

## COUNCIL OF THE DISTRICT OF COLUMBIA THE JOHN A. WILSON BUILDING 1350 PENNSYLVANIA AVENUE, NW WASHINGTON, D.C. 20004

CHRISTINA HENDERSON

Councilmember, At-Large Chairperson, Committee on Health **Committee Member** 

Hospital and Health Equity Judiciary and Public Safety Transportation and the Environment

## Statement of Introduction Certificate of Assurance Repeal Amendment Act of 2023 December 15, 2023

Today, I am introducing the Certificate of Assurance Repeal Amendment Act. This bill would repeal section 221 of the Rental Housing Act of 1985, which allows a qualified housing provider to request a certificate of assurance from the Mayor. Under the statute, if the District passed a law limiting rent collection, housing providers that have a certificate of assurance would qualify for a property tax credit equal to the difference in the restricted rent that the housing provider receives and the market rent the housing provider would have received absent the restrictions.

A certificate of assurance offers significant financial advantages to rental housing providers. During the debate on the Rental Housing Act, some Councilmembers stated that the certificate of assurance provision was necessary to persuade developers to build residential properties in the District. However, for nearly 40 years, no eligible property owner pursued a certificate, and the District has never granted one, demonstrating that the existence of certificates of assurance had no impact on the District's housing development ecosystem.

In 2020, the Council introduced emergency and temporary legislation that imposed a moratorium on the Mayor's ability to grant certificates, in order to review the legislative and administrative history of the provision. In the time since the initial moratorium began, the Council analyzed the statute, collected data, and reviewed the legislative record for the Rental Housing Act. From that review, the Council learned that no property owner requested a certificate from the Department of Housing and Community Development (DHCD) prior to 2019. Additionally, DHCD records reveal that all of the property owners who wrote to DHCD expressing interest in a certificate before the start of the moratorium are ineligible to receive a certificate under the statute. This is because the law requires that an application for a certificate be submitted at the time that a building permit is filed, and no requestor did both concurrently. Therefore, it is apparent that housing developers and housing providers have felt comfortable investing in the District without a certificate of assurance in hand for nearly 40 years. Repealing this provision will give the District opportunities to examine comprehensive approaches to housing policy, recognizing the historical ineffectiveness of the provision.

Good government principles require evaluating existing laws and, if necessary, revising them for the benefit of current and future residents. As this provision has had no impact on development in the District, and retaining it ties the hands of the Council in holistically addressing housing policy now and in the future, it is incumbent upon the Council to permanently repeal this provision.

Councilmember Christina Henderson A BILL IN THE COUNCIL OF THE DISTRICT OF COLUMBIA To amend the Rental Housing Act of 1985 to remove the Mayor's ability to issue a certificate of assurance. BE IT ENACTED BY THE COUNCIL DISTRICT OF COLUMBIA, That this act may be cited as the "Certificate of Assurance Moratorium Amendment Act of 2023". Sec. 2. Section 221 of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3502.21), is repealed. Sec. 3. Fiscal impact statement. The Council adopts the fiscal impact statement in the committee report statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved 1 December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)). Sec. 4. Effective date. This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1), and publication in the District of Columbia Register.