


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 – Low Income Housing Tax Credit TOPA
Exemption for Transfers of Interest 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 Tenant Opportunity to Purchase Act (TOPA) exemption granted to property owners transferring ownership for the purpose of admitting an investor who will receive a Low Income Housing Tax Credit (LIHTC). Such ownership transfers may occur when affordable rental housing will be renovated and preserved, such as upon the expiration of LIHTC 15-year compliance periods.

Specifically, the bill:

- Eliminates the requirement that these owners notify tenants of the transfer;
- Requires that owners receiving this exemption guarantee the same or greater affordability for current tenants or units after redevelopment;
- Requires that projects subject to the exemption that receive additional subsidies continue to receive the subsidies after redevelopment; and
- Requires the Mayor's office or a designee to sign off on the exemption.

¹ Section 402(c)(2) of the Tenant Opportunity to Purchase Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3404.02(c)(2)).

The Honorable Phil Mendelson

FIS: "Low Income Housing Tax Credit TOPA Exemption for Transfers of Interest Act of 2019," Draft Bill shared with the Office of Revenue Analysis on December 17, 2018

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The Department of Housing and Community Development can implement the new TOPA exemption rules without additional resources.