

**DC BOARD OF ELECTIONS
NOTICE OF PUBLICATION**

At a public meeting held on May 6, 2026, the Board of Elections adopted the short title, summary statement, and legislative form for Initiative Measure No. 88, the “The Rent Control and Housing Eligibility Adjustment Amendment Act of 2026.”

Any registered qualified elector of the District of Columbia who objects to the summary statement, short title, and/or legislative form of the initiative measure adopted by the Board may seek review in the Superior Court of the District of Columbia within 10 calendar days from the date such formulations are published in the District of Columbia Register, stating objections and requesting appropriate changes. Registered qualified electors may also file objections regarding the initiative with the court on other grounds during this period, including the Board’s determination that the proposed measure presents a proper subject for initiative.

Pursuant to D.C. Code § 1-1001.16(d)(2)(B)(i), the Board hereby publishes the aforementioned adopted formulations as follows, as well as the fiscal impact statement issued concerning the initiative.

INITIATIVE MEASURE

No. 88

SHORT TITLE

The Rent Control and Housing Eligibility Adjustment Amendment Act of 2026

SUMMARY STATEMENT

If enacted, this Initiative would freeze rents for two years upon its effective date and in future periods of high inflation; reduce the maximum permitted total rent increase for rent controlled units to 5%; realign certain D.C. affordable housing programs with an upper eligibility threshold of 60% of the Area Median Income; redefine affordable housing requirements to include a mix of studio, one, two, three, and four bedroom units; and revise affordable housing requirements for land sold or leased by the D.C. government. This Initiative will not be implemented unless the Council appropriates funds for any costs.

LEGISLATIVE TEXT

BE IT ENACTED BY THE ELECTORS OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “DC Housing Modernization and Accessibility Act of 2026”.

Sec. 2. Title II of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3502.01 et seq.), is amended as follows:

(a) Section 208(h) (D.C. Official Code § 42-3502.08(h) is amended to read as follows:

“(h) Unless the adjustment in the amount of rent charged is implemented pursuant to sections 210, 211, 212, 214, or 215, an adjustment in the amount of rent charged:

“(1) If the unit is vacant, shall not exceed the amount permitted under section 213(a); or

“(2) If the unit is occupied:

“(A) Shall not exceed the current allowable amount of rent charged for the unit, plus the adjustment of general applicability plus 2%, taken as a percentage of the current allowable amount of rent charged; provided, that the total adjustment shall not exceed 6%;

“(B) Shall be pursuant to section 224, if occupied by an elderly tenant or tenant with a disability; and

“(C) Shall not exceed the lesser of 5% or the adjustment of general applicability if the unit is leased or co-leased by a home and community-based services waiver provider.”.

(b) A new section 225 is added to read as follows:

“Section 225. Temporary rent freeze during certain periods.

“(a) Notwithstanding any other provision of this act, the rent for any rental unit shall not be increased during the period from and including the effective date of this section through and including the second anniversary thereof.

“(b) Notwithstanding any other provision of this act, if during any 12-month period subsequent to the period described in subsection (a), the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Arlington-Alexandria DCVA-MD-WV Metropolitan Statistical Area, as published by the Bureau of Labor Statistics, is greater than 5%, then the rent for any rental unit shall not be increased at any time during the subsequent 12-month period.

“(c) Any rent increase that would become effective during any period described in subsection (a) or subsection (b) shall not become effective regardless of when notice of such rent increase is sent to the tenant of any rental unit.

“(d) This section shall not apply to:

“(1) Any rental unit owned by, or leased to any person by, the District of Columbia Housing Authority or any other agency, department, or instrumentality of the District; or

“(2) Any rental unit owned by, or leased to any person by, any agency, department or instrumentality of the United States.”.

Sec. 3. The electors of the District of Columbia call upon the Council of the District of Columbia to amend section 2 of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801), as follows:

(a) Amend paragraph (2A) to read as follows:

“(2A) “Eligible household” means a household that, at the time of lease-up or rental of a qualified rental housing unit, had total annual income at or below 45% of the area median income, or at the time of purchase of a qualified for-sale housing unit, had total annual income at or below 60% of the area median income; provided, that the annual incomes of eligible households assisted through an allocation of proceeds from the Housing Production Trust fund shall not exceed 60% of the area median income.”

(b) Amend paragraph (3) to read as follows

“(3) “Extremely low-income” means a household income that is less than or equal

to 15% of the area median income.”.

(c) Amend paragraph (6) to read as follows:

“(6) “Low-income” means a household income that is more than 30% and less than or equal to 45% of the area median income.”.

(d) Amend paragraph (7) to read as follows:

“(7) “Moderate income” means a household income that is more than 45% and less than or equal to 60% of the area median income.”.

(e) Amend paragraph (9A) to read as follows:

“(9A) “Very low-income” means a household income that is more than 15% and less than or equal to 30% of the area median income.”.

Sec. 4. Section 2(4) of the Affordable Housing Clearinghouse Directory Act of 2008, effective August 15, 2008 (D.C. Law 17-215; D.C. Official Code § 42-2131(4)), is amended to read as follows:

“(4) “Affordable housing unit” means a dwelling unit that is offered for residential occupancy and is made available to, and affordable to, a household whose total household income is equal to or less than, 45% of the area median income for rental units and 60% of the area median income for sale and ownership units, as a result of a federal or District subsidy.”.

Sec. 5. Section 2 of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, effective August 5, 1939 (53 Stat. 211; D.C. Official Code § 10-801), is amended as follows:

(a) Subsection (b-3) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

“(b-3)(1) If a proposed disposition of real property will result in the development of multifamily residential property consisting of 5 or more units (“multifamily units”), the following requirements shall apply:

“(A) At least 2/3 of the multifamily units shall be dedicated as affordable housing;

“(B) At least 1/4 of the multifamily units shall consist of units with 2 or more bedrooms, and 1/4 shall consist of units with 3 or more bedrooms; and

“(C) The multifamily units dedicated as affordable housing pursuant to this subsection shall continue to be dedicated as affordable housing for the life of the ground lease if the land disposition is by ground lease, or shall remain affordable housing units in perpetuity, secured by a covenant running with the land.

“(D) Repealed.”.

(2) Paragraph (2) is amended to read as follows;

“(2) The units dedicated as affordable housing pursuant to subparagraphs (A) and (B) of this paragraph shall be made available at the following affordability levels:

“(A) In the case of affordable rental units, at least 1/4 of the units shall be housing for which an extremely low-income household will pay no more than 30% of its income toward housing costs, 1/4 of the units shall be housing for which a very low-income household will pay no more than 30% of its income toward housing costs, 1/4 of the units shall be housing for which a low-income household will pay no more than 30% of its income toward housing costs, and the remainder shall be housing for which a moderate-income household will pay no more than 30% of its income toward housing costs.

“(B) In the case of affordable ownership units, 1/2 of the units shall be housing for which a low-income household will pay no more than 30% of its income toward housing costs and the remainder of any such ownership units shall be housing for which a moderate income household will pay no more than 30% of its income toward housing costs.”.

(3) Paragraphs (4), (6), and (7) are repealed.

(b) Subsection (n) is amended as follows:

(1) Paragraph (3) is amended to read as follows:

“(3) “Low-income household” means a household consisting of one or more persons with a total household income that is more than 30% and less than or equal to 45% of the area median income.”.

(2) Paragraph (4) is amended to read as follows:

“(4) “Moderate-income household” means a household consisting of one or more persons with total household income more than 45% and less than or equal to 60% of the area median income.”.

(3) Paragraph 5 is amended to read as follows:

“(5) “Very low-income household” means a household consisting of one or more persons with total household income more than 15% and less than or equal to 30% of the area median income.”.

(4) A new paragraph 6 is added to read as follows:

“(6) “Extremely low-income household” means a household consisting of one or more persons with total household income less than or equal to 15% of the area median income.”.

Sec. 6. Section 2092 of the Department of Housing and Community Development Comprehensive Tracking Plan for Affordable Housing Inventory Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 42-2141), is amended as follows:

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

“(1) “Affordable housing unit” means a unit of housing that is offered for rent or for sale for residential occupancy and as a result of a federal or District subsidy is made available and affordable to households whose income levels are less than or equal to 60% of the area median income.”.

(b) Paragraph (3) is amended to read as follows:

“(3) “Extremely low-income household” means a household with total household income equal to or less than 15% of the area median income.”.

(c) Paragraph (5) is amended to read as follows:

“(5) “Low -income household” means a household with a total household income that is more than 30% and less than or equal to 45% of the area median income.”.

(d) Subsection (6) is amended to read as follows:

“(6) “Very low-income household” means a household with total household income more than 15% and less than or equal to 30% of the area median income.”.

Sec. 7. Section 102(d) of the Workforce Housing Production Program Approval Act of 2006, effective March 14, 2007 (D.C. Law 16-278; D.C. Official Code § 6-1061.02(d)), is amended to read as follows:

“(d)(1) The land trust shall develop units affordable to households not to exceed 60% of AMI.

“(2) The land trust’s portfolio shall have an average not to exceed 50% of AMI.

“(3) The portfolio average requirement shall be evaluated for compliance on an annual basis, beginning 12 months after March 14, 2007.”.

Sec. 8. Section 202(8) of the New Town at Capital City Market Revitalization Development and Public/Private Partnership Act of 2006, effective March 14, 2007 (D.C. Law 16-278; D.C. Official Code § 6-1062.02(8)), is amended to read as follows:

“(8) “Workforce housing” means housing units set aside for eligible renters or purchasers as defined the appropriate agency of the District of Columbia and who are at 45% to 60% of the Area Median Income.”.

Sec. 9. Section 2092 of the Reentry Housing and Services Program Act of 2021, effective November 13, 2012 (D.C. Law 24-45; D.C. Official Code § 42-2231), is amended as follows:

(a) Paragraph (3) is amended to read as follows:

“(3) “Extremely low-income” means having a household income equal to 15% or less of the area median income.”.

(b) Paragraph (5) is amended to read as follows:

“(5) “Low-income” means having a household income that is more than 30% and less than or equal to 45% of the area median income.”.

(c) Paragraph (11) is amended to read as follows:

“(11) “Very low-income” means having a household income that is more than 15% and less than or equal to 30% of the area median income.”.

Sec. 10. Applicability.

(a) The provisions of this act with any fiscal effect shall apply upon the date of inclusion of the fiscal effect in an approved budget and financial plan.

(b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in an approved budget and financial plan, and provide notice to the Budget Director of the Council of the certification.

(c)(1) The Budget Director shall cause the notice of the certification to be published in the District of Columbia Register.

(2) The date of publication of the notice of the certification shall not affect the applicability of this act.

Sec 11. Effective date.

This act shall take effect after 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.

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer

DATE: May 8, 2026

SUBJECT: Fiscal Impact Statement – DC Housing Modernization and
Accessibility Act of 2026

REFERENCE: Proposed Initiative as provided to the Office of Revenue Analysis on
April 14, 2026

Conclusion

Funds are not sufficient in the proposed revised fiscal year 2026 budget and proposed fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the initiative. The initiative will reduce projected revenues by \$1.4 million in fiscal year 2028 and \$23.0 million over the four-year financial plan.

Background

The proposed initiative amends the Rental Housing Act of 1985 to prohibit any rent increase for a rental unit in the District for two years upon the initiative's enactment. After the initial two-year period, if inflation is greater than six percent in any future 12-month period, the initiative prohibits a rent increase for one year. These rent freezes must be implemented by housing providers regardless of whether a tenant has been notified of a rent increase. The rent freezes do not apply to any unit owned or leased by the District government, the District of Columbia Housing Authority, or the United States government.

Second, the proposed initiative amends the District's rent stabilization laws¹ to reduce the percentage that rent can be increased on an occupied unit from a maximum of 10² percent to 6 percent.

Third, the proposed initiative changes the definitions of affordability required for future grants and loans provided through the Housing Production Trust Fund³. The maximum income allowed to

¹ The rent stabilization laws generally apply to buildings that began construction after 1975 and received their certificate of occupancy by 1980.

² D.C. Official Code § 42-3502.08(h).

³ D.C. Official Code § 42-2802.

rent a qualified unit is reduced from 120 percent of Area Median Income (“AMI”) to 45 percent, and purchasers of qualified units must have an income at or below 60 percent of AMI.⁴ The maximum household income defined as “extremely low income”⁵ is reduced from 30 percent of AMI to 15 percent. Allowable household income defined as “very low income”⁶ is reduced from a range of greater than 30 percent to 45 percent of AMI to a range of greater than 15 percent to 30 percent. Allowable household income defined as “low income”⁷ is reduced from a range of greater than 50 percent to 80 percent of AMI to a range of greater than 30 to 45 percent. Allowable household income defined as “moderate income”⁸ is reduced from a range of greater than 50 to 80 percent of AMI to a range of more than 45 percent to 60 percent. The initiative also changes the Reentry Housing and Services Program⁹ thresholds to align with the new HPTF definitions.

The initiative reduces the affordability thresholds for the Workforce Housing Land Trust Program¹⁰ (“Program”), reducing the maximum allowable income eligibility from 120 percent of AMI to 60 percent. It also reduces the average income the entire portfolio the Program can have from 80 percent of AMI to 50 percent. The initiative reduces the eligibility threshold ranges for units at the New Town at Capital City Market Development¹¹ from 50 to 120 percent of AMI to 45 to 60 percent.

Lastly, the initiative changes affordability requirements when disposing of District properties for the development of housing. Under current law, disposition of District property for a multifamily housing development with 10 or more units is subject to certain affordability requirements.¹² The initiative reduces the number of units that will trigger affordability requirements from 10 to five units. Additionally, the initiative increases the number of units that must be affordable from 30 percent to two-thirds of the development; 25 percent of the units are required to have two or more bedrooms, and 25 percent must have three or more bedrooms. The initiative eliminates the Mayor’s authority to waive¹³ or reduce¹⁴ the affordable housing requirements.

Financial Plan Impact

Funds are not sufficient in the proposed revised fiscal year 2026 budget and proposed fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the initiative. The initiative will reduce projected revenues by \$1.4 million in fiscal year 2028 and \$23.0 million over the four-year financial plan.

⁴ D.C. Official Code § 42-2801(2A).

⁵ D.C. Official Code § 42-2801(3).

⁶ D.C. Official Code § 42-2801(9A).

⁷ D.C. Official Code § 42-2801(6).

⁸ D.C. Official Code § 42-2801(7).

⁹ D.C. Official Code § 42-2231.

¹⁰ D.C. Official Code § 6-1061.02(d).

¹¹ D.C. Official Code § 6-1062.02(8).

¹² D.C. Official Code § 10-801(b-3)(1).

¹³ D.C. Official Code § 10-801(b-3)(2)(B)(4).

¹⁴ D.C. Official Code § 10-801(b-3)(2)(B)(6).

The two-year freeze on rent will reduce the rental income of housing providers beginning tax year 2027, and in turn decrease unincorporated business tax revenue collections by \$1.4 million in fiscal year 2028, and \$9.7 million in fiscal year 2029. Rent is assumed to return to the level supported by market demand after tax year 2028, so there is no projected income tax impact in fiscal year 2030.

Because operating income is used in the process of multifamily property valuation, assessments and real property tax collections for multifamily properties will also be lower than currently estimated. Based on the timing of receiving a property's income and expense reports and when the District finalizes assessed values, a rent freeze in 2027 and 2028 will impact real property tax revenue in fiscal years 2029 and 2030. Real property tax collections will be \$2.7 million lower in fiscal year 2029, and \$11.8 million over the four-year financial plan, including \$11.5 million in local revenue and \$274,000 in dedicated revenue.

Current forecasts for inflation do not exceed five percent in the financial plan period, so the initiative's provision limiting rent growth if the Consumer Price Index exceeds six percent does not have an impact on tax collections during the financial plan period.

The initiative's adjustments to affordability thresholds for housing developments funded using assistance from the Housing Production Trust Fund may affect the structure of future development projects and may require a higher level of grants for development to be feasible. However total spending on projects from the Housing Production Trust Fund cannot exceed amounts in an approved budget and financial plan. Similarly, limitations on disposition of District property may alter future developments, but do not have an impact on the current budget and financial plan.

The Department of Housing and Community Development's Rental Accommodations Division (RAD), led by the Rent Administrator, receives petitions¹⁵ on rent disputes between housing providers and tenants, which may be appealed to either the Rental Housing Commission (RHC)¹⁶ or the Office of Administrative Hearings (OAH)¹⁷ depending on the type of petition. Additionally, current law allows housing providers to receive a 12 percent return on investment¹⁸ and providers may seek hardship exemptions through the petition process. If the initiative is implemented and leads to additional disputes or petitions, RAD, RHC, and OAH may not be able to timely respond to complaints without additional resources.

¹⁵ D.C. Official Code § 42-3502.04(c).

¹⁶ D.C. Official Code § 42-3502.02(a)(2).

¹⁷ D.C. Official Code § 2-1831.03(b-1).

¹⁸ D.C. Official Code § 42-3502.12(a).

**Cost of Proposed Initiative, DC Housing Modernization and Accessibility Act of 2026
FY 2026 - FY 2029
(\$ in thousands)**

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Income Tax Reduction (Local Fund) ^(a)	\$0	\$0	\$1,404	\$9,715	\$0	\$11,119
Real Property Tax Reduction (Local Fund) ^(b)	\$0	\$0	\$0	\$2,709	\$8,886	\$11,595
Real Property Tax Reduction (Dedicated Tax Portion) ^(c)	\$0	\$0	\$0	\$63	\$211	\$274
TOTAL REVENUE REDUCTION	\$0	\$0	\$1,404	\$12,487	\$9,097	\$22,988

Table Notes:

- (a) Income tax revenue impacts begin in fiscal year 2028, based on tax year 2027 returns.
- (b) Real property tax reductions begin in fiscal year 2029, based on reduced property rental income from 2027 factoring into 2029 assessed values determined in 2028.
- (c) This is the portion of the estimated reduction in property tax revenues that are dedicated to non-local sources under current law. The specific dedication depends on parcel-type, and are mostly dedicated to the Tax Increment Financing and Payment in Lieu of Taxes programs.