

Council of the District of Columbia
COMMITTEE ON HOUSING & EXECUTIVE ADMINISTRATION
MEMORANDUM

1350 Pennsylvania Avenue, NW, Washington, DC 20004

TO: Chairman Phil Mendelson
FROM: Councilmember Anita Bonds 
RE: Request to Agendize Measures for the November 1, 2022 Legislative Meeting
DATE: October 27, 2022

Pursuant to Council Rule 426, regarding a waiver of Rule 231(c), I request that the following measures be agendized for the November 1, 2022, additional meeting of the Committee of the Whole (should one be scheduled) and Legislative Meeting.

Measures from the Committee:

- **Bill 24-0934 – Condominium Warranty Claims Clarification Amendment Act of 2022**

This bill would amend the Condominium Act of 1976 to clarify the standards and procedures governing the resolution of a claim filed upon a condominium developer's warranty against structural defects, and to clarify the powers and responsibilities of the Mayor in such cases, among other technical changes to the law.

Ambiguities in the current law governing a condominium developer's warranty against structural defects have left condominium purchasers with little protection against damages that might arise from condominium conversion/development projects. Issues with the current law include (among other things): an inadequate definition of "structural defects", the lack of a clear process for ensuring that the appropriate warranty security payment is posted before units are sold, the lack of a defined timeline for proceedings governing the resolution of a claim on the warranty security, the lack of an opportunity for appeal, the lack of support for lower-income homebuyers, and the absence of a uniform tracking system. The current law also fails to sufficiently clarify that it is primarily the developer's responsibility to address structural defects.

B24-0934 would, among other changes:

- Expand the definition of "structural defect" to include certain violations of District building codes that result in demonstrable harm to health or safety
- Establish a clear process for ensuring the warranty security payment is posted – in the correct amount – prior to the sale of condominium units
- Require the Mayor to maintain a publicly available online record of the warranty security amounts and the form of warranty security for each project
- Establish clear notice requirements and timelines for parties to file and appeal claims on the warranty security
- Establish a clear process and deadline for DHCD to release the warranty security funds
- Establish a right to de novo review by the Office of Administrative Hearings
- Clarify that in a suit for breach of warranties, the prevailing party is entitled to attorney's fees
- Establish fines/imprisonment for knowing or reckless violation of this section
- Authorize the Mayor to suspend stakeholders directly involved in fraud related to condominium development from participating in the sale of condominium units in the District

- Require the Mayor to establish a fund to provide financial assistance to eligible unit owners and unit owners' associations for costs incurred in the filing of a claim.

- **Bill 24-0430 – Limited Equity Cooperative Advisory Council Act of 2022**

This bill would establish a permanent Limited-equity Cooperative Advisory Council to provide continuing comprehensive policy recommendations to the Council regarding how the District can best support the formation of new Limited-Equity Cooperatives (“LECs”) and best support existing LECs. This Advisory Council was recommended by, and would continue the work of, the Limited-Equity Cooperative Task Force, which was established by the Council in 2018 and submitted its final report in 2019.

Limited-Equity Cooperatives have the same structure as traditional co-op buildings, except that they offer low- to moderate-income homebuyers a below-market buy in, and restrict the profit that residents can make from resale. This makes LECs an excellent and affordable option for lower-income and first-time homebuyers, and ensures that the units remain affordable in perpetuity.

- **Bill 24-0431 – Limited Equity Cooperative Property Tax Assistance Amendment Act of 2022**

This bill would amend the DC Code to make the Lower-Income Homeownership Tax Abatement – which currently abates property taxes for income-eligible homeowners and cooperatives (including LECs) for 5-years – permanent for LECs. It would also clarify the general definition of a limited-equity cooperative to include LECs that limit the household income of the buyer to low and moderate incomes, and to require that LECs have membership limitations in their articles of incorporation/organization, and that LEC shareholders occupy their units as their principal place of residence.

The 2019 LEC Task Force report identified a full property tax abatement for all LECs as their number one recommendation for preserving existing LECs. District law has historically provided full, permanent property tax abatements for rental and cooperative housing made affordable to low- and moderate-income households through various federal subsidies (D.C. Code § 47-1002(20)). Offering this same support to LECs will help them remain a stable source of low- and moderate-income homeownership past the 5th tax year after their incorporation, ensuring that the cooperatives and unit owners don't experience a sudden financial setback after the end of the abatement.

- **B24-0653 – Period Equity Righting an Injustice of District Residents Act of 2022 (“PERIOD Act”)**

This bill would require the provision of free period products in District-owned and operated buildings/spaces (including District-owned properties leased by private entities), and would require that entities awarded human care agreements (such as shelters and congregate care facilities) provide free period products to visitors and clients. The free period products would be made available in all women's and gender-neutral bathrooms; if there are no gender-neutral bathrooms in a building, the products would be available in at least one men's bathroom, and all men's bathrooms would indicate which one(s) had the products available. The products must also be made from certified organic cotton, and not contain certain harmful materials.

Lack of access to period products can cause serious health consequences, and particularly affects our most vulnerable and low-income residents. Guaranteeing free access to period products in public buildings would provide for our residents' basic needs and protect the dignity of menstruating people in the District, and would set a powerful example for all building-owners in the District.

Housing Finance Agency Board of Directors Confirmations

- **PR24-0776 – District of Columbia Housing Finance Agency Board of Directors Bryan Scottie Irving Confirmation Resolution of 2022**

This resolution would confirm Bryan “Scottie” Irving’s reappointment to the Housing Finance Agency Board of Directors, as a member with experience in home building, real estate, architecture, or planning, for a term to end June 28, 2023. Please see the attached Committee Report for more details on the nominee and the Agency.

- **PR24-0777 – District of Columbia Housing Finance Agency Board of Directors Heather Howard Confirmation Resolution of 2022**

This resolution would confirm Heather Howard’s reappointment to the Housing Finance Agency Board of Directors, as a member with experience in home building, real estate, architecture, or planning, for a term to end June 28, 2023. Please see the attached Committee Report for more details on the nominee and the Agency.

- **PR24-0778 – District of Columbia Housing Finance Agency Board of Directors Stanley Jackson Confirmation Resolution of 2022**

This resolution would confirm Stanley Jackson’s reappointment to the Housing Finance Agency Board of Directors, as a member representing community or consumer interests, for a term to end June 28, 2023. Please see the attached Committee Report for more details on the nominee and the Agency.

The Committee approved B24-0934, PR24-0776, PR24-0777, and PR24-0778 at its October 13, 2022 Additional Meeting. The Committee approved B24-0430, B24-0431, and B24-0653 at its October 21, 2022 Additional Meeting. All Committee Prints and Committee Reports have been timely filed and are attached. Please contact Tosha Skolnik at nskolnik@dccouncil.gov or (202) 724-8025 with any questions.

cc: Members, Council of the District of Columbia
Office of the Secretary
Office of the General Counsel
Office of the Budget Director
Mayor’s Office of Policy and Legislative Affairs