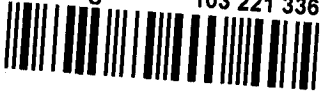


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COUNCIL OF THE DISTRICT OF COLUMBIA


NOTICE

D.C. LAW 10-176

"Rental Housing Conversion and Sale Act of 1980 Reenactment
and Amendment Temporary Act of 1994".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198 "the Act", the Council of the District of Columbia adopted Bill No. 10-703 on first and second readings, June 21, 1994 and July 5, 1994, respectively. Following the signature of the Mayor on July 25, 1994, this legislation was assigned Act No. 10-296, and published in the August 5, 1994, edition of the D.C. Register (Vol.41 page 5175) and transmitted to Congress on July 28, 1994 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 10-176 effective September 22, 1994.


DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

July	28,29
August	1,2,3,4,5,8,9,10,11,12,15,16,17,18,19,22,23,24,25,26
September	12,13,14,15,16,19,20,21

AN ACT

D.C. ACT 10-296

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JULY 25, 1994

To reenact, on a temporary basis, the Rental Housing Conversion and Sale Act of 1980 as law.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Rental Housing Conversion and Sale Act of 1980 Reenactment and Amendment Temporary Act of 1994".

Sec. 2. The Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Code § 45-1601 *et seq.*), is reestablished as law as it existed on April 23, 1994.

Note,
Section
45-1601

Sec. 3. The Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Code § 45-1601 *et seq.*), as reenacted by section 2, is amended as follows:

Note,
Section
45-1601

(a) Section 101 (D.C. Code § 45-1601) is amended as follows:

(1) Subsection (m)(3) (D.C. Code § 45-1601(13)(C)) is amended by striking the phrase "the expiration of the Rental Housing Conversion and Sale Act of 1980 Extension Temporary Amendment Act of 1993" and inserting the phrase "the effective date of the Rental Housing Conversion and Sale Act of 1980 Extension and Amendment Act of 1994 and thereafter by subsection (q) of this section" in its place.

(2) Section 101 is amended by adding new provisions at the end to read as follows:

"In enacting the Rental Housing Conversion and Sale Act of 1980 Extension and Amendment Act of 1994, the Council of the District of Columbia finds that:

"(n) The District of Columbia continues to face an ongoing housing crisis and will continue to face such a crisis for the foreseeable future. The well publicized and well documented District budget crisis has meant that the limited ability of the District government to meaningfully address the housing crisis has been further eroded.

"(o) The Rental Housing Conversion and Sale Act of 1980, as amended ("Act"), has generally been successful in meeting its stated purposes and needs to be continued in effect in light of the ongoing housing and budget crises.

"(p) A number of assumptions upon which the Act was based have changed in light of the almost 14 years of experience since the Act first went into effect. In continuing the Act, the Council intends the amendments reflected in this extension to address these changes.

"(q) The Act should be continued into the future so long as the underlying housing crisis continues as declared annually by the Mayor pursuant to section 512.

"(r) This extension is required to preserve the public peace, health, safety, and general welfare."

(b) Section 102 (D.C. Code § 45-1602) is amended by inserting a new subsection (f-1) to read as follows:

Note,
Section
45-1602

"(f-1) To balance and, to the maximum extent possible, meet the sometimes conflicting goals of creating homeownership for lower income tenants, preserving affordable rental housing, and minimizing displacement; and"

(c) Section 103 (D.C. Code § 45-1603) is amended as follows:

Note,
Section
45-1603

(1) A phrase is added at the end of paragraph (7) after the word "Act" to read as follows:

", or the comparable act of another jurisdiction and compliance with the requirements of this act, in either order".

(2) Paragraph (15) is amended to read as follows:

"(15) "Rental Housing Act" means the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Code § 45-2501 *et seq.*), or any successor rent control act."

Note,
Section
45-1611

(d) Section 202(a) (D.C. Code § 45-1611(a)) is amended by adding a new paragraph at the end to read as follows:

"Once converted or established as a condominium or cooperative in a newly constructed building, the owner need not comply anew with the requirements of this act even if the condominium units or cooperative units have been occupied by tenants partially or exclusively, provided that each tenant has been given written notice, prior to occupying the unit, of the fact that the unit being rented is part of a condominium or cooperative or each tenant who was not given notice waives the right in writing before or after occupancy or vacating the unit."

(e) Section 204(b), (b-1), and (c) (D.C. Code § 45-1613(b), (b-1), and (c)) is amended to read as follows:

Note,
Section
45-1613

"(b) Reduction. The Mayor may reduce the conversion fee to as low as \$50 per condominium unit or proportionate value of the cooperative residence if the owner declares the intent to sell or provide a lease or option to lease for at least 5 years to tenants who, at the time of request for an election, are low income and whose continued right to remain a tenant is not required by statute ("qualifying tenants"). To qualify for this reduction, a sale or lease cannot require monthly payments greater than existing rents, as may be increased by the annual adjustment of general applicability provided in section 206(b) of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Code § 45-2516(b)), or a similar annual adjustment in any successor rent control act, or 25% of gross household income, whichever is greater. The number of qualifying tenants is the number of tenants identified by the Mayor as residing in the accommodation as of the date of the owner's request for an election. The amount of the reduction shall be determined by the Mayor based on factors such as the Mayor may determine, which shall include the percentage of tenants in the accommodation who are qualifying tenants and the percentage of qualifying tenants who purchase or continue renting in accordance with the first sentence of this subsection. The Mayor shall also reduce the amount of the conversion fee of each unit or proportionate value for a cooperative residence that is sold or

leased to a low-income purchaser or to a new low-income tenant who leases a unit in accordance with the requirements of this subsection, regardless of where that low-income purchaser or tenant previously lived. In doing so, the Mayor shall consider the lost conversion fee revenue in comparison to the cost of making available the number of low-income units purchased or leased. If the owner does not sell or lease to the percentage of qualifying tenants or outside purchasers or tenants as declared, the unpaid balance of the conversion fee as adjusted by the Mayor in accordance with the actual sales and leases shall be paid by the owner. The Mayor may assert a lien against any unsold units or proportionate value of the cooperative residence by filing a lien against the land. The Mayor shall not attempt to collect any conversion fee which would not have been due if the provisions of this section had been in effect at the time of the conversion.

"(b-1) Payment. The conversion fee required by subsection (a) of this section shall be paid no later than at the time of settlement on the individual units or shares.

"(c) Waiver of lien. The Mayor shall waive a conversion fee lien on a condominium unit or proportionate value of the cooperative residence purchased by a low-income tenant."

(f) Section 209 (D.C. Code § 45-1617) is amended to read as follows:

"The Mayor shall not require the owner of a converted condominium unit occupied by a low-income tenant to pay real property tax for the unit. The proportionate value for a unit in a converted cooperative housing accommodation occupied by a low-income tenant shall be exempt from real property tax."

(g) Section 210 (D.C. Code § 45-1618) is amended to read as follows:

"This title shall remain in effect until the Mayor declares that a housing crisis no longer exists pursuant to section 512. The rights granted under section 208 to eligible elderly tenants may not be abrogated or reduced notwithstanding such a declaration by the Mayor. The provisions of this title shall not apply to the conversion of housing accommodations into condominium or cooperative status which are fully vacant as of the date of application to the Mayor for a vacancy exemption. Occupancy by 1 or more employees or other occupants for security or similar nontenancy purposes shall not prevent the accommodation from qualifying for a vacancy exemption. The owner shall submit to the Mayor an application for vacancy exemption in order to qualify for this vacancy exemption. The application shall require that the owner certify that the owner is not an owner or purchaser as described in the third sentence of the second paragraph of section 202(a), and that the owner has affirmatively sought information from any applicable former owner in order to make a truthful certification. The Mayor shall accept the owner's certification unless the Mayor has received information which tends to challenge the truthfulness of the certification."

(h) Section 309 (D.C. Code § 45-1628) is amended to read as follows:

"This title shall remain in effect until the Mayor declares that a housing crisis no longer exists pursuant to section 512."

(i) Section 402 (D.C. Code § 45-1631) is amended by adding a new subsection (c) to read as follows:

Note,
Section
45-1617

Note,
Section
45-1618

Note,
Section
45-1628

Note,
Section
45-1631

"(c) For the purposes of this title, the term "sell" or "sale" includes the transfer of one hundred percent of all partnership interests in a partnership which owns the accommodation as its sole asset to one transferee or of one hundred percent of all stock of a corporation which owns the accommodation as its sole asset to one transferee in one or more transactions occurring during a period of one year from the date of the first such transfer, and a master lease which meets some, but not all, of the factors described in subsection (b) of this section or which is similar in effect. For the purposes of this title, the term "sell" or "sale" does not include a transfer, even though for consideration, by a decedent's estate to members of the decedent's family if the consideration arising from such transfer will pass from the decedent's estate to, or solely for the benefit of, charity. For purposes of the preceding sentence, the term "member's of the decedent's family" means: (i) a surviving spouse of the decedent, lineal descendants of the decedent, or spouses of lineal descendants of the decedent, (ii) a trust for the primary benefit of the persons referred to in clause (i), and (iii) a partnership, corporation, or other entity controlled by the individuals referred to in clauses (i) and (ii). The term "sell" or "sale" does not include a foreclosure sale, a tax sale, or a bankruptcy sale. An owner who is uncertain as to the applicability of this title is deemed to be an aggrieved owner for the purposes of seeking declaratory relief under sections 503 and 503a. The tenant or tenant organization in such an accommodation is deemed to be an aggrieved tenant or tenant organization, as applicable, for these purposes. This subsection shall not apply to any transaction involving accommodations otherwise subject hereto expressly contemplated by a registration statement filed with the Securities and Exchange Commission prior to February 22, 1994."

(j) Section 403(d) (D.C. Code § 45-1632(4)) is amended by adding a new sentence at the end to read as follows:

Note,
Section
45-1632

"If the owner does not have a floor plan, the owner may meet the requirement to provide a floor plan by stating in writing to the tenant that the owner does not have a floor plan."

(k) Section 405 (D.C. Code § 45-1634) is amended by inserting new subsections (a-1), (a-2), and (a-3) to read as follows:

Note,
Section
45-1634

"(a-1) Reduced price. If the owner sells or contracts to sell the accommodation to a third party for a price more than 10% less than the price offered to the tenant or for other terms which would constitute bargaining without good faith, the owner shall comply anew with all requirements of section 409, 410, or 411, as applicable.

"(a-2) Financial assurances. The owner may not require the tenant to prove financial ability to perform as a prerequisite to entering into a contract. The owner may not require the tenant to pay the purchase price in installments unless the owner provides deferred purchase money financing on terms reasonably acceptable to the tenant. The owner may require the tenant to prove that the tenant, either alone or in conjunction with a third party, has comparable financial ability to the third party contractor before the owner will be required to grant deferred purchase money financing to the tenant on the same terms and conditions agreed between the owner and the third party contractor. If the tenant can prove comparable financial ability alone, the owner may not require the tenant to secure a third party guarantor. This proof cannot be required as a prerequisite to contracting. It may be required only as a

prerequisite to the owner granting deferred purchase money financing at settlement.

"(a-3) Transfers of Interest in a Partnership or Corporation and Master Leases. In the event of a transfer of interest in a partnership or corporation or in the event of a master lease or agreement that is considered a sale within the meaning of section 402(c), but which does not involve a transfer of record title to the real property, the owner shall be bargaining in good faith if the owner offers the tenant the opportunity to acquire record title to the real property or offers the tenant the opportunity to match the type of transfer or agreement entered into with the third party. With respect to either type of offer, all provisions of this title apply."

(l) Section 406 (D.C. Code § 45-1635) is amended to read as follows:

"The tenant may exercise rights under this title in conjunction with a third party or by assigning or selling those rights to any party, whether private or governmental. The exercise, assignment, or sale of tenant rights may be for any consideration which the tenant, in the tenant's sole discretion, finds acceptable. Such an exercise, assignment, or sale may occur at any time in the process provided in this title and may be structured in any way the tenant, in the tenant's sole discretion, finds acceptable."

(m) Section 407 (D.C. Code § 45-1636) is amended by amending the second sentence in that section to read as follows:

"An owner shall not require waiver of any other right under this title except in exchange for consideration which the tenant, in the tenant's sole discretion, finds acceptable."

(n) Section 410 (D.C. Code § 45-1639) is amended as follows:

(1) The third sentence in subsection (a) is amended to read as follows:

"Following that time period, if the tenants acting jointly have failed to submit a written statement of interest, an individual tenant shall have 7 days to provide a statement of interest to the owner and the Mayor."

(2) A new sentence is added at the end of subsection (b)(1) to read as follows:

"If more than 1 individual tenant submits a written statement of interest, the owner shall negotiate with each tenant separately, or jointly if the tenants agree to negotiate jointly."

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

"(3) If the owner is required to negotiate with more than 1 tenant pursuant to this section, the owner may decide which contract is more favorable without liability to the other tenants."

(o) Section 412 (D.C. Code § 45-1641) is amended by deleting the first 2 sentences and adding 2 sentences at the end to read as follows:

"This title shall remain in effect until the Mayor declares that a housing crisis no longer exists pursuant to section 512. This title does not apply to accommodations for which a vacancy exemption is approved, as provided in section 210."

(p) Section 501 (D.C. Code § 45-1651) is amended by inserting a new subsection (c) to read as follows:

"(c) Within 180 days after the effective date of the Rental Housing Conversion and Sale Act of 1980 Extension and Amendment Act of 1994, the Mayor shall issue updated rules for comment, which shall reflect all

Note,
Section
45-1635

Note,
Section
45-1636

Note,
Section
45-1639

Note,
Section
45-1641

Note,
Section
45-1651

changes made by the Rental Housing Conversion and Sale Act of 1980 Extension and Amendment Act of 1994. Within 180 days after publication of the proposed rules, the Mayor shall adopt final rules. The failure to meet these deadlines shall not prevent the changes in the Rental Housing Conversion and Sale Act of 1980 Extension and Amendment Act of 1994 from being effective immediately upon the effective date of the Rental Housing Conversion and Sale Act of 1980 Extension and Amendment Act of 1994."

(q) A new section 503b is added to read as follows:

"Sec. 503b. Choice of forum.

The rights provided under sections 503 and 503a are in the alternative. The party bringing the action may choose the forum and need not exhaust administrative remedies in order to bring an action under section 503. Unless all parties to the action agree otherwise, once an action has been brought in 1 forum, an action based on the same or a substantially similar cause of action may not be brought in any other forum."

(r) Section 512(c) (D.C. Code § 45-1662(c)) is amended to read as follows:

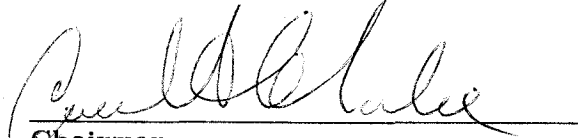
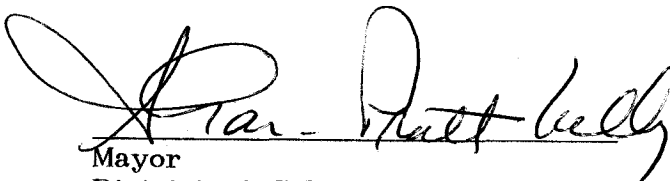
"(c) If the Mayor declares that there is no longer a housing crisis within the District of Columbia, the Mayor shall submit a proposed resolution containing the declaration to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed resolution, in whole or in part, within the 45-day review period, the proposed resolution shall be deemed approved. Upon the effective date of Council approval of the Mayor's proposed resolution declaring that there is no longer a housing crisis in the District of Columbia, or upon a date specified in the resolution, whichever is later, the provisions of this act shall no longer be in effect."

Sec. 4. (a) This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in either the District of Columbia Register, the District of Columbia Statutes-at-Large, or the District of Columbia Municipal Regulations.

Note,
Section
45-1653.

Note,
Section
45-1662

(b) This act shall expire on the 225th day of its having taken effect or upon the effective date of the Rental Housing Conversion and Sale Act of 1980 Reenactment and Amendment Act of 1994, whichever occurs first.


Chairman
Council of the District of Columbia
Mayor
District of Columbia

APPROVED: July 25, 1994



COUNCIL OF THE DISTRICT OF COLUMBIA

Council Period Ten

RECORD OF OFFICIAL COUNCIL VOTE

DOCKET NO: Bill 10-703

☐ Item on Consent Calendar

☒ ACTION & DATE: Adopted First Reading, 6-21-94

☒ VOICE VOTE: Approved

Recorded vote on request

Absent: Barry and Brazil

☐ ROLL CALL VOTE — RESULT _____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					EVANS					RAY				
BARRY					JARVIS					SMITH, JR.				
BRAZIL					LIGHTFOOT					THOMAS, SR.				
CHAVOUS					MASON									
CROPP					NATHANSON									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

[Signature]
Secretary to the Council

July 7, 1994
Date

☒ Item on Consent Calendar

☒ ACTION & DATE: Adopted Final Reading, 7-5-94

☒ VOICE VOTE: Approved

Recorded vote on request

Absent: Brazil and Thomas

☐ ROLL CALL VOTE — RESULT _____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					EVANS					RAY				
BARRY					JARVIS					SMITH, JR.				
BRAZIL					LIGHTFOOT					THOMAS, SR.				
CHAVOUS					MASON									
CROPP					NATHANSON									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

[Signature]
Secretary to the Council

July 7, 1994
Date

☐ Item on Consent Calendar

☐ ACTION & DATE: _____

☐ VOICE VOTE: _____

Recorded vote on request

Absent: _____

☐ ROLL CALL VOTE — RESULT _____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					EVANS					RAY				
BARRY					JARVIS					SMITH, JR.				
BRAZIL					LIGHTFOOT					THOMAS, SR.				
CHAVOUS					MASON									
CROPP					NATHANSON									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date