

**Government of the District of Columbia**



**Office of the Tenant Advocate**

Testimony of

**Johanna Shreve**  
Chief Tenant Advocate

**Public Hearing on:**

**B25-619, the “Clean Hands Certification Economic Expansion and Revitalization  
Amendment Act of 2023”**

Committee on Business and Economic Development  
The Honorable Kenyan McDuffie, Chairperson  
Council of the District of Columbia

on

Thursday, June 20, 2024  
1:00 p.m.

John A. Wilson Building, Room 412  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004  
and hybrid via Zoom

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## ***Introduction***

As the District’s Chief Tenant Advocate at the Office of the Tenant Advocate (OTA), I thank you – Chairperson McDuffie and members of the Committee on Business and Economic Development – for this opportunity to submit testimony for the record on Bill 25-619, the “Clean Hands Certification Economic Expansion and Revitalization Amendment Act of 2023.”

## ***Problem the bill seeks to solve***

Based on our review of the June 20th hearing and discussions with advocates and Committee staff, our conclusion is that the District’s “Clean Hands” requirements for professional and occupational licensure<sup>1</sup> are problematic insofar as they (1) prevent the entry of primarily small businesses (and those owned by minority and disabled residents) into the economy – to their own detriment and to the detriment of the District as a whole; and (2) do so on the basis of debt to the District having little or nothing to do with the applicant’s ability and qualifications to do business in the area for which they seek licensure.<sup>2</sup>

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<sup>1</sup> D.C. Official Code Title 47, Chapter 28, Subchapter II.

<sup>2</sup> See, e.g., testimony of Melissa Millar, Policy Director, Tzedek DC; testimony of Priya Sarathy Jones, Deputy Executive Director, Fines and Fees Justice Center; and testimony of Chad Reese, Associate Director of Activism, Institute for Justice, on Bill 25-619, the “Clean Hands Certification Economic Expansion and Revitalization Amendment Act of 2023” (hearing held 6/20/24 before the Committee on Business and Economic Development, Hon. Kenyan McDuffie, Chairperson).

Accordingly, the OTA appreciates and supports the legislative purposes of Bill 25-619 – and notes it could help entrepreneurial tenants pay the rent and contribute to the District’s economy. Our concern is largely regarding what appears to be an unintentionally overbroad new exclusion from the Clean Hands requirements that encompasses both housing providers and property managers.

***Bad actors should not benefit from the solution to the problem***

Our strong impression is that the problem has little or nothing to do with any such restrictions as they pertain to portfolio and other larger housing providers with a history of (1) creating misery for tenants by failing to maintain even a basic threshold of habitability in the rental accommodations they own; and (2) failing to pay fines associated with that dereliction of duty; who then (3) apply for licenses to continue or expand their poorly run businesses.

For example, a recent Washington City Paper article featured a property management company that has been fined more than \$400,000 by the Department of Buildings for Housing Code violations – including sewage flooding into units, heat outages for months at a time and longer, and eight fires since 2020

that have displaced tenants.<sup>3</sup> Since some of these tenants are subsidized,<sup>4</sup> taxpayer dollars help foot the bill for substandard housing.

At a bare minimum, landlords who violate the Housing<sup>5</sup> or Property Maintenance Code<sup>6</sup> in this way should not receive a license issuance or renewal until they pay off debts based on dereliction of duty to their tenants.<sup>7</sup> Such debts are directly related to the landlord's ability, or rather inability, to run the business lawfully.

If the District's Clean Hands requirements cause these kinds of businesses to flee to other jurisdictions, so be it – this should not be a concern where a housing provider evades accountability for making District residents unsafe. Relatedly, we also wonder whether consideration should be given to expanding the Clean Hands requirements to better account for patterns of behavior and recidivism.

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<sup>3</sup> "D.C. Property Management Company's Pattern of Neglect Leads to Squalid, Unsafe Conditions and Displacement, Tenants Say", Suzie Amanuel, Washington City Paper (published June 26, 2024, accessed June 28, 2024), available at:

<https://washingtoncitypaper.com/article/739838/d-c-property-management-companys-pattern-of-neglect-leads-to-squalid-unsafe-conditions-and-displacement-tenants-say/>.

<sup>4</sup> *Id.*

<sup>5</sup> D.C.M.R. Title 14, Chapters 4-9, 12.

<sup>6</sup> D.C.M.R. Title 12, Subtitle G.

<sup>7</sup> Currently, D.C. Official code § 47-2862(a)(1)(D) prohibits the issuance of a license or permit where an applicant owes excessive outstanding fines under D.C. Law 6-42, the "Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985," effective October 5, 1985 (D.C. Official Code § 2-1801.01 *et seq.*). This Act broadly establishes the procedures for administrative Notices of Infraction, such as those issued by the Department of Buildings for violations of the Housing Code or Property Maintenance Code.

The example above highlights a landlord with a large portfolio; still, we question whether even similarly situated small landlords should be given the reprieve offered by this legislation.

***Exclusion that appears to swallow the rule***

Starting at line 28, the bill adds a new exclusion from the definition of “license” and “permit”<sup>8</sup> as it relates to Clean Hands requirements. Specifically, the bill excludes “any occupational or business license issued pursuant to §§ 47-2801 through 47-2853.224; §§ 47.2883.01-47-2889.08; and Title 3 of the District of Columbia Official Code.”

While of course our paramount concern is housing providers<sup>9</sup> and property managers,<sup>10</sup> this new exclusion appears to swallow the rule by sweeping away Clean Hands certification requirements *in toto* for all occupations and professions listed under Title 3 and Chapter 28 of Title 47. It does so without regard to the type of debt owed to the District or any change in the debt threshold.

It is unclear which, if any, occupations or professions would remain subject to the Clean Hands requirements. Therefore, this exclusion appears to be squarely at odds with the bill’s increase to the debt threshold. Indeed, it seems to negate the latter relief.

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<sup>8</sup> D.C. Official Code § 47–2861(2).

<sup>9</sup> D.C. Official Code § 47–2828.

<sup>10</sup> D.C. Official Code § 47–2853.141-143.

***Recommendation***

Accordingly, we recommend that the Committee consider eliminating the bill's new exclusion provision, pending a discussion about its rhymes and reasons in light of the debt threshold provisions. We look forward to continuing the conversation with the Committee about this and other points raised in this testimony.

***Conclusion***

Thank you, Chairperson McDuffie and members of the Committee, for considering this testimony.