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**Testimony of Eliana Golding, Policy Analyst
At the Public Hearing on Bills B23-0530, B23-0877, B23-0879, B23-0878
DC Council Committee on Housing and Neighborhood Revitalization
September 24, 2020**

Chairperson Bonds and other members of the committee, thank you for the opportunity to testify today. My name is Eliana Golding and I am a policy analyst at the DC Fiscal Policy Institute. DCFPI is a non-profit organization that promotes budget choices to reduce DC's economic and racial inequities and build widespread prosperity in the District of Columbia, through independent research and policy recommendations.

Even before the recession left thousands of District residents without a consistent or adequate income, DC was facing a housing affordability crisis. The pandemic has exposed the precariousness of the economy for low- and moderate-income tenants. In July, an estimated 26,000 DC adults who lived in rental housing—11 percent—were behind on rent.¹ The recession is disproportionately undermining the economic stability of the District's Black, brown, and immigrant households—the same groups that have been displaced by the District's rising housing prices for decades.

The urgency of this moment calls for enduring policies that contribute to household and community stability. We have an opportunity to enact comprehensive rent control reform, and now is the time.

Councilmember Bonds, DCFPI joins the other members of the Reclaim Rent Control Coalition in thanking you for scheduling a hearing on the Omnibus Rent Stabilization Program Reform and Expansion Amendment Act of 2020. The District badly needs to update, expand, and strengthen its rent control laws, and we must do that in a *comprehensive*, not piecemeal way.

The District's current rent control laws are outdated and insufficient, no longer protecting tenants from rapidly rising rents. Every year, the reach of rent control shrinks even further because the current policy exempts all buildings built since 1976. Council should also reign in the clear abuses of rent control provisions such as voluntary agreements, which are undermining the limited reach of DC's rent control. And Council should cap rent increases at inflation, because allowing prices to grow beyond that—as we currently allow—puts affordable housing increasingly out of reach for District residents living on low or fixed incomes.

On the Whole, Proposed Legislation Inadequate to Address Goal of Improved Rent Control Policy

While two of the five bills that you've put forward today, B23-0877 and B23-0879, would implement badly needed reforms in petitions processes, the others are either insufficient or even run counter to the goals of updating, expanding, and strengthening rent control.

- **The District must eliminate voluntary agreements (VAs), but Bill 23-0878 proposes to only implement a temporary moratorium.** While VAs were originally intended to allow tenants to agree to rent increases in return for certain benefits, landlords now use them as a tool that pits current

tenants against future ones. They do this by offering current tenants stable rents in return for allowing sharp rent increases in vacant units. The use of voluntary agreements perniciously takes advantage of current tenants' need for low and stable rent, leading to an erosion of the District's already limited rent-controlled housing stock. This violates the spirit of rent control laws.

- **The District should reject means-testing rent controlled units because this mechanism will not improve access to affordable units.** Rent controlled units already overwhelmingly protect low- and moderate-income tenants in the District. Bill 23-0530, or the “Rent Stabilization Affordability Qualification Amendment Act of 2020,” is proposing a costly, administratively burdensome solution to a problem that does not exist, namely that wealthy residents are occupying low-cost housing. As we know from other affordable housing programs, income certification is an arduous process that leads to long delays and may even prevent tenants in need of affordable units from accessing housing. The appropriate course of action to ensure that low-income residents have access to affordable units is not to impose an additional administrative barrier, but to expand the stock of units covered under rent control.
- **The District needs comprehensive petition reform.** The Substantial Rehabilitation Petition Reform and the Capital Improvement Petition Reform Amendment Acts (Bill 23-0877 and Bill 23-0879) propose necessary changes to policies governing substantial rehabilitation and capital improvement petitions. It is good policy to ensure that before a substantial rehabilitation petition can be approved, a petition is consistent with the purposes of rent control and that the building in question complies with housing code. We also support the provision capping rent increases as a result of capital improvements at 15 percent, preventing sudden and massive inflation of rent prices that would clear a building of all tenants who could not afford such increases. These reforms are included in the Omnibus legislation, as are reforms for hardship petitions, which are not addressed in any of the 5 bills before the committee.

Additional Reforms Are Needed to Expand the Scope of Rent Control

The bills put forward today are missing necessary elements of comprehensive rent control reform. An essential element of this reform is expanding eligibility to increase the number of units that are stabilized under rent control, landlords have slipped thousands of previously rent controlled units through loop-holes or have demolished rent controlled buildings to make room for the creation of new, unaffordable, market-rate housing.

- **The District must incorporate a dynamic date to greatly expand the number of units covered by rent control.** The original rent control law included a compromise that covered buildings built before 1976 but none built after that. But keeping the 1976 demarcation point means that the pool of rent controlled units continually shrinks as buildings age and ultimately are torn down. DCFPI joins the Reclaim Rent Control coalition in supporting a rent control policy that would exempt all buildings only for their first 15 years following construction, after which they would be covered.
- **The District should strictly limit vacancy rent increases.** When a rent-controlled unit becomes vacant, landlords are able to drastically increase the rent for that unit. Not only does this contribute to a loss of affordability, it also incentivizes landlords to engage in practices to force out their existing tenants so they can maximize their rent income. The District should eliminate this incentive and protect tenants.
- **District should cap rent increases at inflation to keep housing affordable.** Housing prices are rising faster than wage growth and many public benefits levels, making affordable more out of reach as each year passes. Without a cap on how much prices can increase year -to year, rent controlled

units become increasingly unaffordable year after year. The rent control omnibus bill ties rent increases to inflation, keeping rent increases reasonable and affordable for tenants on fixed incomes.

The pandemic has heightened our awareness of the necessity of stable housing to our individual and collective safety. Research shows that rent control supports its intended goal of household and community stability and that it can play a role in preventing displacement amidst upward pressures on the housing market. Tenants living in rent-controlled units relocate less frequently and are less likely to experience be forced to move. These tenants also experience higher rates of physical, social, and psychological wellness.²

The District has a responsibility to protect housing stability for everyone, but particularly for low- and moderate-income tenants. Instead of using a piecemeal approach that only addresses some of the myriad weaknesses in the District's rent control policies, we are calling on the Council to take a holistic and equitable approach to stabilizing the cost of housing in the District.

The omnibus bill proposed by Councilmembers Nadeau and White will expand the rent-controlled housing stock and strengthen the law by closing loopholes that threaten tenants' rights. Opening the door for these crucial components of reform allows the District to more directly and effectively address housing needs and build stability for all of its families.

¹ Alyssa Noth and Tazra Mitchell, "[Before the Pandemic, DC's Economy was Booming, but COVID-19 is Increasing Hardship](#)," DCFPI, September 17, 2020.

² Ameer Chew and Sarah Treuhaft, "[Our Homes, Our Future: How Rent Control Can Build Stable, Healthy Communities](#)," Policy Link, The Center for Popular Democracy, and the Right to the City, February 2019.