

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Rental Housing Conversion and Sale Act of 1980 to remove certain limitations on the authority of the Mayor or the Mayor's assignee to purchase housing accommodations under the District Opportunity to Purchase Act, and to establish affordable housing requirements applicable to housing accommodations purchased by the Mayor or assignee as aforesaid

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "District's Opportunity to Purchase Amendment Act of 2021".

Sec. 2. The Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3401.01 *et seq.*), is amended as follows:

(a) Section 432(c) (D.C. Official Code § 42-3404.32(c)) is repealed.

(b) Section 433 (D.C. Official Code § 42-3404.33) is amended as follows:

(1) Subsection (b)(1) (D.C. Official Code § 42-3404.33(b)(1)) is amended to read as follows:

“(b)(1) After purchasing a housing accommodation, the Mayor, or an assignee of the Mayor, shall maintain affordable rents for a tenant who lived in a rental unit in the housing accommodation on the date the offer of sale was provided to the Mayor, as follows:

“(A) For the first 12 months, the monthly rent, including utilities, shall not be greater than the monthly rent, including utilities, on the date the offer of sale was provided to the Mayor; and

“(B) After the first 12 months, the monthly rent shall be subject to allowable percentage increases annually, limited to the lesser of:

“(i) The allowable annual increase in monthly rent for a rental unit pursuant to section 208(h) of the Rental Housing Act (D.C. Official Code § 42-3502.08(h)) or,

“(ii) For any unit covered by a local or federal rental affordability program, the allowable increase under that program.”

(2) Subsections (c) and (d) are amended to read as follows:

“(c)(1) Upon the initial sale of the housing accommodation to the Mayor or the Mayor's assignee, the Mayor shall record a covenant that shall require the Mayor or the Mayor's assignee, and every successor in interest, to maintain as rent-and-income-restricted, for as long as the

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property remains a housing accommodation, each rental unit in the housing accommodation for which the most recent monthly rent, including utilities, on the date the offer of sale was provided to the Mayor, was equal to or less than the maximum rent for a household with an income of 60% of the median family income, and any additional units as designated by the affordability plan required by subsection (d) of this section.

“(2) For any rental unit that is vacant on the date the offer of sale was provided to the Mayor, or subsequently becomes vacant before the parties execute the affordability covenant:

“(A) If the most recent monthly rent was equal to or less than the maximum rent for a household with an income of 60% of the median family income, that unit shall become a rent-and-income-restricted unit restricted to tenants with annual household incomes equal to or less than 60% of the median family income; or

“(B) If the most recent monthly rent was equal to or less than the maximum rent for a household with an income of 30% of the median family income, that unit shall become a rent-and-income-restricted unit restricted to tenants with annual household incomes equal to or less than 30% of the median family income.

“(C) For the remaining units, including units for which there is no record of the most recent monthly rent, the Mayor, an assignee of the Mayor, or any successor in interest, shall set the rents in accordance with the affordability plan required by subsection (d) of this section.

“(D) The Mayor may waive in writing subparagraphs (A) or (B) of this paragraph for all or a portion of the rental units in a specific property that are vacant on the date the offer of sale was provided to the Mayor, or subsequently become vacant before the parties execute the affordability covenant, in order to increase financial feasibility of the purchase and operation of the project, in which case rents shall be set in accordance with the affordability plan required by subsection (d) of this section.

“(d)(1) The Mayor, or an assignee of the Mayor, shall develop an affordability plan detailing a strategy to meet the requirements of subsection (c)(2) of this section, and as practicable, increase the number of rent-and-income-restricted units in the purchased housing accommodation restricted to tenants with annual household incomes equal to or less than 60% of the median family income.

“(2) The affordability plan may allow for rent-and-income restricted units to be restricted to tenants with annual household incomes above 60% of the median family income; provided, that the average designated household annual income limit of all rent-and-income restricted rental units in the housing accommodation is equal to or less than 60% of the median family income as a result of the affordability plan.

“(3) In accordance with subsection (c)(1) of this section, the affordability plan may not reduce the number of units affordable at 30% or 60% of median family income below the number of such units existing in the housing accommodation on the date the offer of sale was provided to the Mayor.”

(3) A new subsection (e) is added to read as follows:

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“(e) For the purposes of this section, the term:

“(1) “Maximum rent” means the highest amount chargeable for a particular rental unit such that a household of the rental unit’s imputed household size that earns the applicable MFI level will expend no more than 30% of its annual income on monthly rent and utilities, as set forth in a Rent and Income Schedule published by the Mayor. For purposes of this paragraph, the imputed household size applicable to a unit will be determined in accordance with the regulations governing the Housing Production Trust Fund program.

“(2) “Median family income” or “MFI” means the median family income for the Washington Metropolitan Statistical Area as set forth by the United States Department of Housing and Urban Development, adjusted for household size, without regard to any adjustments made by the United States Department of Housing and Urban Development for the purposes of the programs it administers. Adjustments of median family income for household size shall be made as prescribed for the area median income in section 2(1) of the Housing Production Trust Fund Act, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801(1)).

“(3) “Most recent monthly rent” means the rent, including utilities, that was the most recent prior to the date the offer of sale was provided to the Mayor.

“(4) “Rent-and-income-restricted unit” means a unit that is restricted to tenants with a designated household annual income limit and with rents restricted to the maximum rent.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

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24, 1973 (87 Stat. 813; D.C. Official Code § 1- 206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia