

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to amend the Rental Housing Act of 1985 to limit the adjustment of general applicability of the rent charged in rent stabilized units to the lesser of 6.9% or the Standard Metropolitan Statistical Area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) plus 2%.

RESOLVED, BY THE COUNCIL DISTRICT OF COLUMBIA, That this resolution may be cited as the “Rent Stabilized Housing Inflation Protection Emergency Declaration Resolution of 2023”.

Sec. 2. (a) Under the Rental Housing Act of 1985, annual rent increases for units in certain older buildings are limited to inflation as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) plus an additional 2% and as approved by the Rental Housing Commission in the District.

(b) In January 2020, the Rental Housing Commission approved an increase of 3.0% for May 1, 2020, through April 30, 2021, for rent stabilized units.

(c) In March 2020, the Council of the District of Columbia voted to suspend rent increases of any amount in the wake of the COVID-19 pandemic, including rent increases in rent stabilized units.

(d) In January 2021, the Rental Housing Commission approved a 3.0% increase for rent stabilized units, though Council’s prohibition on rent increases remained in effect.

30 (e) On December 31, 2021, Council lifted the prohibition on rent increases,
31 allowing landlords to give 30 days' notice to tenants of proposed rent increases that could
32 begin no sooner than February 1, 2022, and that, in rent stabilized units, could result in a
33 maximum increase of 3.0%, per the Rental Housing Commission's approved rate.

34 (f) In January 2022, the Rental Housing Commission approved a 6.2% overall
35 increase to rents, which took effect on May 1, 2022, and will be in effect through April 30,
36 2023.

37 (g) This past January 2023, the Rental Housing Commission approved an 8.9%
38 overall increase to rents in rent stabilized units, which took effect on May 1, 2023,
39 resulting in a total increase to rents of 15.1% over the past two years and 18.1% over the
40 past three years.

41 (h) Under DC law, landlords must provide at least 30 days' notice of a rent increase
42 to tenants in rent stabilized units and may only issue a notice of an increase once during a
43 12-month period at any time throughout the year.

44 (i) Except for tenants who qualify, apply for, and receive a limited increase in rent
45 because they are elderly or a person with a disability, tenants subject to this year's
46 maximum 8.9% increase face the highest rental increase in the history of the District's rent
47 stabilization program by more than 1.0%; the next highest increase was 7.6% and occurred
48 over 30 years ago in 1990.

49 (j) While landlords have expressed concerns about the impact of rising maintenance and
50 business expenses on their ability to serve their tenants and maintain their businesses, tenant
51 advocates and tenants have also raised serious concerns that an 8.9% increase will contribute to

52 significant hardship for many of the households living in the over 70,000 rent stabilized units in the
53 District and may lead to displacement of residents with lower incomes.

54 (k) Many residents and businesses continue to climb out of the financial distress they
55 experienced during the pandemic and are struggling to keep up with the heightened burden
56 inflation has created on daily expenses, such as grocery bills and utilities.

57 (l) Emergency Rental Assistance Program funding repeatedly runs out before the
58 end of each fiscal year, leaving tenants in financial distress with fewer safety nets to cover
59 back rents and avoid evictions.

60 (m) For tenants unable to cover their rents because of the proposed May 1
61 increases, landlords could begin eviction proceedings as early as June 2023, leading to
62 tenant displacement.

63 (n) As a result of eviction proceedings, landlords may incur additional costs
64 through having to navigate the litigation process.

65 (o) The District has created housing goals to reduce the displacement of residents, including
66 language in the Housing Element of the current Comprehensive Plan, which states, “rent control
67 should be primarily considered a tenant protection and anti-displacement tool.”

68 (p) In April 2023, the Council attempted to move emergency legislation to cap rent
69 increases prior to the May 1 start date for the allowed 8.9% increase; however, the Mayor
70 asserted that the legislation would have a financial impact the Administration could not
71 absorb, which prevented Council from moving the legislation on emergency.

72 (q) Some tenants in rent stabilized units have already received rent increases of up
73 to 8.9% beginning in May 2023, while many other tenants await increases throughout the

74 rest of the year depending on the tenant's lease term and on which date their landlord's
75 rent adjustment took effect within the prior year.

76 (r) Council included sufficient funding in the Fiscal Year 2023 Supplemental
77 Budget to cover the asserted administrative costs of amending the maximum allowable
78 rent adjustment.

79 (s) This emergency and temporary legislation is necessary to mitigate the
80 substantial inflationary increases to DC's rent stabilized housing stock for as many tenants
81 as possible now that the 8.9% increase has only recently taken effect on May 1, 2023; to
82 support the District's use of rent control as an anti-displacement tool; and to prevent the
83 perfect storm of high inflation, limited emergency rental support funds, and compounding
84 housing costs from creating an even greater wave of displacement from the District's
85 preserved affordable housing stock.

86 Sec. 3. The Council of the District of Columbia determines that the circumstances
87 enumerated in section 2 constitute emergency circumstances making it necessary that the Rent
88 Stabilized Housing Inflation Protection Emergency Amendment Act of 2023 be adopted after a
89 single reading.

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