

Tenant Opportunity to Purchase Act (TOPA)

The sale, foreclosure, or demolition of a rental building is deeply destabilizing for individual tenants and for the community as a whole. In order to reverse the out of town investor takeover of our neighborhoods, Rochester, NY must give tenants the first opportunity to purchase rental buildings up for sale. Currently, Washington, D.C. and San Francisco offer this opportunity to their residents. This legislation would empower tenants to collectively take control of their homes and create permanently affordable housing that stabilizes both disinvested and gentrifying communities. The City should also create a complementary funding program to ensure that it can be exercised by all tenants.

Goals

- Neighborhood stabilization - gives tenants the ability to stay in their neighborhood instead of being subject to displacement when a building is sold.
- Permanent affordable housing creation - makes it easier for non-profit mission-driven developers to acquire and preserve buildings and expand the stock of permanently affordable housing in gentrifying neighborhoods.
- Reverse and dismantle racist housing policies and ownership structures that allow only a few to own and rent out land and housing for profit (mostly white wealthy people) and force the super majority of Rochester residents to pay rent for another's profit (mostly working class Black and brown residents)
- Tenant and community control - tenants have the opportunity to create shared-equity co-ops through this program and take collective control of their buildings.

Build Equitable Housing Structures: Shared equity and permanent affordability

- This could be a way to decommodify housing and build community wealth. Tenant ownership can promote shared equity and the creation of community wealth as a response to racist disinvestment and speculation.
- Tenants should also have the opportunity to assign purchase rights to a qualified non-profit developer that will manage the building as a rental or mutual housing association (MHA). Allowing tenants the opportunity to make that decision creates tenant control.
- To provide extra stability and ensure permanent affordability, all housing purchased through this program, whether rental or co-op, could be placed on a community land trust.

City-Wide Tenant Union of Rochester, NY calls on the City of Rochester to implement TOPA in Rochester modeled after the TOPA policy in Washington, D.C.

See Also

- [Overview of TOPA](#)
- [Details of DC's TOPA Policy](#)

Tenant Opportunity to Purchase Act of 1980 (DC)

GENERAL OVERVIEW

- In 1980, DC passed DC Law 3-86, the “Rental Housing Conversion and Sale Act of 1980” which included as Title IV the Tenant Opportunity to Purchase Act
- The Tenant Opportunity to Purchase Act (TOPA) gives tenants the first right to purchase their buildings when they go up for sale
- The District encourages tenants to exercise this right—it stabilizes city neighborhoods and combats urban displacement.
- Building power from renters to cooperators

HOW IT WORKS: TENANTS CAN PURCHASE THEIR BUILDING

- **Offer of Sale:** Owner of rental housing who sells their building must send an [Offer of Sale](#) letter to the tenants
- **Interest to Buy:** Tenants have 30 to 45 days to send a letter expressing their [Interest to Buy](#)
- **Right of First Refusal Period:** Tenants have 120 days to negotiate a sales contract with owner
- **Settlement:** Tenants have 120 days to secure financing to settle the sales contract
- **Assignment:** the tenants can assign all or a portion of its rights to a public entity or a private developer/housing provider

FINANCING/SUPPORT PROGRAMS

- [Tenant Purchase Assistance Program](#) offers assistance to tenants interesting in purchasing their building
 - *First Rights Purchase Assistance*
 - Low-interest loans for down payment, earnest money deposits, purchase; and legal, architectural and engineering costs.
 - *Tenant Purchase Technical Assistance*
 - Program provides free, specialized development services for tenant purchase, including: (1) assistance with organizing and structuring the group; (2) preparation of legal organizational documents; and (3) help with loan applications
 - The Tenant Purchase Assistance Program is funded by the [Housing Production Trust Fund](#), CDBG, HOME, and Low-Income Housing Tax Credits

TOPA to COOP EXAMPLES

- [Duncan Cooperative](#)
- [Martin Luther King, Jr. Latino Cooperative](#)

See Also

- [Overview of TOPA](#)
- [Building a Local Housing Preservation Ecosystem: TOPA and Local Policy](#) (DCHD Presentation)
- [DC Code on TOPA](#)