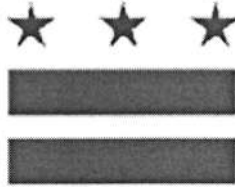


**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Attorney General**

**ATTORNEY GENERAL**  
**BRIAN L. SCHWALB**



**PUBLIC ADVOCACY DIVISION**  
**SOCIAL JUSTICE SECTION**

**ASSURANCE OF VOLUNTARY COMPLIANCE**

This Assurance of Voluntary Compliance (“Assurance”) is entered into between the Office of the Attorney General for the District of Columbia (the “District”) and Southern Hills Limited Partnership, Atlantic Terrace Limited Partnership, and Winn Managed Properties, LLC (“Respondents”). This Assurance resolves the District’s investigation of housing conditions at Respondents’ Properties identified below under the Consumer Protection Procedures Act (“CPPA”), D.C. Code § 28-3901, *et seq.*, and the Lead-Hazard Prevention and Elimination Act (“LHPEA”), D.C. Code § 8-231.01, *et seq.*, as described in Section III of this Assurance, for the period between January 1, 2017 and the Effective Date of this Assurance. The Parties enter this Assurance voluntarily and agree as follows:

**I. THE PARTIES**

1. The District of Columbia is a municipal corporation empowered to sue and be sued and is the local government for the territory constituting the seat of the government of the United States. Pursuant to D.C. Code §§ 28-3814 and 28-3909(a)-(b), the Attorney General is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys’ fees for violations of the District of Columbia Consumer Protection Procedures Act, D.C. Code § 28-3901, *et seq.* and is also authorized to bring legal actions seeking penalties and other relief under the Lead-Hazard Prevention and Elimination Act, D.C. Code § 8-231, *et seq.*

2. Southern Hills Limited Partnership is a single asset foreign limited partnership organized under the laws of Massachusetts that regularly conducts business in the District as an owner of real property and housing provider to District residents at Southern Hills Apartment Complex.

3. Atlantic Terrace Limited Partnership is a single asset foreign limited partnership organized under the laws of Massachusetts that regularly conducts business in the District as an owner of real property and housing provider to District residents at Atlantic Terrace Apartment Complex.

4. Winn Managed Properties LLC is a foreign limited liability company organized under the laws of Delaware that acts as the property manager for both Properties. Its principal office is located at One Washington Mall, Suite 500, Boston, MA 02108.

## **II. DEFINITIONS**

5. “Consumer” shall include the definition contained in D.C. Code § 28-3901(a)(2) and for purposes of this Assurance shall refer to any resident of the District of Columbia to whom Respondents offer or sell rental housing accommodations.

6. “Effective Date” shall mean the date this Assurance is executed by all Parties.

7. “Habitable Housing” for purposes of this Assurance shall mean housing in compliance with the D.C. Housing Code (Sections 1 through 16 of Title 14 of the District of Columbia Municipal Regulations and Titles 12A-12L of the District of Columbia Municipal Regulations), the D.C. Property Maintenance Code (12G D.C.M.R. § PM-101, *et seq.*), the Lead-Hazard Prevention and Elimination Act, (D.C. Code § 8-231.01, *et seq.*), and the D.C. indoor mold law (D.C. Code §§ 8-241.01-241.09) and regulations (20 DCMR §§ 3200-3299).

8. “The Properties” refers to collectively: (1) the 255-unit Southern Hills Apartment Complex at 300, 302, and 304 Livingston Street SE Washington, DC 20032 and 4201, 4203, 4205, 4209, 4211, 4213, 4217, 4219, 4221, 4327, 4329, 4331, 4333, 4335, 4337, 4339, 4341, 4345, 4347, 4349, and 4351 4<sup>th</sup> Street SE Washington, DC 20032 (“the Southern Hills Property”); and (2) the 196-unit Atlantic Terrace Apartment Complex located at 4301, 4303, 4305, 4307, 4309, 4311, 4313, 4315, 4317, 4319, 4321, 4323, and 4325 3<sup>rd</sup> Street SE, Washington, DC 20032 (“the Atlantic Terrace Property”).

### **III. DISTRICT’S ALLEGATIONS**

9. In November 2021, the District began investigating conditions at the Properties after receiving reports that they were not being maintained in habitable condition. The District’s investigation revealed what it believes to be conclusive evidence of serious housing code violations, including many that threatened the health, safety, and well-being of tenants.

10. Inspections at the Properties by the District’s Department of Buildings (“DOB”, previously the Department of Consumer & Regulatory Affairs) have shown an increasing number of violations of the Housing Code and Property Maintenance Code at the Properties, including pest and rodent infestations, broken or insecure doors and windows, leaks and water damage, mold, lead-based paint hazards in the form of chipping and peeling paint, and fire and safety issues. Deteriorating conditions at Southern Hills were confirmed by a December 1, 2021 inspection by HUD’s Real Estate Assessment Center (REAC), which gave the property a failing score of 26c\*/100, projecting that nearly 600 violations existed at Southern Hills. Likewise, deteriorating conditions at Atlantic Terrace, were confirmed by two recent HUD REAC inspections that generated scores of 50c (12/2021) and 83c (2/2020), projecting that more than 400 violations existed at Atlantic Terrace.

**IV. RESPONDENTS' DENIAL OF THE DISTRICT'S ALLEGATIONS**

11. Respondents deny the District's allegations in Paragraphs 9-10 above, deny that they engaged in any wrongdoing, and specifically deny that they have violated District law.

**V. APPLICATION**

12. The provisions of this Assurance shall apply to the Parties and shall remain in effect through January 1, 2027. If the redevelopment of Southern Hills is not completed by January 1, 2027, this Assurance shall remain in effect as to the Southern Hills Property until the redevelopment is complete. This Assurance does not prevent the District from filing a lawsuit regarding conduct occurring after the Effective Date of this Assurance.

**A. INJUNCTIVE TERMS**

**i. GENERAL PROHIBITIONS**

13. Respondents shall not engage in any act or practice in violation of the CPPA with respect to the provision of residential rental accommodations.

14. Respondents shall not make any representation that its goods or services have a certification or characteristic that they do not have with respect to the provision of residential rental accommodations.

15. Respondents shall not make any representation that its goods or services are of a particular standard or quality if in fact they are of another with respect to the provision of residential rental accommodations.

16. Respondents shall not make any oral or written statement of material fact that has the capacity, tendency, or effect of deceiving or misleading a consumer with respect to the provision of residential rental accommodations.

17. Respondents shall not make any misrepresentation concerning a material fact that has the tendency to mislead a consumer with respect to the provision of residential rental accommodations.

18. Respondents shall not fail to state a material fact, the omission of which deceives or tends to deceive a consumer with respect to the provision of residential rental accommodations.

19. Respondents shall not make any statement that misleads a consumer concerning their willingness and ability to supply them with habitable housing.

20. Respondents shall not offer any residential housing for rental in the District of Columbia to a tenant or prospective tenant unless such housing is in habitable condition.

21. Respondents shall not violate the LHPEA with respect to the provision of residential rental accommodations.

**ii. NOTICE AND OPPORTUNITY TO TAKE CORRECTIVE ACTION**

22. If the District believes that any Respondent has violated Paragraphs 13-21 above, it shall notify the Respondent of such purported violation in writing in accordance with Paragraph 48 below. The Respondent will then have thirty (30) days from the receipt of such notice to take appropriate corrective action, during which time the District cannot claim that Respondent has violated the injunctive terms of this Assurance.

**B. PAYMENT TO THE DISTRICT**

23. Respondents shall make a payment of \$1,150,000 to the Office of the Attorney General for the District of Columbia within thirty (30) days of the Effective Date. Payment under this paragraph shall be made via wire, consistent with instructions from the District.

**C. RESTITUTION TO TENANTS**

24. Respondents shall provide restitution to the tenants of Southern Hills and Atlantic Terrace in the total amount of \$850,000 (the “Restitution Funds”) in the manner described below.

25. Respondents shall modify rent ledgers and all related accounting records as they exist on the Effective Date of this Assurance by granting for each occupied unit at the Properties a one-time credit equal to 50% of the tenant’s portion of rent for the month preceding the Effective Date of this Assurance multiplied by 12 for all tenants at Southern Hills and a one-time credit equal to 50% of the tenant’s portion of rent for the month preceding the Effective Date of this Assurance multiplied by 6 for all tenants at Atlantic Terrace (“Resident Portion of Rent”).

26. The credit on the Resident Portion of Rent may be applied first to any then-outstanding balance for rent or any other charge or fee.

27. Any Restitution Funds remaining after providing for the Resident Portion of Rent shall be applied to eliminate or reduce tenant balances greater than \$600 (eligible recipients of any portion of such remaining Restitution Funds are “Resident Beneficiaries”) in the following manner: Resident Beneficiaries will receive a credit on their accounts equal to the total value of the Restitution Fund remaining after providing for the Resident Portion of Rent divided by the total number of Resident Beneficiaries.

28. In the event that a tenant has a credit balance upon permanently moving out of the Properties as a result of the credits described in Paragraphs 25 through 27 above, Respondents will apply such credit payment consistent with Paragraph 27.

29. The rent ledger and all related accounting records shall be modified in accordance with the paragraphs above within thirty (30) days of the Effective Date.

30. Within thirty (30) days of the Effective Date, Respondents shall cease any pending action for nonpayment against a tenant if, after application of the credits described in Paragraphs 25-27 above, it is determined that no rent is presently owed for the unit.

31. Within thirty (30) days of the Effective Date, Respondents and/or their employees or agents shall hand-deliver to each occupied unit at the Properties a notice informing the unit's tenant(s) of the specific rent credits granted and related modifications to the ledger made as a result of this Assurance. Respondents shall also serve on OAG an exemplary copy of the notices provided to tenants at each of the Properties.

**D. DISTRICT LAWSUIT AND RELEASE**

32. The District of Columbia hereby agrees to forego and not institute a lawsuit against Respondents under the CPPA or LHPEA with respect to habitability issues at the Properties for the period of January 1, 2017 through the Effective Date, except that the District may seek legal recourse against Respondents if they default on their obligations hereunder.

33. Following full payment of the amounts due under this Assurance, the District shall hereby release and discharge Respondents from claims that the District could have brought against the Respondents arising from or relating to the conditions at the Southern Hills and Atlantic Terrace Properties, including under the CPPA, LHPEA, and common law.

**E. PROPERTY MAINTENANCE AND SECURITY PERSONNEL**

34. Within sixty (60) days of the Effective Date, Respondents shall provide the District with documents demonstrating that the outstanding housing code violations and lead-based paint hazards at the Properties reflected on Exhibit A to this Assurance have been abated or that the Department of Buildings otherwise has cleared the violation. To the extent that any housing code violation or lead-based paint hazard could not be abated because a tenant refused to permit access

to their unit to conduct repairs, Respondents shall produce to the District as to each such tenant their name, address, contact telephone number(s), and dates on which access to their unit was refused. Respondents agree to continue working with the Department of Buildings to resolve the violations listed on Exhibit B to this Assurance; however, any failure to reach resolution as to the violations listed on Exhibit B shall not be considered a violation by Respondents of this Assurance.

35. Respondents shall produce to the District a biannual report for the Properties. The biannual report shall contain the following information:

- List of infractions for which DOB has properly notified Respondents during the reporting period. For each such infraction, Respondents shall provide:
  - Date of notice of each infraction;
  - DOB's description of each infraction;
  - If infraction was reported to DOB as abated, date of such report;
  - If Respondents contested the infraction, date of such report;
- Number of barring notices issued for the reporting period;
- Number of SPO hours for the reporting period and the average per week;
- Date and times SPOs were deployed;
- Number of broken exterior doors reported during the reporting period, and date of repair;
- Number of broken cameras doors reported during the reporting period, and date of repair;
- Updated property maintenance logs for the reporting period; and
- All reports of inspections performed for the reporting period by any federal or District government agency.



Respondent shall produce these documents by the 10th day of June and December to Conny Tello at Conny.Tello@dc.gov with the subject heading, “Winn AVC Compliance Documents.”

36. Respondents shall facilitate inspections of up to ten percent (10%) of all units and common areas at the Properties by the District two times each calendar year, unless there are indications of potential systemic issues, in which case the District may inspect up to twenty percent (20%) of all units. The District, however, will not conduct an inspection within sixty (60) days after the Property has been inspected by another governmental entity for a property-wide inspection, including any Real Estate Assessment Center (REAC) inspections by the United States Department of Housing and Urban Development or any comparable inspections by the District of Columbia Housing Finance Agency, except that the District must be permitted to conduct at least one inspection per year regardless of whether such inspection occurs within sixty (60) days of an inspection by another governmental entity. The District shall provide Respondents with 96 hours’ notice of its intent to inspect the Properties. Respondents shall abate non-emergency housing code violations identified by the inspection within thirty (30) days of completion of the inspection. Emergency housing code violations shall be abated within 24-hours. Emergency housing code violations, as defined in 16 DCMR 3305.1(a), include but are not limited to: fire, flooding, carbon monoxide leaks, ceiling collapses, sewage backups, lack of heat in winter, lack of air conditioning in summer, and a lack of water or electricity in a unit. Any violations identified that Respondents timely abate shall not be deemed to be a violation of this Assurance.

37. Within thirty (30) days of the Effective Date, Respondents shall abate pest and rodent related housing code violations at the Properties by having an exterminator inspect areas at the Properties for points where rodents and pests may enter the Properties and by installing metal covers over each identified point of entry.

38. Within thirty (30) days of entry of this Assurance, Respondents shall provide evidence that tamper-proof exterior doors equipped with functioning locks have been installed at the Properties. Respondents shall maintain all exterior doors in working order with functioning locks. Within 30 days of being notified that an exterior door and/or lock is not in working order, including because the doors and/or locks were damaged by tenants or visitors to the Properties, Respondents shall take action to repair or replace the damaged doors and/or locks.

39. Respondents shall ensure that the Properties' exterior common areas, including building entrances, remain adequately lit by replacing light bulbs and installing new light fixtures as necessary. Within 30 days of being notified that a light fixture is not in working order, including because the fixture was damaged or removed by tenants or visitors to the Properties, Respondents shall take action to repair or replace the fixture.

40. Within thirty (30) days of entry of this Assurance, Respondents shall provide evidence that security cameras have been installed and are functioning at each of the exterior entrance doors to the Properties. Respondents shall maintain all cameras in working order. Within 30 days of being notified that a security camera is not in working order, including because the camera was damaged or removed by tenants or visitors to the Properties, Respondents shall take action to repair or replace the camera.

## **VI. ADDITIONAL TERMS**

41. Subject to Paragraph 22 above, nothing in this Assurance may be construed to alter or amend the District's right to institute action, after providing advance written notice to Respondents, should the District become aware of any violations of this Assurance by Respondents.

42. The parties voluntarily agree to this Assurance without trial or adjudication of any

issue of fact or law as a compromise settlement of against Respondents related to the allegations set out above. The Parties agree that execution of this Assurance shall not be construed as an admission of liability, nor shall it be considered an adjudication on the merits of the violations alleged by the District.

43. Respondents shall not cause or encourage third parties, or knowingly permit third parties acting on their behalf, to engage in practices from which Respondents are prohibited by this Assurance.

44. If any clause, provision, or section of this Assurance shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Assurance, and this Assurance shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

45. Nothing in this Assurance shall be construed as relieving Respondents of the obligation to comply with all state and federal laws, regulations, or rules, nor shall any of the provisions of this Assurance be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

46. Respondents shall not participate, directly or indirectly, in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part that are prohibited in this Assurance or for any other purpose that would otherwise circumvent any part of this Assurance or the spirit or purposes of this Assurance.

47. This Assurance shall be considered effective and fully executed on the last date which any party executes the Assurance. This Assurance may be executed in counterparts, and copies of signature pages transmitted electronically shall have the same effect as originals of those

signature pages.

48. All notices under this Assurance shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

For the District:

Conny Tello  
Social Justice Section  
Public Advocacy Division  
District of Columbia Office of the Attorney General  
400 6th Street, N.W., 10th Floor.  
Washington, D.C. 20001  
(202) 735-7488  
Conny.Tello@dc.gov


For the Respondent(s):

Amy Brown Doolittle  
Squire Patton Boggs (US) LLP  
2550 M Street NW  
Washington, DC 20037  
(202) 626-6707  
amy.doolittle@squirepb.com

**FOR THE DISTRICT OF COLUMBIA**

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Attorney General for the District of Columbia


Jennifer C. Jones  
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Public Advocacy Division

  
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*Attorneys for the District of Columbia*

Effective Date:

**FOR RESPONDENTS**

  
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Roger K. Clark  
Jeremy W. Dutra  
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*Attorneys for Southern Hills Limited Partnership,  
Atlantic Terrace Limited Partnership, and  
Winn Managed Properties LLC*

Dated: 9/5/23