

**A RESOLUTION**

**Proposed  
Resolution  
20-1031**

**See Emergency  
D.C. Act 20-430  
20 DCStat 4145**

*To declare the existence of an emergency with respect to the need to amend the Rental Housing Act of 1985 to limit the amount of a hardship petition conditional rent increase to 5% of the rent charged, and to require that a rent adjustment be repaid by a housing provider to a tenant within 21 days of a conditional increase being amended.*

**Rent Control  
Hardship  
Petition  
Limitation  
Emergency  
Declaration  
Resolution of  
2014**

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Rent Control Hardship Petition Limitation Emergency Declaration Resolution of 2014”.

Sec. 2. (a) The District’s rent control regime is established by the Rental Housing Act of 1985; approximately 79,000 housing units are subject to the law, accounting for 66% of the rental housing stock in the District.

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

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

(d) The hardship petition requires the housing provider to submit a schedule of income and expenses, which the Rent Administrator can use to calculate a new rent based on the 12% rate of return.

(e) If a hardship petition isn’t decided within 90 days, the housing provider can automatically start collecting the rent for which the housing provider originally applied.

(f) Hardship petitions are rarely decided within the 90-day time period; consequently conditional increases are frequently granted that result in rent increases of 50% to 100%.

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

(h) In one example, tenants of a building in Ward 7 were charged a 34% increase and were threatened with eviction if they did not pay. Tenants were forced to file a lawsuit challenging the increase based on numerous housing code violations, and the dispute was prolonged for more than 4 years, during which time the higher rents were paid into a court-mandated escrow account to the satisfaction of neither side.

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

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

(k) Without swift action by the Council to counter opportunities for abuse, additional tenants could be priced out of their homes.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Rent Control Hardship Petition Limitation Emergency Amendment Act of 2014 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.