

# RENTAL ACT

REBALANCING EXPECTATIONS  
FOR NEIGHBORS, TENANTS,  
AND LANDLORDS ACT

February 12, 2025



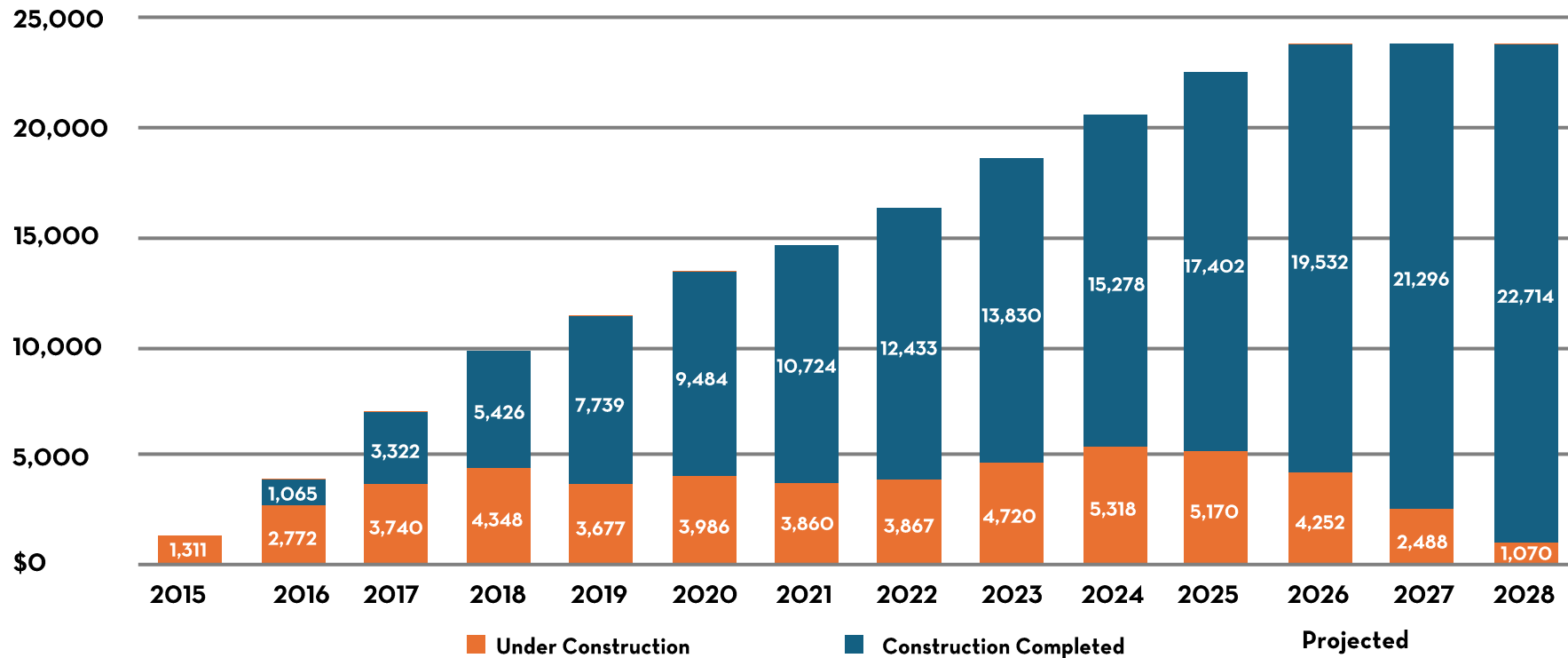
**IDMPED**  
OFFICE OF THE DEPUTY MAYOR FOR  
PLANNING & ECONOMIC DEVELOPMENT

\*\*\* WE ARE WASHINGTON \*\*\*  
GOVERNMENT OF THE  
DISTRICT OF COLUMBIA  
**DC MURIEL BOWSER, MAYOR**

# WE HAVE EXPANDED AFFORDABLE HOUSING

We have invested more than **\$1.5 billion** into affordable housing over the past 10 years, **more per capita than any other jurisdiction**. Through those investments, we've been able to significantly expand our stock of affordable housing.

### Cumulative Affordable Units Produced



We have created over **15,000** affordable housing units.

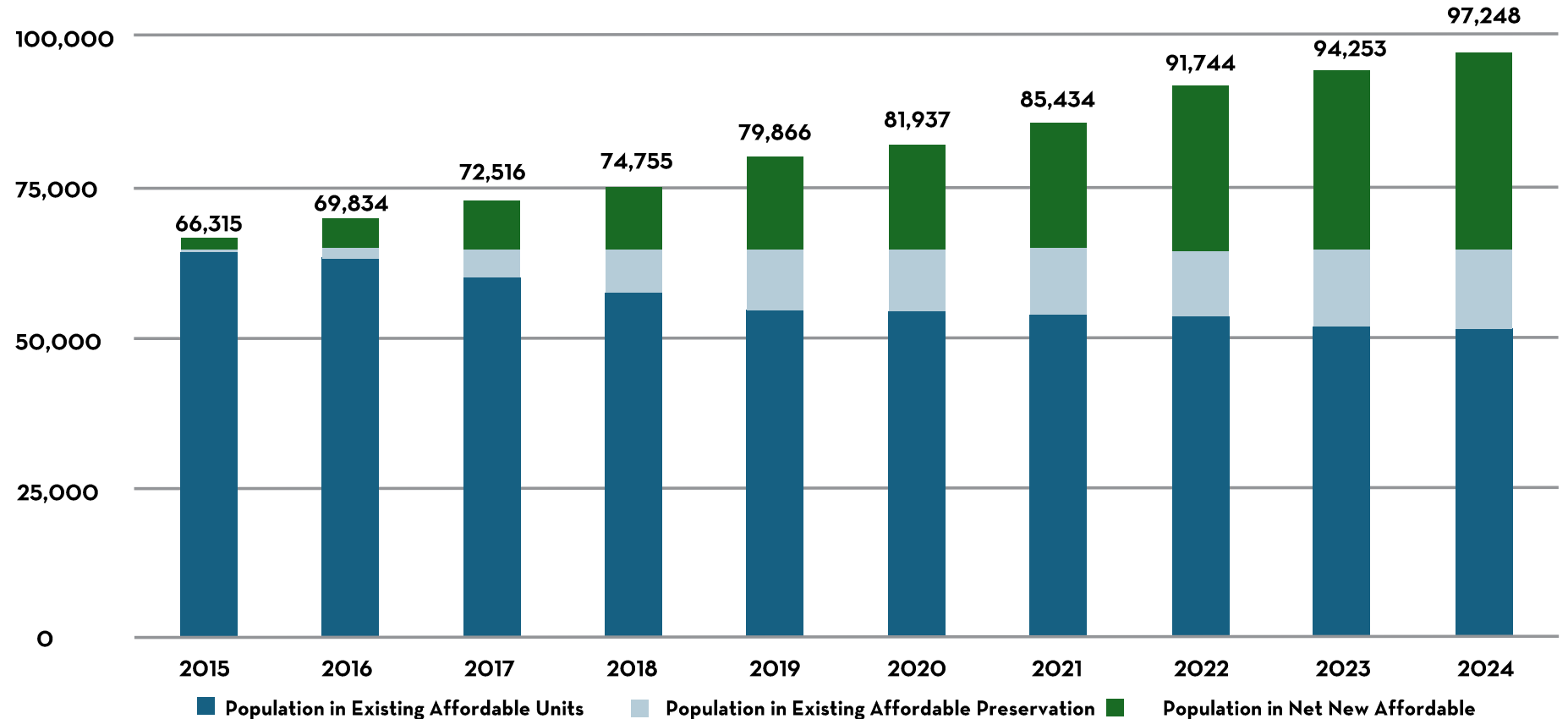
Average rents in DC have increased at half the national rate since 2019.

# MORE WASHINGTONIANS ARE IN AFFORDABLE HOUSING

In 2015, approximately **9.8%** of DC residents had access to affordable housing.

Today, approximately **13.9%** of DC residents live in District-supported affordable housing.

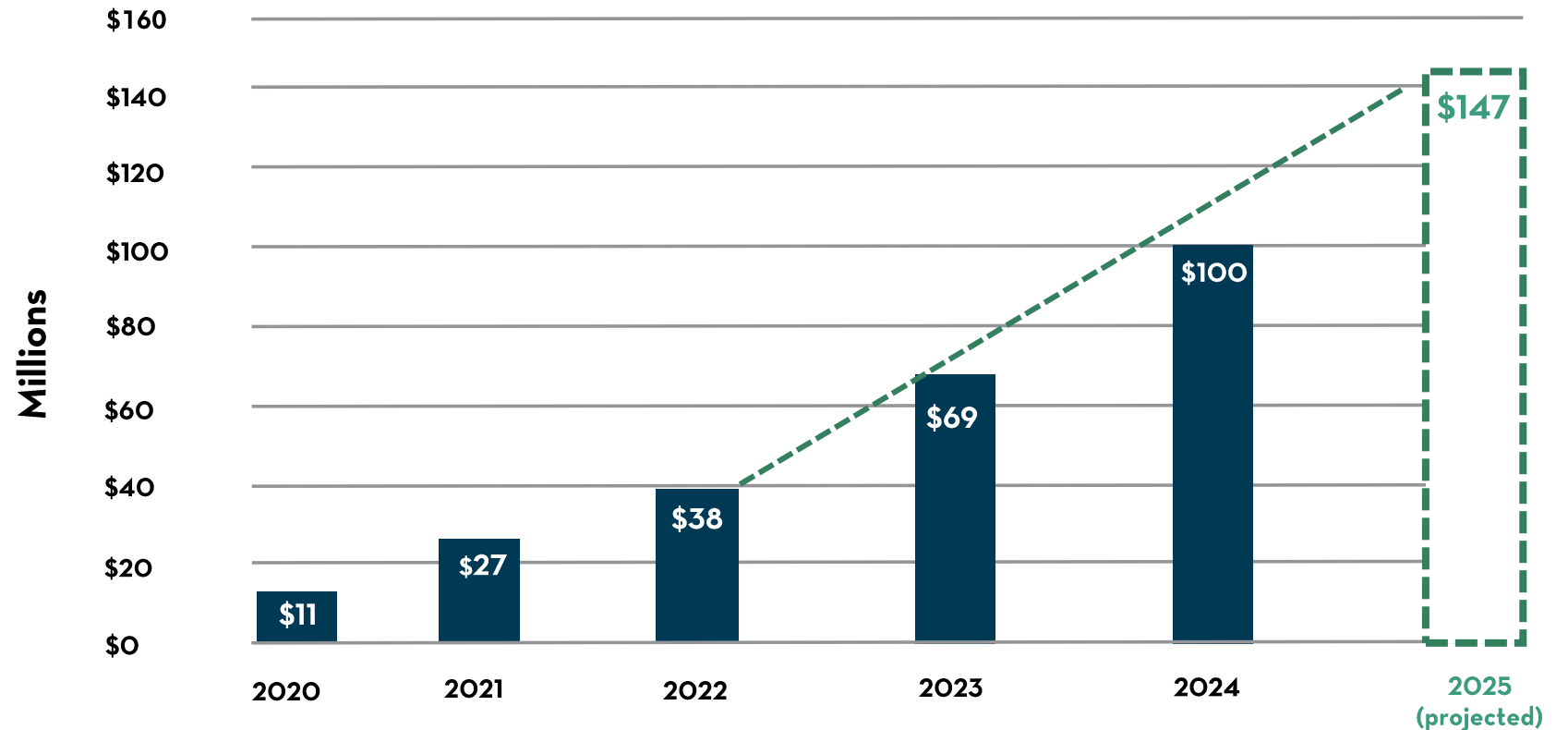
## Estimated Population in DC Affordable Housing Units



# OUR EXISTING AFFORDABLE HOUSING STOCK IS AT RISK

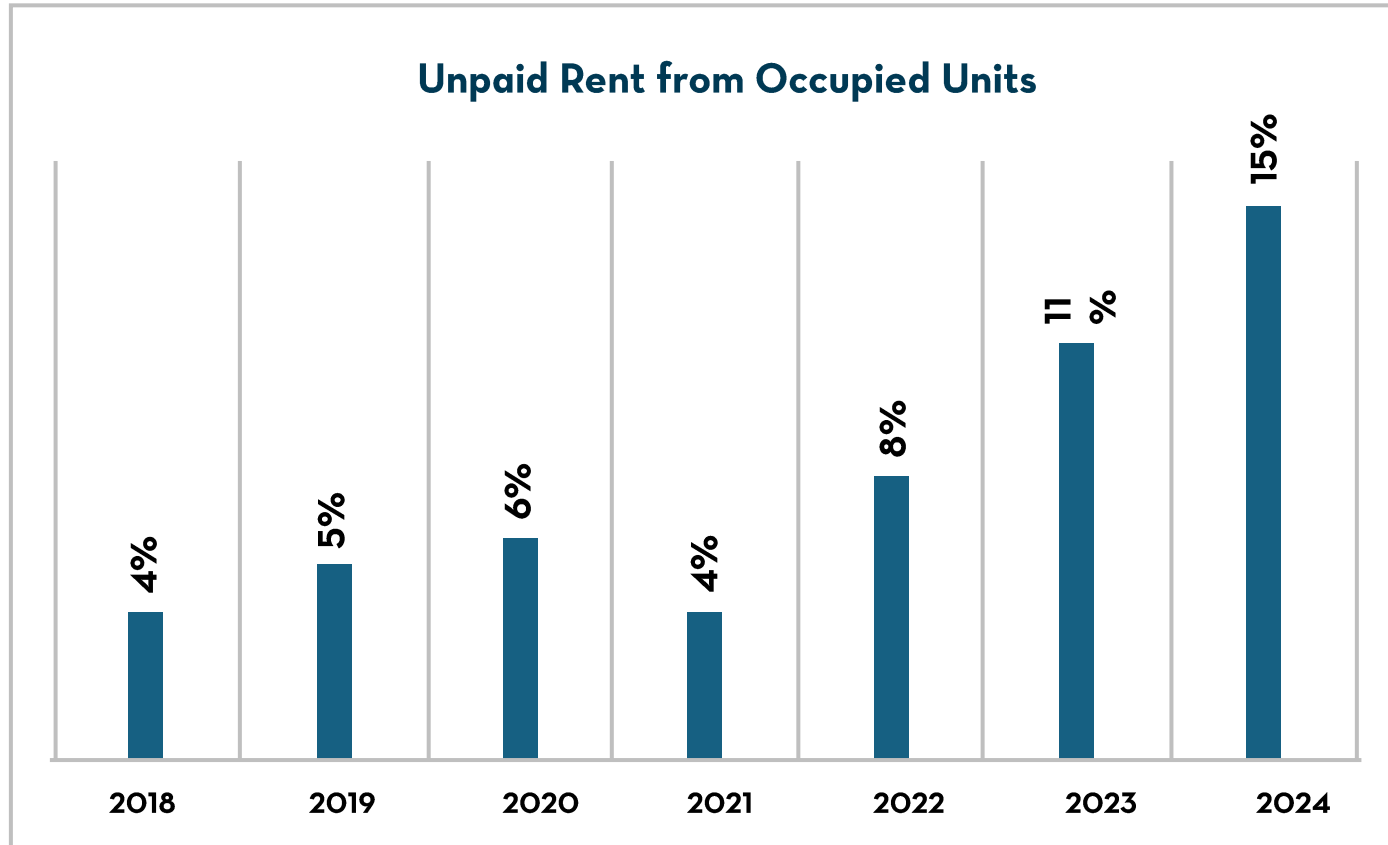
Affordable housing providers face **tight margins**, with rising costs for essentials like utilities and insurance, while delinquency is at an average of 20%. This **financial strain**, especially in areas like Wards 7 and 8, **threatens property maintenance, security, and sustainability.**

## UNPAID RENT OWED TO AFFORDABLE HOUSING PROVIDERS





# UNPAID RENT IS DESTABILIZING DC'S HOUSING SYSTEM



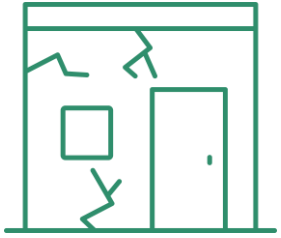
**Unpaid rent from occupied units =  
economic vacancy**

A stable housing ecosystem has a natural vacancy rate of 5%. This accounts for the normal turnover of tenants when they move and time for units to lease up.

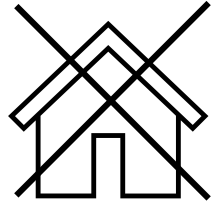
Since the pandemic, DC is now an outlier nationally with an "economic vacancy" rate of 15-20%.

This puts the District's affordable housing market at **serious risk**, both for **foreclosure of existing properties** and **future investments**.

# ALL TENANTS ARE IMPACTED



Quality of life goes down



Residents lose affordable options



A resident of Meadow Green Courts for over 25 years voiced her concerns.

“ We live here with no security. The owners say they can't pay for security. The buildings are falling apart, and they cannot invest in anything,” Wright said. ”

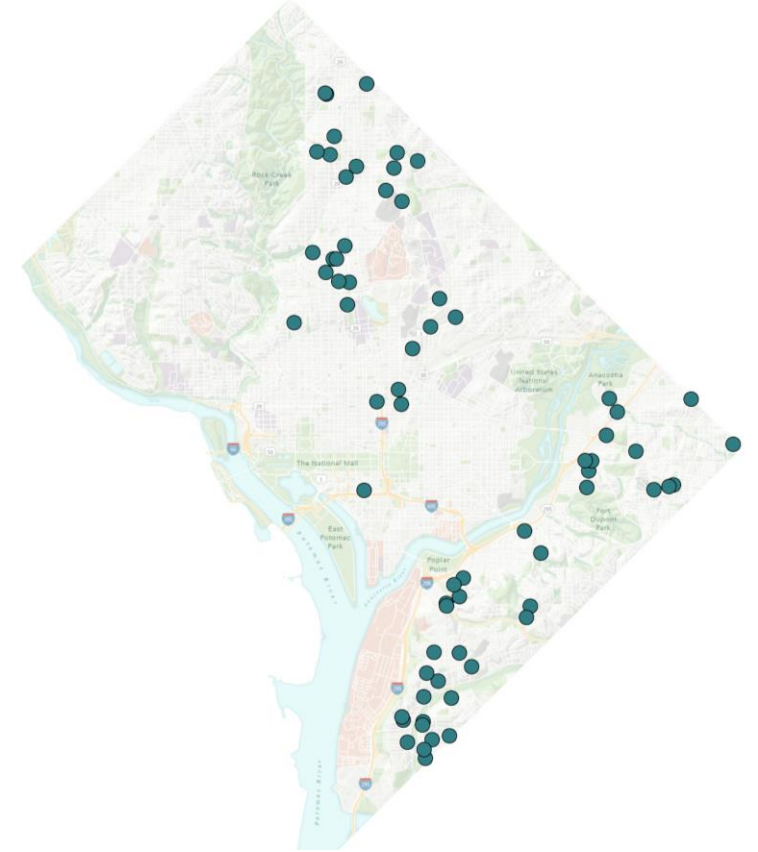
# IMMEDIATE RELIEF FOR AFFORDABLE HOUSING PROVIDERS

In September 2024, **DHCD issued a Consolidated RFP for Affordable Housing Projects.**

- 69 properties applied for assistance, representing 18% of all affordable housing units in DC
- They need \$144 million to address ongoing economic vacancy, or risk foreclosure

In December 2024, **DCHFA announced the Portfolio Stabilization Grants program** to provide \$10 million to at risk affordable housing properties in the District.

- 116 properties have applied for assistance.
- 30 properties have received \$6.2 million.
- \$3.8 million has been reserved for 25 additional projects



*DHCD's support will preserve nearly 8,000 housing units, including 7,700 affordable housing units.*

**Last year, the Executive and Council worked together to pass the Emergency Rental Assistance Reform Emergency Amendment Act of 2024 to:**

- Require specific documentation from tenants to establish eligible for ERAP funds
- Clarify the definition of emergency situations that qualify for ERAP assistance
- Remove the automatic eviction stay when a tenant applies for ERAP and give judges discretion in imposing the stay

**Since then, we have already seen judges use their judicial discretion; however, trial dates continue to lag, which postpones the recovery of our affordable housing market.**



We must do more to protect our progress.

## **The Rebalancing Expectations For Neighbors Tenants And Landlords Act (RENTAL Act)**

is comprehensive legislation to:

- ✓ Protect the District's existing affordable housing
- ✓ Strengthen our local housing ecosystem, and
- ✓ Ensure DC continues to be a national leader in affordable housing.

# PROTECTING DC'S EXISTING AFFORDABLE HOUSING

**The RENTAL Act will preserve existing affordable units, protect tenant safety, and improve the system to work better for both tenants and housing providers.**

## **Make Permanent the Provisions of the Emergency ERAP legislation That the Council Passed Last Year**

**Streamline Court Process Timelines:** Modify eviction timelines to be consistent with pre-pandemic timelines and neighboring jurisdictions, provide a fair and predictable eviction process, establish accountability for landlords and tenants.

**Strengthen Tenant Safety Protections:** Authorize eviction if a tenant or other occupant of a rental unit is arrested or charged with a violent offense that occurred in or adjacent to the housing accommodation.

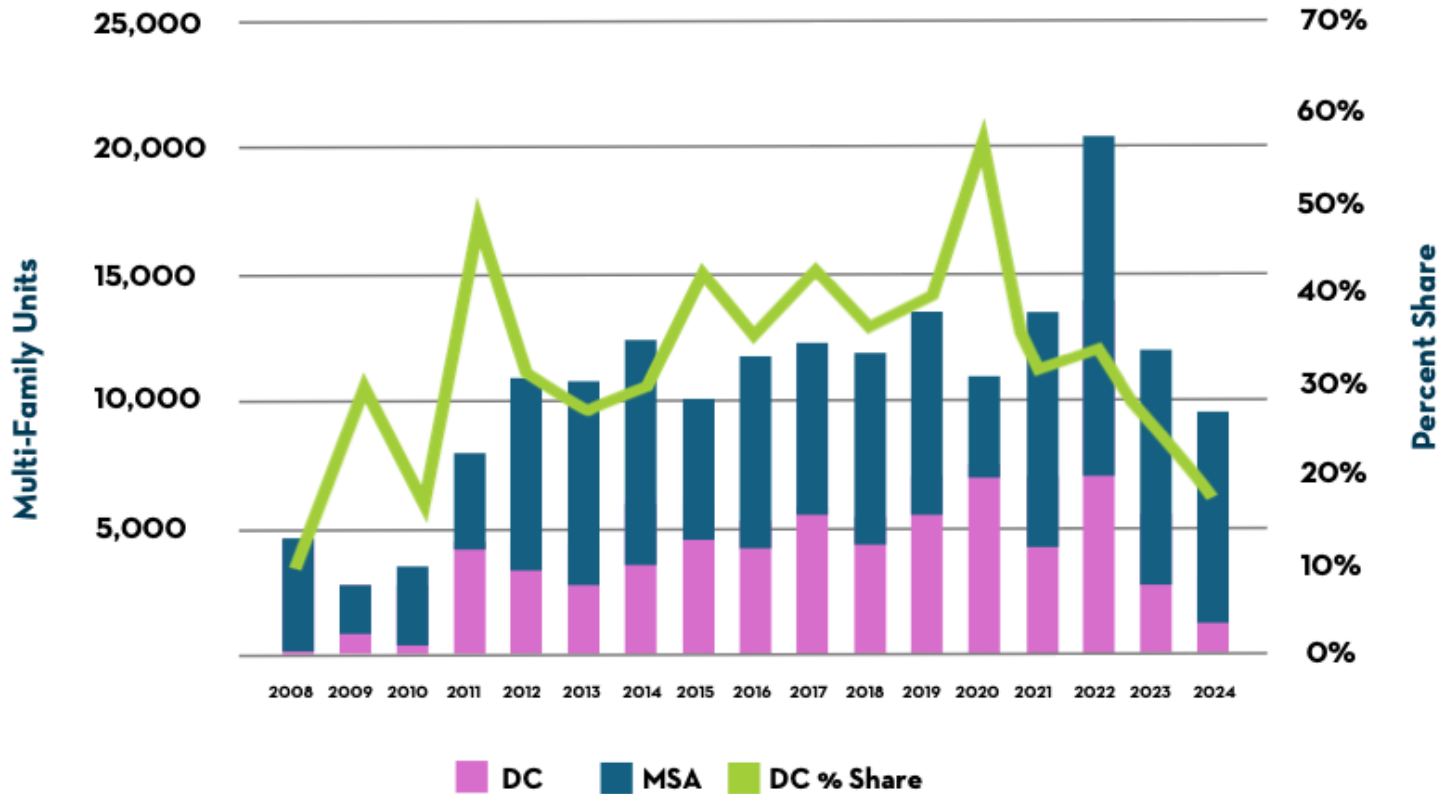
**Protect the District's Ability Support Affordable Housing Projects:** Clarify that the District is not liable for damages as a lender when supporting affordable housing projects.

**Increase to Local Rent Supplement Program (LRSP):** Allow more units to be eligible for project-based LRSP vouchers by increasing program eligibility up to 50% Area Medium Income from 30% AMI.

**Preserve DC Housing Authority Stabilization and Reform (STAR) Board:** Keep DCHA's temporary STAR Board in effect to provide consistent and sustained leadership in order to deliver public housing that residents deserve.

# MARKET RATE HOUSING IS IMPORTANT TO THE ECOSYSTEM

## Multi-Family Housing Permits Issued (DC and Metro Statistical Area)



- For more than a decade, DC has led the region in producing new housing.
- Now, DC is falling behind the region in new housing production.
- We must maintain a system that encourages housing production.
- Without new housing, the costs of housing will continue to increase for all.

# ENSURING DC CAN BUILD MORE HOUSING IN THE FUTURE

In order to continue our progress of building more housing, we must make it clear that investing in DC is a strong bet.



## **Reposition Vacant Properties into Affordable Housing**

Restore DHCD's authority to acquire and reposition vacant properties to increase investment in communities and create more opportunities for affordable housing developments



## **Maximize Impact of Affordable Housing Funding Programs**

Implement technical measures to ensure DHCD can fully utilize the District's low-income housing tax credits that incentivize private investment into affordable housing projects.



## **Modernize the Tenants Opportunity to Purchase Act (TOPA)**

Focus TOPA toward preventing displacement by ensuring that naturally occurring affordable housing is protected.

Reform TOPA to clarify which transactions are eligible and that tenants are aware of their TOPA rights.



# FOCUS TOPA ON PREVENTING DISPLACEMENT

**The RENTAL Act focuses TOPA toward the policy's core purpose: preserving affordable housing for residents most at risk of displacement.**

**Focus TOPA on properties with more than 51% of units below 80% Median Family Income.**

**Modernize TOPA to recognize refinancing and recapitalization events.**

**Provide notice to tenants about their TOPA rights.**

This will result in fewer unintended consequences of TOPA, without limiting TOPA for tenants in naturally occurring affordable housing.

**This will help restore investor confidence and increase investments in multi-family housing in the District.**

# EVERYONE MUST DO THEIR PART

