

COMMITTEE ON HOUSING

ROBERT C. WHITE, JR., CHAIR
COUNCIL OF THE DISTRICT OF COLUMBIA

MEMORANDUM

TO: Chairman Phil Mendelson
FROM: Councilmember Robert C. White, Jr.
Chair, Committee on Housing
DATE: February 29, 2024
RE: Request for March 5, 2024



I request that the following measures, copies of which are attached, be placed on the agenda for the legislative meeting of the Council on March 5:

Congressional Review Emergency Legislation

- **Reverse Mortgage Insurance and Tax Payment Program Second Extension Congressional Review Emergency Declaration Resolution of 2024**
- **Reverse Mortgage Insurance and Tax Payment Program Second Extension Congressional Review Emergency Amendment Act of 2024**

On December 19, 2023, the Council passed Bill 25-0622, the “Reverse Mortgage Insurance and Tax Payment Program Second Extension Emergency Amendment Act of 2023,” which will expire on April 9, 2024. However, the accompanying temporary legislation will not become law until April 12, 2024. Therefore, congressional review emergency legislation is necessary to avoid a gap in the law.

The District of Columbia Housing Finance Agency’s (“DCHFA”) Reverse Mortgage Insurance and Tax Payment Program (“ReMIT”) was designed to allow qualified senior homeowners to receive financial assistance for property taxes, property insurance debts and certain property related expenses that have put the homeowner at risk of foreclosure on a reverse mortgage.

Under this program, qualified homeowners can receive assistance in the form of a zero-interest loan. The program was initiated as an 18-month pilot program in the Reverse Mortgage Foreclosure Prevention Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 42-2703.07a) and funded with \$500,000 in Fiscal Year 2019. The pilot program was expected to expire on October 27, 2021, but was extended Council action.

The ReMIT pilot program successfully assisted 31 District senior households with avoiding displacement, allowing the seniors to stay in their longtime residences. As of this week, the program had more than \$200,000 in funding remaining from the initial \$500,000 appropriation.

The Committee held a hearing on a permanent version of this legislation on October 12, 2023.

- **Certificate of Assurance Moratorium Second Extension Congressional Review Emergency Declaration Resolution of 2024**
- **Certificate of Assurance Moratorium Second Extension Congressional Review Emergency Amendment Act of 2024**

Section 221 of the Rental Housing Act of 1985 (D.C. Code § 42-3502.21) purports to allow owners of housing accommodations to apply for certificates of assurance from the Mayor, which would provide that in the event their properties become subject to any rent stabilization, the owners would recover in the form of a District real estate tax credit the difference between the annual fair market rents and the annual amount of stabilized rents the owners receive from the tenants in the housing accommodations. Because the certificate of assurance entitlement lasts for as long as the properties remain housing accommodations, the entitlement might create a potentially prohibitive fiscal impact on rent stabilization reforms. Due to implementation concerns, the program has never gone fully into effect.

On December 19th, 2023, the Council passed the Certificate of Assurance Moratorium Second Extension Emergency Amendment Act of 2023 to continue a moratorium on applications for, and the Mayor’s issuance of, certificates of assurance to owners of housing accommodations while the Council completes review of pending permanent legislation. The emergency legislation will expire on April 9, 2024, before the accompanying temporary legislation will complete congressional review. As a result, congressional review legislation is now necessary to avoid a gap in the law.

- **Fairness in Renting Notice Clarification Congressional Review Emergency Declaration Resolution of 2024**
- **Fairness in Renting Notice Clarification Congressional Review Emergency Amendment Act of 2024**

On December 19, 2023, the Council passed Bill 25-0624, the “Fairness in Renting Notice Clarification Emergency Amendment Act of 2023,” which will expire on April 9, 2024. The legislation gave housing providers time to comply with a newly established 60-day notice requirement by allowing providers to give 30 days’ notice to tenants through December 31, 2023.

However, the accompanying temporary legislation will not become law until April 12, 2024. As a result, identical congressional review emergency legislation is now necessary to avoid a gap in the law.

- **Home Purchase Assistance Program Protection Congressional Review Emergency Declaration Resolution of 2024**
- **Home Purchase Assistance Program Protection Congressional Review Emergency Amendment Act of 2024**

On December 19, 2023, the Council passed Bill 25-628, the “Home Purchase Assistance Program Protection Emergency Amendment Act of 2023,” which will expire on April 9, 2024. The legislation sought to protect certain first-time homebuyers, namely, those who had secured notices of eligibility for District home purchase assistance, not received assistance before funding ran out in Fiscal Year 2023, and then were deemed ineligible when additional became available due to

rule changes that the Department of Housing and Community Development adopted going into Fiscal Year 2024. The accompany temporary legislation, B25-629, will not become law until April 12, 2024. As a result, identical congressional review emergency legislation is now necessary to avoid a gap in the law.

Emergency Legislation

- **Rent Stabilized Housing Inflation Protection Continuation Emergency Declaration Resolution of 2024**
- **Rent Stabilized Housing Inflation Protection Continuation Emergency Amendment Act of 2024**
- **Rent Stabilized Housing Inflation Protection Continuation Temporary Amendment Act of 2024**

The District’s rent stabilization system limits rent increases for certain older rental homes that are owned by larger-scale housing providers. Absent special circumstances, a landlord can only increase rent for a rent stabilized home by up to the Consumer Price Index inflation measure plus 2 percentage points. The Rental Housing Act further caps the annual increase at 5% for seniors and people with disabilities, and 10% for other tenants, to protect tenants from extremely high inflation. In early 2023, record-high inflation led to a formal announcement that owners of rent stabilized units would be permitted to raise rents by up to 8.9% for residents other than seniors and those with disabilities. In response, the Council passed emergency and temporary measures setting a special short-term limit: seniors and renters with disabilities in rent stabilized units would face no more than 4% increases for the first affected year and 8% cumulative over two years, while other renters in rent stabilized units would face no more than a 6% increase at first and 12% cumulatively.

The temporary rent stabilization protection legislation is about to expire, and new legislation is necessary to follow through on the Council’s 2-year plan. The attached legislation includes technical clarifications developed in consultation with the Rent Administration Division, Rental Housing Commission, and Office of the Tenant Advocate to ease implementation by making an alteration to the end date of the 2 year limitation.

Contract Approval Legislation at the Request of the Housing Authority

- **PR25-652, Local Rent Supplement Program Contract No. 2024-LRSP-03A with Florida Avenue Apartments LLC Approval Resolution of 2024**

This measure would affirmatively approve a proposed multiyear contract between the DC Housing Authority (DCHA) and Florida Avenue Apartments LLC (the “Developer”) to support a new all-affordable housing and commercial building in the NoMa neighborhood in Ward 6. The underlying contract is CA25-618.

The project site, 301 Florida Avenue, N.E., is less than a block from the NoMa-Gallaudet U Metro station. It is currently a small parking lot in the midst of high-density residential buildings and other improvements. The Developer proposes to build 115 units of housing above 2,345 square

feet of retail space. 24 units would be 3-bedroom, 30 units would be 2-bedroom, 50 units would be 1-bedroom, and 11 units would be studio apartments. The Developer sought District housing development subsidies through the September 2021 Consolidated Request for Proposals, and DCHA and its partner agencies selected the Developer's proposal along with 10 others in that cycle.

Now DCHA seeks to commit project-based vouchers from the Local Rent Supplement Program in the initial annual amount of \$1,987,212, to provide rental assistance to 58 extremely low-income households—those making 30% or less of the median family income (MFI). Separately, the Developer has agreed to dedicate the other 57 units in the building to households making up to 50% MFI.

The Home Rule Act requires that District agencies and instrumentalities, including DCHA, submit multiyear contracts for affirmative approval by the Council. Without affirmative approval, this contract will be deemed disapproved on April 8, 2024. DCHA has indicated that the parties need to close their deal this month for the project to proceed on schedule.

These measures and supporting materials are available via the Council's Legislative Information Management System.

Emergency Contract Legislation at the Request of the Mayor

- **Modification Nos. 5, 6, 7, and 8 to Human Care Agreement No. CW100395 with Miriam's Kitchen Approval and Payment Authorization Emergency Declaration Resolution of 2024**
- **Modification Nos. 5, 6, 7, and 8 to Human Care Agreement No. CW100395 with Miriam's Kitchen Approval and Payment Authorization Emergency Act of 2024**

This legislation would approve a series of modifications to Contract No. CW100395 with Miriam's Kitchen (the "Contractor"), which is one of more than 20 entities that provide permanent supportive housing (PSH) services to District residents. The aggregate effect of the modifications contemplated in this legislation is to raise the not-to-exceed amount for option year one to \$1,634,446.90. This appears to be an intentional tipping contract scenario: the executive initially entered into a short-term contract modification for less than \$1 million, despite knowing that services would be needed for a full year and would very likely exceed \$1 million. Nonetheless, emergency legislation is necessary to continue critical services provided by Miriam's Kitchen.

- **Contract No. CW102995 with Catholic Charities of The Archdiocese of Washington, Inc. Approval and Payment Authorization Emergency Declaration Resolution of 2024**
- **Contract No. CW102995 with Catholic Charities of The Archdiocese of Washington, Inc. Approval and Payment Authorization Emergency Act of 2024**

This legislation would retroactively approve a 2022 contract with Catholic Charities of the Archdiocese of Washington, Inc. ("Catholic Charities") and subsequent modifications, pursuant to which Catholic Charities provides case management services to migrant families who meet the criteria laid out in the Migrant Services and Supports Emergency Act of 2022 (MSSA) and

successor legislation. Under the MSSA, the executive was permitted to procure certain services for these families using certain expedited procurement practices. However, Council approval for contracts in excess of \$1 million was still required. The attached measures would *retroactively* ratify the executive’s payments to Catholic Charities for the base period of the contract (November 1, 2022 through October 31, 2023), in an amount not to exceed **\$3,658,012.16**; a partial exercise of option year one in an amount to exceed \$978,087.84; and a prospective modification that extends the exercise of the option year through October 31, 2024 and raises the option year not-to-exceed amount to **\$3,912,632**.

This contract package has been amended to address issues and concerns since it was previously requested to be added to a legislative agenda by the Committee. The Committee continues to review this contract, but requests that it be added to the agenda of the next Legislative Meeting as approval is necessary to ensure payment for services rendered.

- **Contract No. CW103327 with II Kings Carpet Cleaning, LLC Approval and Payment Authorization Emergency Declaration Resolution of 2024**
- **Contract No. CW103327 with II Kings Carpet Cleaning, LLC Approval and Payment Authorization Emergency Act of 2024**

This legislation would retroactively approve a 2022 contract with II Kings Carpet Cleaning, LLC (“II Kings”) and subsequent modifications, pursuant to which II Kings provides cleaning services at sites housing migrant families who meet the criteria laid out in the MSSA and successor legislation. The attached measures would *retroactively* ratify the executive’s payments to II Kings for the base period of the contract (November 1, 2022 through October 31, 2023), in an amount not to exceed **\$4,500,000**; a partial exercise of option year one in an amount to exceed \$950,000; and a prospective modification that extends the exercise of the option year through October 31, 2024 and raises the total option year not-to-exceed amount to **\$4,395,916**.

This contract package has been amended to address issues and concerns since it was previously requested to be added to a legislative agenda by the Committee. The Committee continues to review this contract, but requests that it be added to the agenda of the next Legislative Meeting as approval is necessary to ensure payment for services rendered.

- **Contract No. CW103314 with Henry’s Soul Café, Inc. Approval and Payment Authorization Emergency Declaration Resolution of 2024**
- **Contract No. CW103314 with Henry’s Soul Café, Inc. Approval and Payment Authorization Emergency Act of 2024**

This legislation would retroactively approve a 2022 contract with Henry’s Soul Café, Inc. (“Henry’s”) and subsequent modifications, pursuant to which Henry’s provides food to migrant families who meet the criteria laid out in the MSSA and successor legislation. The attached measures would *retroactively* ratify the executive’s payments to Henry’s for the base period of the contract (November 1, 2022 through October 31, 2023), in an amount not to exceed **\$4,000,000**; a partial exercise of option year one in an amount to exceed \$950,000; and a prospective modification that extends the exercise of the option year through October 31, 2024 and raises the total option year not-to-exceed amount to **\$4,752,840**.

This contract package has been amended to address issues and concerns since it was previously requested to be added to a legislative agenda by the Committee. The Committee continues to review this contract, but requests that it be added to the agenda of the next Legislative Meeting as approval is necessary to ensure payment for services rendered.