



Councilmember Jim Graham

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Rental Housing Act of 1985 to increase the time period for review of a hardship petition from 90 to 120 days, and establish 120 days as the goal for completion of the Rent Administrator's review rather than an absolute requirement; to specify that both the housing provider and all affected tenants have the right to participate in any hardship proceeding; to end implementation by a housing provider of conditional rent increases before the Rent Administrator has ruled on a hardship petition; to prohibit the Rent Administrator from approving a hardship rent increase before it has completed an audit report and a hearing; to prohibit rent increases by a housing provider who does not have a registered agent or fails to provide notice to tenants of the lower cap on annual rent increases applicable to elderly and disabled tenants; to establish the cap on annual rent increases for elderly and disabled tenants as the lowest of 5%, the consumer price index, or the social security cost of living adjustment; to establish definitions of elderly tenant and disabled tenant; to require notices of rent adjustment to specify the maximum annual rent increase applicable to elderly and disabled tenants; to require the housing provider to provide tenants with application forms to establish elderly or disabled status; to permit a tenant to establish elderly or disability status by presenting to either the Rent Administrator or the housing provider a completed application form and supporting documents; to require the housing provider to retain copies of applications for elderly or disability status and supporting documents for at least three years and to submit the originals to the Rent Administrator; to specify the effective date for implementation of the lower rent increase for elderly and disabled tenants; to establish daily fines for charging a qualified elderly or disabled tenant more than the maximum allowable rent; to establish fines for advertising or collecting rents that violate the rent control laws; to authorize the Rent Administrator to initiate the collection of fines for rent control violations; to reduce the hardship rate of return from 12 % to 8%; to require the housing provider to use its regular accounting practices as to fiscal year and accounting method in a hardship petition; to require that a voluntary agreement to raise rents include the date of the tenant's signature in the tenant's handwriting; to require the inclusion of all applicable terms in a voluntary agreement; to require the provision of an executed copy of a voluntary agreement to all tenants; to provide all tenants with 21 days to submit objections to a voluntary agreement to the Rent Administrator; to specify grounds for approval or disapproval by the Rent Administrator or the Office of Administrative Hearings ("OAH") of a voluntary agreement; to require an evidentiary hearing at OAH if a hearing is necessary to resolve objections to the voluntary agreement or the Rent Administrator determines a hearing to be necessary; to

1 provide any affected tenant and the Rent Administrator with the right to participate as a  
2 party in a proceeding before OAH; to require OAH to consider all possible grounds for  
3 approval or disapproval of the voluntary agreement presented to it; to eliminate automatic  
4 approval of a voluntary agreement that specifies rent increases for all units in the  
5 accommodation by a certain percentage; and to prohibit passive approval if the Rent  
6 Administrator fails to approve or disapprove the voluntary agreement within a certain  
7 time.

8  
9 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this

10 act be cited as the “Rent Control Improvement and Protection Amendment Act of 2014”.

11 Sec. 2. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C.  
12 Official Code § 42-3501.01 *et seq.*), is amended as follows:

13 (a) Section 206(c) (D.C. Official Code § 42-3502.06(c)) is amended to read as follows:

14 “(c) At the housing provider’s election, instead of any adjustment authorized by  
15 subsection (b) of this section, the rent charged for an accommodation may be adjusted through a  
16 hardship petition under section 212. Such a petition shall be clearly identified as an election  
17 instead of the general adjustments authorized by subsection (b) of this section. The Rent  
18 Administrator shall accord an expedited review process for these petitions to the extent practical  
19 and in a manner affording the opportunity for full participation by both the housing provider and  
20 all affected tenants in that process and shall make every effort to issue and publish a final  
21 decision within 120 days after the petition has been filed. Once a hearing has been held on the  
22 petition and a full audit of the housing provider’s financial records by an auditor selected by the  
23 Rent Administrator completed and provided to the housing provider and all affected tenants, the  
24 Rent Administrator shall, by order served upon the parties, make a provisional finding as to the  
25 rent charged adjustment justified by the order, if any. Except to the extent modified by this  
26 section, the adjustment procedures of section 216 shall apply to any adjustment.”.

27 (b) Section 208 (D.C. Official Code § 42-3502.08) is amended as follows:

1 (1) Subsection (a)(1) is amended as follows:

2 (A) Subparagraph (D) is amended by striking the word “and”.

3 (B) Subparagraph (E) is amended by striking the period and inserting a  
4 semicolon in its place:

5 (C) New subparagraphs (F) and (G) are added to read as follows:

6 “(F) The housing provider has appointed and maintained a registered agent; and

7 “(G) The housing provider has provided the tenant with written notice of the maximum  
8 standard rent increase that applies to elderly tenants and tenants with disabilities and the means  
9 by which the tenant may establish elderly or disability status as set forth in subsection (h) of this  
10 section, and has not required the tenant to provide more proof of age or disability than the  
11 minimum information necessary to establish such status.”.

12 (2) Subsection (h) is amended as follows:

13 (A) Paragraph (2) is amended as follows:

14 (i) By striking the phrase “2% plus the adjustment of general  
15 applicability” and inserting the phrase “the adjustment of general applicability” in its place; and

16 (ii) By striking the phrase “elderly or disabled tenant without  
17 regard to income but otherwise as defined in section 206(f) shall not exceed the lesser of 5% or  
18 the adjustment of general applicability” and inserting the phrase “elderly tenant or tenant with a  
19 disability shall not exceed the lowest of 5% , the adjustment of general applicability, or a  
20 percentage equal to the most recent annual cost-of-living increase in benefits for social security  
21 recipients established pursuant to section 415(i) of the Social Security Act, approved August 28,  
22 1950 (64 Stat. 506; 42 U.S.C. § 415(i))” in its place.

23 (B) New paragraphs (3) through (11) are added to read as follows:

1           “(3) A notice of rent adjustment pursuant to paragraph (2) of this subsection, for an  
2 occupied rental unit, shall set forth in large, bold lettering the maximum percentage increase in  
3 rent applicable to elderly and disabled tenants.

4           “(4) The housing provider shall, upon the tenant’s request, provide the tenant with a  
5 current copy of the application form issued by the Rent Administrator to establish status as an  
6 elderly or disabled tenant for purposes of paragraph (2) of this subsection.

7           “(5) For purposes of this subsection, a tenant may establish elderly status by presenting to  
8 the Rent Administrator or the housing provider a completed application form to establish status  
9 as an elderly or disabled tenant, and the minimum documentation necessary to establish his or  
10 her age, including a passport, birth certificate, driver’s license or identification card issued by the  
11 District of Columbia government, or such other documentation as the Rent Administrator may  
12 deem sufficient.

13           “(6) For purposes of this subsection, a tenant may establish disability status by presenting  
14 to the Rent Administrator or the housing provider a completed application form to establish  
15 status as an elderly or disabled tenant and the minimum documentation necessary to establish his  
16 or her disability, including an award letter for disability benefits from the U.S. Social Security  
17 Administration or a letter from a physician stating that the tenant has a disability as defined in  
18 section 3 of the Americans with Disabilities Act of 1990, approved July 26, 1990 (104 Stat. 329;  
19 42 U.S.C. § 12102 (“ADA”), or such other documentation as the Rent Administrator may deem  
20 sufficient.

21           “(7) The housing provider shall maintain for at least 3 years copies of any completed  
22 application form to establish status as an elderly or disabled tenant and the supporting  
23 documentation submitted by the tenant pursuant to paragraph (5) or (6) of this subsection, and

1 shall provide the Rent Administrator with these documents no later than the effective date of the  
2 first applicable rent adjustment following the tenant's compliance with paragraph (5) or (6) of  
3 this subsection.

4       “(8) The tenant's elderly or disability status shall be effective as of the first day of the  
5 first month following his or her compliance with paragraph (5) or (6) of this subsection, as  
6 applicable. On such day, the rent charged for the tenant's rental unit shall be reduced by an  
7 amount equal to the amount by which any recent increase taken pursuant to paragraph (2) of this  
8 subsection within the 12-month period prior to such day, exceeded the maximum amount that  
9 would have been allowed under paragraph (2) for an elderly or disabled tenant.

10       “(9) A housing provider who requests, collects, or receives rent from a tenant who has  
11 submitted the application form to establish elderly or disabled status and the necessary  
12 supporting documentation pursuant to paragraph (5) or (6) of this subsection shall be subject to a  
13 civil fine of \$100 for each day on which the tenant pays a rent that exceeds the maximum rent  
14 applicable to the tenant based on his or her elderly or disabled status.

15       “(10) A housing provider who requests, advertises, collects, or receives rent in violation  
16 of this subsection or any other provision of this act shall be subject to a civil fine of \$2,000 to  
17 \$3,999 per rental unit for the first violation, \$4,000 to \$7,999 per rental unit for a second  
18 violation, \$8,000 to \$15,999 per rental unit for a third violation, and \$16,000 per rental unit for a  
19 fourth violation and each subsequent violation.

20       “(11) For purposes of this subsection:

21               “(A) the term “elderly tenant” means any tenant who is 62 years of age or older;  
22 and

23               “(B) the term “disabled tenant” means any tenant who has a disability as defined

1 in section 3 of the ADA.”.

2 (3) A new subsection (i) is added to read as follows:

3 “(i) Upon the finding of a possible violation of paragraph (9) or (10) of subsection (h), the  
4 Rent Administrator may initiate a proceeding to collect a civil fine by filing a notice of infraction  
5 with the Office of Administrative Hearings pursuant to section 201 of the Department of  
6 Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C.  
7 Law 6-42; D.C. Official Code § 2-1802.01).”.

8 (c) Section 212 (D.C. Official Code § 42-3502.12) is amended as follows:

9 (1) Subsection (a) is amended by striking the number “12” and inserting the  
10 number “8” in its place.

11 (2) Subsection (b) is amended by striking the phrase “computed over a base  
12 period of the 12 consecutive months within 15 months” and inserting the phrase “computed,  
13 using the accounting method regularly and previously employed by the housing provider in  
14 operating the housing accommodation such as the method used in filing federal income tax  
15 returns, over a base period of the 12 consecutive months that comprise the housing provider’s  
16 most recently completed fiscal year for tax or similar purposes” in its place.

17 (3) Subsection (c) is amended to read as follows:

18 “(c) The Rent Administrator shall accord an expedited review process for these petitions  
19 to the extent practical, and in a manner affording the opportunity for full participation by both  
20 the housing provider and all affected tenants in that process, and shall make every effort to issue  
21 and publish a final decision within 120 days after the petition has been filed. Once a hearing has  
22 been held on the petition and a full audit of the housing provider’s financial records by an auditor  
23 selected by the Rent Administrator completed and provided to the housing provider and all

1 affected tenants, the Rent Administrator shall, by order served upon the parties, make a  
2 provisional finding as to the rent charged adjustment justified by the order, if any. The housing  
3 provider may implement only the amount of the rent charged adjustment authorized by the order.  
4 Except to the extent modified by this subsection, the provisions of section 216 shall apply to any  
5 adjustment under this section.”.

6 (d) Section 215 (D.C. Official Code § 42-3502.15) is amended as follows:

7 (1) Subsection (b) is amended by striking the phrase “shall include the signature  
8 of each tenant, the number of each tenant’s rental unit, the specific amount of increased rent each  
9 tenant will pay, if applicable,” and inserting the phrase “shall include the signature of each  
10 tenant, the date of each tenant’s signature in the tenant’s own hand writing, the number of each  
11 tenant’s rental unit, the specific amount of increased rent each tenant will pay, if applicable, and  
12 all relevant terms,” in its place.

13 (2) Subsection (c) is amended to read as follows:

14 “(c)(1) If a voluntary agreement has been approved by at least 70 percent of the tenants in  
15 a housing accommodation and the housing provider, the Rent Administrator may approve the  
16 voluntary agreement only after all tenants have been provided an executed copy of the voluntary  
17 agreement and at least 21 days to submit objections in writing to the Rent Administrator and he  
18 or she finds that:

19 “(A) Tenant approval was not induced by duress, harassment, intimidation,  
20 economic or other coercion, fraud, deceit, or misrepresentation or omission of material facts;

21 “(B) The voluntary agreement does not or will not result in the inequitable  
22 treatment of current or future tenants;

23 “(C) The housing provider disclosed all proposed terms to all affected tenants in

1 written form and complied in full with all applicable regulations, including procedural  
2 requirements; and

3 “(D) The voluntary agreement is consistent with the provisions of section 102.

4 “(2) If an affected tenant or other person submits an objection to a voluntary agreement  
5 based on one or more of the aforementioned factors that requires an evidentiary hearing for  
6 determination or the Rent Administrator determines based on its own review of the voluntary  
7 agreement that an evidentiary hearing is required to determine whether to approve the voluntary  
8 agreement, then the Rent Administrator shall transfer the matter to the District of Columbia  
9 Office of Administrative Hearings (“OAH”) for an evidentiary hearing, and OAH shall:

10 “(A) Name the Rent Administrator a party to the case without limitation;

11 “(B) Provide any tenant of the affected housing accommodation an opportunity to  
12 participate in the hearing and to be named a party to the case without limitation;

13 “(C) Consider all possible grounds for disapproval or approval of the voluntary  
14 agreement that are presented to the Office of Administrative Hearings by any party or intervenor;  
15 and

16 “(D) Disapprove the voluntary agreement if:

17 “(i) Tenant approval was induced in whole or in part by duress,  
18 harassment, intimidation, economic or other coercion, fraud, deceit, or misrepresentation or  
19 omission of material facts;

20 “(ii) The voluntary agreement does or will result in the inequitable  
21 treatment of current or future tenants;

22 “(iii) The housing provider failed to disclose one or more proposed terms  
23 in written form to one or more affected tenants or to comply with any applicable regulation,



1 including a procedural requirement; or

2                                   “(iv) The voluntary agreement is inconsistent with one or more provisions  
3 of section 102.

4                   “(3) No voluntary agreement shall be approved except by affirmative action of the Rent  
5 Administrator, OAH, or the Rental Housing Commission. In deciding to approve or disapprove a  
6 voluntary agreement, the Rent Administrator, OAH, the Rental Housing Commission, and any  
7 court shall resolve any ambiguity in favor of strengthening the legal rights and protections for  
8 tenants and enhancing and preserving the remedial purposes of this act.”.

9                   Sec. 3. Fiscal impact statement.

10                   The Council adopts the fiscal impact statement in the committee report as the fiscal  
11 impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,  
12 approved December 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(3)).

13                   Sec. 4. Effective date.

14                   This act shall take effect following approval by the mayor (or in the event of a veto by the  
15 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as  
16 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
17 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
18 Columbia Register.