

## A Community Ownership Path to Housing Justice



Tram Hoang

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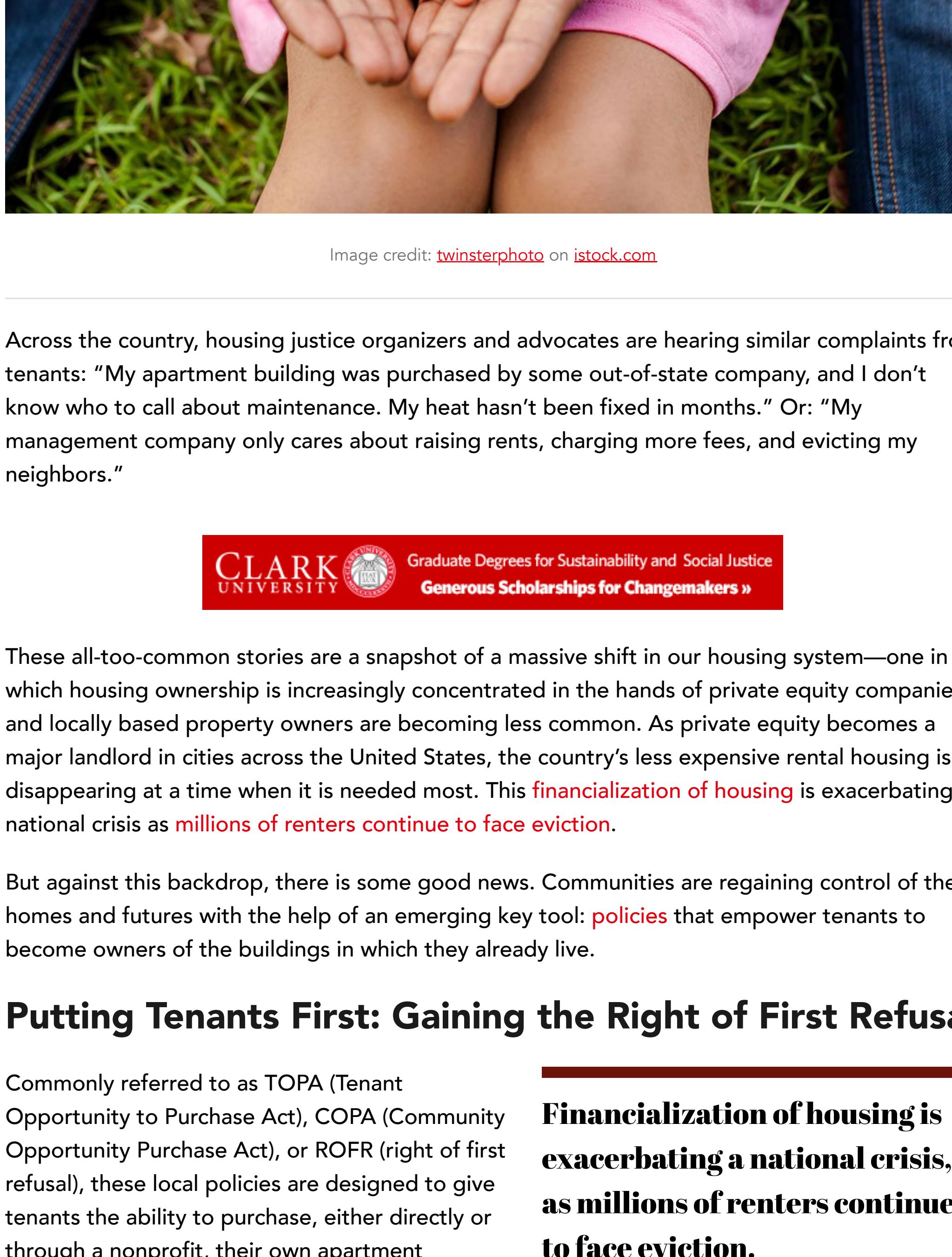
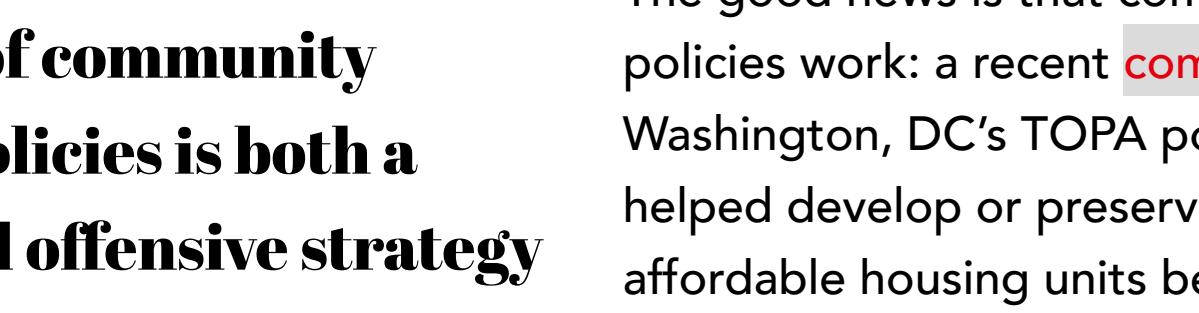


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Across the country, housing justice organizers and advocates are hearing similar complaints from tenants: "My apartment building was purchased by some out-of-state company, and I don't know who to call about maintenance. My heat hasn't been fixed in months." Or: "My management company only cares about raising rents, charging more fees, and evicting my neighbors."



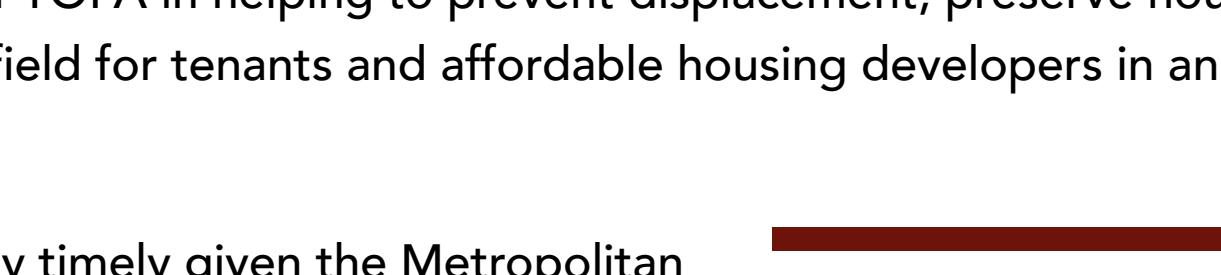
These all-too-common stories are a snapshot of a massive shift in our housing system—one in which housing ownership is increasingly concentrated in the hands of private equity companies, and locally based property owners are becoming less common. As private equity becomes a major landlord in cities across the United States, the country's less expensive rental housing is disappearing at a time when it is needed most. This **financialization of housing** is exacerbating a national crisis as **millions of renters continue to face eviction**.

But against this backdrop, there is some good news. Communities are regaining control of their homes and futures with the help of an emerging key tool: **policies** that empower tenants to become owners of the buildings in which they already live.

### Putting Tenants First: Gaining the Right of First Refusal

Commonly referred to as TOPA (Tenant Opportunity to Purchase Act), COPA (Community Opportunity Purchase Act), or ROFR (right of first refusal), these local policies are designed to give tenants the ability to purchase, either directly or through a nonprofit, their own apartment buildings. Increasingly, these policies are emerging as a powerful anti-displacement strategy.

These policies put current renters and mission-aligned organizations first in line to make an offer on a property when it goes up for sale. Cities with more robust TOPA/COPA programs also provide financing and technical assistance to help support tenant and community purchases, making tenant-community ownership more viable.



These policy strategies are emerging as private equity acquires more and more property. Recent press reports [document](#) that corporate landlords, often financed by private equity firms, are more likely to evict and displace tenants. Private equity now represents over half of the financial backing among the 35 largest owners of multifamily buildings—up from only a third in 2011. Direct acquisition of low-rent buildings—through laws like TOPA and COPA—is one of the strongest tools tenants can use to push back against this trend.

### The pursuit of community ownership policies is both a defensive and offensive strategy to address the housing crisis.

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The good news is that community ownership policies work: a recent [comprehensive study](#) of Washington, DC's TOPA policy found that it helped develop or preserve over 16,000 affordable housing units between 2006 and 2020. Residents in TOPA units, the study found, were widely able to advance needed renovations, preserve affordability, and increase homeownership.

In places facing sustained disinvestment, preserving existing affordable housing by taking housing off the private market and maintaining it permanently as affordable housing can improve habitability and economic conditions—and ensure a level of protection when new investment brings rising property values and rents.

### Land and Community Wealth

The pursuit of community ownership policies is both a defensive and offensive strategy to address the housing crisis. It simultaneously takes back ownership from extractive financial actors and builds community wealth through common land ownership.

This strategy of a tenant right to purchase has historically been limited to cities like [Washington, DC](#), and [San Francisco](#). But now, a wave of campaigns is gaining momentum across the country.

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Tenants in Minneapolis, MN, for example, launched a [campaign for a TOPA](#) policy in 2019 following a nearly decade-long fight to [buy their building from their landlord](#). After years of organizing, defending one another in court against evictions, and participating in rent strikes, the tenants formed a cooperative known as Sky Without Limits, and a nonprofit land bank is stewarding the property while tenants complete a [capital campaign](#). With many other tenants facing the same battles across the city, organizers are now fighting for a citywide TOPA campaign to make the Sky Without Limits model accessible to any tenants who want to own their building—but with a codified structure that guarantees tenants' rights.

Organizers seek a process through which all stakeholders—from property owners to tenant organizations to legal advocates to financing partners—understand their options, rights, and responsibilities. Ultimately, they want tenant ownership to reimagine a future in which property doesn't have to transfer from one extractive owner to another but rather to a community that understands the true value of housing stability. In 2021, the Minneapolis City Council hired a contractor to write a [report on potential policy pathways](#) and proceeded to draft an [ordinance](#), but council action to approve a policy still awaits.

In a building in the Bronx, tenants also successfully fought to [purchase their building from their landlord](#). Like in Minneapolis, the path from neighbors sharing similar concerns about their building to purchasing the building took years—a process that advocates are trying to clarify, accelerate, and codify through the passage of a [statewide TOPA policy](#) and a [citywide COPA policy](#). Policies have been proposed for multiple years, but council and state assembly dynamics have held up meaningful policymaking in the community ownership realm.

In Massachusetts, a [coalition of over 75 organizations](#) is also fighting for a statewide TOPA policy. After beginning their campaign in 2021, they're gaining momentum this legislative session. In November 2023, a public hearing at the Joint Committee on Housing in which TOPA was one of the bills discussed lasted [nearly six hours](#), with testifiers across the state speaking to the importance of TOPA in helping to prevent displacement, preserve housing affordability, and level the playing field for tenants and affordable housing developers in an ever-competitive real estate market.

This was especially timely given the Metropolitan Area Planning Council's [report on investor activity](#) in the Greater Boston residential real estate market, which found that 21 percent of residential properties sold in Greater Boston from 2004 through 2018 were purchased by an investor. The TOPA bill also received strong support from tenants focused on passing

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legislation to enable rent stabilization, demonstrating how vital community ownership is to the broad range of housing policies needed to stabilize and protect tenants.

Other cities pursuing this path include Philadelphia and Baltimore, both of which passed legislation in 2023. In Philadelphia, led by Councilmember Jamie Gauthier, the City Council passed a [People's Preservation Package](#), which included a [Right of First Refusal](#) law that applied to residents of government-subsidized affordable housing and the [creation of a directory](#) tracking all of the city's affordable housing units. These policies were prompted by an [analysis](#) by the National Housing Preservation Database, which found that the subsidies attached to over 20 percent of the city's affordable homes will expire in the next decade, putting entire communities who depend on those subsidies for housing stability at risk of economic eviction and displacement.

Philadelphia's TOPA policy now requires owners of affordable housing to provide notice 12 months ahead of taking any action that would remove the owner's legal commitment to provide affordable housing; and provide tenant organizations, the city, and affordable housing providers the chance to make a first purchase offer on the building or match future offers.

Also in 2023, Baltimore City Council [voted to replace](#) its weak preexisting right of first refusal ordinance with a much stronger tenant opportunity to purchase policy, requiring property owners to give tenants 14 days to decide to sign a letter of intent to purchase their home. These new policies are too new to have led to significant community ownership yet, but the framework around which to begin planning is in place.

### Reclaiming Housing for Residents

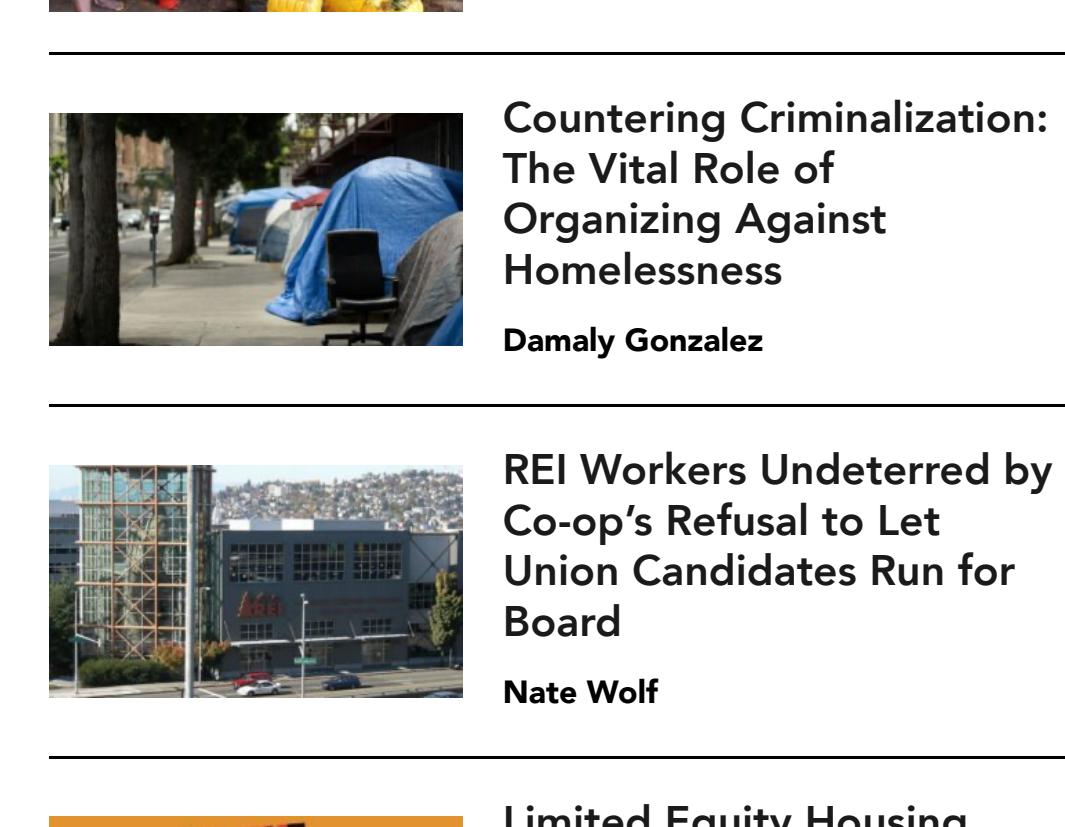
Organizers across the nation are leading the fight to reclaim the housing system for community residents and to change the systems that have trapped millions of people in inadequate models of affordable housing. To achieve this goal, they need financial backing from both philanthropy and local governments so that they can expand on their existing campaigns—and acquire land and housing at a scale that matches the speed and capital of private equity and other extractive real estate actors.

The work goes far beyond policy development. The vision, in short, is toward a future where homes can be the stable center of our communities—not commodities that are exploited for financial returns.

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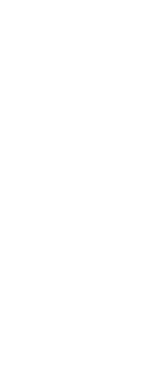
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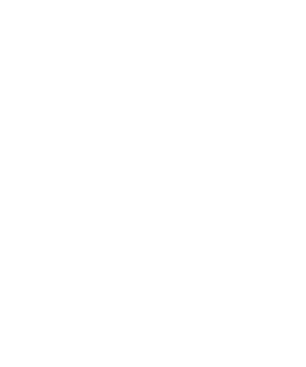


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