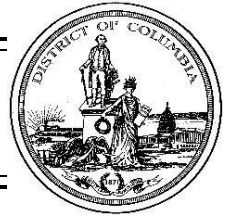

OFFICE OF AT -LARGE COUNCILMEMBER ANITA BONDS
CHAIR, COMMITTEE ON HOUSING & EXECUTIVE ADMINISTRATION



June 15, 2021

Gizachew Andargeh, Interim Executive Director
Real Property Tax Appeals Commission
500 K Street, NE
Washington, DC 20002

Dear Executive Director Andargeh:

Due to the COVID-19 public health emergency and multiple budget delays, the annual budget hearing for the Real Property Tax Appeals Commission (RPTAC) has been rescheduled to June 22, 2021 by the Office of the Budget Director of the Council of the District of Columbia.

In preparation for the upcoming annual budget hearing, the Committee requests that RPTAC review the attached list of standard budget questions and agency-specific questions and return your answers **by close of business on Monday, June 14, 2021**. Please provide your responses in electronic version of Microsoft Word and pdf.

If you feel that I could use additional information outside the scope of the attached questions, please feel free to include an additional written statement. If your office requires clarification of any of the attached questions, please contact Aimellia Siemson, General Counsel, at (202) 724-8153 or asiemson@dccouncil.us. Thank you in advance for your timely and comprehensive response.

Sincerely,

A handwritten signature in black ink, appearing to read "ANB".

Anita Bonds
At-Large Councilmember
Chairperson, Committee on Housing and Executive Administration

Real Property Tax Appeals Commission (RPTAC)

1350 PENNSYLVANIA AVENUE, N.W. § SUITE 404
§ WASHINGTON, DC 20004 §
TELEPHONE: (202) 724-8064 § FAX: (202) 724-8099

FY 2021 – FY 2022 BUDGET OVERSIGHT QUESTIONS

I. Standard Agency Budget Questions

1. Please provide the following budget information for the agency for FY21 and FY22. For FY21, please include the amount approved and expenditures to date.
 - a. At the agency level, please provide the information broken out by source of funds and by Comptroller Source Group and Comptroller Object;
 - b. At the division level, please provide the total operating budget and expenditures, including FTEs, program and activity costs, dedicated taxes/revenues, special purpose funds, grants, and MOUs attributed to the work and achievements of the agency sub-division. Also include any amount of funds generated by each sub-division;
 - c. At the program level, please provide the information broken out by source of funds and by Comptroller Source Group and Comptroller Object; and
 - d. At the activity level, please provide the information broken out by source of funds and by Comptroller Source Group.

See Attachment 0 - Mayor's Proposed Budget and Prior Year FY21-FY22

2. Please provide a detailed cross-walk between the agency FY21 budget and the agency FY22 budget. The cross-walk should clearly identify how budget levels have changed for each agency function.

There was no restructuring of commission functions at RPTAC. See Attachment V – Agency Budget Crosswalk.

3. Please list all Memoranda of Understanding (MOU) the agency has either entered into or is planning to enter into, during FY21 and FY22. Please include the name of the contracting agency, the amount of the MOU, what programs or services the MOU will support, and whether the funds for FY20 MOUs have been transmitted.

FY21

Memorandum of Understanding Between the Office of the Attorney General and the Real Property Tax Appeals Commission for Fiscal Year 2021 Amount: \$10,000

Memorandum of Understanding Between the Office of the Chief Financial Officer and the Real Property Tax Appeals Commission for Fiscal Year 2021 Amount: \$50,000

Real Property Tax Appeals Commission (RPTAC)

FY22 (Proposed)

Memorandum of Understanding Between the Office of the Attorney General and the Real Property Tax Appeals Commission for Fiscal Year 2022 Amount: \$10,000

Memorandum of Understanding Between the Office of the Chief Financial Officer and the Real Property Tax Appeals Commission for Fiscal Year 2022 Amount: \$50,000

See Attachment II – Intra-Districts

4. For each program within the agency, please provide the following:
 - a. An explanation of FTE increases, decreases, or vacancies contained within the proposed FY22 budget;

The FY22 Budget eliminates the part time commissioner contractor position and replaces it with the full-time temporary hearing examiner position and creates one FTE (.5 FTE each) for two full-time temporary hearing examiners.

- b. Copies of any workforce planning strategies that address critical vacancies within the agency;

N/A

- c. A list of any projected surpluses or deficits for FY21.
There is no projected surplus or deficit in FY21.

5. Please provide any increases or cuts the agency is making to community outreach and communication functions and any changes to agency personnel that are responsible for these activities.

The Commission is not making any cuts to community outreach and communication functions. Community outreach is typically presentations to neighborhood organizations, e.g. ANCs or civic associations, and is an investment of staff time.

6. Please provide a list of all dedicated taxes and special purpose funds maintained by, used by, or available for use by the agency for which funds are anticipated for FY21 and FY22. For each fund, please list the following:
 - a. The revenue source name and code;
 - b. The source of funding;
 - c. Statutory reference creating the fund;

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- d. A description of the program that generates the funds (including how the fee is set and who pays);
- e. The amount of funds generated (please list FY20, FY21 projected, and FY22 projected);
- f. Expenditures of funds, including the purpose of each expenditure (please list FY20, FY21 projected, and FY22 proposed); and
- g. Current balance and expected planned balance at end of FY21.

N/A

7. Please provide a list of all contracts to be entered into for FY21 and FY22, including any multiyear contracts that will continue in FY21. Please include:
 - a. The vendor;
 - b. A detailed description of the services to be provided;
 - c. Contract amount;
 - d. Contract period;
 - e. Funding source;
 - f. Whether or not the contract was or will be competitively bid; and
 - g. If not competitively bid, please provide the determination and findings for that contract.

See Attachment I – Contracts & Grants

8. Please list all program enhancements, technical adjustments, and reductions within the proposed FY22 agency budget, broken out by program. For each change in the program please:
 - a. Indicate if it is a new initiative, an expansion or reduction of existing services, or a restoration of prior services; and
 - b. Provide a description and rationale for each program enhancement, adjustment, or reduction, along with associated dollar amounts and FTEs.

See Attachment VI – Budget Reductions

9. Please list all reductions from FY21 spending levels within the proposed FY22 agency budget, broken out by program. For each reduction, please provide a description and rationale along with the associated dollar amounts and FTEs.

See Attachment VI – Budget Reductions

10. Please provide a list of all facilities maintained by the agency, including square footage, facility name, location, description, leased/owned designation, ward, lease number, rent, and other fixed costs that are included in the cost of rent (utilities, security, telecommunications, janitorial services, etc.). Please provide a narrative description of any proposed facility changes for FY22.

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The RPTAC office is located in a District owned building at 441 4th Street, NW. RPTAC does not maintain its office.

11. Please provide the agency's proposed capital budget authority and spending plan for FY22. Please:
 - a. Distinguish between any new funds requested for FY22 and any previously allocated funds.
 - b. Provide a description of all planned capital projects for FY22 and include the amount of capital funds available for each project, a status report on each project, and planned remaining spending on the project. If capital funds have been reduced for a given project, please state the effect of the reduction.

N/A

12. Please provide a complete accounting of all federal funds and all grants, government or private, included in the FY21 and FY22 budgets. Has the agency received any indication that federal funding may decrease in the coming fiscal year?

N/A

13. What are the agency's performance measures for FY22?

The Commission's key performance indicators are as follows:

- Process and render decisions within the statutory deadlines on all appeals heard by the Commission
- Enhance Commissioners' knowledge of various methods of real property valuation through use of market research and data gathering activities and required continued education and training.
- Create and maintain a fair and transparent hearing process by providing detailed information on the agency website.

- a. How were these measures developed?

The statute informs RPTAC's annual obligations.

- b. Which FY22 budget changes occurred in response to performance targets and FY21 performance measurements?

The conversion of part time contractor commissioners to full time temporary hearing examiners moved funds from CSG40 (Other services and charges) to CSG 11/12 (Personnel services). This conversion will facilitate greater capacity to hear cases and draft decisions within the statutory timeframe, particularly as RPTAC is seeing an increase in the number of appeals.

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14. Please describe any other programmatic expansions, mayoral initiatives, or anticipated reductions for FY22. Please provide a detailed description, including FY22 spending plans, the target population to be served, and the name and title of the agency employee responsible for implementing the initiative.

N/A

15. Will the proposed FY22 budget allow the agency to meet all statutory mandates? If not, please explain in detail and include all factors in the current economic that are presenting challenges.

The FY22 budget should allow the agency to meet its statutory mandates. The Commission would certainly benefit from additional full-time temporary hearing examiners but we are preparing to hire for the two funded positions, and will make procedural changes when assigning hearings that will help to distribute capacity and ease the case load.

II. Specific Agency Budget Questions

16. What is the status of filling the Chairperson seat?

The Mayor's Office of Talent and Appointments (MOTA) and the Commission have selected a candidate. MOTA and the Commission are waiting for the successful passage of Subtitle D. Real Property Tax Appeals Commission Membership Amendment Act of 2021 in the FY22 Budget Support Act before appointing the new Chairperson. This amendment would expand eligibility criteria to include five years of commercial appraisal experience.

17. Please provide details on whether RPTAC will receive any part of the American Rescue Plan, and if so, how much and for use in what areas? Please also include all specific requirements set forth by the U.S. Treasury Department, if any.

N/A

18. When does each Tax Year begin and end?

The Commission begins its review of second level tax appeals in September and is statutorily required to complete decision by February 1 of the following calendar year.

19. What is the status of RPTAC's caseload in TY21?

The Commission is delayed in completing its FY21 caseload. COVID hampered our ability in the beginning of the season and the increased number of cases this season (1,000 more cases compared to TY20) impacted the ability of commissioners to hear and decide cases before the statutory deadline. Currently, the Commission has less than 700 cases remaining.

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20. What is the anticipated caseload of TY22?

The caseload for RPTAC is usually 50% of first level appeals. The anticipated caseload for TY22 is 6,500.

21. Does RPTAC anticipate its ability to meet its statutory deadline in TY22?

The Commission anticipates it will be another challenging season, but with six full time commissioners, two qualified full-time temporary hearing examiners, and thoughtful operational modifications, the Commission expects to meet its statutory deadline.

22. As you indicated in your testimony, there was a 19% increase in cases since COVID19, much of it due to economic hardships, do you anticipate a change in assessment in TY22, TY23, TY24?

Possibly. Because assessments are calculated at the beginning of the year (January 1) COVID-19 wasn't a consideration for the Commission in TY21 even though petitioners used it as a reason to appeal their real estate taxes. COVID-19 will, however, be a consideration for the Commission in TY22 since the city was still in a public health emergency state on January 1 of this year. The outlook for future years is more challenging and may depend on to what degree the city is economically open and active.

23. Do you anticipate the number of cases continue to grow every Tax Year, or was TY21 an anomaly due to the pandemic?

The Commission had two consecutive years of case load increases of 1,000 cases and COVID-19 certainly impacted TY21. The outlook for future years is difficult especially with COVID-19 becoming a waning concern, but with more housing supply there is a fair expectation that the number of appeals will increase.

24. What additional resources does RPTAC need to complete the necessary cases in a timely manner?

The Commission will operate with more efficiency and ease with more full-time temporary hearing examiners so additional budget in future fiscal years will be helpful. Two such positions are funded for FY22 and a minimum of four in outer years will provide additional support.

25. The current pandemic highlighted the serious disconnect between communities and government resources. How is the budget allocated in FY21 and proposed for FY22 used for outreach?

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There is no specific budget for outreach. RPTAC Commissioners and staff schedule time with neighborhood organizations, civic associations, ANCs, etc. to present RPTAC's service offerings and instructions on how to appeal real estate taxes at the second level.

26. How closely does RPTAC work with OTR's Real Property Tax Division? In what capacity?

RPTAC does not work with OTR's Real Property Tax Division, because RPTAC is supposed to operate independently from the parties who regularly appear before it, and OTR is one of those parties; otherwise RPTAC could be accused of engaging in an ex parte relationship.

27. Does RPTAC have collaboration with OTR's Real Property Tax Division for outreach activities? Why or why not?

No outreach collaborations currently exist but RPTAC has been in communication with RPTA about coordinating outreach activities for the benefit of the public understanding the real estate appeals process.

28. What outreach activities are regularly conducted? Please include the following:

- a. Amount spent on each program or activity, if available.
- b. Type of outreach (mailer, in-person, phone call, social media, newspaper, etc.).
- c. Frequency.

The Commission hosts four public administrative meetings annually where the public is invited for comment. These are usually scheduled in the summer and fall. In addition, the RPTAC schedules open houses in the beginning of the calendar year in advance of mailed OTR assessments.

29. Please discuss the entity(ies) responsible for conducting outreach activities, and whether RPTAC conducts direct outreach.

The Executive Director and Commissioners, as necessary, are responsible for scheduling and presenting to the public.

30. Please discuss whether RPTAC expects to improve outreach efforts to ensure that residents are aware of the programs and services to meet their real property tax needs. If so, what are those anticipate outreach efforts and what is the timeline and frequency of those efforts?

The Commission hopes to coordinate its outreach with OTR's Real Property Tax Administration so that homeowners are full informed on the first and second level appeals process in one comprehensive presentation.

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31. The current pandemic has also highlighted racial inequity between communities. What can RPTAC do to facilitate a more equitable District?

RPTAC has an adjudicatory duty. Reaching out to more homeowners and encouraging them to appeal their real estate taxes, if they believe them to be unfairly assessed, is the best way to address racial inequity within the Commission's bailiwick.