

5719 CHANGES IN RENT

5719.1

- (a) Rent Phase-In. If a tenant's monthly rent increases by more than the greater of ten percent (10%) or twenty-five dollars (\$25) purely as a result of RAD conversion, the rent increase will be phased in over a period of five (5) years. The tenants that will be affected by RAD rent calculation at the time of conversion are those that are currently paying flat rent, i.e., rent that is not calculated based on income. If a tenant was previously paying flat rents, the change in rent (now based on 30% of income) may have to be phased in.
- (b) Five Year Phase-in Formula:
 - (1) Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – twenty percent (20%) of difference between most recently paid TTP or flat rent and the Calculated RAD TTP
 - (2) Year 2: Year 2 annual recertification and any interim recertification prior to Year 3 annual recertification – twenty-five percent (25%) of difference between most recently paid TTP and the Calculated RAD TTP
 - (3) Year 3: Year 3 annual recertification and any interim recertification prior to Year 4 annual recertification – thirty-three percent (33%) of difference between most recently paid TTP and the Calculated RAD TTP
 - (4) Year 4: Year 4 annual recertification and any interim recertification prior to Year 5 annual recertification – fifty percent (50%) of difference between most recently paid TTP and the Calculated RAD TTP
 - (5) Year 5 annual recertification and all subsequent recertifications – Full Calculated RAD TTP
- (c) Once the Calculated RAD TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.
- (d) Rent phase-in example:

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(1) Example of rent increase that does not require a phase in:

Rent at Last Recertification	\$900
Rent Calculation at RAD Conversion	\$990
Increase in Rental Amount	\$90
Phase In Required?	No

(2a) Example of rent increase that does require a phase in:

Rent at Last Recertification (TTP at last recertification)	\$100
Rent Calculation at RAD Conversion (RAD TTP)	\$300
Increase in Rental Amount	\$200
Phase In Required? (see table below)	Yes

(2b)

Year 1

Prior TTP at last recertification: \$100

New TTP as a result of conversion: \$300

Differential requiring phase-in: \$200

Amount to be phased-in during Year 1: 20% of differential between New TTP as a result of conversion and TTP at last recertification

DCHA-Approved Five Year Phase In Period

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Year 2

Prior TTP at last recertification: \$140

New TTP as a result of conversion: \$300

Differential requiring phase-in: \$160

Amount to be phased-in during Year 2: 25% of differential between New TTP as a result of conversion and TTP at last recertification

Year	Most Recent TTP + Increase	New Rent
2	Step 1: $\$300 - \$140 = \mathbf{\$160}$ Step 2: $\$140 + (\$160 \times .25) = \mathbf{\$180}$	\$180

Year 3

Prior TTP at last conversion: \$180

New TTP as a result of conversion: \$300

Differential requiring phase-in: \$120

Amount to be phased-in during Year 3: 33% of differential between New TTP as a result of conversion and TTP at last recertification

Year	Most Recent TTP + Increase	New Rent
3	Step 1: $\$300 - \$180 = \mathbf{\$120}$ Step 2: $\$180 + (\$120 \times .33) = \mathbf{\$219.6}$	\$219.6

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Year 4

Prior TTP at last conversion: \$219.6

New TTP as a result of conversion: \$300

Differential requiring phase-in: \$80.4

Amount to be phased-in during Year 4: 50% of differential between New TTP as a result of conversion and TTP at last recertification

Year	Most Recent TTP + Increase	New Rent
4	Step 1: $\$300 - \$219.6 =$ \$80.4 Step 2: $\$219.6 + (\$80.4 \times .50) =$ \$259.8	\$259.8

Year 5 and all subsequent recertifications: Tenant pays full calculated RAD TTP

- 5719.2 Any changes in Tenant Rent shall be stated in a special supplement to the lease, which shall, upon issuance, become a part of the dwelling lease. The special supplement to the lease shall constitute the tenants thirty (30) days' written notice of an increase in Tenant Rent. The family shall be provided a copy of the special supplement to the lease.
- 5719.3 All changes in Tenant Rent, whether after an interim or regular recertification, shall be implemented in accordance with 14 DCMR §§ 6118, 6119, and this chapter.
- 5719.4 In properties where utilities and other essential services are supplied to the tenant by the Owner Tenant Rent payable to DCHA under the dwelling lease shall be the same as total tenant payment.
- 5719.5 Tenant Rent shall be computed after both annual income and adjusted income have been verified.
- 5719.6 The tenant shall receive retroactive credit to credit an administrative error.
- 5719.7 Tenants occupying property for a portion of a month at the time of move-in shall be charged a pro-rata share of the full monthly rate determined by DCHA.
- 5719.8 Allowances and special deductions:

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- (a) In properties where tenants are responsible for paying for their own utility bills, the utility allowance shall be subtracted from the total tenant payment to determine the Tenant Rent payable to DCHA. If the Tenant Rent resulting from the subtraction of the utility allowance from the total payment is negative, DCHA shall send a monthly check in the amount of the difference to the tenant.
- (b) At Redeveloped Properties or Service Rich Properties, as defined in 14 DCMR Section 6113, which an Association Fee is assessed, residents at such properties may be required to pay an amount calculated to equal the Association Fee attributable to the unit and shall be granted an allowance reflecting the Association Fee payment. The allowance shall be subtracted from the Tenant Rent to determine the tenant payment as follows:
 - (1) Any utility allowance shall be deducted from the Tenant Rent first. The allowance for the Association Fee shall be deducted from any remaining positive amount. If the deduction of the utility allowance results in a negative rent there shall be no charge for an Association Fee and no deduction for the Association Fee allowance. If the deduction of the Association Fee allowance results in a negative amount, the required Association Fee payment from the tenant and its associated allowance shall be reduced so that the Tenant Rent is zero.
 - (2) If the tenant fails to pay the Association Fee on time, the fee shall be converted to rent, not to exceed thirty percent (30%) of adjusted income, when added to the monthly rent, for the month in which the fee was paid.
 - (3) If the Association Fee is paid after entry of judgment as part of the payment required to avoid eviction, the fee shall be recorded as the Association Fee, and the ledger shall be updated to reflect the tenant's payments.

SOURCE: Final Rulemaking at 64 DCR 12956 (December 22, 2017); as amended by Final Rulemaking published at 66 DCR 6831 (June 7, 2019).