

JEROME MANAGEMENT, INC. v. D.C. RENTAL HOUSING COMMISSION AND WALKER v. D.C. RENTAL HOUSING COMMISSION, 682 A.2nd 178 (1996) (Combined)

Court: D.C. Court of Appeals, opinion by Wagner, C.J.

Judicial History: Housing provider and renter filed petitions to review decisions of Rental Housing Commission in dispute over rent increase.

Facts: Jerome Management, Inc. (Jerome) challenged decisions and orders of the D.C. Rental Housing Commission (the Commission) holding that its tenant, Lydia Walker, was not bound by certain terms of a voluntary settlement agreement, upholding the award of rent refunds for overcharges to Walker, and dismissing Jerome's hardship petition in a separate proceeding after the administrative agency lost documents which Jerome submitted in support of its claim at a contested hearing. Jerome also argued that assuming Walker was entitled to a refund, no interest should be awarded for any period later than the hearing examiner's decision. Walker also filed a petition for review of the Commission's decision denying her treble damages, attorney's fees, and a higher rate of interest on the monetary award.

Holding: The Court of Appeals held that: (1) Commission's determination that tenant who had not been provided with requisite notice and opportunity to object to voluntary agreement to increase rent had right to challenge that portion of agreement purporting to relinquish tenant's individual rights to claim for rent overcharges was not unreasonable or contrary to controlling statute; (2) Commission's loss of documents submitted by housing provider did not relieve provider of its burden to establish that expense data cited in hardship petition was accurate; (3) provider was required to pay interest to renter on refund until date of Commission's final decision upholding hearing examiner's refund; and (4) Commission did not abuse its discretion in applying fixed rate of interest from time housing provided stopped overcharging rent until date Commission affirmed hearing officer's refund.

Reasoning: (1) A housing provider who seeks an adjustment in rent levels through a hardship petition has the burden of proof. In this case, the housing provider could produce no evidence to meet the burden at the *de novo* hearing. Therefore, the hearing examiner had no basis upon which to determine whether Jerome's position was supported. (2) Citing holdings in previous cases, the Court determined that "interest should be awarded on the damages incurred from the time [an item in leased premises] became inoperable until the present, not just for the ... months during which the loss ... occurred".

Decision: Affirmed.