SUPERIOR COURT OF THE DISTRICT OF COLUMBIA Civil Division

DISTRICT OF COLUMBIA,	
Plaintiff, v.	Civil Action No. 2021 CA 000511 B Judge Juliet J. McKenna
NEW BETHEL BAPTIST CHURCH HOUSING CORPORATION, INC. et al	sudge suner strictionid
Defendants.	

SECOND AMENDED ORDER APPOINTING TENANT RECEIVER

This matter came before the Court for a multi-day evidentiary hearing, which concluded on April 13, 2023, on the District of Columbia's (the "District") Opposed Second Motion to Appoint a Receiver for 801 Rhode Island Avenue NW, Washington, D.C. (the "Property" or "Foster House Apartments"). Based upon the evidence submitted with the District's Motion, the record in this case, as well as the evidence presented in connection with the evidentiary hearing, the Court grants the District's request to appoint a Receiver, after finding "a pattern of neglect for the [Property] for a period of 30 consecutive days and such neglect poses a serious threat to the health, safety, or security of the tenants." D.C. Code § 42-3651.02(b). The Court separately finds that the Property has been cited by the Department of Consumer & Regulatory Affairs ("DCRA") for violations of the District of Columbia Municipal Regulations, such violations pose a serious threat to the health, safety, or security of the tenants, and Defendant New Bethel Baptist Church Housing Corporation, Inc. ("New Bethel" or "Defendant") has failed to timely abate the violations. *Id.* § 42-3651.02(a).

During the evidentiary hearing on the District's Opposed Second Motion to Appoint a Receiver, the parties agreed that any relief ordered by the Court would be against New Bethel and not Evergreen 801 RI Apartments ("Evergreen 801").

The Court has jurisdiction over the subject matter of this case pursuant to D.C. Code § 11-921. This Court has jurisdiction over Defendant pursuant to D.C. Code § 13-423. The Court also has jurisdiction over the Property, an apartment building with 76 total units located in the northwest quadrant of Washington, D.C., that is owned and operated by New Bethel.

IT IS THEREFORE ORDERED that AVCO Interests LLC (the "Receiver"), a limited liability company organized under the laws of the District of Columbia, is hereby appointed receiver for the Property, and acting through its designee and agent William L. Slover, Jr., and shall have all powers and duties as conferred in D.C. Code § 42-3651.06, with directions and authority to accomplish the following, in accordance with the terms of this Order and subject to the supervision of this Court:

- 1. During the term of this Order, the Receiver is the sole person responsible for abating D.C. Code violations, as specified below, and any threats to life, health, safety, and security at the Property.
- As part of their duties, the Receiver will ensure compliance with the D.C. Housing and Property Maintenance Code (1 through 16 of Title 14 of the District of Columbia Municipal Regulations or Titles 12A-12L of the District of Columbia Municipal Regulations), the D.C. indoor mold law (D.C. Code §§ 8-241.01-241.09), and regulations (20 DCMR §§ 3200-3299), and the Lead-Hazard Prevention and Elimination Act of 2008 (the "LHPEA", D.C. Code § 8-231.01, et seq.) at the Property.
- 3. The Receiver shall take all actions that are reasonable and necessary to abate violations of the District of Columbia Housing and Property Maintenance Code and indoor mold law and regulations that currently exist or may exist in the future at the Property while this Order is in effect. If the Receiver determines that renovation of the Property is necessary to abate D.C. Code violations and threats to life, health, safety and security at the Property, the Receiver shall oversee all necessary renovations. The Receiver shall be required to abide by all District of Columbia laws, including, when necessary, acquiring licenses and permits for work performed.
- 4. It is understood that for purposes of this Order, "threats to life, health, safety, and security" include, but are not limited to: mold; water leaks, water intrusions and water damage; infestation; defective boilers and radiators; vermin infestation and unsanitary conditions; asbestos hazards; inoperable fire alarm and protection systems; structural issues, electrical issues; and elevator issues.
- 5. The Receiver and their agents are authorized to access any part of the Property while this Order is in effect, as well as to provide the District, or the District's agents, and Defendant's agents access to the Property.
- 6. The Receiver is authorized to retain and employ such agents, employees, and contractors, including members and employees of the Receiver's firm, as may in the Receiver's judgment be appropriate or necessary to assist in the performance of their duties under this Order. All such agents, employees, contractors, and the Receiver shall provide proof of liability and workmen's compensation insurance, naming New Bethel as additional insureds, prior to performing any work at the Property.
- 7. The Receiver is authorized to make such payments and disbursements as may be appropriate under the terms of this Order.
- 8. The Receiver is authorized to collect all rents and payments from tenants at the Property, the Department of Housing and Urban Development ("HUD"), or any other entity, subject to the exception below, and use those funds, in addition to other funds from Defendant called for under this Order, in carrying out their responsibilities under this Order. The Receiver is not authorized to collect rents from the lessees of the cell towers that occupy the roof of the Foster House Apartments. Further, the Receiver may not do anything

that will interfere with the cell tower lessees' right to quiet enjoyment, including, but not limited, to, taking any actions that would impact the cell tower lessees' right of access to the rooftop of the Foster House Apartments.

- 9. The Receiver shall be responsible for the administration of the temporary relocation of tenants at the Property for the purpose of abating violations of the District of Columbia Housing and Property Maintenance Code and indoor mold law and regulations, including for those tenants who are currently relocated. The tenants shall either be temporarily relocated in units at the Property or to a hotel or other apartment building. The relocated unit shall be comparable in size and amenities to their current unit at the Property. Defendant shall bear any costs associated with relocation, including moving and storage costs, parking, and any difference in rent and utility costs due to relocation.
- 10. The Receiver shall be responsible for all actions necessary to implement the permanent relocation of the tenants pursuant to the abatement if the property from the Department of Housing and Urban Development Housing Assistance Program, including all necessary cooperation with HUD, the District of Columbia Housing Authority, and any other involved agencies in connection with the ongoing tenant relocations process.
- 11. The Receiver shall be responsible for the owner requirements related to the administration of certifications, recertifications, and relocation of tenants required by HUD.
- 12. The Receiver is authorized to receive reasonable compensation, including reimbursement for actual out-of-pocket expenses incurred, for fulfilling their duties under this Order, subject to approval by this Court. The Receiver may apply by noticed motion for payment of their reasonable compensation from the funds provided under this Order by the Defendant. Absent further approval by the Court, such compensation shall not exceed payment at a rate of \$350 per hour for no more than eighty (80) hours of work to conduct an initial assessment for the purposes of completing a plan as described in paragraphs 16 and 17 of this Order.
- 13. Except for gross negligence or intentional wrongdoing in carrying out the receivership, the Receiver shall not be liable for any loss or damage incurred by New Bethel or their representatives, agents, attorneys, or those persons in active concert or participation with them, by reason of any act performed or omitted to be performed by the Receiver in connection with the discharge of their duties and responsibilities under this Order.
- 14. The Receiver may apply for grants and subsidies for the relief of distressed properties to the same extent as New Bethel, in accordance with D.C. Code § 42-3651.06(h).

IT IS FURTHER ORDERED that:

- 15. Within five (5) days of entry of this Order, the Receiver shall provide the Court and the parties with an Emergency Assessment and Plan that addresses:
 - a. Repairs necessary to restore or install a fully functioning fire alarm system in the Property;

- b. The assignment of security personnel and other safety measures recommended or required by the Fire and Emergency Management Systems Fire Watch Implementation Procedures until a fully functioning fire alarm system is in place in the Property.
- 16. Within twenty-one (21) days of entry of this Order, the Receiver shall provide the Court and the Parties with an Initial Assessment and Plan that includes:
 - a. An assessment of the threats to health and safety that must be immediately addressed to stabilize conditions at the Property and address the exigent threats;
 - b. The estimated costs for the repairs needed to stabilize the exigent conditions at the Property, including estimates from licensed contractors wherever possible;
 - c. A projected timeline for the completion of repairs to the Property.
- 17. Within thirty (30) days of entry of this Order, the Receiver shall provide the Court and the Parties with a comprehensive assessment of all violations of the D.C. Code and threats to health, safety, and security that exist at the Property and a plan that includes:
 - a. A scope of work necessary to address the identified deficiency;
 - b. Estimated costs for the repairs needed to abate all violations of the D.C. Code and threats to health, safety, and security at the Property, including estimates from licensed contractors wherever possible;
 - c. A projected timeline for the completion of repairs to the Property.
- 18. Pending approval of the Assessments and Plans in paragraphs 16 and 17 by the Court, the Receiver is fully authorized to make any emergency repairs at the Property and to conduct any maintenance that is typically carried out on a regular basis, such as cleaning and trash removal.

IT IS FURTHER ORDERED that, pursuant to the information provided by counsel for New Bethel in open court on April 24, 2023 that New Bethel is unable to make an initial payment of \$100,000.00, New Bethel shall furnish all necessary financial information and records to the District on or before April 27, 2023 at 3:30 p.m. EST in order to enable the Court to expeditiously determine whether New Bethel currently lacks sufficient funds to pay for rehabilitation of the Property and whether expenses incurred by the Receiver to carry out the provisions of this order shall be paid by the Tenant Receivership Abatement Fund pursuant to D.C. Code \$1-301.86e.

- 19. The financial documents to be submitted shall include but are not limited to: 1) 2020, 2021, and 2022 Federal and State tax returns; 2) all 2020, 2021, 2022, and 2023 bank statements for accounts under Defendant's control; 3) all 2020, 2021, 2022, and 2023 income statements; and 4) all stocks, bonds, certificates of deposit, and all other securities and investments owned by New Bethel.
- 20. The Receiver may petition the Court for additional funds necessary to carry out the responsibilities under this Order.
- 21. In the event that an emergency occurs, funds to abate the emergency shall be provided within twenty-four (24) hours to the Receiver by New Bethel, or if New Bethel is

determined to lack sufficient funds, from any funds available in the Tenant Receivership Abatement Fund. For purposes of this agreement, an emergency is any situation that causes an imminent threat to the life, health, or safety of the tenants. Emergencies can include but are not limited to: fire, flooding, carbon monoxide leaks, gas leaks, ceiling collapses, sewage backups, lack of heat in winter, and lack of water or electricity in the units.

IT IS FURTHER ORDERED that Defendant shall:

- 22. Within two (2) business days of the entry of this Order, or within such additional time as permitted by the Receiver, deliver over to the Receiver possession and custody of all keys or combination to locks required to gain access to the Property.
- 23. New Bethel shall be enjoined from continuing any of the actions, practices, or patterns of neglect at the Property and at any other rental accommodations they own, manage, or control, pursuant to D.C. Code § 42-3651.05(a)(1).
- 24. Within five (5) business days after identification from the Receiver of requested documents, Defendant will deliver over to the Receiver copies of any business records the Receiver deems necessary to carry out their responsibilities under this Order.
- 25. All parties shall cooperate fully with the Receiver and refrain from doing any act or thing whatsoever to interfere with the Receiver, or to in any way harass or interfere with the duties of the Receiver. Nothing in this paragraph shall limit New Bethel's ability to file with the Court any objection to the Receiver's plan for the rehabilitation of the Property.

IT IS FURTHER ORDERED that:

- 26. Within ten (10) days after the termination of the receivership, New Bethel shall pay:
 - a. Any pending compensation owed to the receiver for services provided;
 - b. The District's expenses related to the appointment of the receiver;
 - c. All fines, infractions, and penalties arising from code violations at the property.
- 27. On the date of termination as addressed above, the Property will be returned to the Defendant, along with all keys or combination to locks required to gain access to the Property as well as copies of any business records the Defendant has provided to the Receiver.

SO ORDERED.

Dated: April 24, 2023

The Honorable Juliet J. McKenna Superior Court of the District of Columbia

Copies to all Parties of Record.

WILLIAM L. SLOVER, JR., Designee of Court Appointed Receiver SLOVERDC@GMAIL.COM