Testimony of Mel Zahnd  
Staff Attorney, Housing Law Unit  
&  
Emily Near  
Case Manager, Housing Law Unit  
Legal Aid Society of the District of Columbia  
Before the Committee on Housing and Executive Administration  
Council of the District of Columbia  

Public Hearing Regarding Bill 24-0096, the “Eviction Record Sealing Authority Amendment Act of 2021,” and Bill 24-0106, the “Fair Tenant Screening Act of 2021”  

May 20, 2021  

The Legal Aid Society of the District of Columbia\(^1\) submits the following testimony to express its support for the Eviction Record Sealing Authority Amendment and Fair Tenant Screening Acts of 2021. Low-income District renters often encounter several barriers when looking for a new home, and as the District begins to recover from the public health and economic crises caused by COVID-19, it is more important than ever that strong tenant protections be established to ensure that no DC resident is displaced from their neighborhood.

Both bills will address obstacles tenants confront in their search for new housing. The Eviction Record Sealing Authority Amendment Act will address some of the collateral consequences of eviction proceedings. The Fair Tenant Screening Act will increase transparency in the rental housing market and better protect low-income District renters in their search for safe, affordable housing.

While each bill will significantly protect tenants in their searches from new housing, they can also be strengthened. The Eviction Record Sealing Authority Amendment Act would be improved by amending it to require automatic sealing within 30 days for cases that resolve with a

\(^1\) The Legal Aid Society of the District of Columbia was formed in 1932 to “provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs.” Legal Aid is the oldest and largest general civil legal services program in the District of Columbia. Over the last 89 years, Legal Aid staff and volunteers have been making justice real – in individual and systemic ways – for tens of thousands of persons living in poverty in the District. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal justice system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org, and our blog, www.MakingJusticeReal.org.
consent judgement. And the Fair Tenant Screening Act would be further bolstered by creating a private right of action to empower prospective renters to enforce the law.

Part I: Eviction Record Sealing Amendment Act of 2021

An Eviction Record Can Create Roadblocks to Finding Affordable Housing in the District

The stigma of even a single eviction record—whether or not it resulted in a judgment against the tenant—can make finding affordable housing in the District nearly impossible. Unfortunately, a wide swath of District renters are impacted by eviction filings. Between 2014 and 2018, landlords filed an average of about 32,000 residential eviction cases per year in the District. Many households were sued for eviction on multiple occasions in a single year. Even though only about six percent of eviction cases result in an actual eviction, the record of an eviction case can continue to haunt a tenant indefinitely. Landlords often screen for renters who have past eviction cases, regardless of the result of those cases. In a competitive housing market like that of the District, it is especially easy for landlords to reject prospective tenants based purely on the fact that they were previously sued for eviction, regardless of the merit of that suit. People of color, particularly women who are low-income and Black, are most likely to encounter these screening tactics that shut them out of affordable housing.

Now, in the midst of a pandemic and the related recession, even more District residents are facing the risk of becoming homeless or housing insecure. This bill is a proactive measure the Council can take to ensure that District residents are able to find affordable homes for themselves and their families in the future. Legal Aid praises the Council’s quick action to ensure that an avalanche of evictions has not swept through the District at the height of the crisis. Protections such as the current eviction moratorium have been crucial to protecting tenants’ housing, and public health in general.

As we begin to look toward the District’s economic recovery, we must be prepared to protect long-term District renters from the potential of discrimination and exclusion from the housing market. The Eviction Record Sealing Act will provide tenants with the protection they need to remain in stable, safe housing as they financially recover from the economic downturn of the last year.

Eviction Filings can Prevent Qualified Tenants from Securing Housing

---

3 Id.
4 Id.
6 Id.
7 Id.
It is important to note that the mere existence of a previous eviction filing on a prospective tenant’s record can disqualify an otherwise qualified person from securing housing, even when the allegations in the complaint were never proven. For example, one of Legal Aid’s clients, whom we will call Ms. Potter, was using a voucher to rent an apartment. Her landlord refused to make any repairs and the apartment was in flagrant violation of the housing code and property maintenance code. Ultimately, the D.C. Housing Authority terminated the payments to the landlord because the conditions in the apartment placed him in violation of his contract with the D.C. Housing Authority.

The landlord told Ms. Potter that he wanted her out so that he could fill the apartment with a tenant who did not have a voucher and so that he could charge that tenant market rent without making repairs. Many landlords who no longer wish to participate in subsidized housing programs will refuse to make repairs, wait for the subsidy provider to cut off subsidy payments, and then sue for unpaid rent. This is an end-run around the District’s source of income laws, which prevent landlords from simply opting out of voucher program participation. We often see tenants sued over subsidy portions that were unpaid due entirely to landlord neglect, but the filing nonetheless prevents the tenant from renting elsewhere.

However, Ms. Potter’s landlord took an even more egregious approach, falsely alleging that her apartment was a “drug haven,” without any factual basis for the allegation. This approach may have been more appealing to the landlord because it would have entitled him to a non-redeemable judgment, had he prevailed. The case was quickly dismissed, but it lingers in the Court’s public records. Ms. Potter wanted to use her voucher to move into a safe and healthy apartment but struggled to find a landlord who would accept her, given the false but ominous-sounding drug haven allegation that had been lodged against her. This was the first—and only—eviction case that had ever been filed against Ms. Potter. When a District resident has even a single non-meritorious eviction case on their record, that resident faces significant challenges to finding affordable housing.

This Bill Will Reduce the Collateral Consequences of an Eviction Record

This bill will successfully address many of the collateral consequences that arise from an eviction case. It automatically seals within 30 days cases that do not end in a judgment for possession for the landlord. This will prevent many non-meritorious cases from continuing to haunt tenants. In addition, this Bill automatically seals cases that are over three years old. The bill importantly also gives the Court authority to seal cases for several other reasons. For example, the Court will be able to seal cases that were filed for nonpayment of $500 or less. Each of these provisions will provide meaningful protection to tenants. Legal Aid supports this bill because it will make it easier for District residents to find safe, affordable housing.

---

8 B24-0096, Council Period 24 (D.C. 2021)
9 Id.
10 Id.
11 Id.
This Bill Could Be Improved By Requiring Automatic Sealing Within 30 Days for Cases That Resolve with Consent Judgment

Unfortunately, many tenants, particularly those who are unrepresented by counsel, end up signing Consent Judgment Praecipes (“CJPs”) early in their eviction cases. Landlords strongly favor these agreements, which are executed on a special Court form, because they are extremely unfavorable to tenants, many of whom do not have counsel, are desperate, and/or lack the legal knowledge to fully understand the consequences of signing. In effect, tenants waive their defenses and trial rights, and agree that the Court will enter an immediate judgment against them but stay the execution of that judgment provided that they make certain payments to the landlord. If a payment is missed, or even a day late, the landlord can ask the Court to lift the stay and allow them to proceed with the eviction. This is true even where the landlord has breached its obligations to the tenant by failing to provide safe and habitable housing or make agreed-upon repairs. We believe more generally these agreements are unconscionable and should be prohibited. We would have interest in working with the Council on legislation to that effect.

Nonetheless, even cases with these extremely unfavorable CJPs generally do not result in an actual eviction of the tenant, because the tenant usually makes all the required payments. Indeed, the primary difference between tenants who enter CJPs and those who enter more favorable settlement agreements is whether they have the benefit of able legal counsel. Because consent judgments function like other settlements and do not generally result in actual possession for the landlord, they should be included in 30-day automatic sealing. Excepting such agreements from the protections of the bill would have the effect of punishing unrepresented tenants twice: first, because they have entered into an agreement with far less favorable terms, and again because their case would not then be automatically sealed even if they complied with those terms. We are eager to work with the Committee to draft an amendment to this effect.

This Bill Could Be Improved with a Very Narrow Carveout to Enable Legal Services Providers to Access Records for the Limited Purpose of Providing Advice and Representation to Tenants

One small downside of a robust eviction record sealing system is that it makes records unavailable to tenants and their legal counsel for purposes of future legal representation. This challenge is easily surmountable, however, by creating a very narrow carveout that allows attorneys representing tenants to access sealed records if they provide a written and signed statement that they are only requesting access to the records for the purposes of evaluating the tenant’s case for possible representation, or that they have committed to representing the tenant and need the records in order to provide adequate legal counsel and representation. Legal Aid would be happy to propose language for that carveout, and believe that any carveout must be narrow, tailored, and invulnerable to abuse.

Part II: Fair Tenant Screening Act of 2021

Low-Income Residents of the District Face Unprecedented Obstacles to Maintaining Affordable Homes for Themselves and Their Families
For years, rental housing has become increasingly unaffordable for the District’s low-income residents. In 2016, 73% of low-income households in the District spent more than half of their monthly income on rent and utilities. Over the last twenty years, the bottom two quintiles of District renters saw their rents rise by 14% and 35% respectively, even though incomes stagnated. The District was struggling with an affordable housing crisis long before the pandemic hit.

Now, amid the pandemic and the related economic crisis, even more District residents are facing the risk of experiencing homelessness or housing insecurity. Job losses during the pandemic have disproportionately burdened low-wage workers and workers of color. Between February and April of this last year, employment levels dropped to their lowest point since 1975. Although the job market has begun its slow recovery, Black and Latinx workers, particularly women, have not experienced this upturn at the same rate as white workers. In particular, Black men, Black women, Latinx women, and single mothers of school-age children are facing the longest roads to reentering the workforce. According to data collected by the Current Population Survey from the U.S. Census Bureau and Bureau of Labor Statistics, between February 2020 and February 2021 Black and Latinx women saw a decrease in labor participation at rates of 3.4 percent and 3.6 percent respectively. For white women, this rate was 1.9 percent. As the District’s low-income residents of color face this inequitable recovery, it is imperative that the Council act to ensure that these residents can find affordable housing for themselves and their families. This is an issue of both economic and racial justice.

For years, prospective renters searching for new housing in the District have faced a fast-moving and competitive rental housing market, requiring that tenants be quick and nimble when applying for units of interest. With the assistance of our housing case manager, our office often makes calls to landlords to ask questions of unit availability and tenant eligibility criteria. When we do so, we are often met with vague and dismissive answers -- likely instances of housing

---

13 Id.
15 Id.
17 Id.
18 Id.
discrimination that are nonetheless difficult to address given the immediate pressure that our clients are under to find housing quickly.

These alarmingly common practices are barriers to District residents navigating the rental housing market, as prospective renters are routinely denied information they need to gauge whether applying for a unit is worth their time and money. If they do choose to apply, tenants have no way of knowing how long it will take for a potential landlord to make a decision. In our experience, prospective renters often must follow up with the housing provider multiple times to receive a determination, particularly if that determination is a denial. Tenants are therefore unable to make informed decisions on how to budget for expensive application and holding fees, how frequently their credit is pulled, and how long they should spend waiting for a decision to be made before moving on to the next unit.

In our experience, if a rental application is denied, prospective renters are often not presented with a written denial letter explaining the decision and are therefore unable to effectively question or challenge the decision of the housing provider, much less determine whether the decision may have been discriminatory. If the denial was based upon a credit report or background check, applicants are rarely provided with the supporting literature upon which the provider based their decision, making it impossible to know if the information collected by the landlord was even accurate. Because of the speed with which the District’s market moves, the current lack of transparency often can provide cover for discrimination based on source of income, race, and/or disability among other protected classes.

One example of this issue is the case of a Legal Aid client whom we will call Ms. Monroe. Ms. Monroe, a Housing Choice Voucher Program participant, worked with Legal Aid on housing search for many months and applied to several units across the District. Eventually, she located a unit in Deanwood that she adored. She applied for it but was sadly denied. She requested more information on this denial, and while she received a denial letter, the housing provider refused to assist her with attaining a copy of her background screening report. After a number of calls to the housing provider and the tenant screening company, Ms. Monroe decided to give up on ever getting a copy of the background and credit checks that lead to her denial.

Voucher-holders face particularly steep obstacles to finding housing. Over the last 15 years, vouchers have made up an increasing share of subsidized housing, while public housing has decreased. Just getting a voucher is a long journey. In 2013, the District closed the waitlist for several of its subsidized housing programs. At the time, there were 70,000 people on the waitlist.

---

21 See D.C. Access to Justice Commission, supra fn. 2 at 19.
22 Id.
Even once a tenant has a transferable voucher, actually placing it can be very challenging. Nationally, voucher take-up rates are low.\textsuperscript{23} This is particularly true in large cities where voucher-holders are often only able to place their vouchers at a rate of about 50 percent.\textsuperscript{24}

Source of income discrimination compounds the difficulty of the housing search process for voucher-holders. The lack of transparency in the housing application process allows landlords to engage in discriminatory practices without ever being caught. In addition to this, housing providers are currently able to automatically deny voucher holders based on credit score alone, without taking into consideration that their credit may not indicate their ability to pay their rent, which is, in part or in full, guaranteed by a public program.

As a result of the myriad barriers that voucher holders face, families that can use their vouchers are often concentrated in high poverty, low opportunity neighborhoods.\textsuperscript{25} For the District’s voucher program to work, the Council must take additional steps to ensure that low-income residents are able to use their vouchers.

**The Fair Tenant Screening Act Lowers Barriers to Affordable Housing**

The Fair Tenant Screening Act implements necessary safeguards to ensure that District renters, including voucher holders, can find safe and affordable housing. This legislation makes permanent several provisions included in the Fairness in Renting Emergency Amendment Act of 2020.\textsuperscript{26}

By mandating that all landlords provide written information about their available units, number of applicants, and eligibility criteria, prospective renters will be able to better assess where to spend time and money on rental applications.\textsuperscript{27} With this increased transparency, renters with time-sensitive moves (such as voucher holders)\textsuperscript{28} or limited funds to spend on application fees will be better equipped to decide where to apply based on their individual circumstances, the housing provider’s eligibility criteria, and the number of applications already taken for the unit of interest.

The Fair Tenant Screening Act also requires landlords to provide prospective tenants with specific grounds for denials and any third-party literature used to make the determination.\textsuperscript{29} This will make it harder for landlords to engage in racial discrimination, source of income discrimination or other forms of illegal discrimination during the rental application process and allow tenants to contest erroneous and improper denials. This protection will be particularly beneficial to District residents as the long road to economic recovery begins.

\textsuperscript{24} Id.
\textsuperscript{25} Id.
\textsuperscript{26} Cf. B23-0940, Council Period 23 (D.C. 2020).
\textsuperscript{27} B24-0106, Council Period 24 (D.C. 2021)
\textsuperscript{28} The typical amount of time Housing Choice Voucher Program participants are given to locate a new unit and place their voucher is 180 days, or 6 months.
\textsuperscript{29} Id.
The Fair Tenant Screening Act further gives applicants 48 hours to provide evidence of mitigating circumstances, which will allow applicants to refute any inaccuracies in the housing provider’s collected information and to contextualize any issue that may have led to a denial, such as a loss of income or an increase in debt due to the public health emergency.

Additionally, this bill will allow the District’s voucher program to better achieve its purpose of enabling low-income residents to find safe and affordable housing. A voucher-holder’s credit score and rent payment history prior to obtaining a voucher is irrelevant to assessing that individual’s viability as a prospective tenant because the voucher-holder will only be responsible for paying an income-based and affordable portion of the rent. Accordingly, the Fair Tenant Screening Act prohibits consideration of these factors in a voucher-holder’s application, which all too often masks source of income discrimination in the current application process. This provision will help this contingent of renters to place their vouchers in communities of their choosing at a higher rate.

The Fair Tenant Screening Act also removes many of the barriers low-income prospective renters face to finding affordable housing. By increasing the transparency of the rental housing application process for all housing providers, renters will be more likely to successfully navigate the time-consuming and laborious process of looking for a new home without having to leave the District.

**The Office of Human Rights Should Not Be the Sole Mechanism for Enforcement**

While we support the provisions of the bill discussed above, Legal Aid opposes the use of the Office of Human Rights (“OHR”) as the sole mechanism for enforcement of this law for multiple reasons.

*Legal Aid Continues to be Concerned About the Performance and Effectiveness of OHR in Enforcement of Anti-Discrimination Protections*

First, our advocates and our clients have experienced a number of barriers in pursuing other actions before OHR, and our assessment is that it is often ineffective in protecting the rights and interests of individuals appearing before it. As this Committee is aware, we have previously testified about problems with OHR’s enforcement of the District’s anti-discrimination laws.\(^30\)

We have seen, for example, well-supported legal claims dismissed without litigation. We have also seen cases in which mediators have pressured complainants into unfavorable settlements of claims, often resulting in outcomes far worse than they would have faced had they lost at a hearing. Cases filed before OHR also often move extremely slowly, with complainants sometimes hearing nothing for many months after they file their claims.

*Restricting Tenants’ Enforcement Options De-Prioritizes Discrimination that Primarily Affects Low-Income, Black District Residents*

The prospective renters who will most likely be affected by the Fair Tenant Screening Act will be overwhelmingly low-income and Black. Legal Aid supports the option of a low-barrier enforcement mechanism like OHR – assuming much-needed reforms are made – but we oppose the requirement that rights be enforced solely through OHR. We worry that this approach risks sending a message that violations of law more likely to affect low-income, Black residents are somehow less important, or that the rights violated are somehow less worthy of vindication.

Aggrieved Persons Should Be Entitled to Pursue a Private Right of Action Under the Fair Tenant Screening Act

Setting aside our concerns with the OHR process, we believe a fine-based enforcement mechanism is inadequate. First, in addition to monetary relief, we believe that the Fair Tenant Screening Act should provide for injunctive relief. For example, if a housing provider is refusing to give a prospective tenant a list of eligibility criteria, they should be required to do so. In addition, prospective tenants should have the opportunity to recover the actual damages that result from an improper denial of housing. We believe that persons aggrieved under this law must be entitled to a private right of action for enforcement of the rights created in the Fair Tenant Screening Act.

Part III: Improvements Must be Made to 30-Day Notices

We support provisions in Bill 24-0096, the Eviction Record Sealing Authority Amendment Act, which would make permanent the requirement that tenants be served 30-day notices prior to the filing of any eviction suit, including suits for nonpayment of rent. Without this requirement, landlords often include a waiver of any prior notice in tenants' leases. This leaves tenants with very little notice before they are brought to court for an eviction case that may have devastating consequences for their family. Requiring service of a prior 30-day notice allows tenants to identify and address errors on the landlord’s part and other issues that may prevent a case from being filed in the first place. It also gives tenants additional time to apply for assistance, catch up on their rent, or seek legal or other services in cases where they have fallen behind.

Currently, the filing of an eviction court case is often the first notice a tenant receives from a landlord that their ledger shows a rental balance. This means that even where there has been a mistake or it is an amount the tenant can pay, they may be forced to take time off work or find child care to attend court and navigate a complicated process to resolve the issue – and often with very little notice. Unrepresented tenants often end up waiving rights unnecessarily through this process by signing consent judgments or having a default entered where no rent was in fact owed or where they quickly catch up once they receive notice.

The provisions in Bill 24-0096 could be strengthened by providing more detailed requirements for valid 30-day notices related to nonpayment of rent. While regulations and case law establish specific standards for notices for other types of lease violations, notices for nonpayment of rent

31 District law currently only requires that landlords service tenants with court papers seven days before their initial hearing. See D.C. Code § 16-1502. Legal Aid supports extending this minimum service period to at least 30 days.
have not been held to the same standard. We support requiring that notices for nonpayment of rent specifically state the amount rent owed at the time of service of the notice (excluding of late fees or other non-rent fees, which generally cannot be collected) and identify the specific months during which any rental balance accrued. Landlords also should be required to attach a ledger showing charges and payments. This requirement would allow tenants to identify discrepancies with their own records. The notice also should specifically state that tenants must pay only the rent owed and any further rent that comes due, and not any other fees, to avoid eviction.

We also support requiring all notices, including those for nonpayment of rent, to be served on the Rent Administrator. This requirement currently is found in regulations and only applies to notices for other types of lease violations. The Rent Administrator has authority to review and reject invalid eviction notices, and this authority should be extended to notices for nonpayment of rent. Finally, the Council should require that all notices served for nonpayment of rent include the website and phone number for the Emergency Rental Assistance Program and any other current District government rental assistance programs. These changes will ultimately benefit both tenants and landlords by encouraging pre-court resolution of these claims.

The Council should also take this opportunity to strengthen requirements for all notices to vacate, for both nonpayment of rent and other lease violations, by requiring them to state clearly that tenants do not have to vacate the rental unit until and unless a court orders the tenant to do so, that tenants have the right to correct or cease the alleged violation of tenancy and remain in the rental unit, that tenants have the right to dispute the landlord’s allegations through the court process and remain in the rental unit until the court reaches a decision on the matter; and to include the phone numbers of the Office of the Tenant Advocate and the Landlord Tenant Legal Assistance Network and state that both resources provide free legal services to a tenant facing eviction. These requirements were included in the Eviction Moratorium Public Safety Exception Emergency Amendment Act of 2021 (Act 24-0067) and should become the standard for future eviction notices.

Conclusion

Thank you for the opportunity to provide this testimony about the Eviction Record Sealing Authority Amendment and Fair Tenant Screening Acts. Legal Aid supports these bills and would appreciate the opportunity to work with the Committee to ensure the success of both pieces of legislation.

32 14 D.C.M.R. § 4300.3.
33 Id. § 4300.4–5.
34 Legal Aid ultimately would support the Rent Administrator being charged with creating and publishing a required form notice, but we do not want this suggestion to delay our recommendations. Landlords should be required to conform to these requirements immediately, but the Council could specify that landlords ultimately can meet these requirements my including a form published by the Rent Administrator with any eviction notice.