

# Saving DC's Rental Housing Market Strike Force

*March 12, 2021*







# Today's Agenda

- Call to Order
- Welcome
- Open Meeting Process Review
- Feb. 26th Meeting Summary
- A Consensus Building Process
- Working Group Recommendations:
  - Transition from Emergency & Remaking Landlord Tenant Policies
  - 21st Century Rental Housing Reform
  - Longer Term Rental Housing Market Recovery & Growth
- Discussion
- Public Comment
- Closing Comments and Adjourn

# Ground Rules

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- Respect the Process
- Be Present and Engaged
- Follow the Facilitators' Directions
- Allow Every Voice to be Heard
- Speak Courteously and Respectfully to Others
- Maintain Zero Tolerance for Any Comment (Verbal or Written) that is Meant to Attack or Intimidate Another Person, or is Obscene

# Process Review: Public Meeting Regulations

- Notice shall be provided when meetings are scheduled and when the schedule is changed.
- Except for emergency meetings, a public body shall provide notice as early as possibly, but not less than 48 hours or 2 business days, whichever is greater, before a meeting
- This meeting will be recorded for public record
- A copy of the meeting summary will be made available for public inspection as soon as practicable, but no later than 3 business days after the meeting





# Public Comment Period

- Public observers will have 15 minutes set aside at the end of every meeting for verbal comments. If you would like to make a verbal comment please make your request known using the Question and Answer function.
- The facilitator will call on each name as it appears and the attendee will be invited directly into the Zoom room. Please note your video will remain disabled.
- We ask all commenters to be respectful of time and reserve space for additional voices.
- Written comments can also be provided using the Question and Answer function at any point during the meeting. These comments will be a part of the public meeting record.

# February 26th Meeting Summary



# A Consensus-Building Process

- Consensus-based decision-making is **one method** for reaching a decisions. There are others, e.g. "50+1", "most votes", "blackball", etc. Consensus-based decision-making processes produce solutions that are **broadly acceptable**. However, no participant is 100% satisfied. However, the decision can be endorsed, supported, and defended by **all group members** - even though the decision is not the “favorite” result of any particular individual. The decision is **actionable**.
- Consensus-based decisions prioritize "**a meeting of the minds**" as the most desired outcome. It also places a higher value on the members of the group **staying in the process** and also helping **implement the decision**. Consensus based decisions strengthen groups and often **increases the influence** of their decisions, recommendations, etc.
- Consensus is defined by Merriam-Webster as, first, **general** agreement, and second, **group solidarity** of belief or sentiment. It has its origin in the Latin word cōnsēnsus agreement, which is from cōsentiō meaning, literally, to feel together. It is used to describe both **the decision** and **the process** of reaching a decision.
- Consensus decision-making is thus concerned with the process of **deliberating** and finalizing a decision, as well as the **social and political effects** of using that decision-making process.

# Transition from Emergency & Remaking Landlord Tenant Policies & Practices Recommendations





# Transition from Emergency & Remaking Landlord Tenant Policies & Practices Recommendations

- 1) Target rental assistance to those with the highest eviction risk.
- 2) Allow notices to cure and eviction filings against residents who present current and substantial threats to health and safety because of illegal firearms or serious threats/acts of violence not illegal activity or breaches more generally.
- 3) Determine ways to phase in the end of the eviction moratorium beyond health and safety to manage the immediate impact of the end of the eviction moratorium on the courts and service providers and provide safeguards for vulnerable populations beyond connecting them to rental assistance and diversion/mediation programs.
- 4) Create, fund, implement and evaluate an eviction diversion program pilot that facilitates pre-filing access to a range of eviction prevention services to resolve disputes that can lead to eviction.
- 5) Provide limited opportunities for rent adjustments during the public health emergency.
- 6) Allow TOPA tolling to resume for affordable housing developments and tenant well-being before the end of the Public Health Emergency.

# Transition from Emergency & Remaking Landlord Tenant Policies & Practices Recommendations

<u>Recommendation</u>	<u>Priority/Agreement</u>	<u>Disagreement/Needs Change</u>
<b>Target rental assistance to those with the highest eviction risk.</b>	Listed as priority by thirteen (13) members Two (2) members explicitly agreed without noting as priority	One (1) member indicated need for language change for acceptance
<b>Allow notices to cure and eviction filings against residents who present current and substantial threats to health and safety because of illegal firearms or serious threats/acts of violence not illegal activity or breaches more generally.</b>	Listed as priority by six (6) members	One (1) member in opposition Three (3) members indicated need for language change for acceptance
<b>Determine ways to phase in the end of the eviction moratorium beyond health and safety to manage the immediate impact of the end of the eviction moratorium on the courts and service providers and provide safeguards for vulnerable populations beyond connecting them to rental assistance and diversion/mediation programs.</b>	Listed as priority by seven (7) members One (1) member explicitly agreed without noting as priority	Two (2) members in opposition Two (2) members indicated need for language change for acceptance
<b>Create, fund, implement and evaluate an eviction diversion program pilot that facilitates pre-filing access to a range of eviction prevention services to resolve disputes that can lead to eviction.</b>	Listed as priority by nine (9) members	Three (3) members indicated need for language change for acceptance
Provide limited opportunities for rent adjustments during the public health emergency.	Listed as priority by five (5) members One (1) member explicitly agreed without noting as priority	Five (5) members in opposition Two (2) members indicated need for language change for acceptance
Allow TOPA tolling to resume for affordable housing developments and tenant well-being before the end of the Public Health Emergency.	Listed as priority by four (4) members	Four (4) members in opposition One (1) member indicated need for language change for acceptance



# Transition from Emergency & Remaking Landlord Tenant Policies & Practices

## **Target rental assistance to those with the highest eviction risk:**

- Strategic communication and outreach should be focused on renters who have received unemployment assistance, excluded workers' assistance, live in the highest eviction zip codes or in properties in the DC Rental Preservation Catalog.
- Federal emergency rental assistance should be supplemented with local resources, if needed, to serve undocumented immigrants.
- All program components should be easy to access for both tenants and landlords and integrated with District resources to ensure tenants and landlords are efficiently served throughout application process.
- Additional rental and related assistance support information should be provided applicants at the time of initial assistance or through post-assistance follow up, including options for future relief if an eviction risk recurs.

# Transition from Emergency & Remaking Landlord Tenant Policies & Practices

**Allow notices to cure and eviction filings against residents who present current and substantial threats to health and safety because of illegal firearms or serious threats/acts of violence not illegal activity or breaches more generally:**

- Notices to cure and eviction filing language should be reviewed to clarify that tenants may correct or dispute the issue.
- Assistance should be provided in conjunction with the change in the eviction moratorium to ensure tenants can easily get assistance to correct or dispute the issue.
- Property owners should be held harmless if they do not pursue nuisance act evictions during the eviction moratorium.
- Older/tolled writs should not be executed under this eviction carve out and ideally zero evictions will occur all together.



# Transition from Emergency & Remaking Landlord Tenant Policies & Practices

**Create, fund, implement and evaluate an eviction diversion program pilot that facilitates pre-filing access to a range of eviction prevention services to resolve disputes that can lead to eviction:**

- Philanthropy or government may fund capacity-building, implementation and evaluation of the program.
- The program should be based on a review of emerging practices and should include an assessment of the role of mediation in eviction diversion and whether – or under what conditions – it is an appropriate tool for DC.
- Through mediation, the program should improve awareness of and access to multiple problem-solving tools including legal, financial, and social services that when offered in concert are more effective.
- A referral should be made to the program by the Rent Administrator at the time a notice to cure is filed.

# Transition from Emergency & Remaking Landlord Tenant Policies & Practices

**Determine ways to phase in the end of the eviction moratorium beyond health and safety to manage the immediate impact of the end of the eviction moratorium on the courts and service providers and provide safeguards for vulnerable populations beyond connecting them to rental assistance and diversion/mediation programs.**

**Provide limited opportunities for rent adjustments during the public health emergency:**

- Allow rent concessions during the emergency that do not affect current rent control rents, with proper notice to tenants, and a phased return to “normal” to allow the occupancy of vacant units
- Exempt vacancy rent increases from the prohibition on rent increases during the emergency
- Exempt units receiving vouchers and affordable housing operating assistance from the prohibition of rent increases during the emergency.

**Allow TOPA tolling to resume for affordable housing developments and tenant well-being before the end of the Public Health Emergency:**

- Allow TOPA tolling to proceed at the request of the tenant association in cases where the transfer will result in affordable housing or is necessary for the health and safety of the residents.



# 21st Century Rental Housing Reform Recommendations



# 21st Century Rental Housing Reform Recommendations

- 1) Reform rent control.
- 2) Reform TOPA to target the creation of affordable housing and tenant ownership.
- 3) Recast DOPA as independent from TOPA more akin to Right of First Refusal in Prince George's County and Montgomery County with a distinct funding source.



# 21st Century Rental Housing Reform Recommendations

<u>Recommendation</u>	<u>Priority/Agreement</u>	<u>Disagreement/Needs Change</u>
Reform rent control.	Listed as priority by seven (7) members Two (2) members explicitly agreed without noting as priority	Five(5) members in opposition Seven (7) members indicated need for language change for acceptance
Reform TOPA to target the creation of affordable housing and tenant ownership.	Listed as priority by seven (7) members	Four (4) members in opposition Seven (7) members indicated need for language change for acceptance
Recast DOPA as independent from TOPA more akin to Right of First Refusal in Prince George's County and Montgomery County with a distinct funding source.	Listed as priority by six (6) members Two (2) members explicitly agreed without noting as priority	One (1) member in opposition One (1) member indicated need for language change for acceptance

# 21st Century Rental Housing Reform

## **Reform rent control:**

- End “abusive” voluntary agreements limiting what can be agreed to by tenants in voluntary agreements or eliminate them entirely.
- Reform the multifamily property tax assessment for rent controlled properties to better account for the limitations on a property’s value resulting from Rent Control.
- Convene a commission to study more in-depth long-term solutions to reforming rent control
  - o Create a set of shared values with respect to rent control, including price stability, stability of rent-controlled stock, inclusion, etc.



# 21st Century Rental Housing Reform

## **Reform TOPA to target the creation of affordable housing and tenant ownership:**

- Offer a payment-in-lieu option to TOPA for buildings that meet all three of the following characteristics, 1) larger than 125 units, 2) over \$50 million and 3) less than 10 years old at the time of the contract. The additional fee could be used to fund TOPA transactions and technical assistance for other properties; these funds might also be used to provide additional affordability and assist tenants stay in place within the affected buildings.
- Explore amending TOPA foreclosure and bankruptcy exemptions to provide Tenant Organizations greater agency in property disposition during bankruptcy and foreclosure, including enabling Tenant Organizations, the District (through DOPA), or nonprofits to exercise a first right of refusal to purchase distressed mortgages from lenders.
- Consider amending TOPA to allow a streamlined process for nonprofits on a pre-approved list, who commit to long term affordability covenants in perpetuity.
- Require that all parties in a TOPA exempt transaction be notified of tenant rights, including the tenant's right to stay in the unit.

**Recast DOPA as independent from TOPA more akin to Right of First Refusal in Prince George's County and Montgomery County with a distinct funding source.**

# Longer Term Rental Housing Market Recovery & Growth Recommendations





# Longer Term Rental Housing Market Recovery & Growth Recommendations

- 1) Couple improved acquisition & financing strategies for both land and unassisted, naturally occurring affordable housing (NOAH) units with affordability covenants to meet the Mayor's Housing Goals.
- 2) Support maximized density to produce more housing across all types of land use and explore by-right designations for certain parcels of land procedural improvements to advance equity by spurring affordable housing developments production.
- 3) Incentivize providers of moderate-to-market rate housing to convert and perpetuate units in long-term affordability at least 40 years and up to the life the building.
- 4) Explore the requirement of the existing Nuisance Abatement Fund and expand them to quickly address housing violations with displacing residents.
- 5) Mandate a portion of funding for Community Based Organizations go to hiring and training specialized staff to provide essential technical assistance to tenants regarding their TOPA rights, organizations that can help them on the way, and, if they choose to, how to move their project forward
- 6) Amend the HPTF statute to explicitly fund projects at 60% of MFI, as opposed to 50% of MFI to maximize utilization of federal resources and maintain the focus on 30% MFI.
- 7) Explore possible tax abatements or other strategies that will spur affordable housing, whether produced or preserved, in the 60-80% MFI range

# Longer Term Rental Housing Market Recovery & Growth Recommendations

<u>Recommendation</u>	<u>Priority/Agreement</u>	<u>Disagreement/Needs Change</u>
<b>Couple improved acquisition &amp; financing strategies for both land and unassisted, naturally occurring affordable housing (NOAH) units with affordability covenants to meet the Mayor's Housing Goals</b>	Listed as priority by eleven (11) members Three (3) members explicitly agreed without noting as priority	Four (4) members indicated need for language change for acceptance
<b>Support maximized density to produce more housing across all types of land use and explore by-right designations for certain parcels of land procedural improvements to advance equity by spurring affordable housing developments production.</b>	Listed as priority by seven (7) members Two (2) members explicitly agreed without noting as priority	Four (4) members indicated need for language change for acceptance
Incentivize providers of moderate-to-market rate housing to convert and perpetuate units in long-term affordability at least 40 years and up to the life the building.	Listed as priority by four (4) members One (1) member explicitly agreed without noting as priority	One (1) member in opposition Four (4) members indicated need for language change for acceptance
Explore the requirement of the existing Nuisance Abatement Fund and expand them to quickly address housing violations with displacing residents.	Listed as priority by two (2) members One (1) member explicitly agreed without noting as priority	One (1) member indicated need for language change for acceptance
Mandate a portion of funding for Community Based Organizations go to hiring and training specialized staff to provide essential technical assistance to tenants regarding their TOPA rights, organizations that can help them on the way, and, if they choose to, how to move their project forward	Listed as priority by two (2) members Four (4) members explicitly agreed without noting as priority	One (1) member indicated need for language change for acceptance
Amend the HPTF statute to explicitly fund projects at 60% of MFI, as opposed to 50% of MFI to maximize utilization of federal resources and maintain the focus on 30% MFI.	Listed as priority by three (3) members One (1) member explicitly agreed without noting as priority	Two (2) members in opposition Three (3) members indicated need for language change for acceptance
Explore possible tax abatements or other strategies that will spur affordable housing, whether produced or preserved, in the 60-80% MFI range	Listed as priority by two (2) members One (1) member explicitly agreed without noting as priority	Three (3) members in opposition Two (2) members indicated need for language change for acceptance



# Longer Term Rental Housing Market Recovery & Growth

**Couple improved acquisition & financing strategies for both land and unassisted, naturally occurring affordable housing (NOAH) units with affordability covenants to meet the Mayor's Housing Goals:**

- Incentivize the preservation of NOAH by the District, for-profit, and non-profit entities to acquire land and/or naturally occurring affordable housing (NOAH) units, particularly in high-opportunity neighborhoods, and layer in affordability covenants
  - Significantly leverage private capital to be a source of financing for acquisition.
- Develop a program to support the acquisition of small multi-family buildings (2-30 units) by nonprofit and for-profit housing providers and layer in affordability covenants.
- Revise the First Right Purchase Program for Tenant Organizations using their TOPA rights to preserve or create affordable housing at rental properties of 30 units or less or to create homeownership opportunities through limited or shared equity cooperatives of 60 units or less.

# Longer Term Rental Housing Market Recovery & Growth

**Support maximized density to produce more housing across all types of land use and explore by-right designations for certain parcels of land procedural improvements to advance equity by spurring affordable housing developments production:**

- Pass the Comprehensive Plan Update and create mechanisms for stakeholders to be aware of and proactively support zoning changes and PUDs that produce more housing and affordable housing, especially in high opportunity areas. explore targeted amendments to increase housing production like adopting density baselines, all through a lens of equity
- After the Comprehensive Plan update is finalized, evaluate zoning changes, including streamlined processes and special exceptions for projects on institutional land with higher levels of affordable housing, regardless of zone district. Prioritize and provide technical assistance for projects on land owned by faith-based institutions and Evaluate the opportunity of by-right designations for land owned/controlled by faith-based institutions proposing affordable housing developments, especially in high opportunity areas.
- Plan single-family zone districts, provide technical support, streamlined approvals, and financial incentives to spur the creation of more Accessory Dwelling Units and (Accessory Apartments create affordable housing options in high-income areas and wealth building in low- and moderate-income areas.)



# Longer Term Rental Housing Market Recovery & Growth

**Incentivize providers of moderate-to-market rate housing to convert and perpetuate units in long term affordability at least 40 years and up to life of building:**

- Run a pilot program, testing the opportunities for the District to auction or bid out for the conversion to IZ without transfer of ownership units in properties built before 2009 that currently are not assisted with a District funding source and do not contain IZ units and are not otherwise currently rent restricted.
- Use community credit risk solutions, CDFIs, or other approaches to incentivize units across the income spectrum committing to long term affordability.

# Longer Term Rental Housing Market Recovery & Growth

**Explore the requirements of the existing Nuisance Abatement Fund and expand them to quickly address housing violations without displacing residents**

**Mandate a portion of funding for Community Based Organizations go to hiring and training specialized staff to provide essential technical assistance to tenants regarding their TOPA rights, organizations that can help them on the way, and, if they choose to, how to move their project forward**

**Amend the HPTF statute to explicitly fund projects at 60% of MFI, as opposed to 50% of MFI to maximize utilization of federal resources and maintain the focus on 30% MFI.**

**Explore possible tax abatements or other strategies that will spur affordable housing, whether produced or preserved, in the 60-80% MFI range**



# Discussion





# Public Comment Period

- Public observers will have 15 minutes set aside at the end of every meeting for verbal comments. If you would like to make a verbal comment please make your request known using the Question and Answer function.
- The facilitator will call on each name as it appears and the attendee will be invited directly into the Zoom room. Please note your video will remain disabled.
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# Closing Comments & Adjourn

