



SUMMARY OF ACT 22-339, THE TOPA SINGLE-FAMILY HOME EXEMPTION AMENDMENT ACT OF 2018 EFFECTIVE JULY 3, 2018

HIGHLIGHTS OF THE NEW LAW

- Exempts single family dwellings from the Tenant Opportunity to Purchase Act of 1980 (TOPA) unless occupied by elderly or disabled tenants.
- Also exempts single family dwellings with an Accessory Dwelling Unit and a single rental unit in a condo, co-op or homeowners' association.
- An owner of such an exempted unit must give tenants notice within three calendar days of soliciting or receiving an offer of sale.
- Elderly and disabled tenants who signed a lease to occupy such an exempted unit by March 31, 2018 and took occupancy by April 15, 2018 will have a limited opportunity to purchase or assign their rights.
- DHCD's Rental Conversion and Sale Division (CASD) will determine an elderly or disabled tenant's status.
- Elderly or disabled tenants must provide documentation verifying their status.
- CASD must provide a status letter to the owner, tenant, realtor, or settlement agent upon request.
- CASD must provide written confirmation of receipt (or non-receipt) of any document required to be delivered to CASD upon request.
- The Act also prohibits the eviction of any tenant except in accordance with eviction provisions under the Rental Housing Act of 1985 (D.C. Official Code 2001 ed., as amended, §42-3501.01 et seq.)

BACKGROUND

TOPA provides that before an owner may sell, demolish, or discontinue housing use of a rental accommodation, the owner must give tenants an opportunity to purchase and a right of first refusal to match a third party contract. Tenants have the power to assign their opportunity to purchase to any party for any consideration a tenant deems acceptable in her sole discretion.

About the New Law

On April 10, 2018, the District of Columbia City Council passed the TOPA Single-Family Home Exemption Amendment Act of 2017 (Bill 22-0315 transmitted to Mayor April 24, 2018), which was signed by the Mayor on May 7, 2018 as The TOPA Single-Family Home Exemption Amendment Act of 2018 and became effective July 3, 2018. The Act exempts all single-family dwellings from the requirements of TOPA (D.C. Official Code 2001 ed., as amended, § 42-3404.01 et seq.). The Act carves out an exception for rental units occupied by elderly or disabled tenants, who if they fulfill certain criteria may be entitled to a limited opportunity to purchase.

Under the Act, single family rental units, single family rental units with an accessory dwelling unit and single rental accommodations in a condominium, cooperative or homeowners' association are exempt from TOPA. A single rental unit owner must give tenants notice of sale within three calendar days of receiving an offer or solicitation to purchase. This notice is valid for one year after service on a tenant. An owner's failure to provide notice attaches to the owner personally and not to the property.

Provisions for Elderly and Disabled Tenants

Elderly and disabled tenants who signed a written lease agreement to occupy a single rental unit by March 31, 2018 and took occupancy by April 15, 2018 will have a limited opportunity to purchase.

The owner must serve each elderly and disabled tenant with a written offer of sale and serve a copy on the Office of the Tenant Advocate (OTA). OTA will try to contact the tenant and provide information to assist with the purchase decision. The tenant must respond with a written statement of interest, negotiate a contract with the owner, and then make financing and settlement arrangements within designated time periods.

Elderly and disabled tenants have a limited power to assign their right to purchase. The only available consideration is the right to immediately use and occupy the tenant's unit for one year following the sale of the single unit rental accommodation at the rate of rent charged to the tenant as of the offer of sale date. If the elderly or disabled tenant assigns their TOPA rights, the recipient may only further reassign their rights to a private or nonprofit corporation or partnership of which the assignee or buyer is an owner, managing member, or an officer of the entity. No further consideration is available for a secondary assignment.

CASD will determine an elderly or disabled tenant's status. Elderly or disabled tenants must provide documentation verifying their status, including but not limited to proof of age identification documents and a physician's disability statement or a disability award letter from the federal government. CASD must provide a status letter to the owner, tenant, realtor, or settlement agent upon request. The Act also imposes an obligation on CASD to provide written confirmation of receipt (or non-receipt) of any document required to be delivered to CASD upon request by an owner, tenant, realtor, or settlement agent.

Other Provisions

The Act also prohibits the eviction of any tenant except in accordance with eviction provisions under the Rental Housing Act of 1985 (D.C. Official Code 2001 ed., as amended, § 42-3501.01 et seq.).