



The Rental Housing Commission 2019 Resolution



The Change in the Regional Consumer Price Index – Urban Wage Earners and Clerical Workers (CPI-W), for All Items; the Social Security Cost-of-Living Adjustment; and the Maximum Annual Rent Increase for Elderly Tenants and Tenants with a Disability

It is hereby resolved by the Rental Housing Commission (“Commission”) this 19th day of February, 2019:

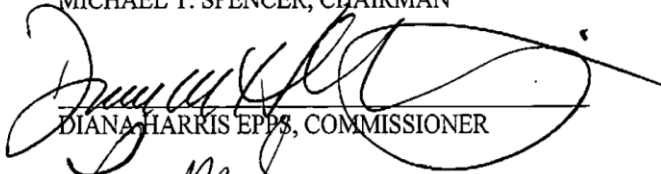
1. Whereas, effective January 1998, the United States Department of Labor, Bureau of Labor Statistics (“BLS”), eliminated the publication “Washington, D.C. Standard Metropolitan Statistical Area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for All Items,” which included the District of Columbia and parts of the states of Maryland and Virginia, and initiated the publication “Consumer Price Index – Urban Wage Earners and Clerical Workers (CPI-W), Washington-Baltimore, D.C.-Md.-Va.-W.Va., All Items,” which includes the District of Columbia and parts of the states of Maryland, Virginia, and West Virginia in a consolidated metropolitan statistical area (“Washington-Baltimore CMSA”);
2. Whereas, effective April 2018, BLS eliminated the publication of the Washington-Baltimore CMSA and initiated the publication “CPI-Urban Wage Earners and Clerical Workers for All Items, Washington-Arlington-Alexandria, D.C.-VA.-MD.-WV,” which includes the District of Columbia and parts of the states of Maryland, Virginia, and West Virginia in a consolidated metropolitan statistical area (“Washington- Arlington-Alexandria CBSA”);
3. Whereas, pursuant to section 206(b) of the Rental Housing Act of 1985, effective July 18, 1985 (D.C. Law 6-10; D.C. Official Code §42-3502.06(b)) (“Act”), the Commission is mandated to determine the change, during the twelve months of calendar year 2017 in the Consumer Price Index for Urban Wage Earners and Clerical Workers (“CPI-W”) for all items in the metropolitan statistical area that includes the District of Columbia;
4. Whereas, pursuant to the requirements of section 206(b) of the Act, the Commission used the BLS publication of the CPI-W for all items for calendar year 2018 in the Washington-Baltimore CMSA;
5. Whereas, the Commission determined the calendar year 2018 change in the CPI-W for all items for the Washington-Baltimore CMSA was 2.3%;

6. Whereas, pursuant to section 202(a)(3)(B) of the Act, the Commission shall additionally determine the current, annual cost-of-living adjustment (“COLA”) to the benefits of Social Security recipients as established pursuant to section 215(i) of the Social Security Act, approved August 28, 1950 (64 Stat. 506; 42 U.S.C. §415(i));
7. Whereas, the Commission determined that the Social Security COLA established for calendar year 2019 is 2.8%;
8. Whereas, pursuant to section 202(a)(3)(C) of the Act, the Commission shall additionally determine the maximum annual adjustment in the rent charged for a rental unit occupied by an elderly tenant or tenant with a disability that may be imposed by a housing provider in accordance with section 224(a) of the Act, which provides that the maximum rent adjustment shall be the least of: (a) the adjustment of general applicability, as determined by this resolution; (b) the Social Security COLA, as determined by this resolution; or (c) 5% of the current rent charged; and
9. Whereas, the Commission determined that, pursuant to section 224(a) of the Act, the maximum annual adjustment in the rent charged for a rental unit occupied by an elderly tenant or tenant with a disability that may be imposed by a housing provider shall not exceed 2.3%;
10. Whereas, pursuant to section 202(a)(D) of the Act, the Commission shall additionally determine the qualifying income for an elderly tenant or tenant with a disability to be exempt from an adjustment in the rent charged as provided by section 224(b) of the Act, to include capital improvement surcharges, related service or facility increases, hardship surcharges, substantial rehabilitation surcharges, and voluntary agreement increases (“Qualifying Income”), based on the definition provided by section 2(l) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code §42-2801(1)) (“HPTF Act”) as 60% of the area median household income for four persons, utilizing the calculation published by the U.S. Department of Housing and Urban Development (“HUD”);
11. Whereas, the Commission determined that HUD estimates the area median household income to be \$117,2000 for a household of four people, and the HPTF Act increases or decreases that amount by 10% per person in the household;
12. Be it therefore resolved, that, pursuant to the requirements of section 202(a)(3) of the Act, the Commission hereby certifies that:
 - (a) The rent adjustment of general applicability, to become effective on May 1, 2019, shall not exceed 2.3% of the legal rent charged for a rental unit on April 30, 2019; and

- (b) The annual adjustment in the rent charged for a rental unit occupied by an elderly tenant or tenant with a disability shall not exceed 2.3% of the legal rent charged on April 30, 2019; and
 - (c) The Qualifying Income for a household of four persons shall be \$70,320 plus or minus \$7,032 for each additional or fewer person in the household; and
13. Be it further resolved, that the Commission adopts the Certification and Notice of Rent Adjustment of General Applicability, effective May 1, 2019, in the form annexed hereto and directs its transmittal to the District of Columbia Office of Documents and Administrative Issuances for publication in the *District of Columbia Register*.



MICHAEL T. SPENCER, CHAIRMAN



DIANA HARRIS EPPS, COMMISSIONER



LISA M. GREGORY, COMMISSIONER



Department of Housing and Community Development
District of Columbia Rental Housing Commission



Certification and Notice of Rent Adjustment of General Applicability

EFFECTIVE MAY 1, 2019

Summary

If you are a tenant in or housing provider of a rent-controlled apartment or house:

- In general, a tenant's rent should not go up by more than 4.3% this year, unless the housing provider has special approval.
- If a tenant is 62 or older or has a disability, the rent should not go up by more than 2.3% unless the housing provider has special approval.
- If a tenant is 62 or older or has a disability, *and* the annual household income is less than what's listed in this notice (for example, **\$70,320 for a household of four people**), the tenant might not have to pay part of the rent if the housing provider got special approval for a rent increase.

Tenants and housing providers also have other rights and responsibilities under the law. This notice is only about specific limits that will take effect this year.

Legal Notice

- Pursuant to section 206(b) of the Rental Housing Act of 1985, effective July 18, 1985 (D.C. Law 6-10; D.C. Official Code §42-3502.06(b)) ("Act"), the Rental Housing Commission ("Commission") shall determine a maximum allowable adjustment of general applicability in the rent charged in accordance with section 206(a) of the Act (D.C. Official Code §42-3502.06(a)) for rental units covered by the Rent Stabilization Program,¹ which shall be equal to the change during the previous calendar year Consumer Price Index for Urban Wage Earners and Clerical Workers for All Items ("CPI-W") in the Washington, D.C. statistical area.²

¹ The coverage of the Rent Stabilization Program is established by section 205(a)-(e) of the Act (D.C. Official Code §42-3502.05(a)-(e)).

² The Rental Housing Commission and the Rent Administrator are mandated by Act to annually calculate and publish in the *District of Columbia Register* the percentage change in the "Washington, D.C., Standard Metropolitan Statistical Area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for all items." D.C. Official Code §§42-3502.04(k), 42-3502.06(b). However, the Act does not conform to two changes in the publication by the United States Department of Labor, Bureau of Labor Statistics ("BLS"), which publishes the CPI-W statistics and determines what areas will be in the SMSA.

First, the BLS enlarged the geographical areas included with Washington, D.C. in the statistical area. Second, the name of the BLS statistical publication was changed to reflect the enlargement of the area. Originally, the SMSA included Washington, D.C. and parts of Maryland, and Virginia. The statistical publication issued by BLS, and used by both the Rent Administrator and the Commission, was named "Consumer Price Index, Urban Wage Earners and Clerical Workers - (CPI-W), Washington, DC-MD-VA, All Items." That publication

- Pursuant to section 206(b) of the Act, the Commission determined that the CPI-W for All Items in the Washington, D.C. metropolitan area increased by 2.3% during the previous calendar year.
- Pursuant to section 202(a)(3)(A) of the Act (D.C. Official Code §42-3502.02(a)(3)(A)), the Commission hereby certifies and gives notice that **the rent adjustment of general applicability to become effective on May 1, 2019, shall not exceed 2.3% of the legal rent charged** for a covered rental unit on April 30, 2019.³
- Pursuant to section 202(a)(3)(B) of the Act (D.C. Official Code §42-3502.02(a)(3)(B)), the Commission shall additionally determine the current, annual cost-of-living adjustment (“COLA”) to the benefits of Social Security recipients as established pursuant to section 215(i) of the Social Security Act, approved August 28, 1950 (64 Stat. 506; 42 U.S.C. §415(i)).
- Pursuant to section 202(a)(3)(B) of the Act, the Commission determined that the Social Security COLA established for calendar year 2018 is 2.8%.⁴
- Pursuant to section 202(a)(3)(C) of the Act (D.C. Official Code §42-3502.02(a)(3)(C)), the Commission shall additionally determine the maximum annual adjustment in the rent charged for a rental unit occupied by an elderly tenant or tenant with a disability that may be imposed by a housing provider in accordance with section 224(a) of the Act (D.C. Official Code §42-3502.24(a)),⁵ which provides that the maximum rent adjustment shall be the least of: (a) the adjustment of general applicability, as determined by this notice; (b) the Social Security COLA, as determined by this notice; or (c) 5% of the current rent charged.
- Pursuant to section 202(a)(3)(C) of the Act, the Commission hereby certifies and gives notice that **the annual adjustment in the rent charged for a covered rental unit occupied by an elderly tenant or tenant with a disability shall not exceed 2.3% of the legal rent charged** on April 30, 2019.

was discontinued, and now the BLS publication is the “Consumer Price Index – Urban Wage Earners and Clerical Workers, Washington-Baltimore, D.C.-Md.-Va.-W.Va., All Items.” The difference is the inclusion of parts of the state of West Virginia and the city of Baltimore, Maryland into a “consolidated metropolitan statistical area” with Washington, D.C.

The BLS data on which the Commission relies is published with the Series ID CWURA31ISA0.

³ Pursuant to section 208(h)(2)(A) of the Act (D.C. Official Code § 42-3502.08(h)(2)(A)), except as provided for elderly tenants and tenants with a disability and rental units leased or co-leased by a home and community- based services waiver provider, a housing provider may increase the rent charged for a rental unit by an additional 2% above the adjustment of general applicability.

⁴ See 83 Fed. Reg. 53702 (Oct. 24, 2018).

⁵ For the purpose of determining the maximum allowable rent increase under section 224(a) of the Act, the term “elderly tenant” means a tenant who is at least 62 years of age, as defined by section 103(12) of the Act (D.C. Official Code §42-3501.03(12)), and “tenant with a disability” means a tenant who **has a physical or mental impairment that substantially limits one or more major life activities**, as defined by section 103(36A) of the Act (D.C. Official Code §42-3501.03(36A)) to incorporate the definition of “disability” provided by section 3(1)(A) of the Americans With Disabilities Act of 1990, approved July 26, 1990 (104 Stat. 329; 42 U.S.C. §12102(1)(A)).

- Pursuant to section 202(a)(3)(D) of the Act (D.C. Official Code §42-3502.02(a)(3)(C)), the Commission shall additionally determine the maximum qualifying income for an elderly tenant or a tenant with a disability to be exempt from certain rent surcharges and adjustments pursuant to section 224(b) and (i) of the Act (D.C. Official Code § 42-3502.25(b) & (i)),⁶ as 60% of the area median income, based on household size, in accordance with section 2(l) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801(1)) (“HPTF Act”).⁷
- Pursuant to section 202(a)(3)(D) of the Act (D.C. Official Code § 42-3502.02(a)(3)(C)), the Commission hereby certifies and gives notice that **the maximum qualifying income for an elderly tenant or a tenant with a disability to be exempt from certain rent surcharges and adjustments shall be:**
 - For a household of one person, \$49,224;
 - For a household of two people, \$56,256;
 - For a household of three people, \$63,288;
 - For a household of four people, \$70,320; and
 - For a household of five people or more, \$77,352, plus \$7,032 for each additional person above five.

⁶ Subject to the availability of tax credits, as determined by the Chief Financial Officer of the District of Columbia, a housing provider may not charge an elderly tenant or tenant with a disability with a qualifying income any rent or rent surcharge approved in a capital improvement petition, related services and facilities petition, hardship petition, substantial rehabilitation petition, or voluntary agreement. D.C. Official Code §42-3502.24(b), (g), & (i).

⁷ Section 2(l) of the HPTF Act (D.C. Official Code § 42-2801(1)) requires the use of data published by the U.S. Department of Housing and Urban Development (“HUD”). Annually, HUD publishes its calculation of median family income, and corresponding program income limits, in April, the midpoint of the fiscal year. See <https://www.huduser.gov/portal/datasets/il/il18/Medians-Methodology-FY18r.pdf>. However, section 202(a)(3)(C) of the Act (D.C. Official Code § 42-3502.02(a)(3)(C)) requires the Commission to publish its qualifying incomes by March 1 of each year. Accordingly, the Commission uses the latest-available income data from HUD as of the date this notice is published.