

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: December 21, 2018

SUBJECT: Fiscal Impact Statement – District’s Opportunity to Purchase
Amendment Act of 2019

REFERENCE: Draft Bill shared with the Office of Revenue Analysis on December 17,
2018

Conclusion

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

Background

The bill makes¹ changes to the District’s Opportunity to Purchase Act (DOPA). DOPA gives the Mayor the first opportunity to purchase certain housing accommodations before other buyers if tenants do not purchase the accommodations first through the Tenant Opportunity to Purchase Act². Eligible for purchase through DOPA are housing accommodations with 5 or more rental units where at least 25 percent of the units are affordable.

The bill raises the income threshold that defines an affordable unit. Currently, a unit is considered affordable if it is affordable to a household with 50 percent of the Area Median Income (AMI).³ The bill raises the household income defining affordability to 60 percent of AMI.

The bill also makes several changes to clarify existing law. It makes clear that:

¹ By amending the District’s Opportunity to Purchase Amendment Act of 2008, effective December 24, 2008 (D.C. Law 17-286; D.C. Official Code § 42-3404.31 et seq.).

² Established by D.C. Law 3-86, codified at D.C. Official Code § 42-3404.01 et seq.

³ Affordable is defined as a unit with rent and utilities totaling no more than 30 percent of a household’s income.

The Honorable Phil Mendelson

FIS: "District's Opportunity to Purchase Amendment Act of 2019," Draft Bill shared with the Office of Revenue Analysis on December 17, 2018

- 12 months after a DOPA purchase the Mayor⁴ may increase rents at a property according to applicable rent increase limits such as rent control, but cannot raise rents more than 10 percent;
- The Mayor, or her assignee, and each successor must maintain the affordability of the units; and
- DOPA is to be used, in order of priority, to 1) preserve existing affordable units; 2) increase the number of affordable units; and 3) encourage mixed income properties only within the context and constraints of the first two priorities.

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. While the bill's new affordability threshold could increase the number of housing accommodations eligible for purchase through DOPA, it does not mandate any purchases, still leaving the decision up to the Mayor. The Mayor will only be able to make purchases that can be accommodated in a District budget and financial plan.

Administering DOPA with the changes made by the bill will not create any additional costs for the Department of Housing and Community Development, which manages the DOPA process.

⁴ Or her assignee or successor in interest.