Bender, David R. (ANC 2D01) <2d01@anc.dc.gov>; Goldstein, Ellen L. (ANC 2D02) <2d02@anc.dc.gov>
Subject: Bill 22-465"Foreign Government Owned Vacant & Blighted Building Amendment Act of 2017"

Dear Chairman Mendelson,

My name is Sally Berk. I'm here to support the testimony of ANC Commissioner Goldstein and the others who have testified before me. I've been a resident of Sheridan-Kalorama for almost forty years and, in those years, have seen our district become, increasingly, family-oriented neighborhood. This is primarily due to the work of our non-profit organizations: the Sheridan-Kalorama Historical Association, the Friends of Mitchell Park, the Spanish Steps Restoration Project, and -- most of all -- the Sheridan-Kalorama Neighborhood Council, which succeeded in getting an overlay in our district that limits the number of foreign chanceries. While we welcome embassies, i.e. the homes of ambassadors, we find that chanceries, which are essentially offices, to be contrary to the residential ambiance to which we strive.

Unfortunately, while the number of foreign missions has diminished and the residential quality of our district has improved, it appears to me that the number of vacant and deteriorating buildings has not noticeably diminished. And I worry that the success we've had in attracting families may not continue to increase. Therefore, I am in strong support of any action that will address the problem of absentee owners being required to maintain their property according to the city's building regulations.

Thank you for this opportunity to testify.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Consumer and Regulatory Affairs



Public Hearing on

B22-465, the "Foreign Government Owned Vacant and Blighted Building
Amendment Act of 2017"

Testimony of
Melinda Bolling
Director

Department of Consumer and Regulatory Affairs

Before the

Committee of the Whole
The Honorable Phil Mendelson, Chairman
Council of the District of Columbia

September 26, 2018

10:30am

Room 412

John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning, Chairman Mendelson, members, and staff of the Committee. I am Melinda Bolling, the Director of the Department of Consumer and Regulatory Affairs (DCRA). I'm here today to provide the Executive's testimony on Bill 22-465, the "Foreign Government Owned Vacant and Blighted Building Amendment Act of 2017." This bill would eliminate the current statutory exemption from registration of vacant buildings owned "by a foreign government or its instrumentalities." The bill would also eliminate the current exemption from payment of annual vacant building registration fees for all buildings owned by foreign governments. Additionally, this bill would require DCRA to semi-annually publish a list of all buildings "belonging to a foreign government and used for legation purposes" which have been determined by DCRA inspectors to qualify as vacant or blighted.

In my testimony today, I will offer perspective on how our vacant and blighted enforcement efforts work generally and speak to the current enforcement and implementation challenges for vacant buildings owned by foreign governments. Neighborhood stabilization and combating blight are of the highest priority for DCRA, and we look forward to working with Council to achieve positive outcomes and set attainable expectations for residents impacted by these vacant and blighted buildings.

I. Current Vacant Property Enforcement Efforts

Before turning to the substance of Bill 22-465, I will provide some background on DCRA's efforts to inspect and classify vacant and blighted properties. As an integral part of Mayor Bowser's efforts to support vibrant neighborhoods, DCRA's Vacant Building Enforcement division conducts survey inspections of vacant and blighted vacant properties in order to track them and incentivize owners to put them back into productive use. Thus far in



FY18, DCRA has conducted 5,637 initial survey inspections, classifying 1,850 buildings as vacant and 798 buildings as blighted vacant.

DCRA publishes quarterly lists of vacant and blighted properties on its website [available at <https://dcra.dc.gov/page/vacant-building-reports>]. DCRA meets with the Office of Tax and Revenue (OTR) quarterly to review vacant and blighted vacant properties at the management level. To improve coordination with OTR on vacant tax designations, DCRA's Vacant Building Enforcement team has been meeting with OTR staff every other week for the past year and will continue to do so. Properties designated as "vacant" are classified as "Class 3" on the tax rolls, and are subject to a property tax rate of \$5 per every \$100 of assessed value. Properties designated as "blighted" are classified as "Class 4" and subject to real property taxes of \$10 per \$100 of assessed value. These heightened property taxes act as a deterrent to absentee property owners who possess empty properties and provides them with an economic incentive to return abandoned properties to productive use more quickly.

DCRA's Vacant Building Enforcement division operates entirely on a complaint-based response system. When DCRA receives a complaint – typically from a neighbor – the Vacant Building Enforcement team schedules an inspection and conducts preliminary research online to ascertain more information about the property address, including the owner of record and any other history of complaints or violations. The inspector then responds to the property to conduct a four-point survey to determine whether the property meets the criteria for vacant or blighted, as defined in the statute.

When our pre-inspection research reveals that the property is owned by a foreign government or its instrumentalities, DCRA takes a slightly different approach. The Vacant Building Enforcement team responds to the scene, takes photographs of the exterior from the



sidewalk or property line, and notates in the agency's database that the property cannot be cited for a violation or infraction due to the foreign-government-owned exemption. DCRA then contacts the U.S. State Department Office of Foreign Missions (OFM) to inform them of the status of the property address, and does so for every vacant property complaint about a building owned by a foreign government.

II. “Foreign Government Owned Vacant and Blighted Building Amendment Act of 2017”

Currently, a broad statutory exemption shields all properties owned by foreign governments from the District's vacant property registration and maintenance requirements. Bill 22-465 would repeal the exemption for all buildings “owned by a foreign government or its instrumentalities.” However, it is important to point out that OFM grants “inviolability and tax exempt” status only to certain, active diplomatic properties. As written, the bill could be construed to conflict with the diplomatic property tax exemption granted by OFM. DCRA recommends that, rather than eliminating the vacant property exemption entirely, Council clarify the bill to maintain the exemption only for active diplomatic facilities with OFM status. This change would remove the exemption from properties where diplomatic and tax-exempt statuses have already been revoked by the OFM, as well as those properties owned by foreign governments that may have never enjoyed diplomatic status.

A critical component of successfully implementing this change would be the continued collaboration between the OFM and DCRA. If Bill 22-465 were to be enacted, DCRA inspectors would rely on the information provided by OFM in order to make determinations about which foreign-government-owned properties are designated “inviolable” and which are not. As OFM advised DCRA when we consulted them on this bill, OFM diplomatic status designations could theoretically change from one day to the next. As a result, implementation of Bill 22-465 would



be challenging for DCRA's Vacant Buildings Enforcement (VBE) team. The VBE team will need to rely on accurate information from OFM to determine the limits – if any – of DCRA's enforcement authority before responding to a complaint about a foreign-government-owned property address. We would need confirmation from OFM regarding a building's status to safely ensure that DCRA inspectors are not put in harm's way and avoid violating any protections afforded to a diplomatic facility. Obviously, this reliance on information from a third-party could inadvertently cause inappropriate enforcement action to take place. It is worth considering the potential implications of such errors for the District.

Additionally, DCRA process changes would be required to facilitate tracking and reporting of vacant and blighted buildings owned by foreign governments on a complaint-generated basis. We would need to develop a specific designation for use in the Accela system, which tracks our complaints and inspections by property address. This would allow our data analytics team to run the report on vacant and blighted buildings owned or leased by foreign governments, which the bill would require on a semiannual basis.

DCRA also suggests replacing the phrase "used for legation purposes," which the State Department no longer uses, with the phrase "designated as inviolable and tax exempt by the United States Department of State Office of Foreign Missions," wherever it appears. This would align the bill with the terminology currently used by OFM and eliminate potential confusion in implementing the bill.

III. Conclusion

Chairman Mendelson and members of the Council, DCRA appreciates the Council's continued focus on transforming vacant and blighted properties across the District and returning them to productive use. Although this bill would pose some potential implementation challenges,



we understand the Council's intent and welcome the opportunity to work with your office to refine the bill in consultation with our Office of Federal and Regional Affairs. I am available to take your questions.



Bill 22-465, “Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018”

**Committee of the Whole
Comparative Print**

**An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes.
(D.C. OFFICIAL CODE § 42-3131.01 *ET SEQ.*)**

§ 42-3131.06(b). Registration of vacant buildings.

(b) A vacant building shall not be included on the list compiled pursuant to [§ 42-3131.16](#) or subject to the registration fee pursuant to [§ 42-3131.09](#) if it is:

(1) Owned by the government of the United States or its instrumentalities;

(2) ~~Owned by a foreign government or its instrumentalities~~ Authorized as exempt from real estate taxes by the United States Department of State’s Office of Foreign Missions on the basis of its use for diplomatic or consular purposes or for the official business of an international organization;

(3) Under active construction or undergoing active rehabilitation, renovation, or repair, and there is a building permit to make the building fit for occupancy that was issued, renewed, or extended within 12 months of the required registration date; provided, that the time period for this exemption beginning from the date the initial building permit was issued shall not exceed:

(A) One year for a residential building; provided, that a residential building is eligible to continue to be exempt for an additional 6 months, for a total period not to exceed 18 months, if the Mayor determines that the residential building continues to be under active construction or undergoing active rehabilitation, renovation, or repair and substantial progress has been made toward making the building fit for occupancy; or

(B) Two years for a commercial project;

(3A) Repealed.

(4) In compliance with the requirements of [§ 42-3131.12](#) and the housing regulations of the District of Columbia and the owner or his agent has been actively seeking in good faith to rent or sell it; provided, that:

(A) The time period for sale or rent shall not exceed:

(i) One year from the initial listing, offer, or advertisement of sale in the case of residential buildings;

(ii) Two years from the initial listing, offer, or advertisement of sale in the case of commercial buildings; or

(iii) One year from the initial listing, offer, or advertisement to rent; and;

(B) Any leased property exempt under this paragraph shall have a valid certificate of occupancy;

Bill 22-465, “Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018”

**Committee of the Whole
Comparative Print**

(5)(A) Exempted by the Mayor in extraordinary circumstances and upon a showing of substantial undue economic hardship.

(B) The exemption may be granted for a period not to exceed 12 months from the required registration date, subject to renewal on the basis of continuing extraordinary circumstances and substantial undue economic hardship. The Mayor may withdraw the exemption at any time. Any exemption shall be published in the District of Columbia Register.

(6) Repealed.

(7) For a period not to exceed 24 months, the subject of a probate proceeding or the title is the subject of litigation (not including a foreclosure of the right of redemption action brought under [Chapter 13A of Title 47](#) [[§ 47-1330](#) et seq.]);

(8) For a period not to exceed 12 months, the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission on Fine Arts, the Historic Preservation Review Board, the Mayor’s Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission; or

(9) Located on the Water Reed Redevelopment Site, for so long as the building and the land on which the building sits is subject to the ground lease to the Developer.

§ 42-3131.09(a). Fees.

(a) As provided in [§ 42-3131.06\(a\)](#), the owner of a building shall register the building and pay the registration fee within 30 days after it becomes a vacant building, except if the vacant building is owned by the government of the United States or its ~~instrumentalities or by a foreign government or its instrumentalities~~ instrumentalities, or has been authorized as exempt from real estate taxes by the United States Department of State’s Office of Foreign Missions on the basis of its use for diplomatic or consular purposes or for the official business of an international organization. The Mayor, in his or her sole discretion, may extend the time for payment for good cause.

§ 42-3131.18a. Vacant and blighted vacant buildings belonging to foreign governments.

(a) The Department of Consumer and Regulatory Affairs shall publish and deliver semiannually to the Mayor, the Council, and the United States Department of State’s Office of Foreign Missions (“OFM”) a list identifying each building that is:

(1) Authorized as exempt from real estate taxes by OFM on the basis of its use for diplomatic or consular purposes or for the official business of an international organization; and

Bill 22-465, “Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018”
Committee of the Whole
Comparative Print

(2) Has been determined to be a vacant building or blighted vacant building pursuant to this act.

(b) Nothing in this act shall be construed to impose any obligation on any foreign government or other entity relating to any building that has been authorized as exempt from real estate taxes by OFM on the basis of its use for diplomatic or consular purposes or for the official business of an international organization.

(D.C. OFFICIAL CODE § 47-1011)

§ 47–1011. Property of United States, District of Columbia, and foreign legations exempt from assessments for improvements.

No property except that of the United States or the District of Columbia and property authorized as exempt from real estate taxes by the United States Department of State’s Office of Foreign Missions on the basis of its use for diplomatic or consular purposes or for the official business of an international organization ~~owned by foreign governments for legation purposes~~ shall be exempt from assessments for improvements.

* * *

1 **DRAFT COMMITTEE PRINT**
2 Committee of the Whole
3 November 13, 2018
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5

6
7 A BILL

8
9 22-465
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12
13 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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17

18 To amend An Act to provide for the abatement of nuisances in the District of Columbia by the
19 Commissioners of said District, and for other purposes to allow the Department of
20 Consumer and Regulatory Affairs (“DCRA”) to include on the list of registered vacant
21 buildings transmitted to the Office of Tax and Revenue and to subject to a registration fee
22 those vacant and blighted vacant buildings that have not been authorized as exempt from
23 real estate taxes by the United States Department of State’s Office of Foreign Missions
24 (“OFM”), to require DCRA to maintain and publish a list of vacant and blighted vacant
25 buildings that have been authorized as exempt from real estate taxes by OFM; to make a
26 conforming amendment to section 47-1011 of the District of Columbia Official Code;
27 and to establish a Foreign Government Owned Real Property Task Force to address
28 matters relating to real property owned by foreign governments or their instrumentalities.
29

30 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
31 act may be cited as the “Foreign Government Owned Vacant and Blighted Building Amendment
32 Act of 2018”.

33 Sec. 2. An Act To provide for the abatement of nuisances in the District of Columbia by
34 the Commissioners of said District, and for other purposes, approved April 14, 1906 (34 Stat.
35 114; D.C. Official Code § 42-3131.01 *et seq.*), is amended as follows:

36 (a) Section (6)(b)(2) (D.C. Official Code § 42-3131.06(b)(2)) is amended to read as
37 follows:

38 “(2) Authorized as exempt from real estate taxes by the United States Department
39 of State’s Office of Foreign Missions on the basis of its use for diplomatic or consular purposes
40 or for the official business of an international organization.”.

41 (b) Section 9(a) (D.C. Official Code § 42-3131.09(a)) is amended by striking the phrase
42 “instrumentalities or by a foreign government or its instrumentalities.” and inserting the phrase
43 “instrumentalities, or has been authorized as exempt from real estate taxes by the United States
44 Department of State’s Office of Foreign Missions on the basis of its use for diplomatic or
45 consular purposes or for the official business of an international organization.” in its place.

46 (c) New section 18a is added to read as follows:

47 “Sec. 18a. Vacant and blighted vacant buildings belonging to foreign governments.

48 “(a) The Department of Consumer and Regulatory Affairs shall publish and deliver
49 semiannually to the Mayor, the Council, and the United States Department of State’s Office of
50 Foreign Missions (“OFM”) a list identifying each building that is:

51 “(1) Authorized as exempt from real estate taxes by OFM on the basis of its use
52 for diplomatic or consular purposes or for the official business of an international organization;
53 and

54 “(2) Has been determined to be a vacant building or blighted vacant building
55 pursuant to this act.

56 “(b) Nothing in this act shall be construed to impose any obligation on any foreign
57 government or other entity relating to any building that has been authorized as exempt from real
58 estate taxes by OFM on the basis of its use for diplomatic or consular purposes or for the official
59 business of an international organization.”.

60 Sec. 3. Section 47-1011 of the District of Columbia Official Code is amended by striking
61 the phrase “owned by foreign governments for legation purposes” and inserting the phrase

62 “authorized as exempt from real estate taxes by the United States Department of State’s Office of
63 Foreign Missions on the basis of its use for diplomatic or consular purposes or for the official
64 business of an international organization” in its place.

65 Sec. 4. Foreign government owned building task force.

66 (a) There is established a Foreign Government Owned Real Property Task Force (“Task
67 Force”) with the purpose of serving as a collaborative body to address matters relating to real
68 property, including all buildings located on such real property, owned by foreign governments or
69 their instrumentalities.

70 (b) The Task Force shall meet on a quarterly basis to review and identify issues with real
71 property owned by foreign governments or their instrumentalities to include, but not limited to:

72 (1) The tax status of such property;

73 (2) The condition of such property; and

74 (3) Whether such property is in substantial compliance with District laws and
75 regulations.

76 (c) The Task Force shall consist of the following members:

77 (1) Three Advisory Neighborhood Commissioners, one from Advisory
78 Neighborhood Commission (“ANC”) 2B, one from ANC 2D, and one from ANC 3C, each of
79 whom shall be appointed by the Mayor;

80 (2) The Director of the Department of Consumer and Regulatory Affairs, or the
81 Director’s designee;

82 (3) The Deputy Chief Financial Officer for the Office of Tax and Revenue, or the
83 Deputy Chief Financial Officer’s designee;

84 (4) The Chief of the Metropolitan Police Department, or the Chief’s designee;

85 (5) The Director of the Department of Health, or the Director’s designee;

- 86 (6) The Director of the Department of Public Works, or the Director’s designee;
87 (7) The Director of the District Department of Transportation, or the Director’s
88 designee;
89 (8) The Secretary of the District of Columbia, or the Secretary’s designee;
90 (9) The Chairman of the Council, or the Chairman’s designee; and
91 (10) The Director of the United States Department of State’s Office of Foreign
92 Missions (“OFM”), or the Director’s designee.

93 (d) The Mayor shall designate one member of the Task Force to serve as its Chairperson.

94 (e) On or before October 1 of each year, the Task Force shall submit a report of its
95 findings and recommendations to address the issues outlined in subsection (b) of this section to
96 the Mayor, the Council, and OFM.

97 (f) The Task Force shall convene its first meeting no later than 90 days after the effective
98 date of this act.

99 Sec. 5. Fiscal impact statement.

100 The Council adopts the fiscal impact statement in the committee report as the fiscal
101 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
102 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

103 Sec. 6. Effective date.

104 This act shall take effect following approval by the Mayor (or in the event of veto by the
105 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
106 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
107 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
108 Columbia Register.