



## 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) provides 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 are submitted concurrently with, but are subordinate to, a tenant's right to purchase under the Tenant Opportunity Act (TOPA).

#### **DOPA** and **TOPA** Timelines

### How will DHCD know what happens with TOPA?

The seller is required to inform the Mayor in writing within five days if a fully executed sale contract is assigned, rescinded, terminated, or otherwise voided between the Owner and the Tenant Organization.

### Do tenants get to select or review who DHCD will assign its DOPA rights to?

No, tenant's involvement <u>only</u> takes place throughout the TOPA process—not the DOPA assignment process.

### How will DHCD ensure that DOPA does not become an incentive for tenants who don't want to decide on their TOPA rights?

DOPA is meant to be subordinate to TOPA. Therefore, tenants will have to decide whether they want to exercise their TOPA rights. If they choose not to do so, then DOPA can proceed for properties in which the District has expressed interest.

### **DHCD Pre-Qualified Developers**

### Can developers work with TOPA and DOPA?

Yes, they can work with tenants on assigning their TOPA rights <u>and</u> can bid on a property undergoing DOPA. However, developers will not know if they are awarded a property for DOPA purposes until after the tenants have exercised their TOPA rights.

Will all pre-qualified developers receive a Request for Proposals (RFP) for DOPA-eligible properties? Yes.

### When will the first pool of pre-qualified developers be notified? How often will interested developers be added to the pool?

The first pool of pre-qualified developers will be notified as early as February 2019. Once a year, DHCD will requalify existing developers and screen for new <u>developers</u> to be added to the pool. The current request for qualifications (RFQ) for interested developers was released on November 16, 2018.

### Do regulations guarantee that minority and women-owned companies receive preference in the DOPAeligible property bidding process?

Currently, no regulations guarantee preference to any specific classification of developers. All pre-qualified developers will have the opportunity to bid on DOPA properties.

### **DOPA Affordability Principles**

### How long will an affordable housing covenant last on a DOPA property?

DOPA covenant rules will apply in perpetuity, or for as long as the properties remains a housing accommodation.

### If 25 percent of units are affordable, how many will need to be restricted moving forward?

It will depend on the Affordability Plan submitted by the developer for the property through the RFP and recorded in the covenant.

### **Financing for DOPA Projects**

### Does the District monetarily benefit from DOPA?

No, because the District assigns its rights to a pre-qualified developer. The contract and settlement take place between the property owner and the pre-qualified developer assigned the District's rights.

#### Is there DOPA financing available?

The District has chosen to assign the right to purchase to prequalified developers. Since it is not purchasing properties, no funds have been allocated for DOPA. Pre-qualified developers seeking funding for the acquisition of DOPA properties are encouraged to use existing financing tools including the <u>Preservation</u> Fund.

#### Is the District posting security deposits if tenants don't?

Security deposits will need to be posted by the pregualified developer awarded the property.

Are below-market financing incentives available for developers to use with DOPA? No.

Will developers receive bonus points in the DHCD's Housing Production Trust Fund Consolidated Request for Proposals (RFP) for participating in DOPA?

Not at this time.