

Saving DC's Rental Housing Market Strike Force

Friday, March 12th, 2021 | 3:00 pm to 5:00 pm

Draft Summary Notes

Strike Force Members Present: Alex Baca, Josh Berstein, Tom Borger, Councilmember Anita Bonds, Ralph Boyd, Polly Donaldson, Tyrone Garrett, Steve Glaude, Kristy Greenwalt, Michele Hagans, Dean Hunter, AJ Jackson, Ramon Jackson, Randi Marshall, Sarosh Olpadwala, Kay Pierson, Councilmember Brooke Pinto, Eva Rosen, Johanna Shreve, Marian Siegel, Councilmember Elissa Silverman, Yesim Taylor, Andrew Trueblood, Monica Warren Jones, Tonia Wellons, Laura Zeilinger

Strike Force Members Absent: Aurélie Mathieu, Buwa Binitie, Christopher Donald, Judge Todd Edelman

Strike Force Members' Associated Staff Attendees: Tsega Bekele, Jennifer Berger, Maya Brennan, Scott Bruton, Liz DeBarros, Irene Kang, Richard Livingstone, Ana Lopez Van Balen, Danilo Pelletiere, Rachel Pierre, Arthur Rodgers, Ram Uppuluri, Chris White

Consultant Attendees: Josh Babb, Mencer "Don" Edwards, Kayla Elson, Gabrielle Jackson

Members of the Public: Carissa Aranda, Alex Bako, Anita Ballantyne, Melissa Bondi, Joseph Borger, Tony Bruno, Cathie, Tracy Cecil, Martha D, DC for Democracy, DCAR Staff, Larissa Etwaroo, Tom Gregory, Ryan Hand, Elinor Hart, Reshma Holla, Zachary Huke, Kelly Hunt, Jamie, Adam Kent, Amanda Korber, Carren Kraston, Frederick Lawrence, Sarra M, Shenetta Malkia, Landis Masnor, Patrick McAnaney, Beth Mellen, Sheila Miller, Kevin O'Malley, Orlando, Cynthia Pols, D. Price, Sam Rosen-Amy, Russel, Leslie Steen, Sam Stephens, Clarence Stewart, Troy Swanda, Rob TENAC, Moha Thakur, Trayci, Joey Trimboli, Citlalli Velasquez, Denise Washington. Ann Wilcox, Erin Wilson

Next Meeting Date: Friday, March 12th from 3:00pm-5:00pm

Call to Order

Don Edwards, Justice and Sustainability Associates (JSA), called the meeting to order at 3:00pm and reviewed the agenda.

Welcome

Director Polly Donaldson (Chairperson) expressed gratitude for the level of participation from Strike Force members. She noted that today's meeting will look for consensus, not necessarily agreement. She encouraged members to speak up and actively participate in the process by raising their hands and utilizing the chat function.

Open Meeting Process Review

Laura Gramling, JSA, recognized the ground rules of the Strike Force and reviewed several public meeting regulations, including advanced notice of scheduled meetings and the availability of meeting summaries. She noted that the meeting is being recorded for public record. Public observers will also have the opportunity to comment via chat at the end of every meeting. All comments will be documented as part of the public record.

February 26th Meeting Summary

Members adopted by acclamation the February 26th meeting summary. Meeting summaries will be part of the public record.

Consensus-Building Process

Don Edwards provided a brief definition and overview of consensus-building processes. He described consensus-based decisions as representing and prioritizing a “meeting of the minds” as the most desired outcome. It places a higher value on the group staying in the process. Don highlighted that members will still have additional opportunities to influence the current set of draft recommendations. The process intends to ensure that Strikeforce members stay together as much as possible to help implement the recommendations. Finally, consensus-based decision making is highly deliberative, with a lot of give and take. Participants have a chance to reflect, to inject and to respect each other's views, while also acknowledging that we have to live with the social and political outcomes of the decision making process. The process may take longer and be difficult, but it has a positive social and political effect.

Working Group Recommendations

Draft recommendations were disseminated to Strike Force members earlier in the week for additional review and comment prior to the large group meeting. Draft recommendations from each working group were read aloud and followed by a discussion period. Please see the slide deck to reference the draft recommendations that were presented.

Discussion (Q&A)

(Q=Question, A=Answer, C=Comment)

Discussion related to Transition from Emergency & Remaking Landlord Tenant Policies Working Group

- **C:** I agree that the process used to gain consensus is important and I am extremely disheartened by the process used in presenting these recommendations. The recommendations presented here are not the recommendations that working group 1 provided. Our working groups spent hours deliberating and crafting very specific recommendations. We spent significant time which resulted in consensus that no longer exists. These recommendations have been altered significantly so that they no longer represent our intent. There are recommendations that do not come from our working group and were not discussed at all by our group. We would like to use our proposed recommendations not these curated ones.
 - **C:** I too am concerned that some of the carefully crafted language has been lost here.
 - **C:** As someone not in this group, I'd love to hear more about what those recommendations were.
- **C:** I would suggest that as the recommendations become more general, they actually become harder to support...
- **C:** The listed draft recommendations were shortened, but I think the context remains very similar. DHCD staff also regrouped some draft recommendations based on the content and charge of the working group. It would benefit the Strike Force to amplify the specific issues with each of the listed drafts and allow the whole Strike Force to provide comment.

- **C:** Group one did actually reach consensus on certain items, but said recommendations have been distorted so we have not reached consensus on what is being presented to the Strike Force today. There is a lot of frustration and consternation from our group because we thought we followed the process as outlined.
 - **A:** At the end of the day, it's the Strike Force's recommendations. There has been some tailoring to make sure that the Strike Force as a whole can put forth recommendations. I don't think consensus recommendations are going to ever satisfy 100% of the people who are presenting them. A lot of this is about wordsmithing. And the real question here is what can be done to develop the statements so that they can be satisfactory enough. There is an opportunity to continue to work towards that goal, but there is a deadline. These are not final recommendations. You do have an opportunity to continue to influence and I hope you will exercise it.
- **C:** We're at a time now where every word we say can be dissected. And if the language that's presented now is going to inform the policy directions that we take, then we need to have a revisit.
- **C:** It's important to think of the ecosystem of rental housing--you can't have tenants living in safe, affordable apartments if you don't have landlords who are able to function in the environment. There's huge economic stress on apartment property owners in DC. Rents have fallen 20% and vacancies have risen 10 or 15% so we need to encourage investment in existing apartments and also investment in future apartments. This is not a zero sum game proposition, where something that's good for landlords is somehow bad for tenants and vice versa. We need to focus on the ecosystem and doing things we can to preserve affordability for the broadest number of tenants, protect those at risk, and do what we can in the near term and longer term.
 - **C:** I believe that landlords and tenants must establish a symbiotic relationship and certainly recognize the need to support landlords in establishing this relationship. We assume that property owners are also refinancing at much lower interest rates and do have the opportunity to seek a very decent rate of return through established options allowed in the law.
 - **A:** I hear the assumption that property owners are able to refinance at lower interest rates thereby having an opportunity to get a favorable rate of return. Not sure where the assumption originates.
- **C:** I think rec #1 ("target rental assistance to those with the highest eviction risk") and #2 ("allow notices to cure and eviction filings against residents who present current and substantial threats to health and safety...") capture the overall spirit of our group's conversations without substantial detail. I fully understand that they don't capture our preferred language with the specificity that we had, but I would resist the temptation to think that this is a material distortion from our work. I think it's helpful if we express where we think there's some material difference in what we propose.
 - **A:** It may be true that the broader points reflect maybe the pithy essence of what was proposed, but on an issue like housing, nuances matter. It's difficult to absorb these very broad, generic points. Having background information will make consensus easier.
- **C:** Draft rec #1 ("target rental assistance to those with the highest eviction risk") is free pie. Everybody wants a rental assistance program that's accessible and touches the most needy. And some of the listed sub-bullets, our group did not mention. Draft rec #2 ("allow notices to cure

and eviction filings against residents who present current and substantial threats to health and safety...”) is kind of a bitter thing for a lot of the advocates to do, which is to create a very narrow targeted opportunity for evictions at a time when we know they're so risky. But our group crafted a very precise set of language around that one. And it matters to us to have that precise language because that's what we can support and not a general eviction.

- **C:** For draft recommendation #1, the following bullet points are missing:
 - Use the federal funds to the greatest extent possible.
 - Supplement federal \$ with District \$ and a landlord forgiveness share, like the 20% forgiveness requirement in the Housing Stabilization Grants
 - Use a strategic approach to outreach based on where the eviction risks are highest
 - Work with agencies whose databases are likely to have contact info for the people at highest risk (e.g. unemployment claims for DOES, waiting lists and assisted households for DCHA, and the excluded workers fund from Events DC) to ensure that all tenants and landlords are knowledgeable about the resources
 - Plan and implement communication and outreach that meets people where they are (i.e. that can navigate the challenges of language barriers, internet and device capacities, phone limits, etc.) and facilitates connections to other beneficial services
 - Pair rental assistance grants, renter payment plans, and owner debt write-down agreements so that all rent arrears accrued during the pandemic are cleared or in feasible payment plans before evictions can resume.
 - Supplement federal emergency rental assistance with local resources, if needed, to serve undocumented immigrants or those who are otherwise ineligible for the federal emergency rental assistance.
- **C:** With regard to draft rec #1, I'd like to suggest that we add a sub-bullet (strategy) that we quickly build/launch a dashboard to track the administration ERA funds, which will be very important to ensure we keep a focus on racial equity and can quickly make midcourse corrections.
- **C:** I'm for draft recommendation #3 (“determine ways to phase in the end of the eviction moratorium beyond health and safety...to manage...the impact on the courts and service providers”). I think it would be good to put some flesh on the bones. It seems to me too generic. So what does it mean to rely on courts? Are we asking Feds to fill the vacancies? What is it that's specifically related to this recommendation? I don't understand from this one sentence, what the specific actionable item is, which was one of the things that we were asked to pay attention to. And very quickly target rental assistance. I think we should specifically recommend that the city puts its arms around the size of the problem. What is this problem? Is it \$50 million? It's \$100 million, because that can determine what action we will take.
- **C:** Draft rec #5 (“provide limited opportunities for rent adjustments during the public health emergency”) is of vital importance to housing providers. Increases in vacant units do not affect current residents yet landlords are not able to take vacancy increases and that serves as far as we can see no public policy interest. Regarding draft rec #6 (“allow TOPA tolling to resume for affordable housing developments”), public tolling has effectively halted sales of properties in DC since March of last year. So we've gone a year in which transactions have been in a total state of limbo. And I think in many cases, it's not necessary for either the landlord or the tenant to attend to have that level of delay. That was why we supported vigorously in group 2.

- **C:** There is no reason for this as landlords have the opportunity to demand a high rate of return should they fail to achieve one through acceptable rental increases. And TOPA tolling is not preventing deals from happening where tenants have decided to move forward in their purchase.
- **C:** I respectfully request that the task members receive the detailed bullet points created by the specific subgroups or other comments sent forward by others.

Discussion related to 21st Century Rental Housing Reform Working Group

- **C:** There is no guiding principle behind draft recommendation #1 “reform rent control.” For whose benefit is this reform going to take place? For what purpose? What is the goal? What's the end game? Without that, how can you even go one step further? We have to agree on what we want rent control to do.
- **C:** Frankly, there was no consensus on comprehensive rent control reform within the working group, given the four week process. The third sub-bullet on convening a commission to further study rent control was proposed given that this short time frame is insufficient to delve into long-term solutions. But all three sub-bullets were listed to discuss with the entire Strike Force.
- **C:** It would be beneficial to have a shared understanding among the Strike Force about the definition of rent control. I think some folks feel that rent control is about the supply of housing, while others’ definition focuses more on price stabilization. I think sometimes that gets conflated when we start talking about means testing.
- **C:** The necessary action with the rent control recommendation is to include the language from the document last night: create a set of shared values with respect to rent control, including price stability, stability of rent-controlled stock, inclusion, etc. All the stakeholders need to agree on the objective before launching reform.
- **C:** Reforming rent control can be considered only with full voice during a legislative review, not in this controlled environment where there is not the depth of discussion to reach any consensus.
 - **C:** Agreed.
- **C:** When drafting the “reform TOPA” draft recommendation, the group acknowledged that TOPA is a tool that works very well for a very small subset of DC property sales where the tenants can organize and buy their building. But it traps the vast majority of the sales in a delay that discourages investment in the city and makes it very difficult for sellers to transact. Right now I know of about \$10 million of transfer and recordation tax that's held up in properties that were put under contract a year ago--\$100 million dollar buildings that I don't think the tenants in that building have any expectation of purchasing. So the recommendations intended to focus on the areas and types of buildings where TOPA is appropriate, and provide revenues and resources for those tenant groups, which could be paid for by owners. They could pay some tax, perhaps 1% additional recordation tax, that would go into a fund that would support those tenants in targeted ways.
- **C:** Another idea within group 2 was to provide an expedited or streamlined TOPA process, which exempts a pre-approved list of nonprofits who meet certain long term affordability covenants. There was also a controversial suggestion in our group about amending TOPA foreclosure and bankruptcy exemptions. Some group members posited this action would put a chill on financing in the District.

- C: The idea of the bankruptcy and foreclosure and the TOPA rights is a very advanced policy measure. So I would be interested to know about the said controversy.
- C: TOPA was designed to provide tenants a voice in their housing. We cannot lose that point...TOPA cannot be reformed so that tenants lose their voice, although that may be what some are saying.
- C: CNHED is opposed to recommendations to alter rent control or TOPA and believes that Strike Force recommendations on these two things in the absence of input from legal services or tenants could give a heightened platform to recommendations that have not have the input or influence of legal services or tenants.
- C: I think draft recommendation #3 (“recast DOPA as independent of TOPA more akin to Right of First Refusal...”) captures the overall direction of a lot of the comments.
- C: We have some immediate cliffs we are facing as we near the end of the public health emergency. Tenants who will be frantic to get rental assistance before eviction filings, property owners who are facing real crisis in meeting expenses and will have problems refinancing as a result, investors who are facing anxiety as to how to gain a piece of the action now that rent rolls have changed. TOPA filings that will start moving so tenants will need more support, looking at these specifics are all more actionable items....can we look at these specifics rather than the dismantling of rent control and TOPA?
 - C: Agreed, we should address Rent Control and TOPA in a more deliberative process. The very intent of the purpose of a Strike Force in my view should navigate us away from these pursuits
 - C: Yes, Rent Control and TOPA reform track more appropriately to the legislative process.

Discussion related to Long Term Rental Housing Market Recovery & Growth Working Group

- C: Regarding the first sub-bullet (“pass the Comprehensive Plan) under draft rec #2 (“support maximized density to produce more housing...”), we know the comp plan is going to be passed in the short term so that recommendation needs to be expanded a little bit, I know that I've provided language on that already.
- C: In regards to the third sub-bullet (“plan single-family zone districts, provide technical support...”) under draft rec #2, we don't need to plan single family zoning districts, they already exist. But what is needed is the technical support, streamlined approval, and financial incentives.
- C: In regards to the third sub-bullet (“plan single-family zone districts, provide technical support...”) under draft rec #2, on ADUs, consider adding: Create a revolving financing mechanism for those who are willing to build an ADU and rent it for at least a period of 10 years.
- C: Regarding draft rec #5 (“mandate a portion of funding for CBOs to hire and train specialized staff... to provide technical assistance...regarding TOPA rights...”), I would love to see increased funding to CBOs language added. The current language there is restating what already exists. Increased funding so they can hire more staff and serve more tenants would be good.
- C: In regards to draft rec #7 (“explore possible tax abatements or other strategies that will spur affordable housing...”), I do not agree with potential tax abatements for anything over 60% AMI.
- C: Regarding draft rec #7 (“explore possible tax abatements or other strategies that will spur affordable housing...”), why don't we expand that range to 30 to 120% of MFI? Of course, the level of abatement would depend upon the project and upon the affordability, and the location

and all the other factors that are necessary to coming up with a formula. But in terms of a broad recommendation, why not provide an expanded MFI range to guide us forward in that process?

- **C:** We haven't arrived at the place that would provide the executive or the council with substantive direction. Additionally, the flack from the tenant community is very loud as there was not a great deal of representation. I recommend that one person from every working group should be assigned to work with the writer. That way, the person representing that group can convey what the group's intention and what they would like to see as the strategies under those particular objectives.
- **C:** I think making as few recommendations as possible will have the most impact.
 - **C:** I also think fewer is better....IF they are all actionable and grounded in some political reality.
 - **C:** A set of impactful recommendations that respond to immediate need and longer-termed priorities instigated by the present moment and opportunity.
- **C:** Our framing should go back to the original concept of what we can do immediately, in the intermediate and the long term. Because we only have a few weeks, I think it would be to our advantage to show that we have completed the work to have at least two or three things that we say can be done now as we approach our budget.
- **C:** Given that this Strike Force was ordered by the mayor, we should consider framing and structuring our recommendations around the three things that government can do: provide financial resources, provide information, and create better regulatory environments.

Public Comment

Don Edwards, JSA, initiated the public comment period and public observers were able to make verbal comments upon their written request in the chat. Strike Force members were invited to respond to the public comments via the chat or verbally. See Attachment A for a record of the public comments.

Closing Comments

Director Polly Donaldson noted that the Strike Force will not be able to address every topic and emphasized the importance of winnowing the recommendations. She reminded the group that the District is expecting an incredible amount of federal resources (i.e. \$150 million on top of the anticipated \$200 million) so it's crucial to examine various strategies for recommendations. She underscored that the Strike Force is now working as one entity, which presents a challenge, but acknowledged that the group has the basis for actionable steps to submit to the Mayor and Council. She informed the group that they will receive additional information early next week regarding time frame and next steps. She thanked the group for their time and their work.

Don Edwards, JSA, acknowledged that the group's endurance and sustained engagement during the meeting demonstrated their desire for consensus to emerge. He commended their hard work and recognized that progress is being made.

Attachment A: Public Comments

- **C:** Thank you so much for allowing us to have this moment. I represent about 48 small landlords in the Washington DC area. I am a landlord who has been suffering and my clients have been suffering. I hear everybody speaking about coming together and making decisions, but the decisions are not moving fast enough. First of all, we're falling into a situation where you only allow a certain number of individuals that have 20 or less units to apply for assistance. There are other individuals that have more than 20 units that need assistance. We have over \$50,000 in delinquent. Last year, I was assaulted by a resident and had to take a protective order out on them just two weeks ago. When are you going to push forward and stop the conversations and take action and allow us to move forward with the necessary steps to have people that are violating our safety and the communities and damaging them and allowing us to get back to court? How do we even pay bills or deal with any utilities or mortgages or anything to sustain any repairs in any homes, if we don't have access to those individuals paying the rent? I ask that you all take immediate action and come to a consensus and make a determination that 1) we should be allowed to go to court as an individual to ask for individuals to have to pay rent 2) take the red tape off of rental assistance. A lot of landlords did not get assistance from the program offered in December--there was a lot of back and forth. And it's not open to everyone. It needs to be made very simple. Because everybody else is in their home and can take care of their bills, while both landlords and tenants are suffering. I ask that you make a decision sooner than later. Thank you.
- **Q:** Can someone clarify what the payment in-lieu option for TOPA means? regarding TOPA recommendations
 - **A:** The suggestion was to allow that for properties that meet the following criteria- 1) over \$50million, 2) less than 10 years old and 3) larger than 125 units, a seller could opt out of the TOPA process by paying an additional 1% transfer tax to the City. The funds generated from this tax would be dedicated to supporting tenant groups in the purchase of their buildings with technical support, low interest loans or direct subsidies
 - **C:** Thank you for clarifying. This is a very dangerous proposal and was not very clear in the slide. This could mean hundreds of families at a given building won't have a right to exercise their TOPA rights, or even have the option for move out fees or buyouts to move somewhere else if they do not exercise to purchase. I am also very concerned that there are not more tenant and advocate voices in the strike force.
 - **C:** I know you advocate for move out fees and buyouts for residents, in exchange for selling out protections for future tenants (via voluntary agreements). I consider that a dangerous practice that is contributing to the disappearance of affordable units in the City today.
- **Q:** What is the Task Force doing to include more voices from tenants particularly tenants who are most vulnerable to recommendations or changes to housing policy?
- **Q:** I've been homeless for 7 yrs. My last employer accused me of a HIPAA violation(no violation occurred), and dismissed me in Aug 2019. In the three years I worked (16.75-19.81/hr, ~35 hrs/wk), there were few safe, secure rental options available to me. I haven't received an

unemployment payment since June. I've had DHS employees tell me to move out of the city. A friend's subsidized efficiency is \$1800 at market rate. How does the Strikeforce intend to bring about solutions for people beneath the poverty line?

- **C:** This group claims to have renters best interests in mind- however there are members like Tom Borger who describes himself as a “serial evictor”. You can’t claim to support tenants and compromise with developers like Tom. You must Cancel Rent and do right by working Washingtonians.
- **C:** Councilmember Silverman- you claim to be a supporter of the Black Lives Matter movement. Right now that means you MUST support rent cancellation. Rental assistance will leave people behind inevitably. We have the money to Cancel Rent- the only thing holding us back is allegiance to developer and landlord pockets! We need your help to CANCEL RENT and protect our people!
- **C:** I advocate for what tenants want at any given building and empowering them to make democratic and informed decisions about their livelihoods. Buyouts are complicated and it demands a more nuanced conversation that includes more tenants
- **C:** Anything other than rent cancellation will sell-out poor Washingtonians. We KNOW rental assistance programs leave working class Black and Brown people out. The onus must be on landlords to apply for reimbursement and CANCEL RENT. To not Cancel Rent is to succumb to the White Supremacist-unjust gentrification that existed in the District before the Pandemic. RENT CANCELLATION IS RACIAL AND ECONOMIC JUSTICE!
- **C:** Programs alone won't save families from being evicted. @ Councilmember Silverman would you consider canceling rent to guarantee no more displacement for families like mine and others struggling to pay rent without an income and managing feeding kids and taking care of teenagers? They stole from a corner store because they were hungry. So seeing uptick in crime isn't a surprise. So I beg our city councilmembers and task force to consider canceling the rent to save people's lives, minds, and homes.
- **C:** I think today's meeting makes clear that the strike force's process has been broken, most especially because the "diversity of voices" has not included tenants, and the few tenant advocate voices are far outnumbered. It also is clear that many of the recommendations to dismantle tenant protections do not have consensus, even in this group. I appreciate those who have spoken out today, including affordable housing providers.
- **C:** I am not going to apply to rental assistance because I am not going to risk getting my food stamps cut with the paperwork asked to provide.
- **Q:** What is the purpose of the working groups if their work is not accepted by the strike force? Was it just a total waste of time?
- **Q:** I am very worried about the rental assistance. What happens if we give the money to the landlord, and they don't use all the money on maintenance and mortgage, and they buy themselves luxury items or give themselves pay raises? How do we make sure that the landlords need as much money as they are requesting? If a landlord doesn't have a mortgage, should they actually receive 100% of the rental assistance funds?
- **Q:** Surrounding rent control - Is it possible to require landlords to provide their bank statements and profit and loss statements each year to make sure that they are not charging more than would be necessary to cover their expenses?

- **C:** Do I understand correctly that the strike force will make recommendations to the council, then there will be hearings..tenants groups and advocates will want adequate hearings and time to air their opinions and the effects any recommendations or legislation would have. The pandemic should not be used as an excuse to implement supposed reforms that will harm affordable housing.
- **Q:** Is half of the city's \$500 million surplus going into the housing production trust fund?
- **Q:** Can we ask residents to show proof they can't pay rent and for them to communicate every month?
- **C:** This is embarrassing. Why is there no tenant on this committee? Why aren't tenants being heard and respected and responded to?
- **C:** Please discuss whether or not your report should include a listing of the committee's members with a designation beside each name of (a) the person's relationship to landlords, real estate, or developers or (b) whether the person is a tenant or an advocate for tenants.
- **C:** How does not allowing landlords not file in court help residents get rental assistance? It does not. You need Judgements so you can show proof where money is going.