

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Rental Housing Conversion and Sale Act of 1980 to eliminate the vacancy exception to the payment of the condominium conversion fee, to provide for exceptions to the payment of the condominium conversion fee when a unit is sold to a low-income household, an existing tenant, or certain elderly or persons with disabilities, to establish a new procedure for the payment of the fee, to standardize the means of determining income qualifications, and to eliminate the vacancy exemption if the vacancy is the result of illicit conduct by the housing provider.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Conversion Fee Clarification and Technical Amendment Act of 2008”.

Sec. 2. The Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3401.01 *et seq.*), is amended as follows:

(a) Section 204 (D.C. Official Code § 42-3402.04) is amended as follows:

Amend
§ 42-3402.04

(1) Subsection (a) is amended to read as follows:

“(a) *Definitions.* -- For the purposes of this section, the term “low-income” means annual household income, as determined by the Mayor, no greater than 80% of the area median income, as defined in section 2(1) 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)).”.

(2) Subsection (b) is amended to read as follows:

“(b) *Fee exemption.* -- The Mayor shall not require a conversion fee for a condominium unit, or the proportionate share value of a cooperative residence, that:

“(1) Is sold to a low-income household;

“(2)(A) Is sold to a member of a household who, as determined by the Mayor:

“(i) Has maintained a rental unit in the building complex as the principal place of residence for at least one year prior to the owner’s application to the Mayor for conversion of the housing accommodation to a condominium or cooperative;

“(ii) Is a domiciliary of the District of Columbia; and

“(iii) Is entitled to the possession, occupancy, or benefits of the rental unit.

“(B) If an owner seeks an exemption under this paragraph, the member

of the household may elect to purchase any unit in the housing accommodation in lieu of her current unit;

“(3)(A) Is sold to a person who:

“(i) Is 62 years of age or older; or

“(ii) Has a disability as defined in section 208(c)(1)(B)(ii); and

“(B) Does not have a total annual household income, as determined by the Mayor, greater than 100% of the area median income, as defined in section 2(1) 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)); or

“(4)(A) Is sold as part of a conversion of a property that has been registered as vacant for at least 12 months prior to conversion; and

“(B) Is part of a building complex not exceeding 10 units.”.

(3) Subsection (b-1) is amended to read as follows:

“(b-1)(1) *Payment.* -- The conversion fee required by subsection (a-1) of this section shall be paid in full into an escrow account at the time of settlement on the sale of the condominium unit or cooperative share.

“(2)(A) The escrow agent shall submit the conversion fee to the Mayor within 30 business days of settlement, together with a copy of the recordation and transfer tax form reflecting the sale price of each condominium unit or cooperative share.

“(B) The name, address, and telephone number of the escrow agent shall be stated on the deed or on a form attached to the deed.

“(3) The Mayor may impose civil fines, penalties, and fees for failure to submit the conversion fee to the Mayor, any infraction of the provisions of this section, or any rules issued under the authority of this section pursuant to the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801 *et seq.*). Adjudication of any infraction of this act shall be pursuant to the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801 *et seq.*).

“(4) No portion of the conversion fee required under this section shall be included in the purchase price of units exempted from the conversion fee in subsection (b) of this section.”.

(b) Section 208(a)(1) (D.C. Official Code § 42-3402.08(a)(1)) is amended to read as follows:

Amend § 42-3402.08

“(1) For the purposes of this subsection, the term “qualifying income” means a total annual household income, as determined by the Mayor, no greater than 95% of the area median income, as defined in section 2(1) 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)).”.

(c) Section 210 (D.C. Official Code § 42-3402.10) is amended to read as follows:

“Sec. 210. Exceptions to Coverage of Title; Expiration Provisions.

Amend § 42-3402.10

“(a) This title shall remain in effect until the Mayor declares that a housing crisis no

longer exists pursuant to section 512.

“(b) The rights granted under section 208 to eligible elderly and disabled tenants shall not be abrogated or reduced notwithstanding such a declaration by the Mayor.

“(c)(1) A housing provider shall not unreasonably interfere with the tenant’s comfort, safety, or enjoyment of a rental unit, or engage in retaliatory action under section 502 of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3505.02), for the purpose of causing a housing accommodation to become vacant.

“(2) For the purposes of this subsection, the terms “unreasonable interference” or “retaliatory action” may include:

“(A) The knowing circulation of inaccurate information;

“(B) Frequent visits or calls over the objection of the household;

“(C) The threat of retaliatory action;

“(D) An act or threat not otherwise permitted by law to recover possession of a rental unit, increase rent, decrease services, increase the obligation of a tenant or cause undue or avoidable inconvenience, harass or violate the privacy of the household, reduce the quality or quantity of service, refuse to honor a lease, rental agreement, or any provision of a lease or rental agreement, refuse to renew a lease or rental agreement, or terminate a tenancy without legal cause; or

“(E) Any other form of threat or coercion.

“(d)(1) The provisions of this title shall not apply to the conversion of housing accommodations into condominium or cooperative status that are fully vacant as of the date of application to the Mayor for a vacancy exemption; provided, that this exemption shall not apply to:

“(A) Section 204; or

“(B) Any violation of subsection (c) of this section.

“(2) The Mayor shall make such inquiries as the Mayor considers appropriate to determine whether the vacating of each unit was voluntary.

“(3) If the Mayor determines that the vacating of any unit was not voluntary, the Mayor shall disapprove or rescind the approval of the application for exemption.

“(4) All vacancy exemptions shall expire after 180 days; provided, that vacancy exemptions in effect on the effective date of the Conversion Fee Amendment Act of 2008, passed on 2nd reading on December 16, 2008 (Enrolled version of Bill 17-179), shall expire 180 days after the effective date.

“(e) The Mayor may impose civil fines, penalties, and fees for any infraction of the provisions of this section, or any rules issued under the authority of this section pursuant to the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801 *et seq.*). Adjudication of any infraction of this act shall be pursuant to the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code § 2-1801 *et seq.*).”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Budget Director, dated December 16, 2008, as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved 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.

Chairman
Council of the District of Columbia

Mayor
District of Columbia