

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

2001 Edition

2009 Winter
Supp.

West Group
Publisher

To amend the Rental Housing Conversion and Sale Act of 1980 to provide the Mayor with an opportunity to purchase housing accommodations, subordinate to the rights of tenants, for certain low-income housing accommodations.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "District's Opportunity to Purchase Amendment Act of 2008".

Sec. 2. The Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3401.01 *et seq.*), is amended by adding a new title IV-A to read as follows:

"TITLE IV-A. DISTRICT'S OPPORTUNITY TO PURCHASE.

"Sec. 431. District's opportunity to purchase certain housing accommodations.

"(a) Before an owner of a housing accommodation may sell a housing accommodation comprised of 5 or more units, the owner shall provide to the Mayor, on behalf of the District, and the Mayor shall have, an opportunity to purchase the housing accommodation in the same manner, except as otherwise provided by this title, as the opportunity to purchase is provided to a tenant under Title IV.

"(b) The Mayor may assign the opportunity to purchase pursuant to section 436.

"(c) The Mayor shall have the same remedies and rights to enforce owner compliance with this act as a tenant or tenant organization would have against an owner for violation of this act.

"Sec. 432. Limitations on the District's opportunity to purchase.

"(a) The District's opportunity to purchase shall be subordinate to the right of a tenant.

"(b) To exercise its right under this title, the Mayor shall provide a written statement of interest to the owner and tenant within 30 days of the Mayor's receipt of the copy of offer of sale required by section 403.

"(c)(1) The Mayor shall not exercise the opportunity to purchase provided by this

title unless at least 25% of the rental units in the housing accommodation are affordable units.

“(2) For the purposes of this subsection, the term “affordable unit” means a rental unit in a housing accommodation for which the existing monthly rent, including utilities, paid by the tenant is equal to or less than 30% of the monthly income of a household with an income of 50% of the area median income, as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development, adjusted for the household size.

“Sec. 433. Limitations on the District as purchaser of a housing accommodation.

“(a) If the District, or an assignee, purchases a housing accommodation pursuant to this title, the District shall remain subject to all provisions of this act as owner of the housing accommodation.

“(b)(1) The Mayor, or an assignee of the Mayor, shall maintain affordable rents in the housing accommodation so that unit rents for tenants living in the housing accommodation on the date that the offer of sale was issued will not be greater than the unit rent on the date of the offer of sale or 30% of an existing tenant’s household income, whichever is less.

“(2) For the purposes of this subsection, household income shall be calculated pursuant to 24 C.F.R. § 5.609.

“(3) Tenants shall be notified in writing as to the manner in which the Mayor, or an assignee of the Mayor, calculates household income and rent.

“(4) The Rent Administrator shall consider a challenge to a rent amount or income calculation upon a petition filed by a tenant. The petition shall be heard and determined according to the procedures in the Rent Stabilization Program established pursuant to Title II of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3502.01 *et seq.*).

“(5) Notwithstanding the rent amounts established pursuant to this section, nor any other law, no tenant in an affordable unit shall be required to pay a rent increase of more than 10% per year.

“(6) Income restrictions may be imposed upon the housing accommodation by the Mayor, or an assignee of the Mayor; provided, that an existing tenant shall be exempt from any income restrictions.

“(c)(1) The Mayor, or an assignee of the Mayor, shall maintain any unit in the housing accommodation that was an affordable unit, as defined in section 432(c)(2), on the date that the offer of sale was issued as affordable for as long as the housing accommodation remains a housing accommodation owned by the District.

“(2) For any rental unit that becomes vacant:

“(A) If the monthly rent, including utilities, paid by the tenant was equal to or less than 30% of the monthly income of a household with an income of 60% of

the area median income, as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development, adjusted for the household size, that unit shall remain affordable for a tenant with an income at or below 60% of the area median income; or

“(B) If the monthly rent, including utilities, paid by the tenant was equal to or less than 30% of the monthly income of a household with an income of 30% of the area median income, as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development, adjusted for the household size, that unit shall remain affordable for a tenant with an income at or below 30% of the area median income.

“(3) Vacancies in affordable units shall be filled and maintained so that the division of affordable units in the housing accommodation is no less than one-third affordable for households at 30% of area median income, one-third affordable for households at 60% of area median income, and one-third affordable for households at 80% of area median income.

“(d) If any unit in the housing accommodation was not an affordable unit as defined in section 432(c)(2), on the date the offer of sale was issued, the Mayor, or an assignee of the Mayor, shall develop an affordability plan to explore all means whereby the number of affordable units in the housing accommodation may be increased. The Mayor, or an assignee of the Mayor, shall take all practicable steps to increase the number of affordable units in the housing accommodation.

“Sec. 434. Procedure for District to effectuate purchase.

“(a) The Mayor shall have not less than 150 days from the date of the owner's receipt of the Mayor's written statement of interest, issued pursuant to section 432(b), to negotiate a contract for sale.

“(b) For every day of delay in providing information by the owner as required by this act, the negotiation period shall be extended by one day.

“(c) If a tenant organization is formed and delivers an application for registration to the Mayor pursuant to section 411, the Mayor shall have 15 days, in addition to the time provided for in subsection (a) of this section, to negotiate a contract of sale.

“(d) The Mayor shall have up to 60 days after the date of execution of a contract of sale to complete settlement.

“(e) If the owner provides any extension of time to a tenant under this act, the Mayor shall automatically receive the same extension of time. The owner shall provide written notification to the Mayor of any extensions of time provided to the tenant.

“Sec. 435. Rights of tenants not abrogated.

“No provision of this title shall abrogate the rights of tenants or tenant organizations under this act.

“Sec. 436. Assignment of District rights.

“The Mayor may assign the opportunity to purchase provided under this title to a person that:

“(1) Demonstrates the capacity to own and manage, either by itself or through a management agent, the housing accommodation and related facilities for the remaining useful life of the housing accommodation; and

“(2) Agrees to obligate itself and any successors in interest to maintain the affordability of the assisted housing development as required by section 433.

“Sec. 437. Rules.

“Within 60 days of the effective date of the District’s Opportunity to Purchase Amendment Act of 2008, passed on 2nd reading on October 7, 2008 (Enrolled version of Bill 17-631), the Mayor, pursuant to Title 1 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), shall issues rules to implement the provisions of this title.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia