

**Testimony before the D.C. Council Committee on Finance and Revenue  
Hearing on Real Property Tax Sale Amendments  
Thursday, October 17, 2013  
By Caitlin Cocilova**

Good morning, and thank you for the opportunity to testify today. My name is Caitlin Cocilova, and I am a Georgetown Law student working with the Washington Legal Clinic for the Homeless. I am here to testify in support of the proposed reforms to the D.C. Real Property Tax Sale Statute.

As you know, the Legal Clinic is a not-for-profit legal services and advocacy organization dedicated to ending homelessness and expanding the supply of affordable housing through both legal representation and policy advocacy. We believe that housing is a human right and that the government has a corresponding duty to respect, protect, and fulfill that right. By passing the Residential Real Property Equity and Transparency Act, D.C. Council has the opportunity to effectively assist in fulfilling this right for the most vulnerable of our neighbors.

The Legal Clinic firmly believes that homelessness will not end until a sufficient number of truly affordable housing units are developed throughout the District of Columbia. As of April 2013, there were approximately 70,000 households on the waitlist for the D.C. Housing Authority's Public Housing and Housing Choice Voucher Programs, 25,000 of which listed themselves as homeless.<sup>1</sup> With the exponential rise in the cost of living in D.C. similarly contributing to a loss of affordable housing,<sup>2</sup> it is imperative that we provide the best means possible for people to maintain their current homes. By instituting homeowner-friendly property tax sale foreclosure practices, D.C. Council can contribute to making this goal a reality.

For the following reasons, the Legal Clinic strongly urges Council to pass the proposed changes to the current property tax sale law:

First, the expansion of the pre-sale notice provision is essential for providing homeowners with sufficient constitutional due process. The imposition of quarterly notices of delinquent property taxes and notice of scheduled tax sales significantly improves the current one-time notice procedure. Such improved practices have the potential to reduce the number of individuals who receive eviction notices without realizing they are delinquent. The practices will also promote the resolution and understanding of pre-sale issues, including property reclassifications and the availability of installment payments and hardship agreements.

Second, the proposed amendments constructively foster deferment of tax sales through the use of collaborative mechanisms between homeowners and the Office of Tax and Revenue. By providing homeowners with an opportunity to enter into installment agreements with OTR, the Act empowers individuals to exercise control over the repayment of their debts and prevents the imposition of additional sale costs on homeowners who need additional time to complete their payments.

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<sup>1</sup> DCHA, [Facts About DCHA Waiting List](#) (August 2012); Figures from DCHA Office of Client Placement (May 2013).

<sup>2</sup> DC Fiscal Policy Institute, [Disappearing Act: Affordable Housing in DC is Vanishing Amid Sharply Rising Housing Costs](#) (May 7, 2012).

Third, in relation to these costs of sale, capping redemption expenses reduces the likelihood that homeowners will be forced into foreclosure despite collecting enough money to pay off any initial financial delinquencies. Placing a limit on this significant burden can prevent individuals from having to use their limited available funds for attorneys' fees and purchaser's expenses rather than for the essentials, thus reducing their reliance on other community resources.

As these beneficial reforms are a big step forward in the promotion of affordable housing initiatives, the Legal Clinic encourages the Committee to carefully consider how the reforms will take effect in practice. While the amendments are undoubtedly beneficial on paper, their implementation will ultimately determine the measure of success that such changes may achieve.

Effective implementation may involve determining whether homeowners are receiving quarterly notices, either at last known addresses or through postings, or if additional measures are necessary to ensure actual notice. It may also involve ensuring the ease with which notice documents can be understood. Many of the individuals falling under the impact of foreclosures share similar demographics to the Legal Clinic's currently and formerly homeless clients; they are predominantly senior citizens, individuals with mental and physical disabilities, individuals in school or job training programs, and residents living paycheck to paycheck in a city where often one paycheck is not enough to keep a roof over one's head.<sup>3</sup> Due to the diverse and often vulnerable nature of these homeowners, procedural equity in property tax sale processes must involve several practical considerations for the layout and format of notice documents. This includes the use of a sufficiently large font size, clear and plain language, and resources providing access to the documents in different languages. The documents must therefore be easily accessible to all of these neighbors, and we encourage the Committee to keep these practical concerns in mind.

As you have seen in recent media reports discussing personal stories of loss under the current statute, this proposed legislation involves more than just access to housing. It involves preventing the removal of individuals and families from their homes, many of whom have lived in them for decades.<sup>4</sup> It involves empowering D.C. communities by providing residents with meaningful opportunities to assert their individual rights using improved procedural measures. And, in a time when D.C. is undergoing a rapid transformation to high-cost real estate, it involves tipping the scale in support of the individual homeowner rather than in support of investors. By combining purposeful reform with responsible enactment, this Act therefore has the capability to affirm a prominent value in maintaining the quality of life for all D.C. residents.

Thank you.

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<sup>3</sup> In the District, a worker earning the Minimum Wage (\$8.25 per hour) must work approximately 132 hours per week, 52 weeks a year, or earn \$27/hour at 40 hours a week, to afford a 2-bedroom apartment at Fair Market Rent, which is \$1,412 per month. National Low Income Housing Coalition, Out of Reach 2012: America's Forgotten Housing Crisis 41 (March 2013).

<sup>4</sup> Debbie Cenziper, Michael Sallah, Steven Rich, Part 3: Liens, Loss, and Profiteers, The Washington Post (September 10, 2013), available at <http://www.washingtonpost.com/sf/investigative/2013/09/10/mistakes-put-homes-in-peril/>.