
EXHIBIT 4

ENROLLED ORIGINAL

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Codification
District of
Columbia
Official Code

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To amend the Rental Housing Act of 1985 to provide for the elimination of rent ceilings and rent ceiling adjustments except for those approved pursuant to prior petitions, to allow the housing provider to increase the rent charged for a vacant rental unit by 10% of the current lawful amount of rent charged or to the highest lawful amount of rent charged for any substantially identical unit within that housing accommodation, but not more than 30% of the current rent charged for the vacant unit, to simplify and reduce filing burdens on the Rent Administrator and housing providers, to authorize and to limit the amount of any increase in the rent charged for an occupied unit, other than a petition-based increase, to 2% plus the adjustment of general applicability up to a maximum total of 10%, the total to be taken as percentage of the current lawful amount of rent charged, to authorize and to limit the amount of any increase in the rent charged for a unit occupied by an elderly or disabled person to the lesser of 5% or the adjustment of general applicability, to limit to one per year the number of increases in rent charged, to provide for disclosure of information, and to require the Mayor to report on the need for and the means of establishing an income qualified set-aside program.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Rent Control Reform Amendment Act of 2006".

Sec. 2. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*), is amended as follows:

(a) Sections 202(a)(3), 206(a), (b), (c), and (f)(3), 205(a)(7)(C), 208, 209, 210(c) and (h), 211, 212(c), 214(a), 215(a)(1) and (c), 216(f) and 901(a) (D.C. Official Code §§ 42-3502.02, 42-3502.06(a), (b), (c), and (f)(3), 42-3502.08, 42-3502.09, 42-3502.10(c) and (h), 42-3502.11, 42-3502.12(c), 42-3502.14(a), 42-3502.15(a)(1) and (c), 42-3502.16(f), and 42-3509.01(a)) are amended by striking the phrase "rent ceiling" wherever it appears and inserting the phrase "rent charged" in its place.

Amend
§ 42-3502.02,
§ 42-3502.06,
§ 42-3502.08-
§ 42-3502.12,
§ 42-3502.14-
§ 42-3502.16,
§ 42-3509.01

(b) Section 205(g) (D.C. Official Code § 42-3502.05(g)) is amended to read as follows:
“(g)(1) A housing provider shall file the following notices with the Rent Administrator:

Amend
§ 42-3502.05

“(A) A copy of the rent increase notice given to the tenant for a rent increase under section 208(h)(2), within 30 days after the effective date of the increase; provided, that if rent increases are given to multiple tenants with the same effective date, the housing provider shall file a sample rent increase notice and a list attached stating the unit

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number, tenant name, previous rent charged, new rent charged, and effective date for each rent increase;

“(B) A copy of the notice given to the tenant for an increase under section 213(d) stating the calculation of the initial rent charged in the lease (based on increases during the preceding 3 years) within 30 days of the commencement of the lease term;

“(C) A notice of a change in ownership or management of the housing accommodation, or change in the services and facilities included in the rent charged, within 30 days after the change.

“(2) Subject to appropriation, the Mayor shall establish an electronic database for the filing, storage, and retrieval of rent stabilization program documents.”

(c) Section 206(a) (D.C. Official Code § 42-3502.06) is amended by adding three new sentences at the beginning of the text to read as follows:

Amend
§ 42-3502.06

“Rent ceilings are abolished, except that the housing provider may implement, in accordance with section 208(g), rent ceiling adjustments pursuant to petitions and voluntary agreements approved by the Rent Administrator prior to the effective date of Rent Control Reform Amendment Act of 2006, passed on 2nd reading on June 6, 1006 (Enrolled version of Bill 16-109). Petitions and voluntary agreements pending as of the effective date of the Rent Control Reform Amendment Act of 2006 2006, passed on 2nd reading on June 6, 1006 (Enrolled version of Bill 16-109), shall be decided pursuant to the provisions of this title in effect prior to the effective date and may be implemented in accordance with section 208(g). In considering a hardship petition pursuant to section 212, any unimplemented rent charged increase pursuant to a petition or voluntary agreement approved by the Rent Administrator shall be included in the maximum possible rental income.”

(d) Section 207 (D.C. Official Code § 42-3502.07) is repealed.

(e) Section 208 (D.C. Official Code § 42-3502.08) is amended as follows:

Repeal
§ 42-3502.07
Amend
§ 42-3502.08

(1) Subsection (g) is amended to read as follows:

“(g) The amount of rent charged for any rental unit subject to this title shall not be increased until a full 12 months have elapsed since any prior increase; provided, that:

“(1) An increase in the amount of rent charged shall not exceed the amount of any single adjustment pursuant to any one section of this title;

“(2) If the rental unit becomes vacant within 12 months of an increase in the amount of rent charged, other than a vacancy increase pursuant to section 213, the housing provider may increase the amount of rent charged pursuant to section 213; and

“(3) If the amount of rent charged is increased pursuant to paragraph (2) of this subsection, the amount of rent charged shall not be increased until a full 12 months have elapsed after the increase in the amount of rent charged, even if another vacancy occurs.”

(2) Subsection (h) is amended to read as follows:

“(h)(1) Unless the increase in the amount of rent charged is implemented pursuant to section 210, 211, 212, 214, or 215, an increase in the amount of rent charged while the unit is vacant shall not exceed the amount permitted under section 213(a).

“(2) Unless the increase in the amount of rent charged is implemented pursuant to section 210, 211, 212, 214, or 215, an increase in the amount of rent charged while the unit is occupied shall not exceed, taken as a percentage of the current allowable amount of rent charged for the unit, 2% plus the adjustment of general applicability; provided, that the total increase shall not exceed 10%; provided further, that the amount of any such increase in the rent charged for a unit occupied by an elderly or disabled tenant without regard to income but otherwise as

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defined in section 206(f) shall not exceed the lesser of 5% or the adjustment of general applicability.”

(f) Section 213 (D.C. Official Code § 42-3502.13) is amended as follows:

Amend
§ 42-3502.13

(1) Subsection (a) is amended by striking the phrase “the rent ceiling may, at the election of the housing provider, be adjusted to either: (1) The rent ceiling which would otherwise be applicable to a rental unit under this title plus 12% of the ceiling once per 12-month period; or

(2) The rent ceiling of a substantially identical rental unit in the same housing accommodation” and inserting the phrase “the amount of rent charged may, at the election of the housing provider, be increased:

“(1) By 10% of the current allowable amount of rent charged for the vacant unit;

or

“(2) To the amount of rent charged for a substantially identical rental unit in the same housing accommodation; provided, that the increase shall not exceed 30% of the current lawful amount of rent charged for the vacant unit” in its place.

(2) A new subsection (d) is added to read as follows:

“(d) Within 15 days after of the commencement of the new tenancy, the housing provider shall disclose to the tenant on a form published by the Rent Administrator (or in another suitable format until a form is published):

“(1) The applicable rent for the rental unit at the commencement of the tenancy;

“(2) The amount of the increases in the amount of rent charged for the rental unit during the preceding 3 years, including the basis for each increase and, if applicable, the identification of any substantially identical rental unit on which a vacancy increase is based, and the current increase in the rent charged; and

“(3) The identification of any substantially identical rental unit on which the vacancy increase is based.”

(g) New sections 222 and 223 are added to read as follows:

New
§ 42-3502.22

“Sec. 222. Disclosure to tenants.

“(a) At the written request of a tenant not more than one time each calendar year, a housing provider shall, within 10 business days on a form provided by the Rent Administrator (or in another suitable format until a form is published), provide the amount of each increase in the amount of rent charged for the tenant's rental unit during the preceding 3 years on which the current rent charged is based, including the basis for each increase and, if applicable, the identification of any substantially identical rental unit on which a vacancy increase was based.

“(b)(1) At the time a prospective tenant files an application to lease any rental unit, the housing provider shall provide on a disclosure form published by the Rent Administrator (or in another suitable format until a form is published) together with any documents corresponding to each item of information:

“(A) The applicable rent for the rental unit;

“(B) Any tenant petition or petition filed by the housing provider which is pending that could affect the rental unit, including petitions for further rent increases during the following 12 months;

“(C) Any surcharges on rent for the rental unit, including capital improvement surcharges and the expiration date of those surcharges;

“(D) The frequency with which rent increases for the rental unit may be implemented;

“(E) The rent-controlled or exempt status of the housing

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accommodation, its business license, and a copy of the registration or claim of exemption together with the most recent notice filed pursuant to section 205(g)(1)(C);

“(F) All copies of housing code violation reports issued by the Department of Consumer and Regulatory Affairs for the housing accommodation or rental unit within the last 12 months, or previously issued reports for violations which have but not been abated;

“(G) A pamphlet published by the Rent Administrator that explains in detail using lay terminology the laws and regulations governing the implementation of rent increases and petitions permitted to be filed by housing providers and by tenants;

“(H)(i) The amount of any nonrefundable application fee; and

“(ii) The amount of any initial security deposit, the interest rate on the security deposit, and the means by which the security deposit is returned to the tenant when the tenant vacates the unit;

“(I) Whether the housing accommodation is registered as, or in the process of converting to, a condominium or cooperative or a use that is not a housing accommodation;

“(J) The disclosure of ownership information in the registration form required by section 205(f) and (g)(1)(C).

“(2) The housing provider shall:

“(A) Maintain in a publicly accessible area of the housing accommodation (such as a reception desk or management office) a compilation of disclosure forms and documents for each rental unit in the housing accommodation containing the information required by paragraph (1) of this section;

“(B) Update the compilation within 30 days of any change in such information;

“(C) Give written notice to each tenant of the housing accommodation, on a form published by the Rent Administrator (or in another suitable format until a form is published), that the disclosure forms and documents for the tenant’s rental unit are available for inspection, which shall include the location of the disclosure forms in the housing accommodation and a table of contents enumerating the categories of information contained in the compilation required by paragraph (1) of this section;

“(D) Make available for the tenant’s inspection the disclosure forms and the documents for the tenant’s rental unit; and

“(E) Within 10 business days after written request by any tenant once per year, provide to the tenant without charge a copy of the disclosure form and such documents for the tenant’s rental unit.

“(c) The rent for any rental unit shall not be increased if the housing provider:

“(1) Willfully violates the provisions of this section; or

“(2) Fails to comply within 10 business days of written notice of any failure to comply with the provisions of this section.

“Sec. 223. Addition to Comprehensive Housing Strategy report.

“The Mayor shall include in the reports to the Council pursuant to section 5 of the Comprehensive Housing Strategy Act of 2003, effective March 10, 2004 (D.C. Law 15-73; D.C. Official Code § 6-1054), analyses of the need, means, and methods of further assisting income qualified elderly tenants, disabled tenants, teachers of the District of Columbia Public Schools or a District of Columbia Public Charter School, and low-income tenants to pay their rent. The

New
§ 42-3502.23

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report shall consider:

- “(1) The income and any other criteria that shall be used to determine which tenants qualify for the program;
- “(2) The rent that qualified households shall pay;
- “(3) The number and the allocation of units to be included in any set-aside;
- “(4) The extent to which the program should incorporate any District affordable housing program and any federal affordable housing program available in the District;
- “(5) The reporting requirements which should be imposed on housing providers subject to this title and on qualified tenants to ensure that the program is effective.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia

EXHIBIT 5

Vincent M. Policy

From: Waters, Paul (DCRA) [Paul.Waters@dc.gov]
Sent: Friday, April 14, 2006 10:08 AM
To: Vincent M. Policy
Subject: Rent Control

Mark,

Good luck today on your procedure! ☺

Below is a note I received from Alicia, along with the copy of the Committee Print.

Attached is the cmte print CM Graham's staff circulated to cmte members (it wasn't filed with the Secretary's office because the report wasn't completed). He intends to file the report Monday, April 24th after the Council's spring recess.

Also, he's scheduled a special meeting to reconsider the votes for the bill. Apparently CM Brown wants to switch his vote. CM Graham hopes others will do so as well following the outcome of our meeting next week. He believes he has a bill that will please all.

As I understand it, next week's meeting is scheduled for Thursday. I'll chat with you on Tuesday, (Monday is a D.C. Holiday).

Thanks,

Paul E. Waters, Esq.
Legislative Liaison
Office of the General Counsel
Department of Consumer and Regulatory Affairs
(202) 442-8410 (office)
(202) 442-8373 (fax)

5
6 A BILL
7

8
9
10 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
11
12
13

14 To amend the Rental Housing Act of 1985 to amend the definition of base rent, to
15 provide for the elimination of rent ceilings, to preserve previously perfected rent
16 ceiling adjustments and limit their implementation, to limit the amount of any rent
17 charge adjustment, other than a petition-based adjustment, that may be
18 implemented on an occupied unit to 6% of the current rent charged plus the
19 adjustment of general applicability but not to exceed 10%, or to the adjustment of
20 general applicability if occupied by a qualified elderly tenant or qualified disabled
21 tenant or a qualified teacher in the District public or charter schools or a qualified
22 tenant whose income does not exceed 40% of the Area Median Income, or to the
23 adjustment of general applicability if the rent ceiling for the current tenant's rental
24 unit as in effect prior to amendment, to provide for time limits on challenges, to
25 amend the vacancy adjustment provisions to allow the housing provider to raise
26 the rent charged of a non-income qualified vacant rental unit by 10% or to the
27 highest comparable within that building, subject to a limit of 50% of the current
28 lawful amount of rent charged and subject to specified exceptions, to terminate
29 the unitary rent ceiling adjustment restriction, to provide for income qualified
30 units, and to limit to one per year the number of increases in rent charged.
31

32 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,
33 that this act may cited as the "Rental Control Reform Amendment Act of 2006".

34 Sec. 2. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10;
35 D.C. Official Code § 42-3501-01, *et seq.*), is amended as follows:

36 (a) Section 103(4) (D.C. Official Code § 42-3501.03(4)) is amended to read
37 as follows:

38 "(4) "Base rent" means the rent legally charged on April 30, 2006."

1 (b) Section 202(a)(3) (D.C. Official Code § 42-3502.02(a)(3)) is amended by
2 striking the phrase "rent ceiling" and inserting the phrase "rent charged" in its place.

3 (c) Section 205 (D.C. Official Code § 42-3502.05) is amended as follows:

4 (1) Subsection (f) is amended as follows:

5 (a) The lead-in text is amended by striking the phrase "July 17,
6 1985" wherever it appears and inserting the phrase "the effective date of the Rental
7 Control Reform Amendment Act of 2006, passed on 2nd reading on _____, 2006
8 (Enrolled version of Bill 16-457)" in its place.

9 (b) Paragraph (5) is amended by striking the phrase "and".

10 (c) Paragraph (6) is amended by striking the period and
11 inserting a semi-colon in its place;

12 (d) New paragraphs (7) and (8) are added to read as follows:

13 "(7) Any granted or perfected rent ceiling adjustments in
14 effect; and

15 "(8) A listing of which rental units in the housing
16 accommodation are substantially identical to other rental units in the housing
17 accommodation for purposes of Section 213.",

18 (2) Subsection (g) is repealed.

19 (d) Section 206 (D.C. Official Code § 42-3502.06) is amended as follows:

20 (1) The section designation is amended by striking the word "ceiling"
21 and inserting the word "charged" in its place.

22 (2) Subsection (a) is amended by striking the phrase "April 30, 1985"
23 and inserting "April 30, 2006" in its place.

24 (3) Subsection (b) is amended as follows:

1 (a) Strike the phrase "rent ceiling" wherever it appears and
2 insert the phrase "rent charged" in its place.

3 (b) A new sentence is added to read as follows:

4 "An increase in rent charged pursuant to subsection (h)
5 shall be in addition to an increase in rent charged pursuant to this subsection."

6 (4) Subsection (c) is amended by striking the phrase "rent ceiling" and
7 inserting the phrase "rent charged" in its place.

8 (5) Subsection (d) is amended as follows:

9 (a) Strike the first sentence and insert the sentence "If, on the
10 effective date of the Rental Control Reform Amendment Act of 2006, passed on 2nd
11 reading on _____, 2006 (Enrolled version of Bill 16-457), the rent being charged
12 exceeds the allowable rent charged, the rent shall be reduced to the allowable rent
13 charged as of the next date that the rent is due."

14 (b) A new sentence is added to read as follows:

15 "Rent ceiling increases granted or perfected prior to the
16 effective date of the Rental Control Reform Amendment Act of 2006, passed on 2nd
17 reading on _____, 2006 (Enrolled version of Bill 16-457), shall remain in effect, but
18 may be implemented as increases in the rent charged as provided in, and subject to
19 the limitations of, section 206(h)(3) and section 213 (d)."

20 (6) Subsection (e) is amended to read as follows:

21 "(e) A tenant may challenge a rent adjustment implemented under
22 any section of this subtitle by filing a petition with the Rent Administrator under
23 section 16. No petition shall be filed with respect to any adjustment in the rent
24 charged, under any section of this subtitle:

1 "(1) Within the applicable time limit stated in subsection
2 (h) of this section; and

3 "(2) More than 3 years after the effective date of the
4 adjustment in the rent ceiling; provided that a petition challenging the new base rent
5 as provided in section 03(4) shall be filed within one year after the date that the
6 housing provider files his base rent as required by this subtitle."

7 (7) Subsection 206 (f)(2) is amended as follows:

8 (a) Paragraph (A) is amended by striking the phrase "\$40,000"
9 and inserting the phrase "60% of area median income for the Washington-Arlington-
10 Alexandria Metropolitan Area" in its place.

11 (b) Paragraph (B) is amended by striking the phrase "\$40,000"
12 and inserting the phrase "60% of area median income for the Washington-Arlington-
13 Alexandria Metropolitan Area" in its place.

14 (8) A new subsection 206 (h) is added to read as follows:

15 "(h)(1) The rent charged and the increases therein shall be
16 controlled as provided in this subsection. Any adjustment in rent charged under this
17 subsection (h), section 208(h), section 213, or any other provision of this subtitle,
18 need not be based upon and shall not require any corresponding rent ceiling
19 adjustment. Except for rent ceiling adjustments in effect prior to the effective date of,
20 and preserved as provided in, the Rental Control Reform Amendment Act of 2006,
21 passed on 2nd reading on _____, 2006 (Enrolled version of Bill 16-457), rent ceilings
22 are abolished.

23 "(2)(A) An adjustment in rent charged for a rental unit while the
24 rental unit is occupied by a tenant shall not exceed:

25 "(i) The adjustment of general applicability under section
26 206(b) for:

1 "(I) An elderly resident tenant or a disabled resident
2 tenant, as defined in subsection (f)(2) and determined by the Rent Administrator
3 pursuant to the procedures applicable under subsection (f); or

4 "(II) A full-time teacher teaching in a District of
5 Columbia Public School or a Charter school (as defined in section 101(8) and (14) of
6 the Public Charter Schools Act of 1996, effective May 29, 1996 (D.C. Law 11-935;
7 D.C. Official Code § 38-1701.01(8) and (14)) with an income of not more than 60%
8 of area median income, as certified by the Rent Administrator;

9 "(III) A person who has an income of less than 40%
10 of the Area Median Income and who is a resident tenant (as defined in and
11 determined by the Rent Administrator pursuant to the procedures applicable under
12 section 206(f)) residing in the unit; or

13 "(IV) A tenant residing in a rental unit as of the
14 effective date of the Rental Control Reform Amendment Act of 2006, passed on 2nd
15 reading on _____, 2006 (Enrolled version of Bill 16-457), who is named in the lease
16 with the housing provider and as to whom the Rent Administrator determines that,
17 immediately prior to the effective date of the Rental Control Reform Amendment Act
18 of 2006, passed on 2nd reading on _____, 2006 (Enrolled version of Bill 16-457), the
19 rent ceiling for that tenant's rental unit did not exceed by more than 20% of, or was
20 equal to, the rent charged to the tenant.

21 "(i) For all other tenants, 6% of the prior rent charged for
22 the rental unit, plus the adjustment of general applicability under subsection 206(b),
23 but not to exceed 10% in any year.

24 "(B) Any unimplemented portion of such percentages during the
25 applicable year shall not be carried over to a subsequent year. An adjustment in rent
26 charged under this paragraph shall not be implemented until a full 12 months have
27 elapsed since a prior adjustment in rent charged under this paragraph.

1 "(3) The limitations in paragraph (2) of this subsection, section 208(h),
2 and section 213 shall not apply to an adjustment in the rent charged that implements a
3 decision of the Rent Administrator pursuant to a petition under section 210, section
4 211, section 212 or section 214, or a voluntary agreement under section 215,
5 including any decision or voluntary agreement granted on or after the effective date
6 of the Rental Control Reform Amendment Act of 2006, passed on 2nd reading on
7 _____, 2006 (Enrolled version of Bill 16-457), or any decision or voluntary
8 agreement as to which the rent ceiling adjustment was granted prior to the effective
9 date of the Rental Control Reform Amendment Act of 2006, passed on 2nd reading on
10 _____, 2006 (Enrolled version of Bill 16-457), to the extent the rent ceiling
11 adjustment was not implemented prior to the adjustment in rent charged pursuant to
12 this subsection. Such rent ceiling adjustments shall remain in effect. In proceedings
13 under section 210, section 211, section 212, section 214 or a voluntary agreement
14 under § section 215, the Rent Administrator shall determine the adjustment to the rent
15 charged, not the rent ceiling, according to the provisions of those sections. The
16 percentages in section 210(c)(1) and (2) and section 214(a) shall be applied as
17 percentages of the rent charged. Unimplemented portions of increases in the rent
18 charged under all petitions approved by the Rent Administrator as set forth in this
19 subsection may be carried over to subsequent years.

20 "(4) The limitations in paragraph (2) of this subsection shall not apply if a
21 rental unit in such housing accommodation is vacated by the tenant, in which event
22 any increase in the rent charged for the rental unit during the initial lease period
23 following the vacancy shall be determined as provided in section 213.

24 "(5) A housing provider shall be required to file, with the Rent
25 Administrator, a copy of the notice of each rent charge increase served on a tenant
26 and the implementation of any preserved rent ceiling increase under section 213(d).
27 Failure to file shall not invalidate such increases and no other certificate, amended
28 registration form, or other document shall be required to be filed with the Rent
29 Administrator, Rental Housing Commission, or any other agency in connection with
30 any increase in rent charged. The Rent Administrator shall publish the registration

1 form and rent increase notice form on or before the effective date of the Rental
2 Control Reform Amendment Act of 2006, passed on 2nd reading on _____, 2006
3 (Enrolled version of Bill 16-457). The housing provider shall maintain copies of all
4 notices of adjustments in the rent charged during the period of the applicable
5 limitations period under subsections (e) of this section or this subsection and shall
6 produce such records to the Rent Administrator upon request.

7 "(6)(A) A tenant in occupancy may challenge any increase in the rent
8 charged for his or her rental unit; provided, that a petition shall not be filed with
9 respect to any such adjustment in the rent charged under any section of this subtitle:
10 (i) More than 3 years after the effective date of the adjustment, as to any adjustment
11 prior to the effective date of the Rental Control Reform Amendment Act of 2006,
12 passed on 2nd reading on _____, 2006 (Enrolled version of Bill 16-457), (ii) more
13 than one year after the effective date of the adjustment, as to any adjustment on or
14 after the effective date of the Rental Control Reform Amendment Act of 2006, passed
15 on 2nd reading on _____, 2006 (Enrolled version of Bill 16-457); provided, that if
16 the adjustment was based on fraud by the housing provider, the period shall be 3
17 years.

18 "(B) When the rental unit becomes vacant after the initial lease period
19 under paragraph (4) of this subsection, a petition shall not be filed as to the initial rent
20 charged to a tenant leasing the vacant unit on any ground other than that a rental unit
21 used as a substantially identical rental unit was not substantially identical to the
22 vacant unit, which petition shall not be filed more than one year after the date the
23 lease is executed. Subparagraph (A) of this paragraph shall apply to any subsequent
24 rent increases.

25 "(7) Subject to appropriation, the Mayor shall establish an electronic
26 database for the filing, storage and retrieval of rent stabilization program
27 documents."

28 (e) Section 207 (D.C. Official Code § 42-3502.07) is repealed.

1 (f) Section 208 (D.C. Official Code § 42-3502.08) is amended as follows:

2 (1) Subsection (a)(2) is amended by striking the phrase "September 1,
3 1983" and inserting "April 30, 2006" in its place.

4 (2) Subsection (g) is amended by striking the phrase "180 days have
5 elapsed since any prior adjustment" and inserting the phrase "12 months have elapsed
6 since any prior increase in the rent charged to the tenant of the rental unit; provided,
7 that if the rental unit becomes vacant within 12 months of an increase in rent charged
8 under section 208(h)(2) or (3), section 213 shall apply and the housing provider may
9 increase the rent charged as provided in section 213" in its place.

10 (3) Subsection (h) is amended to read as follows:

11 "(h) (1) An adjustment in rent charged for a rental unit while the
12 rental unit is occupied by a tenant shall not exceed:

13 "(i) The adjustment of general applicability under section
14 206(b) for:

15 "(I) An elderly resident tenant or a disabled resident tenant,
16 as defined in subsection (f)(2) and determined by the Rent Administrator pursuant to
17 the procedures applicable under subsection (f); or

18 "(II) A full-time teacher teaching in a District of Columbia
19 Public School or a Charter school (as defined in section 101(8) and (14) of the Public
20 Charter Schools Act of 1996, effective May 29, 1996 (D.C. Law 11-935; D.C.
21 Official Code § 38-1701.01(8) and (14)) with an income of not more than 60% of
22 area median income, as certified by the Rent Administrator;

23 "(III) A person who has an income of less than 40% of the
24 Area Median Income and who is a resident tenant (as defined in and determined by
25 the Rent Administrator pursuant to the procedures applicable under section 206(f))
26 residing in the unit; or

27 "(IV) A tenant residing in a rental unit as of the effective
28 date of the Rental Control Reform Amendment Act of 2006, passed on 2nd reading on

1 _____, 2006 (Enrolled version of Bill 16-457), who is named in the lease with the
2 housing provider and as to whom the Rent Administrator determines that,
3 immediately prior to the effective date of the Rental Control Reform Amendment Act
4 of 2006, passed on 2nd reading on _____, 2006 (Enrolled version of Bill 16-457), the
5 rent ceiling for that tenant's rental unit did not exceed by more than 20% of, or was
6 equal to, the rent charged to the tenant.

7 " (ii) For all other tenants, 6% of the prior rent charged for the
8 rental unit, plus the adjustment of general applicability under subsection 206(b), but
9 not to exceed 10% in any year.

10 "(2) The limitations in paragraph (1) of this subsection, section 206(h),
11 and section 213 shall not apply to an adjustment in the rent charged that implements a
12 decision of the Rent Administrator pursuant to a petition under section 210, section
13 211, section 212 or section 214, or a voluntary agreement under section 215."

14 (g) Section 209 (D.C. Official Code § 42-3502.09) is amended as follows:

15 (1) The section title is amended to read as follows: "Rent charged upon
16 termination of exemption and for newly covered rental units."

17 (2) Strike the phrase "rent ceiling" wherever it appears and insert "rent
18 charged" in its place.

19 (h) Section 210 (D.C. Official Code § 42-3502.10) is amended by striking the
20 phrase "rent ceiling" wherever it appears and inserting the phrase "rent charged" in its
21 place, except in subsection (c)(3) of this section.

22 (i) Section 211 (D.C. Official Code § 42-3502.11) is amended by striking the
23 phrase "rent ceiling" wherever it appears and inserting the phrase "rent charged" in its
24 place.

25 (j) Section 212 (D.C. Official Code § 42-3502.12) is amended by striking the
26 phrase "rent ceiling" wherever it appears and inserting the phrase "rent charged" in its
27 place.

1 (k) Section 213 (D.C. Official Code § 42-3502.13) is amended as follows:

2 (1) Subsection (a) is amended to read as follows:

3 "(a)(1) When a tenant vacates a rental unit on the tenant's own initiative or
4 as a result of a notice to vacate for nonpayment of rent, violation of an obligation of
5 the tenant's tenancy, or use of the rental unit for illegal purpose or purposes as
6 determined by a court of competent jurisdiction, the rent charged may, at the election
7 of the housing provider, be adjusted once per 12-month period under this section:

8 "(A) To an amount not to exceed the current lawful amount of rent
9 charged a substantially identical rental unit in the same housing accommodation
10 (except as provided in subsection (d) of this section), provided, that the increase in the
11 rent charged for the vacant unit shall not exceed 50% of the current lawful amount of
12 rent charged for the vacant unit, or

13 "(B) By an increase of 10% of the current lawful amount of rent
14 charged for the vacant unit, except that an increase under this section shall not be
15 permitted unless the housing accommodation has been registered under section
16 205(f).

17 "(2) Any unimplemented portion of the adjustment to the rent charged
18 shall not be preserved or carried over to a subsequent year."

19 (2) New subsections (d) and (e) are added to read as follows:

20 "(d) ~~When a rental unit becomes vacant, without petitioning the~~
21 Rent Administrator, the housing provider may increase the rent charged on the vacant
22 unit, in addition to the increase permitted by section 213(a)(1), as provided in this
23 subsection. If the increase calculated under subsection (a)(1)(A) of this section is less
24 than 50% of the current lawful rent charged for the vacant unit, the housing provider
25 may further increase the rent charged for the vacant unit, not to exceed 50% of the
26 current lawful rent charged for the vacant unit, by implementing all or any portion of
27 the aggregate amount of rent ceiling increases preserved and unimplemented by the

Comment: We do not know what this means???

1 housing provider. For purposes of the preceding sentence, a rent ceiling increase
2 means any rent ceiling increase perfected and unimplemented by the housing provider
3 prior to the effective date of the Rental Control Amendment Act of 2006, passed on
4 2nd reading on _____, 2006 (Enrolled version of Bill 16-457)."

5 "(e) The housing provider and the tenant to whom the vacant unit
6 is relet shall execute and attach to the lease an addendum, in which the housing
7 provider shall disclose the rent charged adjustments on which the initial rent charged
8 in the lease is based. Upon written request by the tenant at the time that the
9 addendum is executed, the housing provider shall provide to the tenant copies of all
10 notices of rent charged adjustments on which such initial rent charged is based.
11 Notwithstanding the foregoing, the housing provider shall not be required to disclose
12 in the addendum, or provide copies of notices of, any rent charged adjustments which
13 became effective prior to the applicable limitations period in section 206(e) or (h)."

14 (l) Section 214 (D.C. Official Code § 42-3502.14) is amended by striking the
15 phrase "rent ceiling" wherever it appears and inserting the phrase "rent charged" in its
16 place.

17 (m) Section 215 (D.C. Official Code § 42-3502.15) is amended by striking the
18 phrase "rent ceiling" wherever it appears and inserting the phrase "rent charged" in its
19 place.

20 (n) Section 216 (D.C. Official Code § 42-3502.16) is amended by striking the
21 phrase "rent ceiling" wherever it appears and inserting "rent ceiling or rent charged"
22 after "rent ceiling" in its place

23 (o) Section 220 (D.C. Official Code § 42-3502.20) is amended to read as
24 follows:

25 "(a) For purposes of this section, the term "qualified income" means a
26 gross income from all sources of the tenant household which does not exceed 60% of
27 the area median income for the Washington-Arlington-Alexandria Metropolitan Area,
28 as published by the United States Department of Housing and Urban Development.

1 (b) As to all housing accommodations subject to the rent stabilization
2 program in this subtitle and which contain 20 or more rental units, up to 10% of the
3 total number of rental units in that housing accommodation as they become available,
4 shall be selected, and designated by the housing provider as income qualified units for
5 occupancy by applicants with qualified incomes who apply to rent such income
6 qualified units. The housing provider and the Rent Administrator shall be provided,
7 upon request, income verification at the inception of the tenancy and annually
8 thereafter. The rent charged for an income qualified unit occupied by a tenant with a
9 qualified income shall not exceed 80% of the fair market rent for that unit type
10 published annually during the tenancy by the United States Department of Housing
11 and Urban Development for the Washington-Arlington-Alexandria Metropolitan Area
12 (DC-VA-MD HMFA).

13 (c) No later than 3 months after the effective date of the Rental Control
14 Reform Amendment Act of 2006, passed on 2nd reading on _____, 2006 (Enrolled
15 version of Bill 16-457), the Mayor shall propose rules to carry out the purposes of this
16 section. The proposed rules shall be subject to Council approval.

17 (d) The rights and obligations under other provisions of this Act
18 applicable to a tenant residing in a rental unit as of the effective date of the Rental
19 Control Reform Amendment Act of 2006, passed on 2nd reading on _____, 2006
20 (Enrolled version of Bill 16-457), but who does not meet the qualified income
21 requirements of this section, shall not be abrogated or modified by the provisions of
22 this section."

23 (p) Section 901 (D.C. Official Code § 42-3509.01) is amended by striking the
24 phrase "rent ceiling" wherever it appears and inserting the phrase "rent charged" in its
25 place.

26 (q) A new Section 222 is added to read as follows:

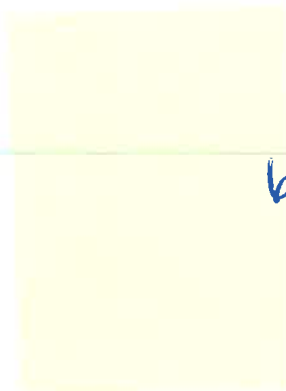
27 "Sec. 222. Transitional provision – Rental Control Reform Amendment
28 Act of 2006. Petitions filed prior to the effective date of the Rental Control Reform

1 Amendment Act of 2006, passed on 2nd reading on _____, 2006 (Enrolled version of
2 Bill 16-457), shall be decided pursuant to the provisions of this subtitle prior to the
3 Rental Control Reform Amendment Act of 2006, passed on 2nd reading on _____,
4 2006 (Enrolled version of Bill 16-457).

5 Sec. 3. Fiscal Impact Statement. The Council adopts the fiscal impact statement
6 in the committee report as the fiscal impact statement required by section 602(c)(3) of
7 the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813;
8 D.C. Official Code § 1-206.02(c)(3)).

9 Sec. 4. Effective Date. This act shall take effect following approval by the
10 Mayor (or in the event of veto by the Mayor, action by the Council to override the
11 veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the
12 District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813;
13 D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia
14 Register.

EXHIBIT 6



b

★★★ **RENTAL CONTROL REFORM AMENDMENT ACT OF 2006**
Executive Summary

The Executive's rent control proposal incorporates the desires of tenants, landlords and the District's rental housing administration by converting the current rent ceiling system into a rent charged system. The following summary details the ways in which the Executive's approach benefits all parties.

Tenant Benefits

Clear and Affordable Rents

- Rents can only increase once a year.
- Landlords are limited to charging annual rent increases of 8% plus the annual CPI or 4% plus the annual CPI (for elderly and disabled residents).
- Elderly and disabled tenants earning less than \$55,600 a year now will receive greater protection under rent control.

Elimination of Rent Ceilings Over Time

- Rent ceilings are frozen and will never increase.
- Increases in the rent charged based on existing rent ceilings can only be taken on vacant units.
- Increases in the rent charged based on existing rent ceilings cannot exceed 50% of the current rent charged for a rental unit when a comparable unit is used to calculate the rent increase.

Standard Vacancy Rent Increases

- Rents on vacant units cannot increase by more than 10% or are capped at 50% of the current rent charged when a comparable unit is used to calculate the rent increase.
- Perfected and unimplemented rent increases cannot exceed the 50% cap on vacancies.

Extended Contest Period

- Tenants have 1 year to challenge base rents.
- Tenants can go back 3 years to challenge base rent calculations.
- Tenants have 1 year to challenge all rent charge increases.
- Landlords are required to provide the Rent Administrator upon request documents showing rent increases.

Increased Disclosure and Participation

- Landlords are required to provide the full calculation of new rent charge to tenants, in writing.
- Landlords are required to inform current and future tenants of all rent increases, in writing.
- Tenants are allowed to comment when landlords file for special petitions and voluntary agreements.

★★★



RENTAL CONTROL REFORM AMENDMENT ACT OF 2006

Executive Summary

Accessible Government Liaison

- The District's new Tenant Advocate will assist tenants in learning and understanding the new rent control system.

Landlord Benefits

Consistent Petition Programs

- The District's petition processes and voluntary agreement programs remain intact.
- Formerly approved petitions and voluntary agreements will be honored.

Ability to Upgrade Units

- Landlords are given adequate means to improve units upon vacancy from long-term tenants.

Carryover Perfected Increases

- Landlords may carry over rent ceilings that were perfected and unimplemented before the effective date of this new system.

Rental Housing Administration Benefits

Ease and Consistency

- Establishment of a clean and manageable rent control system.

Comparable Unit Listing

- Landlords are required to file a listing of all comparable units.

Shift in Burden of Production

- Landlords are required to provide the Rent Administrator upon request documents showing rent adjustments.
- Landlords are required to file annual rent increase notices with the District government.

Protection Against Litigation

- Landlords may carry over rent ceilings that were perfected and unimplemented before the effective date of this new system.



May 7, 2009
Order Granting Voluntary Agreement

EXHIBIT 7

Owner (name & address)

**Department of Consumer & Regulatory Affairs
Housing Regulation Administration
Rental Accommodations and Conversion Division**

Housing Accommodation:

[tenant(s)] _____
[address] _____ Registration No. & Date _____
_____ Date of Notice: _____

Notice of Increase in Rent Charged

In accordance with the provisions of the Rental Housing Act of 1985 as amended (the "Act"), the rent charged for your rental unit will be increased as set forth below.

Your current rent charged is: \$ _____ The increase in your rent charged is: \$ _____
Your new rent charged is: \$ _____ The effective date is: _____

The basis of the increase in rent charged is as follows [check one]:

Under section 208(h)(2) of the Act (annual CPI-based increase) the increase in rent charged is based on the increase in the Consumer Price Index (CPI). For tenants qualified under the Act as elderly or disabled, the maximum increase in rent charged is the CPI percentage, but not more than 5.0%. For other tenants, the maximum percentage increase in rent charged is the CPI percentage plus 2.0%, but not more than 10.0%. The CPI percentage published by the Rental Housing Commission for the rent-control year May _____ through April _____ is _____%.

Alternatively, a housing provider may seek an allowable increase under other provisions of the Act, including petitions based on capital improvements, changes in services and facilities, hardship, substantial rehabilitation or agreement with seventy percent of the tenants. If any such authorized increase is partially implemented now, the balance may be implemented later. The increase in rent charged is based on the following provision of the Act:

_____ \$ _____
[section of Act] [type of increase] [increase authorized]
_____ [effective date of authorization] [case number, if applicable] [date of decision, if applicable]

The housing provider certifies that (1) the rent increase is in compliance with the Act; (2) at least one year has passed since the last rent increase; and (3) the rental unit and the common elements of the housing accommodation are in substantial compliance with the District of Columbia Municipal Housing Regulations (Title 14) or that any noncompliance is the result of tenant neglect or misconduct.

You have the right to request that the Rental Accommodations and Conversion Division (RACD) review this notice if you believe it is improper. You may contact RACD on 202-442-4477. RACD is located in Suite 7100 at 941 North Capitol Street, N.E., Washington, DC 20002. A more detailed summary of tenant rights and sources of technical assistance are available in the RACD pamphlet available from the Housing Provider, in the RACD office and on line at www.dkra.dc.gov.

Signature of [circle one] owner/agent

Name of [circle one] owner/agent [print or type]

EXHIBIT 8

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
HOUSING REGULATION ADMINISTRATION
RENTAL ACCOMMODATIONS DIVISION
 1800 Martin Luther King Avenue, SE 2nd Floor
 Washington, D.C. 20020

IN RE: 70% VOLUNTARY AGREEMENT ; PETITION FOR RENT ADJUSTMENT ; WRF 1921 KALORAMA ROAD, LP ; SUCCESSOR BY DEED TO SOUTHWEST ; PROPERTIES, INC & NEW KALORAMA ; KALORAMA TENANTS ASSOCIATION, ; INC. ; Joint Housing Provider & Tenant/Petitioners ; ; ; ; ; ;	Voluntary Agreement No. 08-011 1921 Kalorama Road, NW Multi-Unit Dwelling; Ward 1
--	--

MAY 17 2009

ORDER GRANTING JOINT MOTION TO APPROVE
VOLUNTARY AGREEMENT

Jurisdiction

KEITH ANDERSON, ESQUIRE, ACTING RENT ADMINISTRATOR: The above-captioned matter comes before the District of Columbia Department of Housing and Community Development, Housing Regulation Administration, Rental Accommodations Division (RAD), (formerly the DC Department of Consumer and Regulatory Affairs, Rental Accommodations Division (RACD)),¹ pursuant to Title II of the Rental Housing Act of 1985, D.C. Law 6-10, as amended, effective July 17, 1985, (the Act), D.C. Code Section 42-3501 (2007) et seq., the D.C. Administrative Procedure Act, D.C. Code Section 2-501 et seq. (2007), and the Rules of the Rental Housing Commission, 33 DCR 2656 (May 2, 1986), 14 DCMR Section 3800 et seq. (2004) (the Rules).

¹ Pursuant to the FY 2008 Budget Support Act of 2007, the Rental Housing Operations Transfer Amendment Act of 2007, effective September 18, 2007 (D.C. Law 17-0020), the Rental Accommodations and Conversion Division was transferred from the Department of Consumer and Regulatory Affairs to the Department of Housing and Community Development and renamed the Rental Accommodations Division. The transfer had no bearing on the outcome of this Decision and Order.

VA 08-011
Page 2

Procedural History

Housing Provider, WRF 1921 Kalorama Road, LP, and the subject Tenants, known as The New Kalorama Tenants Association, Inc. (the Tenants), jointly filed Voluntary Agreement (VA) 08-011 on July 25, 2008, pursuant to D.C. Official Code 42-3502.15 (2007), 14 D.C.M.R. 4213 (2004) to adjust the rent charged for the rental units in consideration for making major renovations at the housing accommodation located at 1921 Kalorama Road, NW. Pursuant to 14 DCMR Sect. 4213.6, which requires that a copy of the proposed agreement be filed with RAD, the July 25, 2008 filing was deemed to be the proposed agreement for VA 08-011. On or about August 5, 2008, RAD staff contacted the Housing Provider by email about the filing of VA 08-011. In that communication, RAD referred to the July 25, 2008 filing as the final proposed agreement for VA 08-011.

Notwithstanding this representation, pursuant to 14 DCMR 4213.6, RAD determined that the Housing Provider was required to file a proposed voluntary agreement before submitting a final version. RAD therefore deemed the July 25, 2008 to be the proposed voluntary agreement and that the Housing Provider did not file a copy of the final proposed voluntary agreement in VA 08-011, after the July 25, 2008 agreement was submitted. Based on this determination, by Order dated October 15, 2008, RAD requested Petitioner to submit a final proposed voluntary agreement.

On October 21, 2008, the Housing Provider and the Tenants filed a Joint Motion of Housing Provider and Tenants to Vacate Order Requesting Final Proposed Voluntary Agreement. In the Motion, the Housing Provider and the Tenants argued that (1) the July 25, 2008 filing clearly stated that it was, in fact, the final proposed voluntary agreement; (2) the law does not require that a proposed agreement must be filed before a final proposed voluntary agreement is filed; (3) the final proposed voluntary agreement filed on July 25, 2008 complied with the requirements for approval of voluntary agreements; and (4) RAD lacked jurisdiction to take any action on the voluntary agreement in its final form because 45-days had expired when RAD issued its Order on October 15, 2008 requesting a final version of VA 08-011.

By letter dated December 19, 2008, the Housing Provider and Tenants requested a meeting with RAD to discuss how VA 08-011 could be resolved to the satisfaction of the Housing Provider, Tenants and RAD in compliance with applicable law and in the interest of avoiding any additional costly and time consuming adjudication of the matter.

After evaluating the issues involved in VA 08-011, RAD determined that a meeting for the purpose of trying to achieve resolution of VA 08-011 was warranted. A meeting to discuss resolution of VA 08-011 was convened on January 29, 2009. Present at the meeting were Eric Rome, Esq., counsel for the Tenants Association; Vincent Mark Policy, Esq., counsel for the Housing Provider; and Keith Anderson, Acting Rent Administrator.

The discussion included whether VA 08-011 was filed in its final proposed form on July 25, 2008; whether statute and regulations governing voluntary agreements require a proposed voluntary agreement be filed with RAD before a final proposed voluntary is filed; whether the terms of VA 08-011 complied with Sect. 102 of the Act; the condition and proposed renovation

VA 08-011
Page 3

of the housing accommodation; and the amount of the proposed increase in the rent charged for each rental unit.

At the close of the meeting, both counsel were invited to file a pleading providing any supplemental grounds for approval of VA 08-011. On March 23, 2009, the Housing Provider and Tenants, through counsel, filed a Joint Motion of Housing Provider and Tenants To Approve Voluntary Agreement.

Based on the information provided in VA 08-011, including the the March 23, 2009 Joint Motion of Housing Provider and Tenants to Approve Voluntary Agreement, RAD determines that the October 15, 2008 Order requesting a final proposed version of VA 08-011 shall be vacated and VA 08-011 shall be approved as set forth more fully below.

Issues Presented

The issues presented in VA 08-011 are:

1. Whether the Housing Provider and Tenants filed a joint final proposed voluntary agreement?
 2. Whether the Act requires that a landlord or tenant file a proposed voluntary agreement with RAD prior to filing a final proposed voluntary agreement?
 3. Whether the "45-day" rule took effect and applies to VA 08-011?
 4. Whether VA 08-011 contains any of the grounds for disapproval set forth in Sect. 4213.19 of the Regulations?
1. Whether the Housing Provider and Tenants Filed a final Proposed Voluntary Agreement?

Further review of the July 25, 2008 petition jointly submitted by the Housing Provider and Tenants indicates that the filing was followed by an email from the Rent Administrator, which clearly stated that the Rent Administrator considered the document to be the final version of VA 08-011. However, the email was not in the case file on October 15, 2008 when RAD issued the Order requesting that a final proposed agreement be submitted. The email was located during a search for the email conducted after RAD received the Joint Motion to Vacate the October 15, 2008 Order. Based on the statements in the email and the fact that the July 25, 2008 submission was signed by 85% of the occupants at the subject property, RAD determines that the Housing Provider and the Tenants did in fact file a final version of VA 08-011 on July 25, 2008. Accordingly, the initial determination that the Housing Provider and the Tenants failed to file VA 08-011 in its final form was in error and is reversed.

The issue whether the Housing Provider and Tenants were required but failed to file a proposed voluntary agreement with RAD, as prescribed by 14 DCMR Sect. 4213.6, is not addressed in this Order. RAD determines that the issue is moot based on amendments to the July 25, 2008 final

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Page 4

proposed voluntary agreement made by the Parties and RAD's decision to accept and approve the July 25, 2008 final proposed voluntary agreement, as amended.

2. Whether the "45-day" rule took affect and applied to VA 08-011?

The Regulation, 14 DCMR Sect. 4213.14 (2004) provides as follows:

If the Rent Administrator does not approve or disapprove the voluntary agreement within the time limit of section 4213.13, the voluntary agreement shall be deemed approved.

RAD has determined that the Housing Provider and Tenants jointly executed a final proposed voluntary agreement on July 25, 2008 in which 85% of the tenants residing at the subject property approved the terms of VA 08-011.

In response to RAD's October 15, 2008 Order that the Housing Provider and Tenants had not filed a final proposed voluntary agreement, in addition to stating that a final agreement was, in fact filed, the Housing Provider and Tenants argued that RAD lacked jurisdiction over the matter because the October 15, 2008 motion was filed more than 45 days after VA 08-011 was filed on July 25, 2008.

Again, in view of RAD's approval of VA 08-011 for reasons more fully set forth herein, the issue concerning the applicability of Sect. 4213.14 is also moot and warrants no further review or consideration in this Order.

3. Whether VA 08-011 contains any of the grounds for disapproval set forth in Sect. 4213.19 of the Regulations?

The Regulation, 14 DCMR Sect. 4213.19 (2004), provides as follows:

The Rent Administrator may disapprove a voluntary agreement which has been approved by seventy percent (70%) of the tenants only in the following circumstances:

- (a) If all or part of the tenant approval has been induced by duress, harassment, intimidation or coercion;
- (b) If all or part of the tenant approval has been induced by fraud, deceit or misrepresentation of material facts; or
- (c) If the voluntary agreement contradicts provisions of Sect. 102 of the Act or results in inequitable treatment of the tenants.

RAD determines that the terms of VA 08-011 do not fall within the scope of Sect. 4213.19.

First, there is no record evidence that approval of the agreement or any part of the agreement was induced by either duress, harassment, intimidation or coercion; or fraud, deceit or misrepresentation of material facts. More than 70% of the Tenants signed the agreement, each of whom was either represented by experienced counsel or had the opportunity to receive legal

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advice from counsel. None of the Tenants who signed or refused to sign the agreement have lodged objections to the terms of the voluntary agreement or raised questions or disputes regarding the negotiations involved in reaching the voluntary agreement to date. Therefore, none of the grounds for disapproval set forth in Sects 4213.19(a) or (b) are present in VA 08-011.

Second, RAD determines that VA 08-011 does not contradict the provisions of Section 102 of the Act or result in inequitable treatment of the Tenants, pursuant to Sect. 4213.19(c).

Section 102 of the Act, DC Official Code Sect. 42-3501.02 (2007), states that:

In enacting this chapter, the Council of the District of Columbia supports the following statutory purposes:

- (1) To protect low- and moderate-income tenants from the erosion of their income from increased housing costs;
- (2) To provide for incentives for the construction of new rental units and the rehabilitation of vacant rental units in the District;
- (3) To continue to improve the administrative machinery for the resolution of disputes and controversies between housing providers and tenants;
- (4) To protect the existing supply of rental housing from conversion to other uses; and
- (5) To prevent the erosion of moderately priced rental housing while providing housing providers and developers with a reasonable rate of return on their investments.

(a) VA 08-011 protects low and moderate income tenants from the erosion of their income from increased housing costs

The rent increases proposed in VA 08-011 do not erode the income of low to moderate income of the residents of the property who signed the voluntary agreement.

In exchange for the Housing Provider completing a \$5,990,000.00 substantial renovation of the property and increasing rents on each rental unit as proposed in VA 08-011, each of the current Tenants will pay rent at their current rent levels and avoid their rent being increased pursuant to a substantial rehabilitation agreement petition. Their current rent levels will only be subject to the annual CPI increase of general applicability, which cannot exceed 10% in any one year. The incomes of the current Tenants will not be eroded because they will not be subject to the new higher rents for the remainder of their tenancies.

As for future tenants who will have to pay the new rent levels, VA 08-011 proposes to increase the rents on each of the 57 units by an average of 96% of the current rent levels in consideration for the Housing Provider spending \$5,990,000.000 in renovations for the housing accommodation. Thirty-one (31) of the 57 units will have rents at or below \$2,200 per month and will be affordable to households that earn between 58% and 80% of Area Median Income, which is currently \$94,000.00. In Ward 1, the monthly rent affordable for household income in the 80th

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percentile is \$2,355.00 per month. Eighteen (18) of the remaining 26 units are two-bedroom, one-bathroom apartments that will have new rents set at \$2,950.00, which is \$595.00 above the \$2,355.00 level. The last 8 units are two-bedroom, 2 bathroom apartments. Four (4) of these units are exceedingly spacious two-bedroom, two-bathroom apartments that also have dens. The new rents for these 8 units will be set at \$3,200.00, which is \$845.00 above the \$2,355.00 level. As such, future tenants will not experience erosion of their incomes from the increased rents for the 57 units because (1) the new rents for the 31 efficiencies, one-bedroom and 18 two-bedroom units are within the prescribed affordability levels; (2) the \$3,200.00 new rent charged for the 8 units with two-bedrooms and two baths is consistent with market rent levels for units of similar size and amenities in Ward 1; (3) the new rents for all 57 of the units are supported by the extensive and necessary renovation being done to rehabilitate and modernize the building at a cost of \$5,990,000.00; and (4) some of the units are likely to be occupied by households with multiple incomes in the 80th percentile.

Furthermore, the Housing Provider is entitled to file a Petition for Rent Adjustment for Substantial Rehabilitation to defray the cost of the proposed renovations. A rent increase under the substantial rehabilitation provision is determined by the amount of money needed each month to repay a loan equal to the cost of the renovation plan approved by RAD, provided that the increase can not exceed 125% of the rent charged at the time the petition is filed. Based on a 60 month loan commitment equal to the \$5,990,000.00 cost of the subject renovation, it is reasonable to assume that a substantial rehabilitation filed by the Housing Provider would result in a rent increase of approximately \$850.00 to \$1,700.00, depending on the renovation cost approved by RAD. Adding these amounts to the current rent charged for the 56 units in question would result in new rent levels slightly below, equal to, or greater than the rent increases proposed for each result unit. Thus, VA 08-011 or a substantial rehabilitation petition will have virtually the same effect on the rental income of the Tenants.

(b) VA 08-011 will provide for the rehabilitation of vacant rental units in the District.

The subject rental property is in a serious state of disrepair. VA 08-011 proposes to substantially rehabilitate the property via a renovation plan of \$5,990,000.00, a cost which is well over 60% of the current assessed value of the property of approximately \$7,000,000.00. In doing so, it provides for the rehabilitation and re-rental of 28 vacant units in the housing accommodation that have not been used for rental purposes due to the poor condition of the units and the common areas of the building. Though, VA 08-011 does not involve construction of new rental units, it will result in the rehabilitation of vacant and existing units and thereby is consistent with the goal of providing incentives for (or in this case the actual) rehabilitation of vacant units the District.

(c) VA 08-011 continues to improve the administrative machinery for the resolution of disputes and controversies between housing providers and tenants.

VA 08-011 avoids the costs, time, and inconvenience; and resolves any potential disputes that may have been raised had the Housing Provider filed a substantial rehabilitation petition and the 120-Day Notices to Vacate required to be served on the tenants in order to complete the planned renovation of the property. Consequently, VA 08-011 enhances the administrative machinery for the resolution of disputes and controversies between housing providers and tenants by

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Page 7

eliminating the continued and potential need to use governmental resources and allowing resolution of their disputes voluntarily as contemplated by Sect. 102 of the Act..

(d) VA 08-011 protects the existing supply of rental housing from conversion to other uses.

The terms of VA 08-011 contain a stipulation between the Housing Provider and Tenants that the Housing Provider will take no action to convert the property to a condominium or cooperative regime, demolition or other use for at least five years. By this provision, VA 08-011 makes clear that any action by the Housing Provider to convert the property to condominium will be taken subject to prior approval by the Condominium Conversion and Sales Division of the DC Department of Housing and Community Development in accordance with the Rental Housing Conversion and Sale Act. VA 08-011 will also allow the Housing Provider to receive a rate of return sufficient enough to operate the housing accommodation at a reasonable profit, which may reduce the incentive to discontinue use of the property as a housing accommodation for economic reasons in the future. As such, VA 08-011 protects the existing supply of rental housing from conversion to other uses.

(e) VA 08-011 prevents the erosion of moderately priced housing while providing housing provider and developers with a reasonable return on their investment.

The proposed new rent levels for the 31 efficiency and one-bedroom units are within the prescribed affordability ranges, and will be available to tenants who earn 80% or less than the area median income for Ward 1. The proposed new rent levels of these 31 units, while significantly higher than the current rent levels in some instances, remain consistent with both possible rent adjustments via substantial rehabilitation petition, as well as, market rates for renovated efficiency and one bedroom units in the Adams-Morgan/Columbia Heights neighborhoods in the District. The proposed new rents for the remaining 26 two-bedroom units that exceed income levels for those tenants within 80% of the area median income for Ward 1, and the 125% limit for substantial rehabilitation petitions, are nonetheless necessary to support the cost of the \$5,990,000.00 major renovation. Moreover, no rental units will be priced off the market and the number of available rental units will be increased when the vacant units are rented. The Housing Provider's rate of return based on the proposed rent increase is less than 10% and well within the 12% statutory level applicable to increases based on claim of hardship, under DC Official Code Sect. 42-3502.12. In this manner, VA 08-011 prevents the continued erosion of affordable rental units at the subject property caused by deferred maintenance while providing the housing provider with a reasonable return on its investment. The Agreement represents an acceptable balance of rent increases against the costs of a major renovation in consideration of market rent levels for rehabilitated rental units in the Adams-Morgan/Columbia Heights area.

Finally, there is no evidence in the terms of VA 08-011 itself or its execution that suggest that VA 08-011 results in inequitable treatment of current or future tenants.

Conclusion

Therefore, based on signatures of more than 70% of the Tenants, the proposed increased rent levels, the extensive planned renovation of the property, and the lack of prejudice to the Tenants

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Page 8

- current and future - RAD determines that VA 08-011 contains none of the grounds for disapproval set forth in 14 DCMR Sect. 4213.19 and more specifically is consistent with the goals and purposes of the Act. VA 08-011 will ensure that 57 occupied and vacant rent controlled units, though at the top or slightly above the range of affordable rent levels for the property, will remain in or return to the District's affordable rental housing stock. It is undisputed that the housing accommodation is in a critical state of disrepair and is subject to being continuously underutilized or possibly discontinued as affordable rental housing without intervention such as that proposed by the Housing Provider and Tenants through VA 08-011.

~~ORDER~~

Thereof, it is hereby **ORDERED** this MAY 7 2009 that:

Voluntary Agreement 08-011 is hereby **GRANTED**.

It is **FURTHER ORDERED** that:

The Housing Provider, WRF 1921 Kalorama Road, LP, shall expend on renovations of each unit and the common areas of the subject property, 1921 Kalorama Road, NW, not less than the sum of \$5,990,000.00, inclusive of hard and soft costs, construction contingencies and fees and debt service. The Detailed Summary of Work as agreed by the Housing Provider and Tenants is included with this Decision and Order as Attachment 1.

It is **FURTHER ORDERED** that:

Upon completion of the renovations set forth in the Detailed Summary of Work, the rent charged for each of the 57 rental units located at 1921 Kalorama Road, NW, Washington, DC, may be lawfully increased in accordance with the modified Proposed Rent Schedule submitted by the Parties, a copy of which is included with this Decision and Order as Attachment 2.

It is **FURTHER ORDERED** that:

Any renovations, repairs, improvements, amenities or changes in services and/or facilities as provided in VA 08-011 shall be afforded to each rental unit, whether the Tenant who occupies the rental unit approved or disapproved the 70% voluntary agreement.

It is **FURTHER ORDERED** that:

The Housing Provider shall not increase the rent charged for any of the 57 rental units at the subject housing accommodation above the amount specified in any valid written lease with an unexpired fixed term and unless one (1) year has passed since the last increase was taken for the rental unit, a proper 30-day notice of increase is served on the tenant and filed with RAD, the housing accommodation is properly registered with RAD, the rental unit and the common areas of the housing accommodation are in compliance with the DC Housing Code Regulations, and all other applicable prerequisites for filing adjustments to the rent charged established by Act and Rules have been met.

It is **FURTHER ORDERED** that:

The Housing Provider shall file a Notice of Change in Rent Charged listing the increase in the rent levels for each of the 57 occupied units at the housing accommodation approved in the final proposed version of Voluntary Agreement 08-011, accompanied by a copy of the current Certificate of Occupancy and Housing Business License for the housing accommodation prior to taking any rent increase pursuant to this Order.

It is **FURTHER ORDERED** that:

This Order is effective immediately.

Right to File Objections to Voluntary Agreement

The Housing Provider and/or Tenants may submit written objections to the Order approving the final proposed version of Voluntary Agreement 08-011 to the Rent Administrator and to the opposing Party within thirty (30) days of the date of this Order, including Saturdays, Sundays and legal holidays and allowing three days for mailing, on or before **JUN 10 2009**, Monday through Fridays, 9:00 am – 3:00 pm.

The Housing Provider and/or Tenants must file their objections at:

DC Dept. of Housing and Community Development
Rental Accommodations Division
1800 Martin Luther King Avenue, SE 2nd Floor
Washington, D.C. 20020.

Failure of the Housing Provider or a Tenant to file a timely objection with RAD may result in the waiver of the right to have a hearing convened before the District of Columbia Office of Administrative Hearings.



KEITH ANDERSON, ESQUIRE
Acting Rent Administrator
DC Dept. of Housing and Community Development
Rental Accommodations Division

Copies to:

Vincent Mark Policy, Esq.
GREENSTEIN, DELORME & LUCES, PC
1620 L Street, NW Suite 900
Washington, D.C. 20036

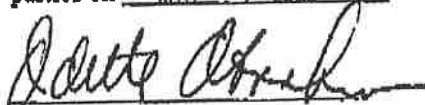
VA 08-011
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Eric Rome, Esq.
Eisen & Rome, P.C
One Thomas Circle, NW Suite 850
Washington, D.C. 20005

Tenants of
1921 Kalorama Road, NW
Washington, DC 20009
(See attached list of Tenants' Names and Unit Nos.)

Certificate of Service

I hereby certify that a copy of the Order Granting Joint Motion to Approve Voluntary Agreement 08-011 was sent by US Priority Mail, with delivery confirmation, to the above-listed parties on WAV 7 2009.


Certifying Party

Attachment I
DETAILED SUMMARY OF WORK

Scope of Work - 1921 Kalorama Road NW

Demolition:

- Protect wood floors in all units
- Remove all kitchen appliances and cabinets
- Remove all kitchen flooring down to sub-flooring
- Remove all plaster and lath at kitchen including ceiling and both sides of walls in common with L.R. and/or groove and patch plaster to accommodate electrical upgrade as needed.
- Remove bath fixtures including sink, toilet, and bath
- Remove tile at floor and walls
- Remove plaster, green board, tile, lath at walls
- Laundry Company: remove all equipment from laundry room

Common Areas:

Developer will consult with Tenant Association when selecting finishes for the common areas.

Landscaping:

- Overhaul landscaping

Lobby:

- Install new front entry door and lobby - all glass
- Paint
- Replace carpet
- Repair and refinish steps
- Redecorate
- Upgrade lighting and furnishings

Laundry Room:

- Install new flooring/level floor
 - Install work lighting (2 x 4 fixtures)
 - Install new entry door with access control
 - Electric outlets and gas connections for at least 4 sets of machines plus vending machines
 - Install new updated laundry equipment - card (not coin) operated
 - Install ventilation to maintain cool dry conditions
 - The Developer may opt to install under the counter or stackable washer/dryers in each unit in lieu of upgrading the laundry room
-

- In the event that the Developer adds laundry machines to the units, the basement laundry room will contain 3 washers and 3 dryers. If the Developer does not add laundry to the units the basement laundry room will contain at least 4 washers and 4 dryers.

Halls:

- Install new unit entry doors
- Repair/refinish hall floors and/or install carpet
- Repaint
- Install upgraded lighting

Exterior:**Windows:**

- Replace all windows subject to Historic Preservation Review Board approval

Fire Protection:

- Upgrade fire alarm system
 - Add alarm pulls and individual unit annunciators
- Install emergency lights in halls and stairwells

Hallways and Makeup Air:

- Add Make-up air system to halls and lobby utilizing existing hall ventilation ducts add system to roof, and possibly in basement to reach lobby and first floor

New Entry System:

- Install new telephone based entry system

Elevator:

- Renovate and upgrade both elevators with new cab finishes and controls

Framing:

- Frame half walls at kitchen where appropriate
- Framing at new HVAC units

Electric Upgrade (service):

- Upgrade and heavy-up service to property
 - New service to individual units
 - New circuit panel box in individual units
 - New switches, outlets, GFI outlets, light fixtures in kitchen and bath
 - Closet lights, new switches, dimmers, and accessories
-

- New service feeds for HVAC in individual units

Plumbing work:

- Inspect, repair, and replace plumbing stacks as needed
- Install new stubs in kitchens and baths
- Install new bathroom sink, toilet, shower diverter, tub
- Install new kitchen sink, disposal

Plaster, Drywall Repair:

- Drywall at kitchen
- Drywall (green board) at bathrooms
- Drywall at HVAC installation locations

Finishes & Floors:

- Add crown molding to accommodate new cables as needed
- Refinish unit wood floors
- Install new kitchen floors and subfloor
- Prep & Paint units

Tile:

- Install new tile at bathroom floors and shower/tub surrounds

Appliances:

- Install all new appliances (refrigerator, gas range, microwave, dishwasher)

Cabinets & Counters:

- Install new kitchen cabinets and bathroom vanities
- Install new counters at kitchens
- Install new vanity and tops at bathrooms

HVAC:

- Install new heatpumps at each unit

Bike Storage Room

- Bike room will accessible to all, in the basement, and close to an egress door.
-

Attachment 2

RENT SCHEDULE

Property: 1921 Kalamia Rd NW
 Current AM: \$ 99,000.00

Unit Number	Unit Type	Renovation Per Unit (net increase) (Total: \$5,990,000)	VA Requested Rent	Lowest Possible Rent to Support Renovations	Attainable to Bankers Making % of AMI
101	2BR	\$ 87,404.75	\$ 2,200.00	\$ 2,200.00	80%
102	2BR	\$ 109,964.81	\$ 2,950.00	\$ 2,950.00	107%
103	2BR	\$ 122,169.42	\$ 2,950.00	\$ 2,950.00	107%
104	2BR	\$ 120,443.52	\$ 2,950.00	\$ 2,950.00	107%
105	2BR	\$ 145,455.37	\$ 2,950.00	\$ 2,950.00	107%
106	EFF	\$ 35,381.05	\$ 1,250.00	\$ 1,250.00	45%
107	1BR	\$ 82,350.33	\$ 2,200.00	\$ 2,200.00	80%
108	1BR	\$ 84,446.07	\$ 2,200.00	\$ 2,200.00	80%
109	1BR	\$ 74,583.75	\$ 2,200.00	\$ 1,600.00	59%
110	1BR	\$ 82,966.72	\$ 2,200.00	\$ 2,200.00	80%
201	2BR	\$ 116,745.15	\$ 2,950.00	\$ 2,950.00	107%
202	2BR	\$ 151,509.81	\$ 3,200.00	\$ 3,200.00	116%
203	2BR	\$ 122,169.42	\$ 2,950.00	\$ 2,950.00	107%
204	2BR	\$ 120,443.52	\$ 2,950.00	\$ 2,950.00	107%
205	2BR	\$ 145,455.37	\$ 3,200.00	\$ 3,200.00	118%
206	EFF	\$ 35,381.05	\$ 1,250.00	\$ 1,250.00	45%
207	1BR	\$ 82,350.33	\$ 2,200.00	\$ 2,200.00	80%
208	1BR	\$ 84,446.07	\$ 2,200.00	\$ 2,200.00	80%
209	1BR	\$ 74,583.75	\$ 2,200.00	\$ 2,200.00	80%
210	1BR	\$ 82,966.72	\$ 2,200.00	\$ 2,200.00	80%
301	2BR	\$ 116,745.15	\$ 2,950.00	\$ 2,950.00	107%
302	2BR	\$ 151,509.81	\$ 3,200.00	\$ 3,200.00	118%
303	2BR	\$ 122,169.42	\$ 2,950.00	\$ 2,950.00	107%
304	2BR	\$ 120,443.52	\$ 2,950.00	\$ 2,950.00	107%
305	2BR	\$ 145,455.37	\$ 3,200.00	\$ 3,200.00	116%
306	EFF	\$ 35,381.05	\$ 1,250.00	\$ 1,250.00	45%
307	2BR	\$ 82,350.33	\$ 2,950.00	\$ 2,950.00	107%
308	2BR	\$ 84,446.07	\$ 2,200.00	\$ 2,200.00	80%
309	2BR	\$ 74,583.75	\$ 3,200.00	\$ 2,800.00	102%

310	1BR	\$	R2,966.72	\$	2,200.00	\$	2,200.00	80%
401	1BR	\$	116,745.15	\$	2,950.00	\$	2,900.00	102%
402	2BR	\$	151,509.81	\$	3,200.00	\$	3,200.00	116%
403	2BR	\$	122,169.42	\$	2,950.00	\$	2,950.00	107%
404	2BR	\$	120,443.52	\$	2,950.00	\$	2,950.00	107%
405	2BR	\$	146,455.37	\$	3,200.00	\$	3,200.00	115%
406	EFF	\$	34,271.54	\$	1,250.00	\$	1,250.00	49%
407	1BR	\$	82,350.33	\$	2,200.00	\$	2,200.00	80%
408	1BR	\$	84,446.07	\$	2,200.00	\$	2,200.00	80%
409	1BR	\$	74,583.75	\$	2,200.00	\$	2,200.00	80%
410	1BR	\$	82,966.72	\$	2,200.00	\$	2,200.00	80%
501	2BR	\$	116,745.15	\$	2,950.00	\$	2,950.00	107%
502	2BR	\$	151,509.81	\$	3,200.00	\$	3,200.00	116%
503	2BR	\$	122,169.42	\$	2,950.00	\$	2,950.00	107%
504	2BR	\$	120,443.52	\$	2,950.00	\$	2,950.00	107%
505	2BR	\$	146,455.37	\$	2,950.00	\$	2,950.00	107%
506	EFF	\$	35,381.05	\$	1,250.00	\$	1,250.00	49%
507	1BR	\$	82,350.33	\$	2,200.00	\$	2,200.00	80%
508	1BR	\$	84,446.07	\$	2,200.00	\$	2,200.00	80%
509	1BR	\$	74,583.75	\$	2,200.00	\$	2,200.00	80%
510	1BR	\$	82,966.72	\$	2,200.00	\$	2,200.00	80%
B-1	EFF	\$	56,585.08	\$	1,250.00	\$	1,250.00	45%
B-2	EFF	\$	44,503.69	\$	1,250.00	\$	1,250.00	45%
B-3*	1BR	\$	99,239.54	\$	2,200.00	\$	2,200.00	80%
T-1* (New)	1BR	\$	83,213.28	\$	2,200.00	\$	2,200.00	80%
T-10* (New)	1BR	\$	82,720.16	\$	2,200.00	\$	2,200.00	80%
T-3	1BR	\$	66,817.18	\$	2,200.00	\$	2,200.00	80%
T-4	2BR	\$	120,443.52	\$	2,950.00	\$	2,950.00	107%
T-5	2BR	\$	146,455.37	\$	3,200.00	\$	3,200.00	116%
T-5	EFF	\$	35,381.05	\$	1,250.00	\$	1,250.00	45%
T-7	1BR	\$	82,950.33	\$	2,200.00	\$	2,200.00	80%
T-8	1BR	\$	84,446.07	\$	2,200.00	\$	2,200.00	73%
T-9	1BR	\$	74,583.75	\$	2,200.00	\$	2,200.00	80%

Tenants of:
1921 Kalorama Road, NW
Washington, DC 20009

Unit #	Name
T-3	Claudia Carpio
T-5	Virginia Gaskins
T-8	Juana Santacruz & Fabian Jarrian
101	Susan E. Law
102	David Phillips & Ariel Teichman
103	Fred Sellers
105	Eilleen McArdle
109	Edna D. Durand
204	Pamela Dewitt
205	Maria Ariano & Susan Tamir
208	Gwendolyn Long
209	Monique Johnson
210	Francisco Mundaca
301	Erin & Heather Benit
302	Sebia A. Hawkins
303	Lauren Flemming
304	Celia Petty
305	Jon Zibel
307	Joe Cameron & Craig Cameron
308	Kelly Harrington & Frank J. Andrejasich
309	Marion Ford
310	David Battery & Kathy Ozer
402	Natalie Marra
404	Bonita Sen
405	Laura Obolensky
501	Alex Curtis & Susan Powers
503	Daniele Anastasion
505	John Bantivoglio
507	Jennifer Roberts
508	Jennifer Elkus
509	Joseph Kondel
510	Nacy Cumberland