



# DISTRICT OPPORTUNITY TO PURCHASE ACT

## PROGRAM FROM THE DC DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The District Opportunity to Purchase Act (DOPA) is an affordable housing preservation tool that gives the Mayor the authority to purchase certain apartment buildings in order to: (1) **maintain** existing rental affordable units for tenants; and (2) **increase** the total number of affordable rental units within the District.

### DOPA Promotes Affordable Rental Housing

The DOPA law was enacted in 2008; however, [final regulations](#) were not issued to implement until November 2018, as a result of recommendations from Mayor Muriel Bowser's [Housing Preservation Strike Force](#). The six recommendations included:

- Establish a [Preservation Unit](#).
- Create a [Public-Private Preservation Fund](#).
- Create a [Small Properties Preservation and Affordability Program](#).
- Implement [DOPA](#).
- Advance preservation under the [Tenant Opportunity to Purchase Act](#) (TOPA).
- Allow low income senior renters to age in place ([Single Family Residential Rehabilitation](#) (SFRRP)).



### Properties Eligible for DOPA

DOPA requires rental property owners to provide the District of Columbia with the opportunity to purchase housing accommodations when:

- the property consists of five or more rental units; and
- 25 percent or more of those units are “affordable” at 50 percent of Median Family Income (MFI).\*

### DOPA and TOPA Timelines

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). To this end, the Mayor can only invoke DOPA regarding a property if tenants do not exercise their TOPA rights.

### DOPA Affordability Principles

“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 MFI.\* 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 on page 2 can be used to estimate them. The estimates are updated periodically by the District of Columbia Housing Authority.

## What Is Median Family Income\*

\*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 2018 AMI is \$117,200 for a family of four.**

"Affordable Unit" Table (for 2018)				
Number of Bedrooms	Occupancy Pricing Standard	Estimated Utility Allowance	Monthly Rent	Maximum Housing Cost
Studio	1	\$160	\$830	\$990
1	1.5	\$241	\$829	\$1,070
2	3	\$322	\$958	\$1,280
3	4.5	\$404	\$1,086	\$1,490

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 \$1,070.

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 \$1,280 (\$1,150+ \$322 = \$1,472).

### Changes in Rent After DOPA Conversion

The Monthly Rent charged to an Existing Household shall be no more than:

- the Existing Household's current Monthly Rent; or
- 30 percent of the Existing Household's monthly income.

When the following information cannot be obtained:

- **Current income:** the tenant will pay their current monthly rent.
- **Monthly rent:** the tenant will pay based on the affordability plan.

### Selection of DOPA Pre-Qualified Developers to Preserve Affordability

The final rules provide that the Mayor may assign the District's purchase right to a developer. In November 2018, DHCD issued a [Request for Qualifications \(RFQ\)](#) to identify a pool of pre-qualified developers. As DHCD announces DOPA purchase opportunities, developers in this pool will be invited to respond to these opportunities. The developers will have to comply with DOPA's requirements by maintaining, and increasing the number of, affordable units in the property.

Developers will be selected for the pool based on their demonstrated capacity and expertise in acquiring, renovating, maintaining, and owning affordable multi-family rental housing, which may be evidenced by:

- list of prior affordable and market-rate housing;
- qualifications and capacity of proposed personnel and contractors;
- list of lenders and equity sources used in prior projects;
- description of affordability covenants applicable to prior projects;
- an affirmative statement that the developer has never been in financial default;
- description of developer's typical marketing and property management plan; and
- registration and license to do business in the District of Columbia.