

November 30, 2023

Councilmember Robert White Chair, Committee on Housing Council of the District of Columbia 1350 Pennsylvania Avenue NW, Suite 107 Washington, DC 20004 rwhite@dccouncil.gov

## **RE: DC Council Bill B25-0227 – the "Rent Stabilization Protection** Amendment Act of 2023"

Dear Councilmember White,

At its regular meeting on November 15, 2023, Advisory Neighborhood Commission 2A ("ANC 2A" or "Commission") considered the above-referenced matter. With six of eight commissioners present, a quorum at a duly-noticed public meeting, the Commission voted unanimously (6-0-0), after a motion made by Commissioner Patel and seconded by Commissioner Malec, to adopt resolution CR-23-006, which reads as follows:

WHEREAS, on January 19, 2023, Councilmember Frumin along with Chairman Mendelson and Councilmembers Allen, Nadeau, Henderson, Bonds, Parker, Lewis George, and Pinto introduced the <u>Rent Stabilization Protection Amendment Act of 2023</u><sup>1</sup>,

WHEREAS, this legislation, which was drafted in consultation with the Office of the Tenant Advocate (OTA), would require that the District of Columbia Housing Authority (DCHA) complies with rent stabilization laws when calculating the amount of rent paid by a tenant-based housing voucher,

WHEREAS, in March 2022, the U.S. Department of Housing and Urban Development (HUD), coordinated by the Northeast Public Housing Network, ("<u>HUD March 2022 Report on DCHA</u><sup>2</sup>") conducted the DCHA audit and documented the disparities in the rents paid through the voucher program and the rents charged in rent controlled buildings, in violation of federal and District laws and regulations,

WHEREAS, federal and District regulations require that the combination of voucher payments and resident contributions are tailored to pay for a reasonable rent, based on the quality of the apartment itself and the rents paid for similar units on the private market,

WHEREAS, this requirement, referred to as "rent reasonableness," is both common

<sup>&</sup>lt;sup>1</sup> B25-0227-Introduction.pdf (dccouncil.gov)

<sup>&</sup>lt;sup>2</sup> Microsoft Word - DCReview Final 9302022.docx

## \* \* \* Advisory Neighborhood Commission 2A "Serving the Foggy Bottom and West End communities of Washington, D.C."

sense and mandated by HUD, however the recent HUD audit of DCHA revealed that "DCHA does not conduct annual rent reasonableness assessments or perform rent reasonableness determinations in accordance with HUD rules and regulations,"

WHEREAS, housing vouchers are a critical tool in the effort to end homelessness and better the lives of District residents, and they allow the recipient to pay for rent at the same level as a voucher-less tenant would pay, with the intention to make every neighborhood available to low-income tenants while also carefully marshaling resources,

WHEREAS, earlier this year, on-the-ground investigations by reporters for the <u>Washington Post</u><sup>3</sup>, <u>WAMU</u><sup>4</sup>, and other accounts demonstrate the terrible consequences that DCHA's policy of refusing to comply with HUD and DC regulations governing Housing Choice Vouchers (HCVs) have on rent stabilized and voucher-holding tenants,

WHEREAS, the Washington Post has estimated that unreasonable voucher payments have exceeded \$1 million per month in addition to pushing out lowincome tenants from rent stabilized (controlled) buildings citywide to transform them into voucher-holder-only buildings and gaining massive rental profit as a result,

WHEREAS, the articles mentioned in this resolution show that the developers are buying out renters of rent stabilized (controlled) buildings using the Tenant Opportunity to Purchase Act (TOPA) and converting them to voucher-holder-only buildings as it is very lucrative because voucher holders are being charged much higher rents than the displaced rent-controlled tenants and higher rents than the market rents for comparable apartments in the surrounding area,

WHEREAS, a landlord's economic interest can be served by allowing conditions in a building to deteriorate and driving out rent-stabilized tenants to be replaced by voucher recipients from whom they can secure much higher rents and who have less power to report housing violations, which transforms buildings, turning them into "in essence, privately-run public housing complexes, where residents frequently don't receive the social services they need,"

WHEREAS, without any accountability mechanisms to ensure that apartments are up to code, it also results in new concentrations of poverty, which is just what the voucher program tries to prevent, and ends up artificially raising rents for all District residents,

WHEREAS, any payment that exceeds reasonable rent is going to landlords, while voucher tenants receive lower quality housing for a higher cost,

<sup>&</sup>lt;sup>3</sup> D.C. overpays landlords millions to house the city's poorest - The Washington Post

<sup>&</sup>lt;sup>4</sup> The next hottest rental strategy? Market to housing choice vouchers : NPR

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WHEREAS, the HUD audit noted concerns that DCHA was "being exploited by [voucher] landlords," costing the District millions of dollars and preventing others from becoming housed, and

WHEREAS, by not accounting for the reasonableness of rent in the context of a rent-stabilized unit, an incentive structure was created as a direct consequence, where the DC Government sacrifices one form of affordable housing-rent stabilization for another.

THEREFORE, BE IT RESOLVED that ANC 2A supports this legislation as it is a direct policy recommendation/remedy in requiring DCHA to comply with a standard of reasonableness when calculating its rent subsidies in rent-stabilized buildings, also known as rent controlled buildings.

BE IT FURTHER RESOLVED that this legislation would ensure that, in the context of a rent stabilized building, reasonable rent for a voucher recipient is the amount that would be paid by a new private tenant under the rent stabilization laws. This change implements the core "rent reasonableness" requirement in rent-stabilized buildings, better marshaling resources and avoiding incentives that could unintentionally erode our rent-stabilized housing stock.

Commissioners Trupti Patel (<u>2A03@anc.dc.gov</u>) and Jim Malec (<u>2A02@anc.dc.gov</u>) are the Commission's representatives in this matter.

ON BEHALF OF THE COMMISSION.

Sincerely,

Jim Malec

Jim Malec Chairperson