

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: October 13, 2016

SUBJECT: Fiscal Impact Statement – “Rent Control Hardship Petition Limitation Amendment Act of 2016”

REFERENCE: Bill 21-146, Committee Print provided to the Office of Revenue Analysis on October 9, 2016

Conclusion

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

Background

In rent-controlled apartment buildings, landlords can request permission to increase rent beyond the allowable amount by filing a hardship petition with the Department of Housing and Community Development(DHCD). DHCD examines the financial situation of the property and determines whether to grant a hardship petition.

The bill allows landlords to conditionally adjust rent by five percent, if DHCD does not process the hardship petition within 90 days, and if the petition indicates the net income of the property is negative. If the net income of the property is positive, then the landlord cannot conditionally raise the rent. If the petition is ultimately approved, then the landlord may permanently increase rent to the approved level. If the petition is disapproved, and the landlord collected conditional rent, then the landlord has 21 days to return the conditional increase to tenants.

Financial Plan Impact

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The changes do not have a cost to the District.