

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 42.
REAL PROPERTY.

CHAPTER 21.
HOMESTEAD HOUSING PRESERVATION.

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DISTRICT OF COLUMBIA OFFICIAL CODE
CHAPTER 21. HOMESTEAD HOUSING
PRESERVATION.

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CHAPTER 21. HOMESTEAD HOUSING PRESERVATION.

§ 42-2101. FINDINGS.

The Council of the District of Columbia ("Council") finds that:

- (1) There exists an immediate crisis regarding the critical shortage of decent and affordable low- and moderate-income housing resulting in significant measure from the lack of maintenance and the deterioration of rental housing, the lack of adequate financial investment in rental housing by owners and private investors, the abandonment of low- and moderate-income rental housing by owners resulting from outstanding government liens, the lack of incentives for tenants to improve the rental property, and the ineffectiveness of traditional means of abating housing code violations on rental property.
- (2) Based on 1980 census data, there are approximately 9,800 units that are currently vacant and approximately 60,000 units in need of rehabilitation.
- (3) There are numerous properties that, because of their deteriorating condition, adversely affect the health, comfort, safety, and welfare of those persons who reside in and around them.

(Aug. 9, 1986, D.C. Law 6-135, § 2, 33 DCR 3771.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2701.

Legislative History of Laws

Law 6-135, the "Homestead Housing Preservation Act of 1986," was introduced in Council and assigned Bill No. 6-168, which was referred to the Committee on Housing and Economic Development. The Bill was adopted on first and second readings on May 27, 1986, and June 10, 1986, respectively. Signed by the Mayor on June 13, 1986, it was assigned Act No. 6-173 and transmitted to both Houses of Congress for its review.

Miscellaneous Notes

Approval of community development objectives and projected use of funds: Pursuant to Resolution 6-768, the "Community Development Block Grant Program Resolution of 1986," effective July 8, 1986, the Council approved the revised program description and authorized the allocation of funds.

§ 42-2102. PURPOSE.

In enacting this chapter, the Council supports the following statutory purposes:

- (1) To provide decent and affordable rental opportunities for low-income persons and homeownership opportunities to low-and moderate-income persons;
- (2) To enable organized groups of low-and moderate-income persons to obtain skills to repair, maintain, and manage residential property;
- (3) To afford highly-motivated low-and moderate-income persons the opportunity to participate fully in the production of their own decent and affordable homes;
- (4) To facilitate community development that would create jobs for low and moderate income District of Columbia residents, as well as enhance the quality of life in residential areas by establishing businesses and other community services designed to meet the needs of the neighborhood;
- (5) To provide nonprofit organizations and developers the opportunity to purchase property in the program in exchange for providing needed community service to District residents; and

(6) To strengthen neighborhoods by returning blighted, vacant, and neglected properties to productive use.

(Aug. 9, 1986, D.C. Law 6-135, § 3, 33 DCR 3771; June 11, 1999, D.C. Law 13-11, § 2(a), 46 DCR 548; Apr. 19, 2002, D.C. Law 14-114, § 801(a), 49 DCR 1468.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2702.

Effect of Amendments

D.C. Law 13-11 added pars. (4) and (5).

D.C. Law 14-114, in par. (1), substituted "To provide decent and affordable rental opportunities for low-income persons and" for "To provide"; made nonsubstantive changes in pars. (4) and (5); and added par. (6).

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 2(a) of Homestead Housing Preservation Temporary Amendment Act of 1998 (D.C. Law 12-245, April 20, 1999, law notification 46 DCR 4158).

Emergency Act Amendments

For temporary amendment of section, see § 2(a) of the Homestead Housing Preservation Emergency Amendment Act of 1998 (D.C. Act 12-556, January 12, 1999, 45 DCR 625).

For temporary (90-day) amendment of section, see § 2(a) of the Homestead Housing Preservation Congressional Review Emergency Amendment Act of 1999 (D.C. Act 13-62, May 10, 1999, 46 DCR 4454).

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2001.

Law 13-11, the "Homestead Housing Preservation Amendment Act of 1999," was introduced in Council and assigned Bill No. 13-50, which was referred to the Committee on Economic Development. The Bill was adopted on first and second readings on February 2, 1999, and March 2, 1999, respectively. Signed by the Mayor on March 22, 1999, it was assigned Act No. 13-48 and transmitted to both Houses of Congress for its review. D.C. Law 13-11 became effective on June 11, 1999.

Law 14-114, the "Housing Act of 2002", was introduced in Council and assigned Bill No. 14-183, which was referred to the Committee on Finance and Revenue. The Bill was adopted on first and second readings on December 4, 2001, and January 8, 2002, respectively. Signed by the Mayor on February 6, 2002, it was assigned Act No. 14-267 and transmitted to both Houses of Congress for its review. D.C. Law 14-114 became effective on April 19, 2002.

§ 42-2103. DEFINITIONS.

For the purposes of this chapter, the term:

(1) Repealed.

(1A) "Commercial property" means income producing property as identified under zoning classifications, that would allow for such uses as office buildings, retail stores, restaurants, and service facilities pursuant to Chapter 7 of Title 11 of the District of Columbia Municipal Regulations (July 1995).

(1B) "Community service" means reasonable and needed services to District residents for at least 10 years. Examples of reasonable and needed services include, but are not limited to, providing free food and clothing to the community; providing free shelter to the homeless on a temporary or long term basis; providing low or no-cost educational programs; providing vocational training programs for District residents with mental or physical disabilities; or providing housing for transition programs for District residents with mental or physical disabilities.

(1C) "Condominium or unit owners association" means an association of owners of individual units organized and incorporated in accordance with Chapter 9 of Title 29, for the purposes of the self-government of the condominium in accordance with subchapter III of Chapter 19 of this title.

(2) "Cooperative housing association" means an association that is incorporated in accordance with Chapter 9 of Title 29, and organized for the purpose of owning and operating residential real property in the District of Columbia ("District"), the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease, or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement. To qualify for participation in the Program established pursuant to § 42-2104, a cooperative housing association must be organized for the purpose of providing homeownership

opportunities for low-or moderate-income persons.

(3) "Dwelling unit" means any room or group of rooms forming a single unit that is used or intended to be used for living, sleeping, and the preparation and eating of meals, and that is located within a building that is wholly or partially used or intended to be used for living and sleeping by human occupants.

(3A) "Homesteader (Commercial)" means a nonprofit organization or developer entitled to purchase both commercial and multi-family residential property included in the program established under § 42-2104 in exchange for providing community service to the District and maintaining ownership of that property for at least 10 years under terms of an abatement agreement entered into between the Mayor and the nonprofit organization or developer.

(4) "Homesteader (Residential)" means an individual or an organization representing an individual who purchases a dwelling unit through the Program and enters into an abatement agreement.

(5) "Low-income persons" means persons or families whose annual household income as determined by the Administrator does not exceed the limits for lower income families established by the Mayor for use in connection with the Tenant Assistance Program established pursuant to subchapter III of Chapter 35 of this title.

(6) "Mayor" means the Mayor of the District.

(7) "Moderate-income persons" means persons or families whose annual household income as determined by the Administrator does not exceed 120% of the lower income guidelines established pursuant to 42 U.S.C. § 1437f, 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 incomes by local or regional government agencies.

(8) "Large multi-family dwelling" means a building containing 5 or more dwelling units each with access to the outside directly or through a common stairway or hallway.

(9) "Nonprofit developer" means a corporation that has been approved by the Internal Revenue Service as exempt from federal income tax under 26 U.S.C. § 501(c)(3), and that is organized for the purpose of developing housing for low-or moderate-income persons.

(10) "Single-family dwelling" means a building containing 1 dwelling unit.

(11) "Small multi-family dwelling" means a building containing 2 to 4 dwelling units each with access to the outside directly or through a common stairway or hallway.

(12) "Tenant association" means a condominium or cooperative housing association that represents a minimum of 51% of the households in a building, as determined by rules established by the Administrator.

(Aug. 9, 1986, D.C. Law 6-135, § 4, 33 DCR 3771; Feb. 24, 1987, D.C. Law 6-192, § 5(a), 33 DCR 7836; June 11, 1999, D.C. Law 13-11, § 2(b), 46 DCR 5487; Apr. 19, 2002, D.C. Law 14-114, § 801(b), 49 DCR 1468; Apr. 24, 2007, D.C. Law 16-305, § 60(a), 53 DCR 6198; July 2, 2011, D.C. Law 18-378, § 3(hh), 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2703.

Effect of Amendments

D.C. Law 13-11 added new paragraphs (1A), (1B), (1C), and (3A); in Paragraph (4) struck the word "Homesteader" and inserted the phrase "Homesteader (Residential)" in its place; and in Paragraph (12) struck the phrase "cooperative housing association" and inserted the phrase "condominium or cooperative housing association" in its place.

D.C. Law 14-114, repealed par. (1); in par. (3A), substituted "Mayor" for "Administrator", and rewrote par. (4). Prior to repeal and amendment, pars. (1) and (4) read, respectively, as follows:

"(1) 'Administrator' means the Administrator of the Homestead Program Administration."

"(4) 'Homesteader (Residential)' means an individual or an organization representing an individual who is entitled to occupy a dwelling unit in a building that is included in the Program established under § 42-2104 and who is occupying or will occupy the dwelling unit under an abatement agreement entered into between the Administrator and the individual or organization."

D.C. Law 16-305, in par. (1B), substituted "disabilities" for "handicaps".

D.C. Law 18-378, in pars. (1C) and (2), validated previously made technical corrections.

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 2(b), (c), (d) of Homestead Housing Preservation Temporary Amendment Act of 1998 (D.C. Law 12-245, April 20, 1999, law notification 46 DCR 4158).

Emergency Act Amendments

For temporary amendment of section, see § 2(b)-(d) of the Homestead Housing Preservation Emergency Amendment Act of 1998 (D.C. Act 12-556, January 12, 1999, 45 DCR 625).

For temporary (90-day) amendment of section, see § 2(b) of the Homestead Housing Preservation Congressional Review Emergency Amendment Act of 1999 (D.C. Act 13-62, May 10, 1999, 46 DCR 4454).

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 45-2701.

Law 6-192, the "Technical Amendments Act of 1986," was introduced in Council and assigned Bill No. 6-544, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on November 5, 1986, and November 18, 1986, respectively. Signed by the Mayor on December 10, 1986, it was assigned Act No. 6-246 and transmitted to both Houses of Congress for its review.

For Law 13-11, see notes following § 45-2702.

For Law 14-114, see notes following § 42-2102.

For Law 16-305, see notes following § 42-820.

For history of Law 18-378, see notes under § 42-1218.

§ 42-2104. HOMESTEAD HOUSING PRESERVATION PROGRAM AND HOMESTEAD PROGRAM ADMINISTRATION ESTABLISHED.

(a) There is established a Homestead Housing Preservation Program ("Program"), to be administered by the Mayor, the purpose of which is to provide a program under which title to property acquired by the District pursuant to §§ 47-847 and 47-1303, or through District-initiated foreclosure, donation, or purchase, may be transferred to organizations or individuals meeting the criteria established in §§ 42-2106 to 42-2108 and any rules promulgated pursuant to this chapter. The Program shall not include owner-occupied, single-family dwellings.

(b) The Program established under this chapter shall be administered by the Mayor through the Homestead Program Administration.

(c) Within 90 days after August 9, 1986, the Administrator shall develop and transmit to the Council for consideration in accordance with this subsection rules to carry out the purposes of this chapter. At a minimum, the rules shall establish procedures for administering the Program, define terms not otherwise defined in this chapter, and formulate standards consistent with this chapter for participation in the Program. Simultaneous with transmittal of the rules, the Administrator shall transmit to the Council for approval under this section an administrative plan for the Program which shall contain, at minimum, the following information:

- (1) A current list of all buildings that qualify for inclusion in the Program; a statement of the address, ward location, and condition of each building; and a discussion of the suitability of each building for transfer to homesteaders;
- (2) Notice provisions for owners of property to be included in the Program and samples of any notice that will be sent to owners of property to be included in the Program prior to the property becoming available for purchase by individuals or organizations under the Program;
- (3) An explanation of any changes in existing notices to property owners necessitated by this chapter;
- (4) A current dollar statement of family income limits for the Program;
- (5) A sample Request for Proposals ("RFP") for buildings that are to be included in the Program;
- (6) A sample RFP for the Technical Training Program described in § 42-2109;
- (7) A sample of the abatement agreement or agreements that will be used in the Program; and
- (8) Samples of all loan application forms that will be used in the Program.

(d) All rules issued pursuant to this chapter and the administrative plan required by subsection (c) of this section shall be transmitted to the Council for a 45-day review period, excluding Saturdays, Sundays, legal holidays, and days when the Council is in recess. The Council may adopt a resolution disapproving the rules or administrative plan, in whole or part, within the 45-day review period. If the Council, by resolution, does not approve or disapprove the rules or administrative plan before the expiration of the 45-day review period, the rules or administrative plan shall become effective at the expiration of the 45-day review period.

(e) Repealed.

(Aug. 9, 1986, D.C. Law 6-135, § 5, 33 DCR 3771; Feb. 24, 1987, D.C. Law 6-192, § 5(b), 33 DCR 7836; Apr. 3, 2001, D.C. Law 13-226, § 3(c), 48 DCR 1603; Apr. 19, 2002, D.C. Law 14-114, § 801(c), 49 DCR 1468; June 12, 2003, D.C. Law 14-310, § 14(a), 50 DCR 1092.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2704.

Effect of Amendments

D.C. Law 13-226, in subsec. (a), substituted "§ 47-847 and 47-1303" for "§ 47- 847".

D.C. Law 14-114, in subsec. (a), substituted ", to be administered by the Mayor" for "for the District" and substituted "or through District-initiated foreclosure, donation, or purchase, may be transferred" for "may be transferred"; in subsec. (b), substituted "Mayor through" for "Administrator of"; and repealed subsec. (e) which, prior to repeal, read:

"(e) There is hereby established within the District of Columbia Department of Housing and Community Development, a Homestead Program Administration, to be headed by an Administrator, to be appointed by the Mayor with the advice and consent of the Council. In nominating the Administrator, the Mayor shall give preference to a person who has demonstrated administrative experience with a homesteading program."

D.C. Law 14-310, in subsec. (a), validated a previously made technical correction.

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 3(c) and 6(b) of the Redevelopment Land Agency Disposition Review Congressional Review Emergency Amendment Act of 2000 (D.C. Act 13-524, January 5, 2001, 48 DCR 624).

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2101.

For legislative history of D.C. Law 6-192, see Historical and Statutory Notes following § 42-2103.

Law 13-226, the "Redevelopment Land Agency Disposition Review Amendment Act of 2000", was introduced in Council and assigned Bill No. 13-185, which was referred to the Committee Economic Development. The Bill was adopted on first and second readings on July 11, 2000, and November 8, 2000, respectively. Signed by the Mayor on November 29, 2000, it was assigned Act No. 13-498 and transmitted to both Houses of Congress for its review. D.C. Law 13-226 became effective on April 3, 2001.

For Law 14-114, see notes following § 42-2102.

Law 14-310, the "Criminal Code and Miscellaneous Technical Amendments Act of 2002", was introduced in Council and assigned Bill No. 14-954, which was referred to the Committee on Whole. The Bill was adopted on first and second readings on December 3, 2002, and December 17, 2002, respectively. Signed by the Mayor on January 22, 2003, it was assigned Act No. 14-622 and transmitted to both Houses of Congress for its review. D.C. Law 14-310 became effective on June 12, 2003.

Miscellaneous Notes

Approval of amendments to rules for real property taxes: Pursuant to Resolution 7-72, the "Homestead Housing Tax Sale Amendment Approval Resolution of 1987," effective June 2, 1987, the Council approved proposed amendments to Chapter 3, Title 9 DCMR, rules for real property taxes which were transmitted to Council by the District of Columbia Homestead Program Administration, Department of Housing and Community Development.

Approval, in part, and disapproval, in part, of proposed rules and administrative plan: Pursuant to Resolution 7-97, the "Homestead Housing Program Approval and Disapproval Resolution of 1987," effective July 14, 1987, the Council, approved, in part, and disapproved, in part, the proposed rules and administrative plan for the Homestead Housing Preservation Program.

§ 42-2105. PROGRAM INVENTORY.

(a) The Mayor shall identify and publish in the D.C. Register on an annual basis a list of properties, the titles to which are available for transfer under the Program. The properties shall be properties for which the statutory redemption period has lapsed. In addition to publication in the D.C. Register, the list shall be published in at least 2 major newspapers circulated in the District and through other reasonable methods determined by the Mayor and shall be transmitted to the Council, Advisory Neighborhood Commissions, Community Development Corporation, and any other organizations the Mayor deems appropriate.

(b) Along with the list of properties required to be published under subsection (a) of this section, the Mayor shall publish a RFP inviting the submission of proposals for purchase of any of the properties listed.

Proposals submitted to the Mayor shall be evaluated in accordance with this chapter and rules promulgated pursuant to this chapter. Each proposal shall outline financial and structural plans for the development, repair, occupancy, maintenance, and ownership of the property and shall contain any other information required by this chapter or any rules promulgated pursuant to this chapter.

(c) The Mayor may accept unsolicited proposals for any property that has been offered for sale but that was not purchased through the RFP process. A proposal that the Mayor approves shall be submitted to the Council for approval, in whole or in part, by resolution. If the Council does not approve or disapprove the proposed resolution within 60 calendar days, excluding days of Council recess, the proposed resolution shall be deemed disapproved.

(d) The Director of the District of Columbia Department of Housing and Community Development is authorized, at his or her discretion, as deemed necessary to achieve the purposes of this chapter, and when it serves the District's interest in producing affordable housing, to transfer real property in the Program inventory to other programs administered by the District government.

(Aug. 9, 1986, D.C. Law 6-135, § 6, 33 DCR 3771; Feb. 24, 1987, D.C. Law 6-192, § 5(c), 33 DCR 7836; June 11, 1999, D.C. Law 13-11, § 2(c), 46 DCR 5487; Apr. 19, 2002, D.C. Law 14-114, § 801(d), 49 DCR 1468; Oct. 19, 2002, D.C. Law 14-213, § 35(c), 49 DCR 8140; Mar. 2, 2007, D.C. Law 16-192, § 2112, 53 DCR 6899.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2705.

Effect of Amendments

D.C. Law 13-11 struck the phrase "a semiannual" and inserted the phrase "an annual" in its place.

D.C. Law 14-114, in subsec. (a), substituted "Mayor" for "Administrator"; in subsec. (b), substituted "Mayor" for "Administrator" and substituted "development, repair" for "repair" in the third sentence; and added subsec. (c).

D.C. Law 14-213 made a technical change in the enacting clause of D.C. Law 14- 114, § 801(d)(2)(B), which resulted in no change in text.

D.C. Law 15-105 attempted to make the same technical amendment as D.C. Law 14- 213, therefore, the amendment was ineffective.

D.C. Law 16-192 added subsec. (d).

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 2(e) of Homestead Housing Preservation Temporary Amendment Act of 1998 (D.C. Law 12-245, April 20, 1999, law notification 46 DCR 4158).

Emergency Act Amendments

For temporary amendment of section, see § 2(e) of the Homestead Housing Preservation Emergency Amendment Act of 1998 (D.C. Act 12-556, January 12, 1999, 45 DCR 625).

For temporary (90-day) amendment of section, see § 2(c) of the Homestead Housing Preservation Congressional Review Emergency Amendment Act of 1999 (D.C. Act 13-62, May 10, 1999, 46 DCR 4454).

For temporary (90 day) amendment of section, see § 2112 of Fiscal Year 2007 Budget Support Emergency Act of 2006 (D.C. Act 16-477, August 8, 2006, 53 DCR 7068).

For temporary (90 day) amendment of section, see § 2112 of Fiscal Year 2007 Budget Support Congressional Review Emergency Act of 2006 (D.C. Act 16-499, October 23, 2006, 53 DCR 8845).

For temporary (90 day) amendment of section, see § 2112 of Fiscal Year 2007 Budget Support Congressional Review Emergency Act of 2007 (D.C. Act 17-1, January 16, 2007, 54 DCR 1165).

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2101.

For legislative history of D.C. Law 6-192, see Historical and Statutory Notes following § 42-2103.

For Law 13-11, see notes following § 42-2102.

For Law 14-114, see notes following § 42-2102.

For Law 14-213, see notes following § 47-820.

For Law 15-105, see notes following § 42-407.

For Law 16-192, see notes following § 42-903.

Miscellaneous Notes

Short title: Section 2111 of D.C. Law 16-192 provided that subtitle I of title II of the act may be cited as the "Homestead Housing Amendment Act of 2006".

§ 42-2105.01. PRIVATIZATION OF TITLE SERVICES.

The Mayor may contract with, and pay all reasonable costs of, any person to research and quiet title to properties to be included in the Program. If services are provided by a person under this section and the property is subsequently redeemed by the owner or another party having an interest in the property, as allowed under § 47-847, the costs of the services shall be paid by the District and shall be included in the costs due to the District by the redeeming party under § 47-847.

(Aug. 9, 1986, D.C. Law 6-135, § 6a, as added Apr. 19, 2002, D.C. Law 14- 114, § 801(e), 49 DCR 1468.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 14-114, see notes following § 42-2102.

Miscellaneous Notes

Section 1101 of D.C. Law 14-114 provides: "The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), shall promulgate rules to implement this act."

§ 42-2106. PROGRAM GUIDELINES.

(a) Proposals for large multi-family dwellings shall be considered only in accordance with the following rules of priority:

- (1) A proposal from a qualified tenant association shall be considered first.
- (2) If there is no proposal from a qualified tenant association or if the proposal does not meet criteria set forth in the RFP and rules promulgated pursuant to this chapter, proposals from condominium and cooperative housing associations shall be considered next.
- (3) If there are no proposals from condominium and cooperative housing associations or if the proposals do not meet criteria set forth in the RFP and rules promulgated pursuant to this chapter, proposals from nonprofit developers, and for-profit developers who agree to make 100% of the units affordable to low- and moderate-income persons with no less than 50% of the units affordable to low-income persons, for the development of condominium and cooperative housing opportunities shall be considered next.
- (4) If there are no proposals for the development of condominium or cooperative housing, proposals for the development of rental housing for low-income persons shall be considered next.

(b) Except in the case of rental buildings, the proprietary interests in properties sold through the Program shall be allocated as follows:

- (1) No less than 25% of the proprietary interests in large multi-family dwellings shall be transferred to low- or moderate-income households.
- (2) No less than 15% of the proprietary interests in large multi-family dwellings shall be transferred to low-income households.
- (3) No less than 50% of the dwelling units and proprietary interests in large multi-family, small multi-family, and single-family properties each year shall be transferred to low- or moderate-income families.

(c) Proposals for single-family and small multi-family dwellings may be considered in accordance with standards developed by the Mayor and approved by the Council pursuant to § 42-2104. To the extent financially feasible, priority shall be given to purchasers who are low- or moderate-income persons.

(d) Proposals for commercial property shall be considered on a competitive basis in accordance with the following rules of priority:

- (1) A proposal from a tenant or tenant association which demonstrates the ability to obtain financing shall be considered first.
- (2) If there is no proposal from a qualified tenant or tenant association, or if the proposal does not meet criteria set forth in the RFP and rules promulgated pursuant to this chapter, proposals from condominium or cooperative associations and nonprofit developers which demonstrate the ability to obtain financing shall be considered next.
- (3) If there is no proposal from a condominium or cooperative association or nonprofit developer, or if the proposal does not meet criteria set forth in the RFP and rules promulgated pursuant to this chapter,

proposals from proprietary developers shall be considered next.

(Aug. 9, 1986, D.C. Law 6-135, § 7, 33 DCR 3771; Feb. 24, 1987, D.C. Law 6-192, § 5(d), 33 DCR 7836; June 11, 1999, D.C. Law 13-11, § 2(d), 46 DCR 5487; Apr. 19, 2002, D.C. Law 14-114, § 801(f), 49 DCR 1468; Dec. 11, 2007, D.C. Law 17-57, § 2, 54 DCR 10712.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2706.

Effect of Amendments

D.C. Law 13-11 in subsec. (a)(2) struck the phrase "cooperative housing associations" and inserted the phrase "condominium and cooperative housing associations" in its place; in subsec. (a) (3) struck the phrase "cooperative housing" and inserting the phrase "condominium and cooperative housing" wherever it appears; and added new subsection (d).

D.C. Law 14-114, added subsec. (a)(4); rewrote subsec. (b); and in subsec. (c), substituted "Mayor" for "Administrator". Subsec. (b) had read as follows:

"(b) At least 25% of the proprietary interests in large multi-family dwellings in the Program shall be transferred to low-or moderate-income persons. No less than 15% of the proprietary interests in large multi-family dwellings in the Program shall be transferred to low-income persons. At least 50% of the total dwelling units and proprietary interests in the Program shall be transferred to low-or moderate-income persons."

D.C. Law 17-57, in subsec. (a)(3), substituted "nonprofit developers, and for-profit developers who agree to make 100% of the units affordable to low- and moderate-income persons with no less than 50% of the units affordable to low-income persons," for "nonprofit developers".

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 2(f) of Homestead Housing Preservation Temporary Amendment Act of 1998 (D.C. Law 12-245, April 20, 1999, law notification 46 DCR 4158).

Emergency Act Amendments

For temporary amendment of section, see § 2(f) of the Homestead Housing Preservation Emergency Amendment Act of 1998 (D.C. Act 12-556, January 12, 1999, 45 DCR 625).

For temporary (90-day) amendment of section, see § 2(d) of the Homestead Housing Preservation Congressional Review Emergency Amendment Act of 1999 (D.C. Act 13-62, May 10, 1999, 46 DCR 4454).

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2101.

For legislative history of D.C. Law 6-192, see Historical and Statutory Notes following § 42-2103.

For Law 13-11, see notes following § 42-2102.

For Law 14-114, see notes following § 42-2102.

Law 17-57, the "Homestead Housing Preservation Amendment Act of 2007", was introduced in Council and assigned Bill No. 17-40 which was referred to the Committee on Housing and Urban Affairs. The Bill was adopted on first and second readings on July 10, 2007, and October 2, 2007, respectively. Signed by the Mayor on October 17, 2007, it was assigned Act No. 17-131 and transmitted to both Houses of Congress for its review. D.C. Law 17-57 became effective on December 11, 2007.

§ 42-2107. PROPERTY TRANSFER.

(a) The Mayor shall sell each residential building in the Program for \$250 per dwelling unit and each commercial building for up to \$5,000 per unit. Commercial, single-family and small multi-family dwellings shall be sold at prices determined by the Mayor after considering the income level of the purchaser, the condition of the property, and such other factors as the Mayor deems appropriate pursuant to rules. In transferring single-family dwellings with one dwelling unit, priority shall be given first to the sale to a low-income person and priority shall be given next to the sale for the development of rental units for low-income persons. Any rules or factors developed by the Mayor for consideration in connection with the transfer of single-family and small multi-family dwellings shall be transmitted to the Council for review and approval pursuant to § 42-2104.

(b) Individuals renting commercial space or residing in buildings in which dwelling units are rented or offered for rent at the time of inclusion of the building in the Program shall be given the right of first refusal to purchase a proprietary interest in the unit in which they reside or in a comparable unit within the building provided that the resident agrees to join a condominium association, tenant association, or cooperative housing association that qualifies for participation in the Program. Those individuals who do not elect to

purchase shall have the right to relocation assistance, consistent with § 42-3403.02. If the individual is an elderly tenant, within the meaning of § 42-3402.08, he or she shall be entitled to the protection afforded by that section.

(c) Individuals who are not tenants in a building included in the Program shall participate in the Program individually or through a nonprofit developer, condominium association, or cooperative housing association.

(d) With the exception of those individuals occupying a building at the time that the building is included in the Program, acceptance of individuals as potential homesteaders for the purchase of the building shall be limited to first-time home buyers, as defined in rules promulgated by the Mayor and approved by the Council pursuant to § 42-2104, and commercial properties shall be offered to developers through a competitive bidding process.

(e) The Mayor may provide to low-or moderate-income individuals a second mortgage not to exceed \$10,000 per dwelling unit for the cost of repairs of the unit. The homesteaders shall not be required to repay the mortgage until the unit is transferred, as that term is defined in rules promulgated by the Mayor and approved by the Council pursuant to § 42-2104, at which time the entire \$10,000 shall become due and owing, plus interest.

(Aug. 9, 1986, D.C. Law 6-135, § 8, 33 DCR 3771; Feb. 24, 1987, D.C. Law 6-192, § 5(e), 33 DCR 7836; June 11, 1999, D.C. Law 13-11, § 2(e), 46 DCR 5487; Apr. 19, 2002, D.C. Law 14-114, § 801(g), 49 DCR 1468.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2707.

Effect of Amendments

D.C. Law 13-11 rewrote subsec. (a); in subsec. (b) struck the phrase "residing in buildings" and insert the phrase "renting commercial space or residing in buildings" in its place, struck the phrase "tenant association" and inserted the phrase "condominium association, tenant association," in its place; in subsec. (c) added the phrase ", condominium association," after the phrase "nonprofit developer"; and in subsec. (d) inserted the phrase ", and commercial properties shall be offered to developers through a competitive bidding process" at the end of the sentence after the phrase "pursuant to section 45- 2704". Prior to amendment subsec. (a) provided:

"(a) The Administrator shall sell each residential building in the Program for \$250 per dwelling unit and each commercial building for up to \$5,000 per unit. Commercial, single-family, and small multi-family dwellings shall be sold at prices determined by the Administrator after considering the income level of the purchaser, the condition of the property, and such other factors as the Administrator deems appropriate pursuant to rules. In transferring single-family dwellings with one dwelling unit, priority shall be given to low-income persons. Any rules or factors developed by the Administrator for consideration in connection with the transfer of single-family and small multi-family dwellings shall be transmitted to the Council for review and approval pursuant to § 45-2704."

D.C. Law 13-91 validated a previously made technical amendment.

D.C. Law 14-114, in subsec. (a), in the third sentence, substituted "priority shall be given first to the sale to a low-income person and priority shall be given next to the sale for the development of rental units for low-income persons" for "priority shall be given low-income persons"; in subsec. (d), substituted "potential homesteaders for the purchase of the building" for "potential homesteaders"; and substituted "Mayor" for "Administrator" throughout the section.

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 2(g) through (j) of Homestead Housing Preservation Temporary Amendment Act of 1998 (D.C. Law 12- 245, April 20, 1999, law notification 46 DCR 4158).

Emergency Act Amendments

For temporary amendment of section, see § 2(g)-(j) of the Homestead Housing Preservation Emergency Amendment Act of 1998 (D.C. Act 12-556, January 12, 1999, 45 DCR 625).

For temporary (90-day) amendment of section, see § 2(e) of the Homestead Housing Preservation Congressional Review Emergency Amendment Act of 1999 (D.C. Act 13-62, May 10, 1999, 46 DCR 4454).

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2101.

For legislative history of D.C. Law 6-192, see Historical and Statutory Notes following § 42-2103.

For Law 13-11, see notes following § 42-2102.

§ 42-2108. ABATEMENT AGREEMENT.

(a) At the time of settlement, the homesteader shall take free and clear title to property subject only to the terms of an abatement agreement and this chapter. Each homesteader at the time of property settlement shall enter into an abatement agreement with the District, which shall include, but shall not be limited to, requirements that the homesteader perform the following:

(1) The homesteader (Residential) shall maintain the property as his or her principal dwelling place and residence for a period commencing with the date of property settlement and ending on the 5th anniversary of the settlement date. If the property cannot be lawfully occupied on the settlement date, the homesteader shall be considered in compliance with this residency provision if he or she takes occupancy within a reasonable period of time after the property has been brought into compliance with the Building Code approved pursuant to the Construction Codes Approval and Amendments Act of 1986 ("Building Code"), and the District of Columbia Housing Code (14 DCMR Chapter 1-14) ("Housing Code").

(1A) The homesteader (Commercial) shall maintain title and ownership of the property for a period commencing with the date of property settlement and ending on the 10th anniversary of the settlement date. If the property cannot be lawfully occupied on the settlement date, the homesteader (Commercial) shall be considered in compliance with this ownership provision if the nonprofit organization or developer takes physical possession of the property within a reasonable period of time after the property has been brought into compliance with the 12A DCMR, and 14 DCMR Chapters 1-14 ("Housing Code").

(1B) The homesteader (Commercial) shall provide needed community services for at least 10 years to the residents of the District.

(2) The homesteader (Residential) shall participate in a Technical Training Program to be administered and conducted by groups selected pursuant to § 42-2109.

(3) The homesteader (Residential) shall improve the property within 12 months of the starting date of the Technical Training Program to meet all applicable requirements of the Building Code and Housing Code.

(4) The homesteader (Residential) shall not sell, convey, lease, or otherwise alienate the property, or place liens or encumbrances on it, for at least 5 years from the date of property settlement without the written approval of the District.

(4A) The homesteader (Commercial) shall not sell, convey, or otherwise alienate the property, or place liens or encumbrances on it, for at least 10 years from the date of property settlement without written approval of the District.

(5) During the 5 or 10-year period, the homesteader shall permit periodic inspections of the property by the District or its agents or other persons duly authorized by the District for the purpose of determining the homesteader's compliance with the requirements of the Program.

(6) The homesteader (Residential) shall maintain at all times during the 5 or 10-year period fire and extended coverage insurance with a face amount equal to at least 80% of the fair market value of the property.

(7) The homesteader (Residential) shall pay all taxes, fees, utility charges and assessments on the property from the date of settlement, except as otherwise provided in District law.

(b) Organizations to which residential buildings have been transferred shall certify that their members or other individuals who will reside in the buildings will meet the requirements of the abatement agreement and any other terms and conditions of the transfer imposed by the Mayor. Organizations to which commercial properties have been transferred shall certify that they will meet the terms of an abatement agreement that would require the rehabilitation of the property.

(b-1) At the time of settlement, an organization purchasing a property for residential rental use shall take free and clear title, subject only to the terms of an abatement agreement and this chapter. The purchaser shall enter into an abatement agreement with the District, which shall include requirements that the purchaser, for a period of at least 20 years, shall:

(1) Maintain the property in decent, safe, and sanitary condition and in conformity with all building codes;

(2) Reserve no fewer than 50% of units for low-income and moderate-income households and charge rents affordable to low-income households in no fewer than 25% of units;

(3) Allow periodic inspections of the property by the District or its agents;

(4) Maintain fire and extended coverage insurance with a face amount equal to at least 80% of the fair market value of the property; and

(5) Pay all taxes, fees, utility charges, and assessments on the property.

(c) Notwithstanding the provisions of subsection (a) of this section, if the homesteader (Residential) dies or has a total disability during the first 5 years after the original transfer to the homesteader (Residential), the homesteader's personal representative may petition the Mayor on behalf of the homesteader's heirs, devisees, and immediate family for an exemption from all or part of the terms of the abatement agreement. In ruling on the petition, the Mayor shall attempt to avoid any unreasonable burden upon the homesteader's heirs, devisees, and immediate family.

(d) In the event a homesteader (Residential), or one of its organizational members, has received written approval from the District to alienate his or her interest in the property during the first 5 years of ownership, the homesteader (Residential) shall pay to the District an assessment fee according to the following formula:

(1) Eighty percent of the tax assessment value of his or her property (as determined at the time of original acquisition by the homesteader), if the alienation occurs within 0 to 15 months after the original acquisition;

(2) Sixty percent of the tax assessment value of his or her property (as determined at the time of original acquisition by the homesteader), if the alienation occurs within 16 to 30 months after the original acquisition;

(3) Forty percent of the tax assessment value of his or her property (as determined at the time of original acquisition by the homesteader), if the alienation occurs within 31 to 45 months after the original acquisition; and

(4) Twenty percent of the tax assessment value of his or her property (as determined at the time of original acquisition by the homesteader), if the alienation occurs within 46 to 60 months after the original acquisition.

(e) Assessment fees shall not take priority over any mortgage liens.

(f) The holder of a mortgage secured by the homesteader's building or dwelling unit shall be exempt from the terms of the abatement agreement if the homesteader (Residential) defaults on the mortgage.

(Aug. 9, 1986, D.C. Law 6-135, § 9, 33 DCR 3771; Feb. 24, 1987, D.C. Law 6-192, § 5(f), 33 DCR 7836; Mar. 21, 1987, D.C. Law 6-216, § 13(i), 34 DCR 1072; June 11, 1999, D.C. Law 13-11, § 2(f), 46 DCR 5487; Apr. 19, 2002, D.C. Law 14-114, § 801(h), 49 DCR 1468; Apr. 24, 2007, D.C. Law 16-305, § 60(b), 53 DCR 6198.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2708.

Effect of Amendments

D.C. Law 13-11 in pars. (1) and (4) of subsec. (a) inserted the word "(Residential)" after the word "homesteader"; added subsec. (a) pars. (1A) (1B) and (4A); and in pars. (5) and (6) of subsec. (a) inserted the phrase "or 10" after the number "5". The amendment in subsec. (b) inserted the word "residential" after the phrase "Organizations to which" and added a new sentence at the end of the phrase "the Mayor." providing "Organizations to which commercial properties have been transferred shall certify that they will meet the terms of an abatement agreement that would require the rehabilitation of the property."

D.C. Law 14-114, in subsec. (a)(7), substituted "taxes, fees, utility charges" for "taxes, fees,,"; added subsec. (b-1); and substituted "Mayor" for "Administrator" wherever it appears in the section.

D.C. Law 16-305, in subsec. (c), substituted "has a total disability" for "becomes totally disabled".

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 2(k), (l) of Homestead Housing Preservation Temporary Amendment Act of 1998 (D.C. Law 12-245, April 20, 1999, law notification 46 DCR 4158).

Emergency Act Amendments

For temporary amendment of section, see § 2(k) and (l) of the Homestead Housing Preservation Emergency Amendment Act of 1998 (D.C. Act 12-556, January 12, 1999, 45 DCR 625).

For temporary (90-day) amendment of section, see § 2(f) of the Homestead Housing Preservation Congressional Review Emergency Amendment Act of 1999 (D.C. Act 13-62, May 10, 1999, 46 DCR 4454).

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2101.

For legislative history of D.C. Law 6-192, see Historical and Statutory Notes following § 42-2103.

Law 6-216, the "Construction Codes Approval and Amendments Act of 1986," was introduced in Council and

assigned Bill No. 6-500, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on November 18, 1986, and December 16, 1986, respectively. Signed by the Mayor on February 2, 1987, it was assigned Act No. 6-279 and transmitted to both Houses of Congress for its review.

For Law 13-11, see notes following § 42-2102.

For Law 14-114, see notes following § 42-2102.

For Law 16-305, see notes following § 42-820.

References in Text

The "Construction Codes Approval and Amendments Act of 1986," referred to in subsection (a)(1), is D.C. Law 6-216.

§ 42-2109. PROPOSALS TO DEVELOP A TECHNICAL TRAINING PROGRAM.

(a) The Mayor shall issue a RFP inviting organizations to submit proposals for the development and implementation of a Technical Training Program consistent with this chapter and rules promulgated pursuant to this chapter.

(b) The Technical Training Program shall contain, at minimum, the following training elements:

- (1) Teaching individuals the legal rights and responsibilities of homeownership;
- (2) Training individuals in financial management to assist them in meeting the financial responsibilities of homeownership;
- (3) Providing individuals with technical skills that will permit them to identify and correct conditions that are unsafe or that may otherwise lead to deterioration of the property; and
- (4) Providing individuals with such other skills and information as may be required by rule.

(Aug. 9, 1986, D.C. Law 6-135, § 10, 33 DCR 3771; Feb. 24, 1987, D.C. Law 6-192, § 5(g), 33 DCR 7836; Apr. 19, 2002, D.C. Law 14-114, § 801(i), 49 DCR 1468.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2709.

Effect of Amendments

D.C. Law 14-114, in subsec. (a), substituted "Mayor" for "Administrator"; and, in subsec. (b)(1), deleted "of cooperative and other forms" before "of homeownership".

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2101.

For legislative history of D.C. Law 6-192, see Historical and Statutory Notes following § 42-2103.

For Law 14-114, see notes following § 42-2102.

§ 42-2110. APPROPRIATION; REPORTS.

(a) There may be appropriated out of revenues available to the District sufficient funds to administer the Program. Beginning with the budget submission for Fiscal Year 1988, the Mayor shall include in the budget submission to the Council a statement of goals and objectives regarding the number of properties contemplated for inclusion in the Program in the upcoming fiscal year and a projection of the funds that would be necessary to permit transfer and repair of the property under the Program.

(b) Thirty days after the end of the 1st full calendar quarter after August 9, 1986, and 30 days after the end of each calendar quarter thereafter, the Mayor shall submit to the Council a report on the progress in implementing the Program. The report shall include, but not be limited to, the following information:

- (1) The ward location, size, and assessed value of each property transferred under the Program;
- (2) A list of all properties remaining in the Program at the close of the quarter;
- (3) The individuals or organizations that were transferees under the Program and the sales price and other terms of transfers made under the Program during the preceding quarter; and
- (4) A description of assistance provided to transferees under the Program.

(Aug. 9, 1986, D.C. Law 6-135, § 11, 33 DCR 3771; Feb. 24, 1987, D.C. Law 6-192, § 5(h), 33 DCR 7836; Apr. 19, 2002, D.C. Law 14-114, § 801(j), 49 DCR 1468.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2710.

Effect of Amendments

D.C. Law 14-114 substituted "Mayor" for "Administrator" throughout section.

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2101.

For legislative history of D.C. Law 6-192, see Historical and Statutory Notes following § 42-2103.

For Law 14-114, see notes following § 42-2102.

§ 42-2111. NOTICE.

Pursuant to rules issued in accordance with § 42-2104, the Mayor shall give:

- (1) Reasonable advance notice to the record owners and affected parties of properties brought to tax sale in accordance with § 47-1205 (b) and (c); and
- (2) Reasonable advance notice of properties scheduled to be sold and the date of sale by advertising the list of properties in a newspaper of general circulation published in the District of Columbia at least once every 2 weeks.

(Aug. 9, 1986, D.C. Law 6-135, § 12, 33 DCR 3771.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 45-2711.

Legislative History of Laws

For legislative history of D.C. Law 6-135, see Historical and Statutory Notes following § 42-2101.