

Mayor Transmits RENTAL Act to Council to Balance the Needs of Renters and Landlords

As a reminder, Mayor Bowser announced the RENTAL Act of 2025 on February 12th to address the ongoing affordable housing crisis. To reiterate, providers are facing significant challenges with non-payment of rent and increased costs, risking foreclosures and the loss of existing affordable units. The bill's 11 sections aim to stabilize the housing sector, strengthen the ecosystem, and encourage new investment.

The RENTAL Act has been transmitted to Council and <u>posted on LIMS</u>. It will be officially referred at the next legislative meeting scheduled for March 18, 2025.

DCBIA will continue to reach out to you in the coming days on actions you can take to support this critical piece of legislation.

Summary of the sections:

ERAP

This section of the bill would make permanent the provisions of B25-0968, the Emergency Rental Assistance Reform Emergency Amendment Act of 2024.

Public Safety Evictions

This section would allow a housing provider to recover possession of a unit where a tenant or person occupying the premises with or in addition to the tenant, has been arrested or charged with a danger crime or crime of violence that occurred in the rental unit or in or adjacent to the housing accommodation. The housing provider must serve the tenant a 10-day notice to vacate.

Further, if a court has determined that the tenant, or a person occupying the premises with or in addition to the tenant, has (1) performed an illegal act within the rental unit or the housing accommodation (2) has been arrested or charged with a dangerous crime or crime of violence that occurred in the rental unit or in or adjacent to the housing accommodation, then the court must hold a hearing within 30 days after the complaint is filed.

Court Eviction Procedures

This section of the bill would allow housing providers to provide a tenant with notice of their intent to file a claim for non-payment of rent at least 10 days before filing the claim, rather than at least 30 days. Notice must be made by (1) certified mail, by first-class mail with a certificate of mailing, or by email; and (2) by hand delivery to the housing unit or by posting on the front door of the housing unit.

Further, rather than requiring a court to dismiss a housing provider's claim if the housing provider did not provide adequate notice or filed the claim to recover before the required number of days of notice had passed, this bill would only permit the court to do so.

It also provides that in a housing provider's action alleging a defendant's failure to pay rent, that the court must, upon the oral or written motion of the housing provider, enter a protective order requiring the defendant to deposit rental payments into the court registry in regular monthly intervals. If a motion for entry of a protective order is made at the initial hearing or before the initial hearing date, the court must rule on the motion no later than on the initial hearing date. This legislation also

requires that the Court hold an initial hearing within 45 days after the complaint is filed on evictions sought for the nonpayment of rent or violations of other uncorrected obligations of tenancy.

The legislation also would provide that, if a tenant is served with prior notice that they are in violation of an obligation of tenancy, other than nonpayment of rent, and the tenant corrects the violation in the permitted 30 days, but commits a subsequent violation of a like nature to the prior violation within one year of the prior violation being corrected, the housing provider may serve the tenant with a 30-day notice to vacate.

Additionally, it would require the Courts to dismiss complaints at an initial hearing for complaints of a person detaining possession of real property without right, if the complaint does not allege sufficient facts or the person who is aggrieved has not produced sufficient documentation to meet all requirements under District law, the Court shall dismiss the complaint. In these instances where a summons is served, it now must be made within 14 days before the day fixed for the initial hearing, rather than 30 days. Finally, it would also expand the District's debt collection laws to apply to the non-payment of rent.

Amendments to Tenant Opportunity to Purchase Act ("TOPA")

The TOPA reform section would:

- Clarify that the entry and exit of capital investors does not constitute a sale for TOPA purposes.
- Exempt the sale or other transfer of a building that has a land use regulatory agreement or covenant recorded with the Recorder of Deeds that requires that at least 50% of the units in the building at 80% or less of the area median income, median family income, or a similar measure for at least 20 years; provided, that at the time of sale the covenant has at least 5 years remaining.
- Exempt the sale or transfer of a building that has completed construction, as evidenced by a certificate of occupancy, or has been substantially improved, as evidenced by a building permit application with DOB, within 25 years before the date of sale if the average achieved rents for at least 51% of the housing units was greater than 80% of the area median income or median family income during the most recent 6-month period for which achieved rent data is available to the owner.
 - Certification can be obtained from the Mayor within one year before the date of the sale.
 - "Substantially improved" means any building which has undergone any repair, alteration, addition, or improvement, the cost of which equals or exceeds 50% of the market value of the building before the improvement or repair was started.
- Require housing providers to notify tenants of a property's exemption from TOPA requirements.

If the building becomes exempt from TOPA under the newly built or substantially improved exemption, the owner must provide written notice to all residents as soon as the Mayor provides certification to the owner.

Local Rent Supplement Program

This section would allow more units to be eligible for project-based Local Rent Supplement Program ("LSRP") vouchers by increasing program eligibility up to 50% Area Median Income ("AMI") from 30% AMI.

DC Low Income Housing Tax Credit

This section would make technical amendments to ensure that the Department of Housing and Community Development ("DHCD") can utilize FY25 funds for affordable housing projects.

Property Acquisition Authority in Blighted Areas' Abandoned and Nuisance Properties

This section would make a technical amendment to restore the inclusion of a definition for blighted properties as it pertains to DHCD's ability to acquire and dispose of blighted areas.

Land Acquisition and Disposition Authority

This section would make a technical amendment in order to restore DHCD's authority to acquire and reposition vacant properties and permit DHCD to acquire such properties without authorization from the DC Council.

Facilitation of Resale of Inclusionary Zoning Units

This section would expand the authority of the Mayor, the District of Columbia Housing Authority ("DCHA"), or a third party (which includes a land trust or a qualified nonprofit) to purchase or facilitate the purchase or sale of an inclusionary unit, for the purpose of reselling it to an eligible household.

Consumer Protection Act Amendment

This section would make clear the District of Columbia, its agencies or instrumentalities, or any employee thereof acting within the scope of the employee's official duties is not liable for damages as a lender.

District of Columbia Housing Authority Board of Directors

This section would make permanent DCHA's Board of Directors, also known as the STAR Board.