

A RESOLUTION

25-148

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

May 30, 2023

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.

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 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 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 the Council’s prohibition on rent increases remained in effect.

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

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

(g) This past January 2023, the Rental Housing Commission approved an 8.9% overall increase to rents in rent stabilized units, which took effect on May 1, 2023, resulting in a total increase to rents of 15.1% over the past 2 years and 18.1% over the past 3 years.

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

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

(j) While landlords have expressed concerns about the impact of rising maintenance and business expenses on their ability to serve their tenants and maintain their businesses, tenant advocates and tenants have also raised serious concerns that an 8.9% increase will contribute to significant hardship for many of the households living in the over 70,000 rent stabilized units in the District and may lead to displacement of residents with lower incomes.

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

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

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

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

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

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

(q) Some tenants in rent stabilized units have already received rent increases of up to 8.9% beginning in May 2023, while many other tenants await increases throughout the rest of the year depending on the tenant's lease term and on which date their landlord's rent adjustment took effect in the prior year.

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

(s) Emergency, and temporary, legislation is necessary to mitigate the substantial inflationary increases to District's rent stabilized housing stock for as many tenants as

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possible now that the 8.9% increase has only recently taken effect on May 1, 2023, support the District's use of rent control as an anti-displacement tool, and prevent the perfect storm of high inflation, limited emergency rental support funds, and compounding housing costs from creating an even greater wave of displacement from the District's preserved affordable housing stock.

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

Sec. 4. This resolution shall take effect immediately.