

## **Hillandale Citizens Association, Inc.**

### **Montgomery County Bills 38-16 & 39-16**

#### **Penalty for Not Registering Foreclosed Properties & Listing Vacant Properties**

The Executive Committee of the Hillandale Citizens Association supports Councilmember Hucker's two bills crafted to improve the Department of Housing and Community Affairs (DHCA) management of vacant properties. We ask that Council also consider the following:

- Add a time requirement for final registration with the State Foreclosure Registry
- Add a provision to have DHCA list designated unmaintained, vacant properties on their web site, as they do condemned properties
- Remove the two-year grace period for listing properties in foreclosure action from the unmaintained, vacant property designation

#### **Bill 38-16 --- Enacting the State's Foreclosure Registry Penalty Provision in MoCo**

Requiring the purchaser of a foreclosed property to promptly report their purchase to the state's foreclosed property database will improve DHCA's ability to identify responsible parties. Imposing a \$1,000 fine will encourage buyers to act quickly and acknowledge their ownership with the *initial registration*.

Unfortunately, the bill stops short of requiring the *final registration* and actual deed transfer be done quickly following the court's ratification of a foreclosure sale. Please make this a requirement.

#### **Bill 39-16 — New Blight-Reduction Tool: Unmaintained Vacant Residential Property List**

Establishing and implementing a MoCo *unmaintained vacant residential property* list with an annual inspection requirement and fees will help DHCA to address all types of abandoned properties that drag down a neighborhood. Since many of these properties will not have voluntary registration, it is imperative that DHCA aggressively uses the authority provided in this bill to add qualifying properties to the list. Furthermore, having inspection fees escalate within the service request/complaint system may encourage absentee owners to consider selling or renovating the home. We ask that this list be published on DHCA's web site.

Unfortunately, the more critical vacant, abandoned, unmaintained homes in Hillandale have been lengthy, stalled, or unprosecuted foreclosures. These have not been contested foreclosures for the most part. Some cases have been dismissed due to inactivity, then restarted or refiled. With this experience, the 24-month grace provision in the legislation is too lenient. All vacant and unmaintained homes should be treated equally based on the condition of the property. These properties need to be inspected, with registration charges and fees being added to the tax bill. Mortgage companies routinely pay the tax bills to avoid the possibility of a tax sale. Please remember that the negative impact of these homes on surrounding properties is significant and action must not be delayed.

We also encourage Council to review with DHCA the Department's policies regarding their existing powers to enforce housing code standards, including their ultimate tool, requiring a property owner to "repair or remove" a deteriorated, vacant dwelling through the District Court process. Several years ago, this approach was used in Hillandale with two successful

outcomes. One home was sold and renovated while another was demolished. This is a tool in their tool box that needs to be carefully used when necessary.

Thank you for considering our input as Council reviews and adopts Bills 38-16 and 39-16.

Margie Goergen-Rood, President  
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