SUMMARY OF SECTION 15'S
PROPOSED RENTAL HOUSING COMMISSION
GUIDELINES FOR IMPLEMENTING RENT AND RENT CEILING ADJUSTMENTS
UNDER THE RENTAL HOUSING ACT OF 1985

The Rental Housing Act of 1985 and the Regulations adopted under that Act by the Rental Housing Commission impose numerous procedural requirements for the implementation of rent ceiling adjustments and rent increases. These requirements include filing appropriate documents with the Rental Accommodations and Conversion Division to report that adjustments have been taken, giving notice to affected tenants, and complying with rules related to the timing of rent increases and rent ceiling adjustments.

These requirements can become quite complex. Those who must deal with these requirements on a day-to-day basis, for example, property managers, owner-operators of rental properties, and tenants, need help in understanding what these requirements are. Although the Rental Housing Commission has adopted Regulations detailing many of the procedural requirements, these are written in "legalese" and are difficult for laypersons to comprehend.

Therefore, the Rental Housing Committee of Section 15 has developed "Guidelines for Implementing Automatic and Vacancy Adjustments to Rents and Rent Ceilings Under the Rental Housing Act of 1985, D.C. Law 6-10." These Guidelines explain in plain English what procedures are required for implementing the two most common types of rent ceiling adjustments under the Rental Housing Act: the automatic annual rent ceiling adjustment based on the change in the Consumer Price Index, and the adjustment that can be taken when an apartment is voluntarily vacated and then re-rented. The Guidelines include several "check lists", summarizing the required procedures for selected types of adjustments on a step-by-step basis. The Guidelines also include annotations to the Act, Regulations, and decisions of the Rental Housing Commission and Court of Appeals; the Guidelines are intended to reflect what the law requires, not any judgment about the wisdom of the requirements.

Section 15 intends to present these Guidelines to the Rental Housing Commission for its consideration. If the Commission finds the Guidelines acceptable, perhaps after some modifications to them are made, Section 15 proposes to develop a plan to publish the Guidelines under the joint sponsorship of the Commission and the Bar.
GUIDELINES FOR IMPLEMENTING AUTOMATIC AND VACANCY
ADJUSTMENTS TO RENTS AND RENT CEILINGS
UNDER THE RENTAL HOUSING ACT OF 1985, D.C. LAW 6-10

INTRODUCTION

1) Purpose.

The purpose of these guidelines is to describe for
tenants and housing providers the basic procedures for making
the two most common types of adjustments to rental charges and
to rent ceilings under the Rental Housing Act of 1985, D.C. Law
6-10 (this law is referred to in these guidelines as "the 1985
Act"). These guidelines, which cover so-called "automatic"
adjustments and so-called "vacancy" adjustments, explain when
rents and rent ceilings may be adjusted and how the adjustment
is carried out, that is, what documents the housing provider
(which is what the 1985 Act calls the landlord) must file and
what notices the housing provider must give to the tenants.

These guidelines are based on the 1985 Act and the
regulations that have been issued up to this time by the Rental
Housing Commission under the 1985 Act (the Rental Housing
Commission is referred to in these guidelines as the "RHC" and
its regulations are referred to as the "Regulations").

2) Rents and Rent Ceilings.

The 1985 Act covers both rents and rent ceilings. To
understand the requirements of the 1985 Act it is important to

The views expressed herein represent only those of the Real Estate,
Housing and Land Use Section of the District of Columbia Bar and not
those of the D.C. Bar or of its Board of Governors.
remember that rents and rent ceilings are not always the same. 1/

The rent is what the housing provider actually charges the tenant for the right to occupy a rental unit and to obtain any services and facilities that go along with that right of occupancy. 2/

The rent ceiling is the upper limit or cap the 1985 Act places on the amount a housing provider can charge a tenant for a rental unit. 3/

The rent charged by a housing provider for a rental unit may be less than the rent ceiling, but the rent charged cannot legally be more than the rent ceiling. 4/

The rules for adjusting rents differ from those for adjusting rent ceilings. Because of this, these guidelines discuss the two sets of rules separately. For clarity, these guidelines refer to the rent charged to a tenant as the rent charged to distinguish it from the rent ceiling. Part A below discusses the rules governing adjustments to the rent charged. Part B discusses the rules governing the two main types of

1/ See Afshar v. District of Columbia Rental Housing Comm'n, 504 A.2d 1105 (D.C. 1986); RHC Reg. § 4200.

2/ 1985 Act, § 103(28).


adjustments to rent ceilings. Part C contains checklists summarizing the rules for rent and rent ceiling adjustments under certain commonly-encountered circumstances.

These guidelines use the word "adjustment" to refer to changes in the rent charged or in the rent ceiling. Such an adjustment may be up or down, that is, the rent charged or the rent ceiling may be raised or lowered. The same rules generally apply to both upward and downward adjustments.

A. ADJUSTMENTS TO THE RENT CHARGED

There are six basic rules governing when and how a housing provider may adjust the rent charged to a tenant for a rental unit.

1. The housing provider must have complied with the registration and licensing requirements of the 1985 Act.

A housing provider must have satisfied the registration and licensing requirements of the 1985 Act before taking any increase in the rent charged. (The details of the registration and licensing requirements are beyond the scope of these guidelines.)

5/ RHC Reg. §§ 4200.5; 4200.7.

6/ RHC Reg. § 4205.5(b).
2. The rent charged may not be higher than the rent ceiling for the rental unit. 7/

As stated above, the rent charged may never legally exceed the rent ceiling. Therefore, a housing provider cannot legally increase the rent charged unless, at the time the rent increase goes into effect, the rent ceiling is equal to or higher than the amount of the new rent charged. 8/ Likewise, if the rent ceiling is lowered so that it becomes lower than the rent charged, the housing provider must lower the rent charged immediately. 9/

3. A housing provider may not adjust the rent charged for a rental unit until 180 days have passed since the previous rent adjustment for that rental unit. 10/

The 1985 Act requires that there be a gap of at least 180 days between rent increases for a particular rental unit.

7/ 1985 Act, § 206; RHC Reg. § 4200.1.

8/ RHC Reg. § 4204.11.

9/ 1985 Act, § 206(d); RHC Reg. § 4204.12; see also Interstate General Corp. v. District of Columbia Rental Housing Comm'n, 501 A.2d 1261 (D.C. 1985). If the housing provider charges rent in excess of the rent ceiling, he may be required to refund the excess rent to the tenant, and perhaps three times that amount if he acted in bad faith. E.g., Osburn v. Charles E. Smith Mgmt Co., T/P 11,924 (RHC, June 11, 1986); Guerra v. Shannon & Luchs Co., T/P 10,939 (RHC, Apr. 2, 1986); Ponte v. Flasar, T/P 11,609 (RHC, Jan. 29, 1986). The question of refunds is beyond the scope of these guidelines.

10/ 1985 Act, § 208(g); RHC Reg. § 4205.5.
There are three important aspects to this rule. First, it applies to how frequently the rent may be adjusted for a particular rental unit, not for a particular tenant. Thus, if a rental unit received a rent adjustment during the prior 180 days, it cannot be given another rent adjustment until the full 180-day waiting period has passed, even though a new tenant may now occupy the unit. Second, this rule only applies to when the rent charged may be adjusted. There is no such rule governing when the rent ceiling may be adjusted (adjustments to rent ceilings are discussed in Part B below). Third, the 180 days is counted from the last adjustment in rent charged, not from the last adjustment in the rent ceiling. Therefore, if there has been no change in the rent charged for a rental unit during the previous 180 days, this rule would not prevent a rent adjustment from being made, even if there had been an adjustment in the rent ceiling during the 180-day period. (Remember: the rent ceiling of a rental unit may be adjusted without any change being made in the rent charged at that time. 11/)

4. Rent may not be adjusted in violation of a lease. 12/

11/ RHC Reg. § 4204.11.
12/ 1985 Act, § 208(e).
If the housing provider and tenant have signed a lease that fixes the amount of rent for a rental unit for a stated period of time, then the housing provider cannot raise the rent above the amount fixed in the lease for that stated period of time. If the lease is by the month, then a rent adjustment is not in violation of the lease and is not prevented by this rule. Likewise, if the lease contains a valid rent escalation clause, and the escalated rent does not violate the rent ceiling, and proper notice has been given to the tenant, as described below, then such a rent adjustment is not prevented by this rule. 13/

5. The housing provider must give the tenant a 30-day written notice of the adjustment and simultaneously file a copy of the notice with the RACD. 14/

Before any adjustment to the rent charged is put into effect, the tenant must be given a written notice of the adjustment at least 30 days prior to it taking effect. The notice may be hand delivered to the tenant or it may be mailed by first class mail at least 30 days before the effective date.


14/ 1985 Act, § 904(b); RHC Reg. § 4205.4; but see Osburn v. Charles E. Smith Mgm't Co., T/P 11,924 (RHC, June 11, 1986) (discussing circumstances when a notice may not be required).
of the adjustment in the rent charged. 15/ The notice of rent adjustment must at least provide the following information:
(a) the percentage amount of the rent adjustment, (b) the new rent amount, (c) the date the new rent is due, (d) the date and authorization for the most recent rent ceiling adjustment, 16/
(e) the current rent ceiling for the unit, and (f) a certification by the housing provider of substantial compliance with the housing code. 17/ 18/ A copy of the rent increase

15/ 1985 Act, § 904(a).

16/ SECTION 15 COMMENT: RHC Reg. § 4205.4(a) refers to "the most recent rent ceiling adjustment taken and perfected pursuant to § 4204.9." Section 4204.9 applies to adjustments other than adjustments of general applicability. If the Commission means that the notice should give the date and authorization of the most recent adjustment of whatever type, then the phrase "or § 4204.10" should be added at the end of § 4205.4(a).

There is a defect in the RACD form for notifying tenants of rent increases associated with the 1986 automatic annual rent ceiling adjustment, in that it does not provide a space to indicate the date and authorization of the most recent rent ceiling adjustment. Because the Regulations clearly require that this information be included in a rent increase notice, we recommend that the form be amended to provide a space for this information.

17/ 1985 Act, §§ 208(f), 904(b); RHC Reg. § 4205.4.

18/ SECTION 15 COMMENT: While Sections 208(f) and 904(b) of the 1985 Act do not require that all of these items be included in the notice, the RHC Regulations do so require. The Commission may wish to reconsider whether all of these items should be required in every rent increase notice. See generally Huff v. District of Columbia Rental Housing Comm’n, D.C. App. 84-251 (Mem. Opn., Jan. 10, 1985) (unpublished) (the

[Footnote continued]
notice must be filed with the Rental Accommodations and Conversion Division ("RACD"), the government agency that administers rent control, at the same time it is given to the tenant. 19/ 20/

18/ [Footnote continued]

statutory requirements for a rent increase notice apply only to increases based on the automatic annual rent ceiling adjustment or a hardship petition).

19/ RHC Reg. § 4205.4(d).

20/ SECTION 15 COMMENT: We understand that RACD finds that this requirement imposes a substantial administrative burden on it, because of the volume of such notices that it is required to receive, receipt for, and store. The Commission may wish to consider whether the information provided to RACD through the filing of rent increase notices is sufficiently important to the administration of the rent control law to justify the burdens this causes. The filings required by the 1985 Act and the Regulations, such as Amended Registration Forms and Certificates of Election, should be sufficient to allow RACD to monitor changes in rent ceilings. The requirement that rent increase notices be filed is presumably intended to make it possible for RACD to monitor changes in the rent charged, as well (if RACD had the administrative capability of handling the information); if rent increase notices are not routinely filed with RACD, housing providers could nevertheless be required to produce them on a case-by-case basis whenever particular rent increases are challenged.

If the Commission feels that it is essential that RACD receive the information provided by the rent increase notices, it might nevertheless reduce the paper work burden for RACD by amending the Regulations to permit housing providers to file only a specimen copy of the rent increase notice, together with (except for rent increases taken simultaneously with the automatic annual rent ceiling adjustment) a listing of the apartments that are having their rents raised and the amount of the old and new rent charge for each (this latter information is already provided in the Certificate of Election for rent increases taken at the same time as the automatic annual rent ceiling adjustment).
The notice of an adjustment of the rent charged may be combined with a notice of an adjustment of the rent ceiling; if this is done, the housing provider must also comply with the requirements for notifying the tenants of a rent ceiling adjustment described in Part B of these guidelines.

When the rent charged for an apartment is increased at the time a new tenant begins his or her tenancy, a 30-day notice is not required. 21/

6. Rent may not be increased for any rental unit unless the unit and the common areas of the building are in substantial compliance with the Housing Regulations. 22/

The 1985 Act makes substantial compliance with the housing code an absolute prerequisite for increasing the rent charged for a rental unit (unless the noncompliance is the result of tenant neglect or misconduct). Compliance with the housing code is not a prerequisite for increasing the rent ceiling of a rental unit; however, if, at the time the rent ceiling is adjusted, the unit or common areas are not in substantial compliance with the housing code, the increase in

21/ SECTION 15 COMMENT: The Regulations could be construed to require that even new tenants be given a 30-day rent increase notice. See RHC Reg. §§ 4205.4(a) and 4207.5. We do not believe that the Commission intends to require such notice and recommend that the Regulations be amended to clarify that no notice is required under these circumstances. See Osburn v. Charles E. Smith Mgm't Co., T/P 11,924 (RHC, June 11, 1986).

22/ 1985 Act, § 208(a)(1)(A); RHC Reg. § 4205.5(a).
the rent charged must be delayed until the unit and common areas are brought into substantial compliance. 23/

B. ADJUSTMENTS TO THE RENT CEILING

1) Kinds of Rent Ceiling Adjustments.

There are two main kinds of rent ceiling adjustment. First, there are building-wide rent ceiling adjustments. These apply to all rental units in a housing accommodation (a housing accommodation may be a single family house, an apartment building containing a number of apartments, a project made up of several buildings, etc. 24/). A rent ceiling adjustment is building-wide even if the rents charged are not adjusted for all units at the same time.

There are several different types of building-wide rent ceiling adjustments:

(1) automatic annual rent ceiling adjustments to reflect changes in the Consumer Price Index,

(2) hardship rent ceiling adjustments, if approved by the RACD, and

(3) other building-wide rent ceiling adjustments approved or certified by the RACD for the particular housing accommodation on account of capital improvements, increases or decreases in the services and facilities provided to the tenants and covered by the rent, substantial rehabilitation, or voluntary agreement between


the housing provider and at least 70% of the tenants.

These guidelines only cover the rules for building-wide rent ceiling adjustments of type (1), the automatic annual adjustment. The rules for the other types of building-wide rent ceiling adjustments, items (2) and (3) above, are sometimes different from the rules for automatic annual rent ceiling adjustments; housing providers and tenants should consult the 1985 Act and Regulations for such rules. 25/

The second main kind of rent ceiling adjustment applies to individual apartments that have become vacant and are being re-rented to new tenants. There are two types of vacancy rent ceiling adjustments:

(1) an adjustment to equal the rent ceiling of a substantially identical rental unit in the same housing accommodation, or

(2) a 12 percent increase in the rent ceiling of the vacated rental unit.

The procedures for taking the automatic annual rent ceiling adjustment and the two kinds of vacancy rent ceiling adjustment are discussed below.

25/ SECTION 15 COMMENT: The rules for implementing hardship petition increases, other rent ceiling adjustments by petition, and adjustments through voluntary agreements, are quite complex and their inclusion would lengthen these guidelines substantially. Because these types of adjustment are less common than are automatic and vacancy adjustments, we recommend they be covered in separate guidelines, and we would be happy to suggest such guidelines if the Commission thinks that would be useful.
2) Automatic Annual Rent Ceiling Adjustment.

Each year a housing provider is allowed to adjust the rent ceilings of all rental units in a housing accommodation by an amount based on the change in the Consumer Price Index (CPI) for the Washington Metropolitan Area during the previous calendar year. 26/ This increase is commonly called the "automatic increase" and may not be more than 10 percent. The RHC calculates the percentage amount of this automatic annual rent ceiling adjustment each year, and the results of its calculations are required to be published in the District of Columbia Register prior to March 1st of each year. 27/

The automatic annual rent ceiling adjustment for each year is available to housing providers not earlier than May 1 of each year. For each housing accommodation, the automatic annual rent ceiling adjustment may not be taken until 12 months have passed since the previous automatic annual rent ceiling adjustment was taken for that housing accommodation (or until 12 months have passed since a hardship rent ceiling adjustment was taken for that accommodation). 28/ The date on which the next automatic annual rent ceiling adjustment can be taken

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26/ 1985 Act, 206(b); RHC Reg. § 4206.2.


28/ 1985 Act, § 206(b); RHC Reg. § 4206.3.
(that is, the date 12 months after the most recent automatic or hardship rent ceiling adjustment) is called the "Anniversary Date".

To take the automatic annual rent ceiling adjustment, the housing provider must file a "Certificate of Election of Adjustment of General Applicability" with the RACD and post a copy of the Certificate in a public place in the building. Both filing and posting must be done no later than 30 days following the date the rent ceiling adjustment goes into effect (usually the Anniversary Date). 29/ If the housing provider wishes to do so, he may mail a copy of the Certificate to the tenants of the accommodation instead of posting the Certificate; if the housing provider chooses to mail, rather

29/ SECTION 15 COMMENT: The Regulations are ambiguous as to whether the Certificate must be filed and posted on or before the effective date of the adjustment or within 30 days thereafter. One section provides that "the date of perfection [of an adjustment of general applicability] shall be the date on which the posting [sic] provider satisfies the notice requirements [of] § 4101.6." RHC Reg. § 4206.4. This suggests that the Certificate must be filed and posted on the effective date of the increase. On the other hand, RHC Reg. § 4204.10 provides that the Certificate "shall . . . be filed and served within 30 days following the date when the housing provider is first eligible to take the adjustment." This latter section could be interpreted to mean either that the Certificate must be filed within 30 days after the adjustment is taken, or that if the automatic ceiling increase is not taken within 30 days after the Anniversary Date, it is lost for that year. The Certificate form itself provides that it is to be filed within 30 days after the effective date of the rent ceiling adjustment; if that reflects the Commission's intention, we recommend that §§ 4204.10 and 4206.4 be amended to make that intention clear.
than post, he must mail the certificate to all tenants of the accommodation, even those whose actual rents are not being increased at that time. 30/

The housing provider may increase the rent charged at the same time he takes the automatic rent ceiling adjustment for any rental unit where the requirements described in Part A above have been met. If those requirements are not met at the time the automatic rent ceiling adjustment is taken, or if the housing provider chooses not to increase the rent charged at the time the automatic rent ceiling adjustment is taken, he does not forfeit the right to the increase in the rent charged, but can adjust the rent charged at a later time in accordance with the guidelines set forth in Part A above. 31/

3) Rent Ceiling Adjustments to Individual Units Upon Re-rental.

When a rental unit is vacated by a tenant, either on the tenant's own initiative or as a result of a notice to vacate for non-payment of rent (or for certain other causes permitted by the 1985 Act), the housing provider may adjust the rent ceiling for that unit in one of two ways. The housing provider may increase the rent ceiling of the vacated rental unit by 12 percent (this is called the "12 percent vacancy

30/ RHC Reg. §§ 4101.6, 4204.10.
31/ RHC Reg. §§ 4204.11, 4206.3, 4206.4.
adjustment"), or he may increase the rent ceiling of the vacated apartment up to the rent ceiling of a substantially identical rental unit in the same housing accommodation (this is called the "highest comparable adjustment"). 32/ The 1985 Act defines "substantially identical rental units" as units that:

1) contain essentially the same square footage;
2) contain essentially the same floor plan;
3) contain comparable amenities and equipment;
4) have comparable locations with respect to exposure and height, if exposure and height have previously been factors in the amount of rent charged; and
5) are in comparable physical condition. 33/

The 12 percent vacancy rent ceiling adjustment may only be taken once in any 12-month period for any rental unit, no matter how many times the unit is vacated and re-rented. 34/ In contrast, the highest comparable adjustment to the rent ceiling may be taken any time an apartment becomes vacant provided that there is at that time a substantially identical unit in the housing accommodation with a rent ceiling

32/ 1985 Act, § 213(a); see Marshall v. Wm. J. Davis Realty, Inc., T/P 10,185 (RHC, May 21, 1986).

33/ 1985 Act, § 213(b); RHC Reg. § 4207.

34/ 1985 Act, § 213(a)(1).
higher than the vacated apartment's rent ceiling. 35/ If, at the time the vacated apartment is re-rented, fewer than 12 months have passed since that apartment received a 12 percent vacancy increase to the rent ceiling, then the housing provider may not take another 12 percent vacancy rent ceiling adjustment, but the housing provider may take a highest comparable rent ceiling adjustment if there is a substantially identical rental unit in the housing accommodation that has a higher rent ceiling. (As discussed in Part A, before the rent charged may be increased, 180 days must pass since the previous increase in the rent charged for the rental unit.) In addition, no vacancy rent ceiling increase of either kind can be taken for the year following a hardship petition rent ceiling increase. 36/

The effective date of the vacancy rent ceiling adjustment is determined by the housing provider and must be no earlier than the date the apartment was vacated and no later than the date the apartment is re-rented. Within the 30 days following the date the rent ceiling adjustment becomes effective, the housing provider must file with the RACD an amendment to his or her registration form showing the adjusted rent ceiling for the vacant unit and must post the amendment at

36/ 1985 Act, § 213(c); RHC Reg. 4207.3.
the apartment building or mail it to all of the tenants in the building. 37/

If the requirements described in Part A above are satisfied at the time the vacated rental unit is re-rented, the housing provider can adjust the rent charged at the beginning of the new tenant's tenancy. 38/ If, on the other hand, the requirements of Part A have not been satisfied (for example, if fewer than 180 days have passed since the previous rent increase for that rental unit), or if the housing provider does not want to increase the rent for the rental unit at that time, the housing provider may defer the increase in the rent charged and only increase the rent ceiling at that time. Later, when the rent charged is raised, a copy of the 30-day notice of

37/ SECTION 15 COMMENT: The filing and posting (or mailing) of the amendment is apparently what the Commission is referring to as "perfecting" a vacancy rent ceiling increase in RHC Reg. §§ 4103.1, 4204.9, 4207.5, 4207.6. Ambiguity is created because § 4103.1(e) states that an amendment should be filed within 30 days of the vacancy "rent increase" rather than the "rent ceiling increase", whereas the RACD's Amended Registration Form provides no place to report changes in rent charged, but only changes in the rent ceiling. If the Commission intends that Amended Registration Forms are to be filed after vacancy rent ceiling adjustments and not after vacancy increases in the rent charged, we recommend that § 4103.1(e) be appropriately amended. If the Commission intends to require amendments to be filed after vacancy rent increases, we suggest the Amended Registration Form be corrected.

increase served on the tenant must be filed with RACD, as explained in Part A.

C. CHECKLISTS FOR SELECTED TYPES OF RENT AND RENT CEILING ADJUSTMENTS

NOTE: These checklists only cover the rent control requirements for rent and rent ceiling adjustments. Rent increases must also comply with any requirements of any lease or rental agreement.

1) Automatic Annual Adjustment

I. Procedure when the rent charged and the rent ceiling are adjusted simultaneously:

A. Calculate the new rent ceiling for each rental unit based on the percentage amount of the annual adjustment for the year in question, as determined by RHC and published in the D.C. Register.

B. Determine the Anniversary Date, that is, the date that is twelve (12) months after the effective date of the previous automatic or hardship rent ceiling adjustment for the housing accommodation; the automatic rent ceiling adjustment may not go into effect before the Anniversary Date.

C. Determine that, as of the date the rent increase will go into effect, the following rent increase requirements will be satisfied:

   (i) for each apartment that will have its rent increased, 180 days will have passed since the rent of the apartment was last adjusted;

   (ii) the rental unit and common areas are in substantial compliance with the Housing Regulations;

   (iii) the housing accommodation is properly registered and licensed;

   (iv) the increased rent charged will be no greater than the new rent ceiling.
D. At least 30 days before the effective date of the rent increase, serve a Notice of Rent Increase on each tenant whose rent is to be increased and file a copy of the Notice with RACD.

E. Within 30 days after the effective date of the rent ceiling adjustment, file with RACD the Certificate of Election of Adjustment of General Applicability and either post a copy of it in a public place in the housing accommodation or mail a copy to each tenant.

II. Procedure when only the rent ceiling is being adjusted, with no change in the rent charged:

A. Calculate the new rent ceiling for each rental unit based on the percentage amount of the annual adjustment for the year in question, as determined by RHC and published in the D.C. Register.

B. Determine the Anniversary Date, that is, the date that is twelve (12) months after the effective date of the previous automatic or hardship rent ceiling adjustment for the housing accommodation; the automatic rent ceiling adjustment may not go into effect before the Anniversary Date.

C. Within 30 days after the effective date of the rent ceiling adjustment, file with RACD the Certificate of Election of Adjustment of General Applicability and either post a copy of it in a public place in the housing accommodation or mail a copy to each tenant.

III. Procedure when the rent charged is increased after the automatic rent ceiling adjustment is taken:

A. Determine that, as of the date the rent increase will go into effect, the following rent increase requirements will be satisfied:

   (i) for each apartment that will have its rent increased, 180 days will have passed since the rent of the apartment was last increased;

   (ii) the rental unit and common areas are in substantial compliance with the Housing Regulations.
(iii) the housing accommodation is properly registered and licensed;

(iv) the increased rent charged will be no greater than the rent ceiling.

B. At least 30 days before the effective date of the rent increase, serve a Notice of Rent Increase on each tenant whose rent is to be increased and file a copy of the Notice with RACD.

2) Vacant Unit Adjustment

I. Procedure when the rent charged and the rent ceiling are adjusted simultaneously:

A. Calculate the new rent ceiling of the rental unit by either (i) increasing the rent ceiling of the vacant rental unit by 12% (provided that the rental unit did not receive a 12% vacancy increase during the previous 12 months); or (ii) increasing the rent ceiling to the rent ceiling of a substantially identical unit in the same housing accommodation.

B. Determine that, as of the date the new tenancy begins and the rent increase goes into effect, the following rent increase requirements will be satisfied:

   (i) 180 days will have passed since the rent of the apartment was last increased;

   (ii) the rental unit and common areas are in substantial compliance with the Housing Regulations;

   (iii) the housing accommodation is properly registered and licensed; and

   (iv) the increased rent charged will be no greater than the new rent ceiling.

C. Within 30 days after the effective date of the rent ceiling adjustment, file with RACD an Amended Registration Form reporting the new rent ceiling and either post a copy of it in a public place in the housing accommodation or mail a copy to the tenant.
II. Procedure when only the rent ceiling is being adjusted for vacancy, with no change in the rent charged:

A. Calculate the new rent ceiling of the rental unit by either (i) increasing the rent ceiling of the vacant rental unit by 12% (provided that the rental unit did not receive a 12% vacancy increase during the previous 12 months); or (ii) increasing the rent ceiling to the rent ceiling of a substantially identical unit in the same housing accommodation.

B. Within 30 days after the effective date of the rent ceiling adjustment, file with RACD an Amended Registration Form reporting the new rent ceiling and either post a copy of it in a public place in the housing accommodation or mail a copy to the tenant.

III. Procedure when the rent charged is increased after the vacancy rent ceiling adjustment is taken.

A. Determine that, as of the date the rent increase will go into effect, the following rent increase requirements will be satisfied:

(i) 180 days will have passed since the rent of the apartment was last increased;

(ii) the rental unit and common areas are in substantial compliance with the Housing Regulations;

(iii) the housing accommodation is properly registered and licensed; and

(iv) the increased rent charged will be no greater than the rent ceiling.

B. At least 30 days before the effective date of rent increase, serve a Notice of Rent Increase on the tenant and file a copy of the Notice with RACD.