Law 1-33

Rental Accommodations Act

In the Council of the District of Columbia, November 1, 1975:

To stabilize rents in the District of Columbia and to establish a Rent Stabilization Commission, and for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA THAT:

[**Sec. 100.**] This act may be cited as the "District of Columbia Rental Accommodations Act of 1975."

TITLE I. RENTAL ACCOMMODATIONS COMMISSION.

Sec. 101. Establishment of Commission.

(a) There is established for the District of Columbia a Rental Accommodations Commission, hereinafter in this act referred to as the "Commission," which shall consist of nine members to be appointed by the Mayor of the District of Columbia by and with the advice and consent of the Council of the District of Columbia. The Mayor shall make his initial appointments within thirty days after the effective date of this act. Three of the members of the Commission shall represent the interests of landlords, and each of the three shall be a landlord of at least one housing accommodation located in the District of Columbia. Three of the members shall be tenants who shall represent the interests of tenants. The rest of the members of the Commission shall be neither landlords nor tenants. All members of the Commission shall be residents of the District of Columbia.

(b) Members of the Commission shall be appointed to serve for a two-year term beginning on the effective date of this act. In the case of a vacancy in the membership of the Commission, a new member shall be appointed to serve out the term of the member whose vacancy gave rise to the appointment. The Mayor shall have the authority to remove from the Commission any member who fails to meet the qualifications of a member or who fails to attend seventy percent of the regularly scheduled meetings held within any six-month period.

(c) Members of the Commission shall be entitled to receive compensation of fifty dollars per day for each day spent in performing the duties of the Commission, except no member shall receive more than five thousand two hundred dollars under this subsection in any one calendar year. No compensation shall be paid to a member of the Commission who is also an officer or employee of the United States or the District of Columbia government.

(d) Five members of the Commission shall constitute a quorum for the transaction of business so long as one of the five members is a landlord, one is a tenant, and two are neither landlords nor tenants.

(e) The chairperson and vice-chairperson of the Commission shall be selected by the members of the Commission from among their number and shall be neither landlords nor tenants.

Sec. 102. Duties of Commission.

(a) The Commission shall:

(1) Promulgate, amend, and rescind rules and procedures for the administration of this act; and

(2) Hear and decide appeals brought to it under sections 204 and 212 of this act with respect to adjustments in the maximum rent allowable for a rental unit.

(b) In addition the Commission shall, twice each year, submit to the Council of the District of Columbia a report on the trends, during the immediate preceding six months, of tax, operating, and maintenance costs, as they relate to housing accommodations in the District of Columbia, and a recommendation as to whether any adjustment should be made, as a result of such trends, in the formula contained in section 204 for computing the rent ceiling.

(c) (1) The Commission shall have the power to hold such hearings, sit and act at such times and places within the District of Columbia, administer such oaths, and require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission may deem advisable in carrying out its functions under this act.

(2) In the case of contumacy or refusal to obey a subpoena issued under this subsection by any person who resides, is found, or transacts business within the District of Columbia, the Superior Court of the District of Columbia, at the request of the Commission, shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission, there to produce evidence if so ordered, or there to give testimony touching upon the matter under inquiry. Any failure of such person to obey any such order of the Superior Court may be punished by the Superior Court as contempt thereof.

(d) Upon the request of the chairperson, each department or entity of the District of Columbia government is authorized to furnish directly to the Commission assistance or information as may be necessary for the Commission to effectively carry out this act.

Sec. 103. Rental Accommodations Office.

(a) There is established as an agency of the District of Columbia government, within the executive office of the Mayor, a Rental Accommodations Office, hereinafter in this act referred to as the "Office", which shall have as its head a Rent Administrator to be appointed by the Mayor.

(b) The Rent Administrator shall be a resident of the District of Columbia and shall be entitled to receive annual compensation, payable in regular installments,

at a rate as may be established but no less than class GS-15 on the General Schedule under section 5332 of title 5 of the United States Code.

Sec. 104. Duties of the Rent Administrator.

(a) The Rent Administrator shall carry out, according to the rules and procedures established by the Commission, the rent stabilization program established under title II of this act.

(b) The Rent Administrator may employ, within such funds as may be available to him, such personnel and consultants, including legal counsel, as are necessary to carry out provisions of this act. Such personnel and consultants shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

TITLE II. RENT STABILIZATION PROGRAM.

Sec. 201. Definitions. For the purposes of this act:

(a) The term *Council* means the Council of the District of Columbia established under section 401 of the District of Columbia Self-Government and Governmental Reorganization Act.

(b) The term *Mayor* means the Mayor of the District of Columbia established under section 421 of the District of Columbia Self-Government and Governmental Reorganization Act.

(c) Except as provided in section 204(d), the term *base rent* means the rent charged, on a monthly basis, for a rental unit on February 1, 1973; or, in the case of a rental unit not rented on February 1, 1973, the rent last charged, on a monthly basis, for that rental unit between January 1, 1972, and February 1, 1973; or, in the case of a rental unit which was not rented during the period beginning January 1, 1972, and ending on February 1, 1973 or, if the landlord can show to the satisfaction of the Rent Administrator that the rent charged during that period cannot be determined, an appropriate rent as determined by the Rent Administrator.

(d) The term *capital improvement* means a permanent improvement or renovation other than ordinary repair, replacement, or maintenance, the use of which will continue beyond the twelve-month period beginning on the date of completion of such capital improvement.

(e) The term *housing accommodation* means any structure or building in the District of Columbia containing one or more rental units, and the land appurtenant thereto. Such term shall not include any hotel, motel, or other structure, including any room therein, used primarily for transient occupancy and in which at least sixty percent of the rooms devoted to living quarters for tenants or guests are used for transient occupancy.

(f) The term *housing regulations* means the Housing Regulations of the District of Columbia as established by the Commissioners' Order dated August 11, 1955, as amended.

(g) The term *initial leasing period* means that period during which the first

tenant of a new rental unit or a rental unit covered by item (6) of subsection (a) of section 202 of this act rents such rental unit.

(h) The term *landlord* means an owner, lessor, sublessor, assignee, or agent of any thereof or other person receiving or entitled to receive rents or benefits for the use or occupancy of any rental unit, including any person who has an option to buy or who has entered into a contract to buy any housing accommodation or rental unit with the intent to offer such housing accommodation or rental unit for rent.

(i) The term *person* means an individual, corporation, partnership, association, joint venture, business entity, or an organized group of individuals, and their successors and assignees.

(j) The term *related facility* means any facility, furnishing, or equipment made available to a tenant by a landlord, the use of which is authorized by the payment of the rent charged for a rental unit, including the use of any kitchen, bath, laundry facility, parking, and the use of common room, yard and other common area.

(k) The term *related services* means services provided by a landlord, or required by law or by the terms of a rental agreement to be provided by a landlord, to a tenant in connection with the use and occupancy of a rental unit, including repairs, decorating and maintenance, the provision of light, heat, hot and cold water, telephone answering and elevator services, janitor services, and the removal of trash and refuse.

(l) The term *rent* means the entire amount of money, money's worth, benefit, bonus, or gratuity demanded, received, or charged by a landlord as a condition of occupancy or use of a rental unit, its related services, and its related facilities.

(m) The term *rental unit* means any apartment, efficiency apartment, room, single-family house, and the land appurtenant thereto, suite of rooms, or duplex, which is rented or offered for rent for residential occupancy. Such term shall not include any room in a hotel, motel or other structure used primarily for transient occupancy.

(n) The term *market value* standing alone means the greater of

(1) The total purchase price most recently paid for a housing accommodation; or

(2) The estimated market value of such housing accommodation, for property assessment purposes, as determined by the Mayor.

(o) The term *assessed market value* means the estimated market value of such housing accommodation, for property assessment purposes, as determined by the Mayor.

(p) The term *substantial rehabilitation* means any improvement to or renovation of a housing accommodation or a rental unit begun on or after February 1, 1973 for which the total expenditure equals fifty percent or more of the market value of the housing accommodation before such rehabilitation.

(q) The term *tenant* includes a tenant, subtenant, lessee, sublessee, or other person entitled to the possession, occupancy or the benefits thereof, of any rental unit.

(r) The term *maximum possible rental income* means the sum of the rents for

all rental units, whether occupied or not, as of the date of the filing of the registration statement.

(s) The term *vacancy loss* shall be the amount of rent not collected, computed on an annual basis, due to vacant units. No amount shall be included for units occupied by a landlord or his employees or otherwise not offered for rent.

(t) The term *uncollected rent* shall be the amount of rents and other charges due but not collected from tenants minus the amount due and not collected from tenants whose location the landlord knows and from whom he has failed to attempt to recover the loss through legal action in the Superior Court of the District of Columbia or other appropriate forum after having had adequate opportunity to do so.

(u) The term *operating expenses* shall mean the expenses for the upkeep of the accommodation for any consecutive twelve-month period in the fifteen months immediately preceding the filing of the registration statement required by subsection (b) of section 202, including but not limited to expenses for salaries of on-site personnel, supplies, painting, maintenance and repairs, utilities, professional fees, on-site offices, and insurance.

(v) The term *management fee* shall be the amount paid to a managing agent and any pro rata salaries of off-site administrative personnel paid by the landlord.

(w) The term *property taxes* shall be the amount paid to the District of Columbia Treasurer for real property tax on the housing accommodation.

(x) The term *other income which can be derived from the housing accommodation* shall include but not be limited to fees; commissions; income from vending machines; income from laundry facilities; parking and recreational facilities; late charges; and kindred income which a landlord earns because of his ownership of a housing accommodation other than the gross rental charge.

Sec. 202. Registration and coverage.

(a) Sections 203-212 of this act shall apply to each rental unit in the District of Columbia, except:

(1) Any rental unit in an establishment which has as its primary purpose the providing of diagnostic care and treatment of diseases, including but not limited to hospitals, convalescent homes, nursing homes, and personal care homes;

(2) Any rental unit in any federally owned housing accommodation or in any housing accommodation with respect to which the mortgage or rent is federally subsidized;

(3) Any rental unit in a housing accommodation for which the initial certificate of occupancy was issued after February 2, 1973 but such exception shall be effective only during the length of the initial leasing period or for the first year of tenancy, whichever is shorter;

(4) Any dormitory of an institution of higher education, or a private boarding school, in which rooms are provided for students;

(5) Any rental unit rented to another by the occupant of a housing accommodation of not more than two rental units, whether such occupant is the owner of such housing accommodation or a tenant who rents such housing accommodation; and

(6) Any rental unit in any housing accommodation, for the length of the initial leasing period, or the first year of tenancy, whichever is shorter, which for the two years immediately preceeding the effective date of this act has been both vacant and not offered for rent provided that, such housing accommodation is in substantial compliance with the housing regulations.

(b) Within not more than ninety days following the effective date of this act each landlord shall file with the Rent Administrator, on a form approved by the Rent Administrator, a registration statement for each housing accommodation in the District of Columbia, whether subject to sections 203-212 of this act or not, and for which he is receiving rent or is entitled to receive rent. The registration form shall contain that information the Rent Administrator may require, including, but not limited to:

(1) A description of the housing accommodation, including the address, number of rental units, number of stories, drainage, type of construction, date and number of housing business license issued by the District of Columbia Government with respect thereto, and date and number of the certificates of occupancy issued by the District of Columbia Government with respect thereto;

(2) A description of the utilities, air conditioning, and type of heating fuel used for each rental unit in such housing accommodation;

(3) Rental information on each rental unit in such housing accommodation for the base rent date including the base rent, the current rent being charged, the amount of the security deposit if any, the related services included, and the related facilities and charges therefor;

(4) The information which is filed in paragraph (3) for the date on which such registration is filed;

(5) In the case of a housing accommodation which has been substantially rehabilitated, the market value of such housing accommodation prior to rehabilitation and the method of computing the market value, a description of such rehabilitation, and an itemized list of expenditures for rehabilitation;

(6) In the case of a housing accommodation which is planned to be substantially rehabilitated or in the process of being substantially rehabilitated, the market value of such housing accommodation prior to rehabilitation and the method of computing the market value, and a description of the proposed rehabilitation;

(7) In the case of a housing accommodation with respect to which the Rent Administrator has permitted, pursuant subsection (a) of section 205 of this act, the amortized costs of capital improvements to be included in the computation of the rate of return according to the formula provided in section 204 of this act, the market value of such accommodation prior to such improvements, a list of all such improvements allowed pursuant to section 205 of this title, and an itemized list of expenditures for such improvements;

(8) A list of any outstanding violations of housing regulations applicable to such housing accommodation;

(9) The name and address of the owner of such housing accommodation and, when applicable, the name of the resident agent;

(10) The information necessary for the Rent Administrator to easily and accurately compute, according to subsection (a) of section 204 of this title, the rate of return for that housing accommodation; and

(11) The rate of return for that housing accommodation as computed by the landlord according to said formula.

(c) On or before the end of the third complete month occurring after the date the initial registration was filed under subsection (b) of this section, and, at the end of each third month thereafter, each landlord shall file with the Rent Administrator as to housing accommodations not excepted by subsection (a) of this section either:

(1) A certification of the accuracy of the information on the registration form filed by him;

(2) Upon there occurring any change which would not affect the rent which may be charged under this act, a sworn addendum setting forth the new information; or

(3) Upon there occuring any change which would affect the rent which may be charged under this act, and if the landlord wants an increase in such rent, a new registration statement. Such new registration statement per item (3) of this subsection may be filed only at the times indicated in this subsection and at no other time.

(d) Each registration form filed under this section shall be available for public inspection at the office, and each landlord shall keep a duplicate of each registration form posted in a public place on the premises of the housing accommodation with respect to which such registration form applies provided that, each landlord may, in lieu of posting in a public place in each single family housing accommodation, mail to each tenant of such housing accommodation such duplicate of each registration form.

(e) Each registration form filed under this section which meets the minimum requirements established by the act and by the rules of procedure of the Commission shall be assigned a registration number.

(f) Each certificate of occupancy and each housing business license issued to any landlord in the District of Columbia after the effective date of this act shall contain the registration number of those housing accommodations to which such certificate or license applies.

Sec. 203. Registration fee. Each landlord of a housing accommodation covered by this act shall pay to the Mayor at the time that he applies for his housing business license and at the time that he applies for any renewal thereof or, in the case of a housing accommodation for which no such license is required, at the time he files his registration statement for that housing accommodation under section 202(b), an annual registration fee of two dollars for each rental unit in a housing accommodation registered by him. Such fees shall be paid from time to time into the Treasury of the United States and credited to the General Fund of the District of Columbia.

Sec. 204. Rent ceiling.

(a) Except to the extent provided in subsections (b), (c), and (d) of this section, and section 211 of this title, no landlord may charge or collect rent for any rental

unit in excess of the rent computed according to the following formula, hereinafter referred to in this act as the "rent ceiling:"

(1) Step 1: Add to the base rent an amount equal to four percent of the base rent.

(2) Step 2: Add to the figure computed in Step 1 an amount equal to eight percent of such figure.

(3) Step 3: (A) In the case of a housing accommodation for which the rate of return, as shown on the registration statement and computed according to part (B) of this step, is less than eight percent, the landlord may add to the figure computed in step 2 a pro rata share of an amount sufficient to increase the maximum possible rental income for that housing accommodation by such an amount as will generate a rate of return of no greater than eight percent, provided that no increase shall be more than five percent of (1) the amount computed in step 2 or (2) the rent as established by the Housing Rent Commission or a court of competent jurisdiction.

(B) In determining the rate of return for each housing accommodation, the following formula shall be used, computed over a base period of any consecutive twelve-month period within the fifteen months immediately preceding the filing of the registration statement:

(1) The sum of the maximum possible rent income which can be derived from a housing accommodation shall be added.

(2) To the sum of all other income which can be derived from the housing accommodation.

(3) From the total of maximum possible rental income which can be derived from a housing accommodation plus the sum of all other income which can be derived from the housing accommodation shall be subtracted (i) the dollar value of vacancy losses and (ii) uncollected rents the remainder of which shall be defined as the "gross income."

(4) From the gross income shall be substracted (i) the operating expenses; (ii) property taxes; (iii) management fee of no more than six percent of the maximum rental income of the accommodation unless and only to the extent any additional amount is approved by the Rent Administrator pursuant to subsection (b) of section 205 of this act; (iv) depreciation expenses, computed on a straight line basis of no more than two percent of the assessed market value of the housing accommodation may be deducted in any one year as a depreciation expense, unless and to only the extent any additional amounts are approved by the Rent Administrator pursuant to subsection (c) of section 205 of this act; and (v) amortized costs of capital improvements if and as permitted pursuant to subsection (a) of section 205 of this act. The remainder after such subtractions shall be defined as the "net income."

(5) The net income shall be divided by the assessed market value of the housing accommodation to determine the rate of return.

(b) The rent ceiling for a particular rental unit computed according to the procedure specified in this section may be increased or decreased, as the case may be,

(1) According to section 206, to allow for an increase or decrease in related services or facilities;

(2) According to section 210, to allow for the cost of substantial rehabilitation; or

(3) According to section 208 to allow for adjustments for vacant accommodations.

(c) In addition to the adjustments in the rent ceiling which are allowed as specified in subsection (b), any landlord may apply for a hardship adjustment to be computed under section 209.

(d) The rent ceiling for any unit in a housing accommodation exempted by paragraphs (3), or (6) of subsection (a) of section 202 from the provisions of sections 203-212, after the termination of such exemption, shall be the rent charged during the initial leasing period or during the first year of tenancy, whichever is less, increased by an amount not in excess of an amount computed in accordance with step 3 of the formula specified in subsection (a) provided that, no increase shall be more than five percent of the rent so charged. Such increase may be effected only in accordance with the procedures specified in subsections (h) and (i) of this section.

(e) Notwithstanding any provision of this act, the rent for any rental unit shall not be increased above the base rent unless:

(1) The housing accommodation of which such rental unit is a part is in substantial compliance with the housing regulations provided that, such noncompliance is not the result of tenant neglect or misconduct;

(2) The housing accommodation is registered in accordance with section 202;

(3) The landlord of such housing accommodation is properly licensed pursuant to the housing regulations if such regulations require his licensing; and

(4) The manager of such housing accommodation, when other than the landlord, is properly registered pursuant to the housing regulations if such regulations require his registration.

(f) If, on the effective date of this act, the rent being charged exceeds the allowable rent ceiling, the rent shall be reduced to the allowable rent ceiling effective the next date that the rent is due, provided that this subsection shall not apply to any rent approved by the Housing Rent Commission under Regulation 74-20 or any rent approved by a court of competent jurisdiction. The landlord shall notify the tenant in writing of the required decreases prior to the effective date of such decreases.

(g) Notwithstanding any other provision of this act, no rent shall be increased under this act for any rental unit with respect to which there is a valid written lease or rental agreement establishing the rent for such rental unit for the term of such written lease or rental agreement.

(h) (1) If a landlord indicates on his registration statement filed under subsection (b) of section 202 of this act, or on any document filed under item

(3) of subsection (c) of section 202 of this act, that he is entitled to an increase in rents under part A of step 3 of subsection (a) and that he intends to so increase such rents, such landlord shall immediately notify, in writing, the tenants of the rental units to which such increase applies of the intended rent increase. Such notice shall be mailed to the tenants by certified mail, return receipt requested. Such notice shall include those items listed in subsection (i) of this section, and, in addition, a copy of that portion of the registration statement which shows the computation of the rate of return relating to the housing accommodation containing the rental units for which a rent increase is sought. The Commission shall by regulation prescribe the actual wording, including the size of type to be used, of a statement to be included with such notice informing the tenants that they may request an audit of such registration statement and a hearing on such audit and giving the address where and time within which such request may be made.

(2) Any intended rent increase to be made under part (A) of step 3 of subsection (a) of this section shall not be effective before the first day that rent is due occurring more than thirty days after the notice specified in paragraph (1) of this subsection is mailed. If during such thirty days, a tenant in a housing accommodation to which such increase applies files a request for an audit of such registration statement, the Rent Administrator shall forthwith notify the landlord of such request and the landlord raising such rents shall pay the amounts collected reflecting such increase from the tenants of the housing accommodation, beginning on the effective date of such increase, into an interest-bearing escrow account established by the landlord in a bank or other financial institution in the District of Columbia. Interest on such accounts shall be at least five and one-fourth percent. The landlord shall keep detailed records for such accounts showing the exact amounts in such accounts attributable to each tenant in the housing accommodation concerned. Such account, and such records, shall be maintained until the Rent Administrator completes the requested audit and issues an order specifying how the contents of such account is to be distributed. Either the landlord, or the tenant requesting an audit, may demand and receive a hearing on the audit. If the Rent Administrator finds, as a result of his audit, that such increase is justified, then he shall award the amounts in such account to the landlord. If the Rent Administrator finds, as a result of his audit that such increase was not justified, then he shall award the amounts in such account to the tenants concerned. If he finds such increase to be partially justified, he shall order the amounts in such account to be distributed equitably to reflect such finding. The Rent Administrator shall complete each such audit within a reasonable time.

(3) If any tenant files a petition for an audit of a registration statement more than thirty days after the mailing of the copy of such statement, the Rent Administrator shall conduct such an audit in a reasonable time, but the landlord shall not be required to place the amounts reflected by the increase in escrow. In addition, the Rent Administrator or Commission may initiate such an audit.

(4) An appeal may be taken from a decision of the Rent Administrator made as a result of an audit by filing a notice of such appeal with the Commission within fifteen days after the date of the decision being appealed.

(5) In the course of conducting any audit or review of any proposed rent increase under this act, the Rent Administrator may require the landlord concerned to produce copies of relevant portions of income tax forms filed by the landlord with either the federal [government] or District of Columbia for no more than three years.

(i) Each notice of an impending rent increase shall be in writing and shall contain a statement of the:

(1) Current rent;

(2) Proposed rent;

(3) Percentage increase that the proposed rent represents over the current rent;

(4) Effective date of the proposed rent increase;

(5) Base rent;

(6) Percentage increase that the current rent represents above the base rent;

(7) Percentage increase that the proposed rent represents above the base rent;

(8) Registration number of the accommodation;

(9) Certification and explanation by the landlord that the unit is in substantial compliance with the housing regulations and that the increase is in substantial compliance with the housing regulations and that the increase is in compliance with this act;

(10) Exact method of computation of the increase including itemization of cost figures to which the increase is attributable when such increase is pursuant to sections 205, 206, 208, 209, 210 of this title;

(11) Statement of the penalties as described in section 215, and

(12) Location of the registration statement in a public place on the premises in accordance with subsection (d) of section 202.

Sec. 205. Capital improvements.

(a) In the case of a landlord who has completed capital improvements, the Rent Administrator may permit the costs of such improvements, amortized over the useful life of such improvements and applied on an equal basis to all rental units within the housing accommodation benefiting from such improvement, to be included as an item in the computation of the rate of return to be substracted from gross income as defined in part (B) of step (3) of subsection (a) of section 204 of this title provided that:

(1) The landlord has made available to the Rent Administrator and to the tenant concerned the plans, contracts, specifications, and building permits relating to the capital improvements; and

(2) The Rent Administrator is satisfied that the interests of the tenant are being protected.

(b) Where, in the computation of a rate of return, a landlord seeks to deduct a management fee in excess of six percent of the maximum possible rental income, he shall first file with the Rent Administrator a petition to allow such excess to be deducted. If the Rent Administrator determines that such excess

or part thereof is reasonable, he may permit to be deducted the same or so much thereof as he determines to be reasonable. The petition shall contain such information as the Rent Administrator may require including but not limited to the name of the payee of the fee and what, if any, identity exists between the landlord and the payee.

(c) Where, in the computation of a rate of return, a landlord seeks to deduct depreciation expenses in excess of two percent of the assessed market value of the housing accommodation, he shall first file with the Rent Administrator a petition to allow such excess to be deducted. If the Rent Administrator determines that such excess or part thereof is justified, he may permit to be deducted the same or so much thereof as he determines to be justified. The petition shall contain such information as the Rent Administrator may require including but not limited to what if any depreciation of the housing accommodation has been claimed for tax purposes.

(d) Nothing in subsections (b) and (c) of this section shall be construed to prohibit or limit the Rent Administrator in any determination of the accuracy of any claimed management fee of six percent or less of the maximum possible rental income or any claimed depreciation expense of two percent or less of the assessed market value of the housing accommodation.

Sec. 206. Services and facilities. If the Rent Administrator determines that:

(1) The related services or related facilities supplied by a landlord for a housing accommodation or for any rental unit therein are substantially increased; or

(2) The related services or related facilities supplied by a landlord for a housing accommodation or for any rental unit therein are substantially decreased;

Then the Rent Administrator may increase or decrease the rent ceiling applicable to such rental unit accordingly.

Sec. 207. Security deposit. No person shall demand or receive a security deposit for any rental unit where no security deposit was demanded or received for such rental unit upon the effective date of this act.

Sec. 208. Vacant accommodation.

(a) When, after the date the initial registration statement is filed under this act, a rental unit becomes vacant, the landlord may adjust the rent ceiling for such rental unit to the rent ceiling applicable to any substantially identical rental unit within the same housing accommodation, provided the tenant has vacated on his own initiative or as a result of notice to vacate for one of the following causes:

(1) Nonpayment of rent;

(2) Violation of an obligation of his tenancy as provided in item (1) of subsection (b) of section 213 of this act; or

(3) Use of the accommodation for an illegal purpose or purposes, as provided in item (2) of subsection (b) of section 213 of this act.

(b) For the purposes of this section, rental units shall be defined to be

"substantially identical" where they contain essentially the same square footage, essentially the same floor plan, comparable amenities and equipment, comparable locations with respect to exposure and height, if exposure and height have previously been factors in the amount of rent charged, and are in comparable physical condition.

Sec. 209. Hardship petition.

(a) In those cases where, after any increase which may be permitted by part (A) of step 3 of subsection (a) of section 204, the landlord can show a negative cash flow after consideration of debt service, the Rent Administrator, upon petition of the landlord, may allow such additional increases in rent as will generate a positive cash flow provided that, in the consideration of such petitions, the Rent Administrator shall consider the degree of hardship which the requested increase will place upon the tenants of the housing accommodation.

(b) In those cases where the rent increases permitted by part (A) of step 3 of subsection (a) of section 204 is insufficient to generate a rate of return of eight percent computed according to the formula provided in part (B) of said step, the Rent Administrator, upon petition of the landlord and after audit of the figures and computations in the most current registration statement, may allow such additional increases in rent as will generate a rate of return of eight percent. The Rent Administrator shall approve or disapprove such petition or any part thereof but shall not permit an increase which will generate a rate of return in excess of eight percent as of the time of the filing of the most current registration statement.

Sec. 210. Substantial rehabilitation.

(a) If the Rent Administrator determines that:

(1) A rental unit is to be substantially rehabilitated; [and]

(2) Such rehabilitation is in the interest of the tenants of such unit and the housing accommodation in which the unit is located;

Then the Rent Administrator may approve, contingent upon completion of such substantial rehabilitation, an increase in the rent ceiling for such rental unit, provided that such rent increase is no greater than the equivalent of one hundred twenty-five percent of the rent ceiling applicable to such rental unit prior to substantial rehabilitation.

(b) In determining whether a housing unit is to be substantially rehabilitated, the Rent Administrator shall examine the plans, specifications and projected costs for such rehabilitation, which shall be made available to the Administrator by the landlord of the unit or accommodation to be rehabilitated.

(c) In determining whether substantial rehabilitation of a housing accommodation is in keeping with the interest of the tenants, the Rent Administrator shall consider, among other relevant factors:

(1) The impact of such rehabilitation on the tenants of the unit or housing accommodation and

(2) The existing condition of the unit or housing accommodation and the degree to which any violations of the housing regulations in such unit or housing

accommodation constitute an impairment of the health, welfare and safety of the tenants.

(d) This section shall apply to the following:

(1) Any rental unit with respect to which a landlord has notified the tenant, after effective date of this act, of intent to substantially rehabilitate;

(2) Any rental unit with respect to which, prior to the effective date of this act:

(i) The landlord has notified the tenant of the intended substantial rehabilitation; and

(ii) All the tenants have left.

Sec. 211. Transitional provision. In the case of rental units, the rents of which have been determined by the Housing Rent Commission or a court of competent jurisdiction, the landlord of such units shall not use steps 1 and 2 of subsection (a) of section 204 of this act in computing the allowable rent ceiling for such units, but shall use the rents so allowed in lieu of said steps.

Sec. 212. Adjustment procedure.

(a) The Rent Administrator shall consider an adjustment allowed by sections 205, 206, 209 or 210 of this act in the rent ceiling applicable to any rental unit upon a petition filed with him by the landlord of such rental unit. Such petition shall be filed with the Rent Administrator on a form provided by him containing such information as he may require including an itemization of the actual income and operating expenses for the housing accommodation of which that rental unit is a part for a two-year period ending not more than four months before the date such petition was filed or initiated. A tenant may file a petition for adjustment of rent pursuant to section 204(e) or resulting from a reduction of services or facilities pursuant to section 206 of this act. The Rent Administrator shall approve or deny, in whole or in part, each such petition whether filed by landlord or tenant within sixty days after such petition is filed with him, unless an extension of time is approved, in writing, by both the landlord and tenant of such rental unit or by the Commission.

(b) Upon receipt of such petition, the Rent Administrator shall notify the landlord if the tenant filed the petition, or the tenants concerned if the landlord filed the petition by certified mail or any other form of service which assures delivery, of the receipt of such petition and of the right of either party to request, in writing, a hearing within fifteen days after the receipt of such notice. If a hearing is timely requested by either party, notice of the time and place of the hearing shall be furnished the parties by certified mail or any other form of service which assures delivery at least fifteen days before the commencement of such hearing. Such notice shall inform each of the parties of his right to retain legal counsel to represent him at the hearing.

(c) Each landlord of any rental unit with respect to which a petition is filed or initiated under this section shall submit to the Rent Administrator, within fifteen days after demand therefor is made, an information statement, on a form approved by the Rent Administrator, containing the information the Rent Administrator may request or the Commission may require.

(d) The Rent Administrator may consolidate petitions and hearings relating to rental units in the same housing accommodation.

(e) The Rent Administrator may, without holding a hearing, refuse to adjust the rent ceiling for any rental unit, and may dismiss any petition for adjustment, if a final decision has been made on a petition filed under sections 206, 209, or 210 of this act or under District of Columbia Regulation 74-20 on another petition for adjustment as to the same rental units within the six months immediately before the filing of the immediate petition.

(f) All petitions filed under this section, all hearings held relating thereto, and all appeals taken from decision of the Rent Administrator, shall be considered and held according to the provisions of this section and the District of Columbia Administrative Procedure Act (D.C. Code, section 1-1501 et seq.). In the case of any direct, irreconcilable conflict between the provisions of this section and the District of Columbia Administrative Procedure Act, the District of Columbia Administrative Procedure Act shall apply.

(g) Decisions of the Rent Administrator shall be made on the record relating to any petition filed with him. An appeal from any decision of the Rent Administrator may be taken by the aggrieved party to the Commission within ten days after the decision of the Rent Administrator, or the Commission may initiate a review of a decision of the Rent Administrator on its own initiative. The Commission may reverse, in whole or in part, any decision which it finds to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the provisions of this act, or unsupported by the substantial evidence in the record of the proceedings before the Rent Administrator; or it may affirm, in whole or in part, the Rent Administrator's decision. The Commission shall issue a decision with respect to an appeal within thirty days after such an appeal was filed. An appeal from a decision by the Rent Administrator respecting any rent adjustment shall not stay the effectiveness of the decision.

(h) No increase in rent allowed under this act shall be implemented unless the tenant concerned has been given written notice, at least thirty days before the intended date of implementation, of such increase.

(i) A copy of any decision made by the Rent Administrator or by the Commission under this section shall be mailed to the parties to such decision.

Sec. 213. Eviction.

(a) Notwithstanding any other provision of law, no tenant shall be evicted from a rental unit unless he has been served with a written notice to vacate, specifying the reasons for such eviction, and a copy of such notice has been filed with the Rent Administrator.

(b) Notwithstanding any other provision of law, no tenant shall be evicted from a rental unit, notwithstanding the expiration of his lease or rental agreement, so long as such tenant continues to pay the rent to which the landlord is entitled for such rental unit, unless:

(1) The tenant is violating an obligation of his tenancy and fails to correct such violation within thirty days after receiving notice thereof from the landlord;

(2) A court of competent jurisdiction has determined that the tenant has performed an illegal act within such rental unit or housing accommodation;

(3) The landlord seeks in good faith to recover possession of such rental unit for his immediate and personal use and occupancy;

(4) The landlord has in good faith contracted in writing to sell the rental unit, or the housing accommodation in which such rental unit is located, for the immediate and personal use and occupancy by another person, so long as at the time he offers the rental unit or housing accommodation for sale the landlord has so notified the tenant in writing;

(5) The landlord seeks in good faith to recover possession of the rental unit for the immediate purpose of making alterations or renovations of the rental unit which cannot safely or reasonably be accomplished while the rental unit is occupied or for the immediate purpose of demolishing the housing accommodation in which such rental unit is located and replacing it with a new construction, so long as the plans for such alteration or new construction have been filed with and approved by the Rent Administrator; or

(6) The landlord seeks in good faith to recover possession of the rental unit for the immediate purpose of discontinuing the housing use and occupancy of such rental unit for a continuous period of not less than six months.

(c) In any case where the landlord seeks to recover possession of a rental unit under paragraphs (3), (4), (5), or (6) of subsection (b) of this section he shall first notify the tenant of such rental unit, in writing and at least ninety days prior thereto, of his intent to recover possession of such rental unit provided that, when the landlord seeks to recover possession of a rental unit under paragraph (5) for purposes of substantial rehabilitation, such notice shall be in accordance with section 302 of this act.

(d) No landlord shall demand or receive rent for any rental unit which he has repossessed under paragraphs (3) or (6) of subsection (b) of this section during the six-month period beginning on the date he recovered possession of such rental unit. No person who has purchased a rental unit which has been repossessed by a landlord under paragraph (4) of subsection (b) of this section shall demand or receive rent for such rental unit during the six-month period beginning on the date such landlord recovered such rental unit.

(e) In the case of any rental unit which has been repossessed by a landlord under paragraph (5) of subsection (b) of this section, the tenant from whom the landlord repossessed such unit shall have an absolute right to rerent such unit immediately upon completion of the renovation or alterations, and, where the renovations or alterations are necessary to bring the unit into compliance with the housing regulations, the tenant may rerent at the same rent and under the same obligations as were in effect at the time he was dispossessed, provided that, such renovations or alterations were not made necessary by the negligent or malicious conduct of such tenant.

Sec. 214. Retaliatory action.

(a) No landlord shall take any retaliatory action against any tenant who exercises any right conferred upon him by this act, or by any rule or order issued pursuant thereto, or by any other provision of law. Retaliatory action shall include any action or proceeding to recover possession of a rental unit; action which would increase rent, decrease services, increase the obligation of a tenant

or constitute undue or unusual inconvenience, violate the privacy of the tenant, harass, reduce the quality or quantity of service; and any refusal to honor a lease or rental agreement or any provision of a lease or rental agreement, refusal to renew a lease or rental agreement, termination of a tenancy without cause; and any other form of threat or coercion.

(b) In determining whether an action taken by a landlord against a tenant is retaliatory action, the trier of fact shall take into consideration whether, within the six months immediately preceding such landlord's action, the tenant:

(1) Has made a witnessed oral or written request to the landlord to make repairs which are necessary to bring the housing accommodation or the rental unit into compliance with the housing regulations;

(2) Contacted appropriate officials of the District of Columbia government, either orally in the presence of a witness or in writing, concerning existing violations of the housing regulations of the rental unit he occupies or pertaining to the housing accommodation in which such rental unit is located, or reported to such officials suspected violations which, if confirmed, would render such rental unit or housing accommodation in noncompliance with the housing regulations;

(3) Withheld all or part of his rent, after having given a reasonable notice to the landlord, either orally or in the presence of a witness or in writing, of a violation of the housing regulations;

(4) Organized, been a member of, or been involved in any lawful activities pertaining to a tenant organization;

(5) Made an effort to secure or enforce any of his rights under his lease or contract with the landlord; or

(6) Brought legal action against the landlord based on the provisions of this act.

Sec. 215. Penalties.

(a) Any person who,

(1) Demands or receives any rent for a rental unit in excess of the maximum allowable rent applicable to that rental unit under the provisions of this act, or

(2) Substantially reduces or eliminates related services previously provided for a rental unit,

shall be held liable by the Rent Administrator for treble the amount by which the rent exceeded the applicable rent ceiling or for fifty dollars, whichever is greater.

(b) Any person who:

(1) Willfully makes a false or misleading statement in any registration statement or other statement filed under this act, or

(2) Willfully commits any other action in violation of this act, or willfully fails to do anything required under this act;

shall be fined not more than five thousand dollars for each violation.

TITLE III. CONVERSION OF HOUSING THROUGH CONDOMINIUM CONVERSION, COOPERATIVE OWNERSHIP, OR SUBSTANTIAL REHABILITATION OR SALE THEREOF.

Sec. 301. Sale of single-family housing accommodation. Any owner of a single-family housing accommodation may sell such housing accommodation to a purchaser but only after such owner has given the tenant of such housing accommodation an opportunity to purchase such housing accommodation at a price which represents a bonafide offer of sale. The tenant shall be afforded at least forty-five days within which to accept such offer of sale.

Sec. 302. Condominium conversion.

(a) Every tenant of a housing accommodation which the landlord seeks to convert from a rental basis to a condominium or cooperative, shall be notified in writing no less than one hundred eighty days before the conversion thereof. The landlord of such a housing accommodation shall make to each tenant a bonafide offer of sale of the unit which such tenant occupies, and the tenant shall be afforded no less than sixty days within which to accept. No tenant shall be served with a notice to vacate until one hundred fifty days after he first receives notice of the landlord's intention to convert, nor shall the notice to vacate be served prior to the expiration of the aforesaid sixty-day period or receipt of the tenant's written rejection of the bonafide offer of sale of the unit which he occupies, whichever occurs first.

Nothing in this subsection shall be construed to permit conversion of rental units to condominium units where otherwise prohibited by law.

(b) The tenant of every housing accommodation which the landlord seeks to substantially rehabilitate shall be notified in writing at least one hundred twenty days prior to commencement of rehabilitation. No tenant shall be served with a notice to vacate until ninety days after he first received written notice of the landlord's intention to rehabilitate, and no landlord shall commence actual, physical rehabilitation until the one hundred twenty-day notice period has expired. The written notice of intent to substantially rehabilitate shall include the information required under section 202(b), and a statement that the Rent Administrator has approved the substantial rehabilitation according to section 210 and information indicating tenant may obtain a copy of the registration form at the office of the Rent Administrator, and the address of the Rent Administrator.

TITLE IV. MISCELLANEOUS.

Sec. 401. Repeal of Regulation 74-20. Except as to the appointment of members of the Rental Accommodations Commission, the provisions of this act shall be deemed as a continuation of Act 1-35, adopted on July 22, 1975 by the Council and approved by the Mayor on July 25, 1975, and shall be deemed to have been in effect as of the effective date of said Act 1-35.

Sec. 402. Transfer of records.

(a) There are hereby authorized to be transferred to the Rent Administrator

and the Commission for use in the administration of the functions of those offices, the property, records, and unexpended balances of appropriations and other funds which related primarily to the functions so transferred.

(b) Any determination, rule, or order, contract, compact, designation or other action made by the District of Columbia Housing Rent Commission shall, except to the extent modified or made inapplicable by the act, continue in effect.

Sec. 403. Judicial review.

(a) Any person or class or persons aggrieved by a decision of the Commission, or by any failure on the part of the Commission to act, may seek judicial review of such decision or failure by filing a petition for review in the District of Columbia Court of Appeals. The Commission on its own initiative, or the Rent Administrator, may commence a civil action to enforce any rule or decision of the Commission or Rent Administrator, as the case may be. Such an action brought by the Commission or Rent Administrator, as the case may be, shall be brought in the Superior Court of the District of Columbia.

(b) The Superior Court, in issuing any order in any action brought under this section, may award costs of litigation, including a reasonable attorney's fee, to any successful party.

Sec. 404. Effective date. This act shall take effect at the end of the thirty-day period, excluding Saturdays, Sundays, holidays, and days on which either House of Congress is not in session, provided for Congressional review of acts of the Council under subsection (c) of section 602 of the District of Columbia Self-Government and Governmental Reorganization Act, and shall terminate at the end of the second year occurring immediately after such effective date. At the end of the first year following such effective date, the Council shall review the rent stabilization program established in this act through review of the reports required in section 102 (b) and through any other investigations or hearings it may conduct or require.

Sec. 405. Severability. If any provision of this act, or any section, sentence, clause, phrase or word or the application thereof, in any circumstances is held invalid, the validity of the remainder of the act and of the application of any such provision, section, sentence, clause, phrase or word shall not be affected.

Source. Pursuant to section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, PL 93-198, (the Act), the Council of the District of Columbia adopted Bill No. 1-157 on first and second readings July 15, 1975, and July 29, 1975, respectively. Following the signature of the Mayor on August 15, 1975, this legislation was assigned Act No. 1-46, published in the August 29, 1975, edition of the D. C. Register, and transmitted to both Houses of Congress for a thirty-day review, in accordance with section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the thirty-day review by Congress has expired and, therefore, cites this legislation as D. C. Law No. 1-33, effective November 1, 1975.