

DC LAW 3-86  
9/13/80

COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D.C. LAW 3-86

"Rental Housing Conversion and Sale Act of 1980".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 3-222, on first and second readings, June 3, 1980 and June 17, 1980, respectively. Following the signature of the Mayor on June 27, 1980, this legislation was assigned Act No. 3-204, published in the July 11, 1980, edition of the D.C. Register, (Vol. 27 page 2975) and transmitted to Congress on June 30, 1980 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and, therefore, cites this enactment as D.C. Law 3-86 effective September 10, 1980.



ARRINGTON DIXON  
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

June	30
July	1,2,21,22,23,24,25,28,29,30,31
August	1,4,5,6,18,19,20,21,22,25,26,27,28
September	3,4,5,8,9

DC LAW 3-86

9/13/80 Enrolled Original

AN ACT

D.C. ACT 3 - 204

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUN 27 1980

To amend the law with respect to the conversion of rental housing, relocation and housing assistance payments, and tenant opportunity to purchase converted rental units.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the "Rental Housing Conversion and Sale Act of 1980".

TITLE I

CODIFICATION  
D.C. Code,  
title 45,  
chapter 16A

LEGISLATIVE FINDINGS AND PURPOSES AND DEFINITIONS

Sec. 101. Findings:

D.C. Code,  
sec. 45-1699.101

The Council of the District of Columbia finds that:

(a) There is a continuing housing crisis in the District of Columbia.

(b) There is a severe shortage of rental housing available to the citizens of the District of Columbia. The percentage of all rental housing

units within the District of Columbia which are vacant, habitable, and available for occupancy is less than five percent (5%) which is generally considered an indication of a serious shortage of rental housing units. The vacancy rate is substantially lower among units which can be afforded by lower income tenants as evidenced by serious overcrowding in private units and waiting list for public housing in excess of five thousand (5000) households.

(c) Conversion of rental units to condominiums or cooperatives depletes the rental housing stock. Since 1977, more than eight thousand (8000) rental units in the District of Columbia have been converted to condominiums or cooperatives, more than nine thousand (9000) additional units have not yet been converted but have been declared eligible to do so and applications for six thousand (6000) more units are pending. The eight thousand (8000) units which have been converted represent 4.5% of the District of Columbia's 1977 rental stock, and the fifteen thousand (15,000) units subject to conversion represent an additional 8.3%. These

trends have been thoroughly investigated and documented by two legislative study commissions: the D.C. Legislative Commission on Housing and the Emergency Commission on Condominium and Cooperative Conversion. The latter commission reported policy proposals, many of which are contained in this act.

(d) Lower income tenants, particularly elderly tenants, are the most adversely affected by conversions since the after conversion costs are usually beyond their ability to pay, which results in forced displacement, serious overcrowding, disproportionately high housing costs, and the loss of additional affordable rental housing stock. The threat of conversion has caused widespread fear and uncertainty among many tenants, particularly lower income and elderly tenants.

(e) The District of Columbia Housing Assistance Plan shows that 43,521 renter households and 14,215 homeowner households are in need of housing assistance in the District.

(f) Very few rental units are being constructed or vacant units being made available

for rental occupancy. More units are being converted to other uses or demolished than are being made available for rent.

(q) Experience with conversions since passage of the Condominium Act of 1976 and the Condominium and Cooperative Conversion Stabilization Act of 1979, effective February 23, 1980 (D.C. Law 3-53) has demonstrated that the previous conversion controls have not been sufficiently effective in preserving rental housing, particularly for those who cannot afford homeownership. Based on that experience and the conclusions of the legislative study commissions, tenants who are most directly affected by the conversion should be provided with sufficient accurate information about the relative advantages and disadvantages to conversion of rental housing and should have a voice in the decision whether or not their rental housing should be converted. These controls are necessary to more effectively assure that housing will be preserved at a cost which can be afforded by current tenants who would otherwise be involuntarily displaced and forced into

overcrowded or otherwise substandard housing conditions.

(h) These additional conversion controls are required to preserve the public peace, health, safety, and general welfare.

Sec. 102. Purposes.

D.C. Code,  
sec. 45-1699.102

In enacting this act, the Council of the District of Columbia supports the following statutory purposes:

(a) To discourage the displacement of tenants through conversion or sale of rental property, and to strengthen the bargaining position of tenants toward that end without unduly interfering with the rights of property owners to the due process of law.

(b) To preserve rental housing which can be afforded by lower income tenants in the District.

(c) To prevent lower income elderly tenants from being involuntarily displaced when their rental housing is converted.

(d) To provide incentives to owners, who convert their rental housing, to enable low income non-elderly tenants to continue living in their current units at costs they can afford.

(e) To provide relocation housing assistance for lower income tenants who are displaced by conversions.

(f) To encourage the formation of tenant organizations.

(g) To authorize necessary actions consistent with the findings and purposes of this act.

Sec. 103. Definitions.

D.C. Code,  
sec. 45-1699.103

As used in this act the term:

(1) "Condominium" has the same meaning as in section 102(d) of the Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Code, sec. 5-1202(d)).

(2) "Condominium Act" means the Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Code, sec. 5-1201 et seq.).

(3) "Condominium Conversion" is the issuance of notice of filing pursuant to section 406 (a) of the Condominium Act (D.C. Code, sec. 5-1265(a)).

(4) "Conversion" shall include cooperative conversions and condominium conversions as defined in this act.

(5) "Cooperative" means a cooperative legally incorporated pursuant to the District of Columbia

Cooperative Association Act, approved June 19, 1940, (54 Stat. 480; D.C. Code, sec. 29-801 et seq.) or a cooperative corporation incorporated in another jurisdiction for the primary purpose of owning and operating real property in which its members reside.

(6) "Cooperative Act" means the District of Columbia Cooperative Association Act, approved June 19, 1940 (54 Stat. 480; D.C. Code, sec. 29-801 et seq.).

(7) "Cooperative Conversion" is the filing of articles of incorporation pursuant to the Cooperative Act.

(8) "District" means the District of Columbia government.

(9) "Head of household" means a tenant who maintains the affected rental unit as the tenant's principal place of residence, is a resident and domiciliary of the District of Columbia, and contributes more than one-half (1/2) of the cost of maintaining the rental unit. If no member of a household contributes more than one-half (1/2) of the cost of maintaining the rental unit, the members of the household who maintain the affected



rental unit as their principal place of residence, are residents and domiciliaries of the District of Columbia, and contribute to the cost of maintaining the rental unit may designate one (1) of themselves as the head of household. An individual may be considered a head of household for the purposes of this act without regard to whether the individual would qualify as a head of household for the purpose of any other law.

(10) "Household" means all of the persons living in a rental unit.

(11) "Housing accommodation" or "accommodation" means a structure in the District of Columbia containing one (1) or more rental units and the appurtenant land. The term does not include a hotel, motel, or other structure used primarily for transient occupancy and in which at least sixty percent (60%) of the rooms devoted to living quarters for tenants or guests are used for transient occupancy if the owner or other person or entity entitled to receive rents is subject to the sales tax imposed by section 114(a)(3) of the District of Columbia Sales Tax Act, approved May 27, 1949 (53 Stat. 112; D.C. Code, sec. 47-

2501(14.)(a)(3)) and the occupant of the rental unit has been in occupancy for less than fifteen (15) days.

(12) "Low-income" means a household with a combined annual income, in a manner to be determined by the Mayor, which may include federal income tax returns where applicable, totaling less than the following percentages of the lower income guidelines established pursuant to section 8 of the United States Housing Act of 1937, approved August 22, 1974 (88 Stat. 662; 42 U.S.C. sec. 1437f) for a family of four (4) for the Washington Standard Metropolitan Statistical Area (SMSA), as the median is determined by the United States Department of Housing and Urban Development and adjusted yearly by historic trends of that median, and as may be further adjusted by an interim census of District of Columbia incomes by local or regional government agencies:

one-person household	50 percent
two-person household	60 percent
three-person household or a one- or two-person household containing a person who is 62 years of age or older or who is handicapped	90 percent
four-person household	100 percent
five-person household	110 percent
more than five-person	

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household 120 percent

(13) "Mayor" means the Mayor of the District of Columbia or the designated representative of the Mayor.

(14) "Owner" means an individual, corporation, association, joint venture, business entity and its respective agents, who hold title to the housing accommodation unit or cooperative share.

(15) "Rental Housing Act" means the Rental Housing Act of 1977, effective March 15, 1978 (D.C. Law 2-54; D.C. Code, sec. 45-1580 et seq.), or any successor rent control act.

(16) "Rental unit" or "unit" means only that part of a housing accommodation which is rented or offered for rent for residential occupancy and includes an apartment, efficiency apartment, room, suite of rooms, and single family home or duplex, and the appurtenant land to such rental unit.

(17) "Tenant" means a tenant, subtenant, lessee, sublessee, or other person entitled to the possession, occupancy or benefits of a rental unit within a housing accommodation. The singular term "tenant" includes the plural.

(13) "Tenant organization" means an organization which represents at least a majority of the occupied rental units in the housing accommodation.

TITLE II

Sec. 201. Short Title. This title may be cited as the "Conversion of Rental Housing to Condominium or Cooperative Status Act of 1980".

Sec. 202. Conversions.

D.C.Code,  
sec. 45-1699.201

(a) Prerequisite to Conversion. An owner shall not convert a housing accommodation into a condominium or cooperative until the Mayor certifies compliance with the provisions of this title regulating conversions, that the conversion fee has been paid, that the certification fee has been paid, and that the owner has complied with the other requirements of this act. If the owner is a tenants organization which purchased the housing accommodation pursuant to the provisions of title IV, the conversion fee required by section 204 may be paid at the time of settlement on the individual units or shares.

Only an owner may request a tenant election to convert, send notice of intent to convert, or convert an accommodation. Certification of a conversion by the Mayor is not transferable to a subsequent owner.

Certification by the Mayor is effective for one hundred eighty (180) days: PROVIDED, That the Mayor shall extend the certification if a majority of the qualified voters consent. If the owner receives certification by the Mayor and does not convert within this period, the owner may not request another tenant election or certification by the Mayor for that accommodation for one (1) year from the date of expiration of the prior certification.

(b) Exemption. with the Mayor's approval, owners who certify their intent to convert a housing accommodation to a non-profit cooperative, with an appreciation of share value limited to a maximum of the annual rate of inflation, for low and moderate income persons as defined from time to time by the United States Department of Housing and Urban Development for the Washington Standard

Metropolitan Statistical Area (MSA) may be exempt for this title.

Sec. 203. Tenant Election.

D.C. Code,  
sec. 45-1699.202

(a) Notice by Owner. An owner who seeks to convert shall provide each tenant and the Mayor a written request for a tenant election by first class mail and post the request for an election in conspicuous places in common areas of the housing accommodation. The written request shall include, at a minimum, a summary of tenant rights and obligations, a list of tenant voter qualifications and disqualifications, and sources of technical assistance as published in the D.C. Register by the Mayor. If Spanish is the primary language of a head of household, the owner shall provide a Spanish translation of the request to the head of household. An owner shall also provide the Mayor with a list of tenants residing in the housing accommodation.

(b) Notice by Tenant Organization. Within thirty (30) days of receipt of the owner's request for an election, the tenants may establish a tenant organization, if one does not exist, and if a tenant organization exists or is established, it

shall provide each tenant, the owner, and the Mayor with written notice of the election by first class mail and by conspicuous posting in common areas of the housing accommodation. Notice includes, at a minimum, the date, time and place of the election, and a summary of tenant rights, obligations, a list of tenant voter qualifications and disqualifications, and sources of technical assistance as published in the D.C. Register by the Mayor, if published.

(c) Conduct of the Election. Within sixty (60) days of receipt of an owner's request for an election, a tenant organization, if one exists or is established shall conduct an election. If notice of an election is not provided as required by this section, upon the request of a tenant or an owner, the Mayor shall provide notice and conduct an election within sixty (60) days of receipt of an owner's original request for an election.

(d) Qualified Voter. A head of household residing in each rental unit of the housing accommodation is qualified to vote unless no member of the household has resided in the

accommodation for at least ninety (90) days before the election, or unless a member of the household is an employee of the owner, or is a head of household whose continued right to remain a tenant is required by this act. The Mayor shall determine the eligibility of voters prior to the election and shall devise such forms and procedures as may be necessary to verify eligibility under this subsection.

(e) Absentee Ballot. A head of household unable to attend the election may submit to the Mayor or tenant organization prior to the election, a signed absentee ballot or sworn statement of agreement or disagreement with the conversion.

(f) Notification of Election Results. The tenant organization shall notify the owner and the Mayor of the results of the election within three (3) days. If the Mayor conducts the election, the Mayor shall notify the owner of the results of the election within three (3) days.

(g) Election Audit. The Mayor may monitor an election and take measures to preserve the integrity of the election process and result.



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(h) Coercion Prohibited. An owner, tenant organization, or third party purchaser shall not coerce a household in order to influence the head of household's vote. Coercion includes, but is not limited to, the knowing circulation of inaccurate information; frequent visits or calls over the objection of that household; threat of retaliatory action; an act or threat not otherwise permitted by law which seeks to recover possession of a rental unit, increase rent, decrease services, increase the obligation of a tenant or cause undue or unavoidable inconvenience, harass or violate the privacy of the household; refusal to honor a lease provision; refusal to renew a lease or rental agreement; or other form of threat or coercion.

(i) Compliance Approved. If over fifty percent (50%) of the qualified voters vote in approval of conversion, or if an election is not held within sixty (60) days of receipt of an owner's request pursuant to subsection (a) or within such reasonable extension of time as the Mayor may consider necessary to hold an election in accordance with the procedural requirements of

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this act, the Mayor shall certify compliance with this section for purposes of conversion.

(j) Compliance Not Approved. If fifty percent (50%) or less of the qualified voters vote in approval of conversion, or if an election is invalidated by the Mayor because of fraud or coercion in favor of conversion on the part of the owner, the Mayor shall not certify compliance with this section for purposes of conversion, and an owner may not request another tenant election for that accommodation for one (1) year from the date of the election.

(k) If an election is invalidated by the Mayor because of fraud or coercion on the part of the tenant organization, the Mayor shall conduct a new election within thirty (30) days of the invalidation.

Sec. 204. Conversion Fee.

D.C. Code,  
sec. 45-1699.203

(a) Amount. An owner who seeks to convert shall pay the Mayor a conversion fee of four percent (4%) of the declared sales price for each unit or share within the housing accommodation. If a unit or share is sold for less than the declared price, that proportionate share of the

conversion fee shall be refunded to the owner. If a unit or share is sold for more than the declared sales price, the conversion fee on that increment of value becomes a lien on the property which the Mayor may collect in the manner provided for collection of property taxes.

(b) Reduction of Fee. The Mayor may reduce the conversion fee to fifty dollars (\$50) per unit or share if the owner declares the intent to sell or provide a lease or option to lease for at least five (5) years to at least fifty-one percent (51%) of the tenants who, at the time of request for an election, are low-income and whose continued right to remain a tenant is not required by statute. To qualify for this reduction, a sale or lease cannot require monthly payments greater than existing rents, as may be increased under the Rental Housing Act, or twenty-five percent (25%) of gross household income, whichever is greater. The number of low-income tenants is the number identified by the Mayor within sixty-five (65) days of receipt of an owner's request for an election. If the owner does not sell or lease to at least fifty-one percent (51%) of the low-income

D.C. Code,  
Sec. 45-1699.204

tenants as declared, a conversion fee of four percent (4%) of the sales price for all units or shares, less the amount of fees previously paid for the accommodation, shall become a lien on the property which the Mayor may collect in the manner provided for collection of property taxes.

(c) Waiver of Lien. The Mayor shall waive a conversion fee lien on a unit or share purchased by a low-income tenant.

Sec. 205. Certification Fee.

D.C.Code,  
sec. 45-1699.204

An owner who seeks to convert must pay the Mayor a certification fee. The Mayor is authorized to collect and establish the amount of the fee. The certification fee shall be sufficient to cover the cost of administering this title.

Sec. 206. Cooperative Conversion.

D.C.Code,  
sec. 45-1699.205

(a) Notice of Conversion. An owner shall provide each tenant with prior written notice of an intent to convert of at least one hundred twenty (120) days by first class mail and by conspicuous posting in common areas of the housing accommodation. An owner shall not provide notice

prior to the Mayor's certification of compliance for purposes of cooperative conversion.

(D) Tenant Opportunity to Purchase Unit. An owner shall make to each tenant of the housing accommodation a bona fide offer of sale of the rental unit which the tenant occupies. An offer includes, at a minimum, the asking price for the unit and a summary of tenant rights and sources of technical assistance as published in the D.C. Register by the Mayor, if published. An owner shall afford the tenant at least sixty (60) days in which to make a contract to purchase the unit at a mutually agreeable price and under mutually agreeable terms. An owner shall not provide notice prior to the Mayor's certification of compliance for purposes of cooperative conversion.

(C) Notice to Vacate. An owner shall not serve a notice to vacate until at least ninety (90) days after the tenant received notice of intention to convert, or prior to expiration of the sixty (60) day period of notice of opportunity to purchase.

Sec. 207. Notice of Condominium Conversion.  
Section 408(b) of the Condominium Act (D.C. Code.

D.C. Code,  
sec. 5-1268

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sec. 5-1263(b)) is amended by striking the word "later" and inserting the word "sooner" in lieu thereof.

Sec. 208. Elderly Tenancy.

D.C. Code,  
sec. 45-1699.206

(a) Eviction Limited. Notwithstanding any other provision of this title, the Condominium Act, or the Rental Housing Act, an owner shall not evict or send notice to vacate to an elderly tenant with an annual household income, as determined by the Mayor, of less than thirty thousand (\$30,000) per year unless:

D.C. Code,  
sec. 45-1699.207

(1) the tenant violates an obligation of the tenancy and fails to correct the violation within thirty (30) days after receiving notice of the violation from the owner;

D.C. Code,  
sec. 45-1699.208

(2) a court of competent jurisdiction has determined that the tenant has performed an illegal act within the rental unit or housing accommodation; or

(3) the tenant fails to pay rent.

(b) Rent Level. Any owner of a converted unit shall not charge an elderly tenant rent in excess of the lawful rent at the time of request for a tenant election for purposes of conversion

plus annual increases on that basis authorized under the Rental Housing Act.

(c) For the purposes of this title, the term "elderly tenant" means a head of household who is sixty-two (62) years of age or older. The number of elderly tenants qualifying under this section is that number on the day an owner requests a tenant election for purposes of conversion.

Sec. 209. Property Tax Abatement. The Mayor shall not require an owner who converts a housing accommodation into a condominium or cooperative to pay real property tax on the proportionate value of units occupied by low-income tenants.

D.C. Code,  
sec. 45-1699.207

Sec. 210. Exceptions to Coverage of Title; Expiration Provisions. This title shall be effective for three (3) years following its enactment. This title applies to conversion of housing accommodations into condominium or cooperative status for which no notice of filing is issued pursuant to section 405 of the Condominium Act (D.C. Code, sec. 5-1265) or for which no articles of incorporation are filed pursuant to section 6 of the Cooperative Act (D.C. Code, sec. 29-806) prior to the effective date of

D.C. Code,  
sec. 45-1699.208

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this title. The provisions of this title shall not apply to the conversion of housing accommodations into condominium or cooperative status which were vacant on January 1, 1980.

Sec. 211. Repealer Provision. Title V of the Condominium Act (D.C. Code, sec. 5-1281 et seq.) and the Cooperative Regulation Act of 1979, effective September 28, 1979 (D.C. Law 3-19; D.C. Code, sec. 5-732a(b) & -1301 et seq.) are repealed.

D.C. Code, secs. 5-1281 et seq.; 5-732a; & 5-1301 et seq.

TITLE III

Sec. 301. Short Title. This title may be cited as the "Relocation and Housing Assistance Act of 1980".

Sec. 302. Relocation Payment.

(a) Payment Required. If an owner converts a housing accommodation into a condominium or cooperative, the owner shall provide a relocation payment to each tenant who does not purchase a unit or share or enter into a lease or lease option of at least five (5) years' duration.

D.C. Code, sec. 45-1699.301

(b) Amount of Payment. An owner shall pay the tenant only if the tenant provides a



relocation expense receipt or a written estimate from a moving company or other relocation service provider. Regardless of the amount on the receipt or written estimates, the owner shall pay no less than one hundred twenty-five dollars (\$125), but is not required to pay more than five hundred dollars (\$500) to the tenant.

(c) Method of Payment. An owner may pay by check or cash to the tenant or person designated by the tenant, and shall pay within seven (7) days of receipt of the written estimate or receipt, the amount indicated or an amount required by subsection (b).

(d) Entitlement to Receive Payment.

(1) The tenant who bears the cost of relocation is entitled to the payment. If there is more than one (1) tenant who bears the cost of relocation from a unit, the owner shall pay the tenants proportionally.

(2) The owner is not required to make a relocation payment to a tenant against whom the owner has obtained a judgment for possession of the unit.

(3) If an owner does not make a relocation payment as required, the tenant has a private right of action to collect the payment and is entitled to costs and reasonable attorney fees for bringing the action.

Sec. 303. Relocation Services.

D.C.Code,  
sec. 45-1699.302

(a) Services Required. The Mayor shall provide relocation assistance to low-income tenants who move from a housing accommodation which is converted into a condominium or cooperative. The Mayor shall provide service in the manner required by section 209 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, approved January 2, 1971 (84 Stat. 1899; D.C. Code, sec. 5-732a).

(b) Nature of Services. Section 209 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, approved January 2, 1971 (84 Stat. 1899; D.C. Code, sec. 5-732a) is amended by (1) redesignating existing section 209 as subsection (a) of section 209; and (2) by adding the following new subsection:

D.C.Code,  
sec. 5-732a

"(b) (1) If a housing accommodation within the geographic boundaries of the

District of Columbia is converted into a condominium or cooperative, substantially rehabilitated or demolished, or discontinued from housing use, the Mayor shall provide relocation services in the manner required by subsection (a) to low-income tenants who move from the accommodation. Services include, at a minimum, ascertaining the relocation needs for each household, providing current information on the availability of comparable housing of suitable size, supplying information concerning federal and District housing programs, and providing counseling to displaced persons in order to minimize hardships in adjusting to relocation.

"(2) For purposes of this section, the term: (A) 'comparable housing' means rental or homeownership units with equivalent benefits and services included in the monthly payments.

"(B) 'suitable size' means for a one (1) person family, an efficiency unit; for a two (2) person family, a one (1) bedroom unit; for a

family of three (3) or four (4) persons, a two (2) bedroom unit; for a family of five (5) or six (6) persons, a three (3) bedroom unit; and for a family of seven (7) or more persons, a four (4) bedroom unit. In addition, the meaning of the term 'suitable size' is increased as necessary to allow children and unmarried adults of the opposite sex to have separate sleeping rooms. In determining the meaning of the term 'suitable size', one (1) person living in a one (1) bedroom unit is eligible for relocation in a one (1) bedroom comparable unit."

Sec. 304. Housing Assistance Payments.

D.C. Code,  
sec. 45-1699.303

(a) Payment Required. If an owner converts a housing accommodation into a condominium or cooperative, the Mayor shall provide housing assistance payment for three (3) years to each low-income tenant who does not purchase a unit or share.

(b) Eligibility. In order to receive housing assistance payments, the tenant must:

- (1) be low-income,
- (2) apply for the assistance.

(3) have been living in a rental unit within the converted housing accommodation for at least one hundred eighty (180) days prior to receipt of an owner's request for a tenant election for purposes of conversion, and

(4) reside within the District of Columbia after conversion of the housing accommodation.

(c) Amount of Assistance. The amount of a housing assistance payment is calculated as follows:

(1) If a household's average monthly housing expenses during the twelve (12) consecutive months prior to conversion are less than twenty-five percent (25%) of net monthly household income, the amount of a monthly housing assistance payment is the difference between twenty-five percent (25%) of net monthly household income and the projected average monthly housing expenses after conversion.

(2) If a household's average monthly housing expenses during the twelve (12) consecutive months prior to conversion are more than twenty-five percent (25%) of net monthly

household income, the amount of a monthly housing assistance payment is the difference between the prior average monthly housing expenses and the projected average monthly housing expenses after conversion.

(3) The Mayor may review the eligibility of a household and the amount of payments and change the household's status accordingly.

(4) For purposes of this subsection, the term "housing expenses" includes rent or monthly payment for a unit plus the cost of all utilities if not included in the rent or monthly payment. The term "housing expense" shall not include a security deposit. The Mayor is not required to consider housing expenses which exceed the level of fair market rents established by the federal Department of Housing and Urban Development for the District of Columbia.

D.C. Code,  
sec. 45-1699.304

D.C. Code,  
sec. 45-1699.305

(d) Method of Payment.

(1) The Mayor may make housing assistance payments on a monthly basis or an aggregate basis for any portion of the period of eligibility. An aggregate payment is calculated

by multiplying the monthly payment amount by the number of months desired.

(2) The Mayor may contract with a financial institution in the District of Columbia for provision of housing assistance payments with District funds.

(3) The Mayor may provide housing assistance payments to the tenant, or to the tenant's landlord directly.

Sec. 305. Payments Not Subject to District Tax. Relocation and housing assistance payments are not income to the recipient for purposes of the District of Columbia Income and Franchise Tax Act of 1947, approved July 15, 1947 (61 Stat. 331; D.C. Code, sec. 47-1551 et seq.).

D.C. Code,  
sec. 45-1699.304

Sec. 306. Notice to Tenants. The Mayor shall include tenant rights to relocation payments, relocation services, and housing assistance payments in the summary of tenant rights required for publication in the D.C. Register. When an owner sends notice of intent to convert a housing accommodation into a condominium or cooperative, the owner shall attach to that notice a summary of tenant rights under this title and an application

D.C. Code,  
sec. 45-1699.305

for relocation services and housing assistance payments as published in the D.C. Register by the Mayor.

Sec. 307. Housing Assistance Fund.

D.C. Code,  
sec. 45-1699.306

(a) Creation of Fund. The Mayor shall deposit revenues from collection of the condominium or cooperative conversion fee in a special fund for purposes of housing assistance to low-income persons.

(b) Authorized Uses. The Mayor may spend revenues from the special fund for providing housing assistance payments as required by this title and for other purposes as authorized by act of the Council of the District of Columbia.

(c) Appropriation. The Mayor shall request an appropriation in the annual budget of the District of revenues within the special fund for its authorized purposes.

(d) Termination. The Council of the District of Columbia shall reestablish the special fund by the end of the fifth fiscal year following the effective date of this title. Should the fund not be reestablished, it is dissolved and its revenues shall revert to the general fund of the District.



During the life of the special fund, however, its revenues do not revert to the general fund at the end of a fiscal year.

Sec. 308. Information and Technical Assistance. The Mayor shall establish an office to coordinate programs of technical assistance and serve as a central clearinghouse for information needed by tenants regarding the conversion and sale of rental housing. Program areas for this office include, but are not limited to, counseling, subsidy programs, relocation services, housing purchase and rehabilitation finance, tax relief programs, and technical assistance for the formation of tenant organizations, purchase of housing accommodations, rehabilitation, and conversion to cooperative or condominium.

D.C. Code,  
sec. 45-1699.307

Sec. 309. Expiration Provisions. This title shall be effective for three (3) years following its enactment.

D.C. Code,  
sec. 45-1699.308

#### TITLE IV

Sec. 401. Short Title. This title may be cited as the "Tenant Opportunity to Purchase Act of 1980".

Enrolled Original

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Sec. 402. Existence of Tenant Opportunity to Purchase. Before an owner of a housing accommodation may sell the accommodation, or issue a notice of intent to recover possession, or notice to vacate, for purposes of demolition or discontinuance of housing use, the owner shall give the tenant an opportunity to purchase the accommodation at a price and terms which represent a bona fide offer of sale.

D.C.Code,  
sec. 45-1699.401

Sec. 403. Offer of Sale. The owner shall provide each tenant and the Mayor a written copy of the offer of sale by first class mail and post a copy of the offer of sale in a conspicuous place in common areas of the housing accommodation if it consists of more than one (1) unit. An offer includes, at a minimum:

D.C.Code,  
sec. 45-1699.402

(a) the asking price and material terms of the sale;

(b) a statement that the tenant has the right to purchase the accommodation under this act and a summary of tenant rights and sources of technical assistance as published in the D.C. Register by the Mayor: PROVIDED, HOWEVER, That if no such statement and summary have been published, the

owner will be deemed in compliance with this subsection;

(c) a statement as to whether a contract with a third party exists for sale of the accommodation and that the owner shall make a copy available to the tenant within seven (7) days after receiving a request; and

(d) a statement that the owner shall make available to the tenant a floor plan of the building and an itemized list of monthly operating expenses, utility consumption rates, and capital expenditures for each of the two (2) preceding calendar years within seven (7) days after receiving a request.

Sec. 404. Third Party Rights. The right of a third party to purchase an accommodation is conditional upon exercise of tenant rights under this title. The time periods for negotiation of a contract of sale and for settlement under this title are minimum periods, and the owner may afford the tenants a reasonable extension of such period, without liability under a third party contract. Third party purchasers are presumed to

D.C. Code,  
sec. 45-1699.403

act with full knowledge of tenant rights and the public policy under this title.

Sec. 405. Contract Negotiation.

D.C. Code,  
sec. 45-1699.404

(a) Bargaining in Good Faith. The tenant and owner shall bargain in good faith. The following constitute prima facie evidence of bargaining without good faith:

(1) the failure of an owner to offer the tenant a price or term at least as favorable as that offered to a third party, within the periods specified in sections 408(c), 409(d), and 410(d), respectively, without a reasonable justification for so doing;

(2) the failure of an owner to make a contract with the tenant which substantially conforms with the price and terms of a third party contract within the time periods specified in sections 408(c), 409(d), and 410(d), respectively, without a reasonable justification for so doing;

(3) the intentional failure of a tenant or an owner to comply with the provisions of this title.

(b) Deposit. The owner shall not require the tenant to pay a deposit of more than five percent (5%) of the contract sales price in order to make a contract. The deposit is refundable in the event of a good faith failure of the tenant to perform under the contract.

Sec. 406. Assignment and Tenant Partners.

D.C.Code,  
sec. 45-1699.405

The tenant may exercise rights under this title in conjunction with a third party. The tenant may assign his or her rights under this title to an agency or instrumentality of the District or Federal governments.

Sec. 407. Waiver of Rights. An owner shall

D.C.Code,  
sec. 45-1699.406

not request, and a tenant may not grant, a waiver of the right to receive an offer of sale under this title. An owner shall not require waiver of any other right under this title.

Sec. 408. Right of First Refusal. In

D.C.Code,  
sec. 45-1699.407

addition to any other rights specified in this title, a tenant or tenant organization shall also have the right of first refusal during the fifteen (15) days after an owner has received a valid sales contract or other written offer to purchase from a prospective purchaser.

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Sec. 409. Single-Family Accommodations. The following provisions apply to single-family accommodations.

D.C. Code,  
sec. 45-1699.408

(a) Negotiation Period. The owner shall afford the tenant a reasonable period to negotiate a contract of sale, and shall not require less than sixty (60) days. For every day of delay in providing information by the owner as required by this title, the negotiation period is extended by one (1) day.

(b) Time Before Settlement. The owner shall afford the tenant a reasonable period prior to settlement in order to secure financing and financial assistance, and shall not require less than sixty (60) days after the date of contracting. If a lending institution or agency estimates in writing that a decision with respect to financing or financial assistance will be made within ninety (90) days after the date of contracting, the owner shall afford an extension of time consistent with that written estimate.

(c) Lapse of Time. If one hundred eighty (180) days elapse from the date of a valid offer under this title and the owner has not sold or

contracted for the sale of the accommodation, the owner shall comply anew with the terms of this title.

Sec. 410. Accommodations with Two (2) through Four (4) Units. The following provisions apply to accommodations with two (2) through four (4) units.

D.C. Code,  
sec. 45-1699.409

(a) Joint and Several Response. The tenants may respond to an owner's offer first jointly, then severally.

(b) Negotiation Period. (1) The owner shall afford the tenants a reasonable period to negotiate a contract of sale, and shall not require less than ninety (90) days. For every day of delay in providing information by the owner as required by this title, the negotiation period is extended by one (1) day.

(2) If at the end of the ninety (90) day period or any extensions thereof, the tenants jointly have not contracted with the owner, the owner shall provide an additional thirty (30) day period, during which any one (1) of the current tenants may contract with the owner for the purchase of the accommodation.

45-1699.410

Enrolled Original  
Enrolled Original

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(c) Time Before Settlement. The owner shall afford the tenant a reasonable period prior to settlement in order to secure financing and financial assistance, and shall not require less than ninety (90) days after the date of contracting. If a lending institution or agency estimates in writing that a decision with respect to financing or financial assistance will be made within one hundred twenty (120) days after the date of contracting, the owner shall afford an extension of time consistent with that written estimate.

(d) Lapse of Time. If two hundred forty (240) days elapse from the date of a valid offer under this title and the owner has not sold or contracted for the sale of the accommodation, the owner shall comply anew with the terms of this title.

Sec. 411. Accommodations with Five (5) or More Units. The following provisions apply to accommodations with five (5) or more units.

D.C. Code,  
sec. 45-1699.410

(a) Tenant Organization.

In order to make a contract of sale with an owner, the tenants shall:



(1) form a tenant organization with the legal capacity to hold real property, elect officers, and adopt by-laws, unless such a tenant organization exists in a form desired by the tenants;

(2) file articles of incorporation; and

(3) deliver a statement of registration to the Mayor and the owner by hand or by first class mail within forty-five (45) days of receipt of a valid offer. If at the time of receipt of the valid offer, a tenant organization exists in a form desired by the tenants, the delivery of the statement of registration to the Mayor and the owner by hand or by first class mail shall be within thirty (30) days of receipt of a valid offer. The registration shall include the name, address, and phone number of tenant officers and legal counsel (if any); a copy of the articles of incorporation, as filed; a copy of the by-laws; and documentation that the organization represents at least a majority of the occupied rental units as of the time of registration. Upon delivery of the registration, the organization constitutes the sole representative of the tenants, and the prior

offer of sale is deemed an offer to the organization.

(b) Negotiation Period. The owner shall afford the tenant organization a reasonable period to negotiate a contract of sale, and shall not require less than one hundred twenty (120) days from the date of receipt of the statement of registration. For every day of delay in providing information by the owner as required by this title, the negotiation period is extended by one (1) day.

(c) Time Before Settlement.

(1) The owner shall afford the tenant organization a reasonable period prior to settlement in order to secure financing and financial assistance, and shall not require less than one hundred twenty (120) days after the date of contracting. If a lending institution or agency estimates in writing that a decision with respect to financing or financial assistance will be made within two hundred forty (240) days after the date of contracting, the owner shall afford an extension of time consistent with that written estimate.

Enrolled Original

(2) If the tenant organization articles of incorporation provide, by the date of contracting, that the purpose of the tenant organization is to convert the accommodation to a non-profit housing cooperative with appreciation of share value limited to a maximum of the annual rate of inflation, the owner shall require not less than one hundred eighty (180) days after the date of contracting or such additional time as required by this section.

(d) Lapse of Time. If three hundred sixty (360) days elapse from the date of a valid offer under this title and the owner has not sold or contracted for the sale of the accommodation an owner shall comply anew with the terms of this title. In such a case, the tenant organization shall also comply anew with respect to delivery of a registration statement; the original tenant articles of incorporation, officers and by-laws remain effective unless defective under their own terms or other provisions of law.

Sec. 412. Exceptions to Coverage of Title; Expiration Provisions. This title shall be effective for three (3) years following its

D.C. Code,  
sec. 45-1699.411

enactment. The provisions of this title shall not apply to the sale of housing accommodations which were vacant on January 1, 1980. Sections 402, 404, 405, 406, 407, 408(b) and (c), 409(c) and (d), and 410(c) and (d) apply to any sale of a housing accommodation for which a contract is not fully executed prior to June 3, 1980, and the period for contracting pursuant to section 601 or 602 of the Rental Housing Act is not expired prior to the effective date of this act. This title applies in its entirety to any sale of a housing accommodation for which a notice pursuant to section 601 or 602 of the Rental Housing Act is not received by the tenants in at least fifty percent (50%) of the occupied rental units in the housing accommodation prior to June 3, 1980.

Sec. 413. Repealer Clause. Title VI of the Rental Housing Act (D.C. Code, sec. 45-1699.8 et seq.) is repealed.

D.C. Code,  
sec. 45-1699.8 et seq.

#### TITLE V

#### IMPLEMENTATION AND ENFORCEMENT

Sec. 501. Rule Making. (a) The Mayor shall issue rules for the implementation of this act. The Mayor shall issue rules for the holding of

D.C. Code,  
sec. 45-1699.501

elections which shall include, but not be limited to, provisions for secret voting, and the right of any person including the owner to observe the counting of the ballots.

(b) Within sixty (60) days after the effective date of this act, the Mayor shall publish in the D.C. Register, a summary of tenant rights and obligations pursuant to this act, and sources of technical assistance, which shall include, but shall not be limited to, information regarding counseling, subsidy programs, relocation services, housing purchase and rehabilitation finance, tax relief programs, formation of tenant organizations, purchase of housing accommodations, rehabilitation, and conversion to cooperative or condominium.

Sec. 502. Time Periods. If a time period running under this act ends on a Saturday, Sunday, or legal holiday, it is extended until the next day which is not a Saturday, Sunday, or legal holiday.

D.C. Code,  
sec. 45-1699.502

Sec. 503. Civil Cause of Action. An aggrieved owner, tenant, or tenant organization may seek enforcement of any right or provision

D.C. Code,  
sec. 45-1699.503

under this act through a civil action in law or equity, and upon prevailing, may seek an award of costs and reasonable attorney fees. In an equitable action, the public policy of this act favors the waiver of bond requirements to the extent permissible under law or court rule.

Sec. 504. Administrative Remedy.

D.C. Code,  
sec. 45-1699.504

(a) A party who is aggrieved by an action of the Mayor under this act, may request a hearing before a hearing officer for the purpose of fact finding or interpretation with respect to those rights.

(b) The Mayor shall appoint a senior hearing officer who is an employee of the District government and a member of the Bar of the District of Columbia Court of Appeals to preside over hearings requested under this section. The Mayor shall make one (1) or more appointments in such a manner and at such a time as to assure the appearance of fairness, including adequate separation of investigative and adjudicative functions, to all parties.

(c) The hearing officer appointed under this section has the following powers:

(1) to hold hearings, administer oaths, and require by subpoena or otherwise compel the attendance and testimony of witnesses, and the production of written information which the hearing officer deems necessary to carry out the functions of this act;

(2) in the case of contumacy or refusal to obey a subpoena issued under this act, to directly request the Superior Court of the District of Columbia to issue an order to enforce the subpoena;

(3) to render findings of fact, conclusions of law, and issue declaratory or provisional orders as to the rights of parties under this act; and

(4) to directly commence a civil action before the Superior Court of the District of Columbia to enforce a final order issued by the hearing officer.

(d) An order of the hearing officer is final after fifteen (15) days from the date of its issuance unless a party files a petition for judicial review within that period.

(e) Hearings and judicial review of orders under this section are governed by sections 109 and 110 (the contested case and judicial review provisions) of the District of Columbia Administrative Procedure Act, approved October 28, 1958 (82 Stat. 813; D.C. Code, secs. 1-1509 & -1510).

(f) This section is not a bar to civil action for legal or equitable relief by any party.

Sec. 505. Statutory Construction. The purposes of this act favor resolution of ambiguity by the hearing officer or a court toward the end of strengthening the legal rights of tenants or tenant organizations to the maximum extent permissible under law. If this act conflicts with another provision of law of general applicability, the provisions of this act control.

D.C. Code,  
sec. 45-1699.505

Sec. 506. Declaration of Continuing Housing Crisis.

D.C. Code,  
sec. 45-1699.506

(a) Within one (1) month of the first annual anniversary date of the effective date of this act, and during the same period of each successive year, the Mayor shall determine and then declare whether there is a continuing housing crisis in



the District. If the Mayor determines that at least one (1) of the factors listed in subsection (b) continue to exist, the Mayor shall declare that there is a continuing housing crisis. If the Mayor determines that none of the factors listed in subsection (b) continue to exist, the Mayor shall declare there is no longer a housing crisis. The Mayor's declaration shall include the reasons for such determination.

(b) The factors which the Mayor shall consider in determining whether there is a continuing housing crisis in the District include, but are not limited to, the following:

(1) that the percentage of all rental housing units in the District which are vacant, habitable, and available for occupancy is less than five percent (5%);

(2) that the number of new rental units made available for occupancy with the District of Columbia in the previous year is less than the number of units demolished, discontinued in use or converted to condominiums, cooperatives or nonhousing use; and

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(3) that the number of new or substantially rehabilitated units subsidized under federal or local publicly funded programs and made available for occupancy within the District of Columbia in the past year was less than ten thousand (10,000) units.

(4) The Mayor shall consider any other significant factors which relate to the supply of housing available for low income District of Columbia citizens.

(c) If the Mayor declares that there is no longer a housing crisis within the District of Columbia, sections 202, 203, and 208 shall no longer be in effect.

Sec. 507. Severability Clause. If any provision of this act, or any section, clause, phrase, or word or the application thereof, in any circumstances is held invalid, the validity of the remainder of the act and of the application of any other provision, section, sentence, clause, phrase, or word shall not be affected.

D.C. Code,  
sec. 45-1699.507

Sec. 508. Effective Date. This act shall take effect after a thirty (30) day period of Congressional review following approval by the

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RECORDS OF THE DISTRICT OF COLUMBIA

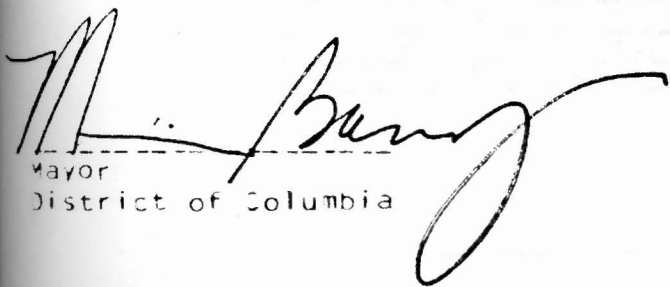
RECORDS OF DISTRICT COUNCIL ACTION

50

Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 502(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code, sec. 1-147(c)(1)).



Chairman  
Council of the District of Columbia



Mayor  
District of Columbia

APPROVED: June 27, 1980

# COUNCIL OF THE DISTRICT OF COLUMBIA

## RECORD OF OFFICIAL COUNCIL ACTION

DOCKET NO: B 3-222

ACTION: Adopted First Reading 6/3/80

VOICE VOTE: Unanimous

Absent: Hardy, Spaulding, Winter

ROLL CALL VOTE:

COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.	COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.	COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.
DIXON					KANE					SHACKLETON				
WINTER					MASON					SPAULDING				
CLARKE					MOORE					WILSON				
HARDY					RAY									
TARVITS					ROTARK									

X—Indicates Vote    A. B.—Absence    N. Y.—Not Voting

CERTIFICATION OF RECORD

*John P. Brown*  
Secretary to the Council

ACTION: Adopted Final Reading 6/17/80

VOICE VOTE: \_\_\_\_\_

Absent: \_\_\_\_\_

ROLL CALL VOTE:

COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.	COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.	COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.
DIXON	X				KANE		X			SHACKLETON	X			
WINTER	X				MASON	X				SPAULDING	X			
CLARKE	X				MOORE			X		WILSON	X			
HARDY		X			RAY	X								
TARVITS	X				ROTARK	X								

X—Indicates Vote    A. B.—Absence    N. Y.—Not Voting

CERTIFICATION OF RECORD

*John P. Brown*  
Secretary to the Council

ACTION: \_\_\_\_\_

VOICE VOTE: \_\_\_\_\_

Absent: \_\_\_\_\_

ROLL CALL VOTE:

COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.	COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.	COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.
DIXON					KANE					SHACKLETON				
WINTER					MASON					SPAULDING				
CLARKE					MOORE					WILSON				
HARDY					RAY									
TARVITS					ROTARK									

X—Indicates Vote    A. B.—Absence    N. Y.—Not Voting

CERTIFICATION OF RECORD

\_\_\_\_\_  
Secretary to the Council