



GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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DISTRICT OPPORTUNITY TO PURCHASE ACT (D.C. OFFICIAL CODE 2001 ED., AS AMENDED, §§42-3404.31-37)

FREQUENTLY ASKED QUESTIONS

The District Opportunity to Purchase Act (DOPA) promotes affordable rental housing by maintaining the affordable status of existing affordable rental units as well as increasing the total number of affordable rental units within the District.

To this end, DOPA requires rental property owners to provide the District of Columbia with the opportunity to purchase housing accommodations consisting of five or more rental units, as long as 25 percent or more of the rental units are “affordable.” **DOPA offers of sale should be submitted concurrently with, but are subordinate to, a tenant’s right to purchase under the Tenant Opportunity to Purchase Act (TOPA).**

How Do You Determine an “Affordable Unit”?

An “Affordable Unit” is defined as a rental unit in a housing accommodation for which the current monthly rent, including tenant-paid utilities, is not greater than 30 percent of the monthly income of a household at 50 percent of the area median income (AMI). AMI is the median income of the D.C. metropolitan statistical area, defined annually by the U.S. Department of Housing and Urban Development (HUD) adjusted for the household size. The FY 2017 AMI is \$110,300. Utilities include all tenant-paid utilities, such as heat, air conditioning, cooking, electricity, or hot water.

If the property owner does not know the amount of the tenant-paid utilities, the chart below can be used to estimate them. The estimates below are updated periodically by the District of Columbia Housing Authority.

| “Affordable Unit” Table (for 2017) | | | | |
|---|-----------------------------------|------------------------------------|---------------------|-----------------------------|
| Number of Bedrooms | Occupancy Pricing Standard | Estimated Utility Allowance | Monthly Rent | Maximum Housing Cost |
| Studio | 1 | \$160 | \$805 | \$965 |
| 1 | 1.5 | \$240 | \$863 | \$1,103 |
| 2 | 3 | \$323 | \$918 | \$1,241 |
| 3 | 4.5 | \$404 | \$1,113 | \$1,517 |

Example 1: Unit #101 is a one bedroom unit and the household pays \$900 in monthly rent, which includes all utilities. This unit is an “Affordable Unit” because the total housing cost is below \$1,103.

Example 2: Unit #102 is a two bedroom unit and the household pays \$1,150 in monthly rent. Monthly rent does not include utilities and the property owner does not know the monthly tenant-paid utility cost. This unit is not an “Affordable Unit” because the monthly housing cost is more than \$1,241 ($\$1,150 + \$323 = \$1,473$).

What Should the DOPA Offer of Sale Include?

The DOPA Offer of Sale must include:

- the asking price and material terms of sale;
- a statement on whether a third party sale contract exists for the housing accommodation and that a copy of such a contract shall be provided to the District within seven days after receiving a request;
- a list of tenant names and their corresponding unit numbers, along with the current rent charged for each rental unit as of the DOPA Offer of Sale issuance date;
- a list of vacant rental units, their unit numbers and the current rent charged for each rental unit as of the DOPA Offer of Sale issuance date;
- a list of Affordable Units, their unit numbers as of the DOPA Offer of Sale issuance date and the owner’s calculations for determining the Affordable Units; and
- a statement that within seven days after receiving a request, the property owner will provide the following information: (1) monthly operating expenses; (2) utility consumption rates; (3) capital expenditures for the previous two years; and (4) a building floor plan.

How Much Time Does the District Have to Decide to Purchase the Housing Accommodation?

If the Mayor is interested in acquiring the housing accommodation, the Mayor shall:

1. provide a written statement of interest to the owner and tenants within 30 days of receiving the District’s offer of sale;
2. have not less than 150 days from the date that the owner's receives the Mayor's written statement of interest to negotiate a contract for sale;
3. have 15 additional days for a total of 165 days to negotiate a contract of sale if a tenant organization is formed and delivers an application for registration to the Mayor;
4. receive the same extension of time as any tenant – the owner should provide written notification to the Mayor of any time extensions provided to the tenant;
5. extend the negotiation period one day for every day of delay in providing information by the owner; and
6. have up to 60 days after the execution date of a sale contract to complete settlement.

Where Should the DOPA Offer of Sale Be Sent?

The Honorable Muriel Bowser
Government of the District of Columbia
Department of Housing and Community Development Rental Conversion and Sale Division
1800 Martin Luther King Jr. Avenue SE
Washington, DC 20020

When Will the DOPA Regulations Be Released?

Proposed DOPA regulations were released on December 22, 2017. It is expected the rules will be finalized in Spring 2018. Highlights of the proposed regulations include:

1. **Amount of affordable housing preserved:** The proposed rules encourage higher numbers of affordable units and units affordable at higher and lower income levels.
2. **When properties can be purchased from poor performing property owners:** The proposed rules provide that the Mayor can purchase properties that the owner is offering for sale to other potential buyers and only after the tenants have chosen or have been unable to exercise their TOPA rights within the prescribed timelines.
3. **Coordination of DOPA and TOPA timelines:** The Mayor does not have to wait for the TOPA process to end before starting the DOPA process. Under the proposed rules, the owner informs both the Mayor and the tenants of the decision to sell at a similar time, and the two timelines run simultaneously. However, the Mayor cannot exercise DOPA rights before the tenants have chosen or have been unable to exercise their TOPA rights. The Mayor then has an additional 15 days to negotiate a sale and contract with the owner.
4. **District management of properties it purchases:** In the proposed rules, the District may assign its rights to purchase the property to a private developer that meets certain standards and selection criteria set by DHCD. The developer would be selected through a competitive process.
5. **Residents' access to rental units purchased by the District:** In most instances the units will already be occupied by low income households. The proposed rules provide in the case of vacant units and unit turnover, tenant selection would: (a) occur at the property level; and (b) be done based on the funding requirements used to purchase the property and the covenant that the Mayor places on the property.