

1 Buannek Nadeau
2 Councilmember Brienne Nadeau

Anita Bonds
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6 A PROPOSED RESOLUTION
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11 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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15 To declare the existence of an emergency with respect to the need to amend the Rental Housing
16 Act of 1985 to limit the amount of a hardship petition conditional rent increase to 5% of
17 the rent charged, and to require that a rent adjustment be repaid by a housing provider to
18 a tenant within 21 days of a conditional increase being amended..
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20 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
21 act may be cited as the "Rent Control Hardship Petition Limitation Emergency Declaration
22 Resolution of 2015".

23 Sec. 4. (a) The District's rent control regime is established by the Rental Housing Act of
24 1985; approximately 79,000 housing units are subject to the law, accounting for 66% of the rental
25 housing stock in the District.

26 (b) For units subject to rent control, annual rent increases are limited to a maximum
27 of 10% for most tenants and 5% for seniors and individuals with disabilities.

28 (c) However, under the hardship petition process a housing provider can apply to the
29 Rent Administrator at the Department of Housing and Community Development to raise rents by
30 more than the standard increase, in order to achieve a 12% rate of return on the housing provider's
31 investment in the building.

32 (d) The hardship petition requires the housing provider to submit a schedule of
33 income and expenses, which the Rent Administrator can use to calculate a new rent based on the

34 12% rate of return.

35 (e) If a hardship petition is not decided within 90 days, the housing provider may
36 automatically start collecting the entire rent for which the housing provider originally applied.

37 (f) As hardship petitions are rarely decided within the 90-day time period,
38 conditional increases are frequently granted that result in rent increases of 50% to 100%.

39 (g) These rent increases place a significant burden on low-income renters, increasing
40 the likelihood of displacement and homelessness.

41 (h) For example, tenants of a building in Ward 7 were charged a 34% increase and
42 were threatened with eviction if they did not pay the rent increase. Tenants were forced to file a
43 lawsuit challenging the increase based on numerous housing code violations, and the dispute was
44 prolonged for more than 4 years. During this time the higher rents were required to be paid into a
45 court-mandated escrow account.

46 (i) Although a conditional increase may ultimately be reversed, it is often too late for
47 tenants who have been displaced by rent increases that housing providers were ultimately not
48 authorized to charge.

49 (j) More than 88 hardship petitions were filed between 2007 and 2013, significantly
50 raising the rent on thousands of District residents.

51 (k) Without swift action by the Council to counter opportunities for abuse of the
52 hardship petition process, additional tenants will likely be priced out of their homes.

53 (l) This legislation would extend the effective dates of identical legislation
54 moved in Council Session 20 by then Councilmember Bowser, until permanent legislation
55 becomes law. However, as permanent legislation was not completed last session, and current
56 temporary legislation will expire on October 9, 2015, this emergency legislation is necessary so

57 there will not be a gap in the law.

58 (m) On March 17, 2015, permanent legislation, B21-0146, the “Rent Control
59 Hardship Petition Limitation Amendment Act of 2015”, was introduced by Councilmember
60 Bonds along with Councilmembers Silverman, Nadeau, and Cheh. The bill was referred to the
61 Committee on Housing and Community Development, and a hearing on the bill was held on
62 Tuesday, May 26, 2015. The Committee will soon mark-up B21-0146, and send it to the full
63 Council for consideration.

64 Sec. 3. The Council of the District of Columbia determines that the circumstances
65 enumerated in section 2 constitute emergency circumstances making it necessary that the “Rent
66 Control Hardship Petition Limitation Emergency Amendment Act of 2015” be adopted after a
67 single reading.

68 Sec. 4. This resolution shall take effect immediately.



OFFICE OF THE GENERAL COUNSEL
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MEMORANDUM

TO: Councilmember Anita D. Bonds

FROM: Ellen A. Efros, General Counsel *EAE*

DATE: September 18, 2015

RE: Legal sufficiency determination for the Rent Control
Hardship Petition Limitation Emergency Amendment
Act of 2015

The measure is legally and technically sufficient for Council consideration.

This emergency legislation mirrors the Rent Control Hardship Petition Limitation Emergency Amendment Act of 2014, Act 20-430, and the Rent Control Hardship Petition Limitation Temporary Amendment Act of 2014, Law 20-164, which this office previously reviewed for legal and technical sufficiency.

I am available if you have any questions.

**COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director**

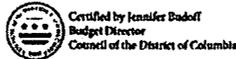


Jennifer Budoff
Budget Director

FISCAL IMPACT STATEMENT

TO: The Honorable Phil Mendelson, Chairman, Council of the District of Columbia

FROM: Jennifer Budoff, Budget Director



Certified by Jennifer Budoff
Budget Director
Council of the District of Columbia

DATE: September 21, 2015

SHORT TITLE: The Rent Control Hardship Petition Limitation Emergency Amendment Act of 2015

TYPE: Emergency

REQUESTING OFFICE: Councilmember Anita Bonds

Conclusion

This legislation will not have an adverse impact on the District's budget and financial plan because there is no cost to the District associated with implementing the legislation.

Background

This legislation will extend the effective dates of emergency/temporary legislation moved last session and ensure that there is no gap in the law before permanent legislation is enacted.

The legislation would maintain the current hardship petition process and continue to 1) limit conditional rent increases to 5% of the rent charged, 2) require housing providers to refund tenants within 21 days any rent paid in excess of the rent amount approved by final decision of the Rent Administrator, and 3) require housing providers to refund to tenants triple the excess rent paid if the Rent Administrator should determine that a hardship petition was submitted for review in bad faith.

Analysis of Impact on Revenue

This legislation has the potential to impact housing provider revenue, but it will not impact District revenue.

Analysis of Impact on Spending

This legislation has the potential to impact housing provider spending, but it will not impact District spending.