

2404 SALE CONTRACT NEGOTIATION AND SETTLEMENT

- 2404.1 The Mayor shall have not less than one hundred fifty (150) days from the Owner's receipt of the Mayor's written statement of interest to negotiate a sale contract for the Housing Accommodation with the Owner, which time may be extended by the Owner's written consent.
- 2404.2 For every one (1) day of delay beyond the seven (7) days in which the Owner shall provide information as required by Subsection 2402.3(c) of this chapter, the negotiation period shall be extended by one (1) day.
- 2404.3 The Owner and Mayor shall bargain in good faith.
- 2404.4 In accordance with the Act, the following shall constitute prima facie evidence of bargaining without good faith:
- (a) The Owner's failure to offer the Mayor a price or term at least as favorable as that offered to a third party or Tenant Organization;
 - (b) The failure of the Owner to make a sale contract with the Mayor that substantially conforms with the asking price and material terms of a third party sale contract;
 - (c) The intentional failure of the Owner or the Mayor to comply with the provisions of Title IV or Title IV-A of the Act; and
 - (d) The Owner contracts or sells the Housing Accommodation to a Tenant Organization or any other third party for a price more than ten percent (10%) less than the price offered to the Mayor.
- 2404.5 The Owner shall not require the Mayor to pay a deposit of more than five percent (5%) of the sale contract price in order to make a sale contract, or refuse to refund a deposit in the event of the Mayor's good faith failure to perform under the sale contract.
- 2404.6 If a Tenant Organization is formed and delivers an application for registration to the Mayor pursuant to Title IV of the Act, the Mayor shall have an additional fifteen (15) days to negotiate a sale contract with the Owner.
- 2404.7 The Mayor shall have up to sixty (60) days after the sale contract ratification to complete settlement.
- 2404.8 If the Owner provides any extension of time to a Tenant Organization under Title IV of the Act, the Owner shall automatically grant the Mayor the same extension of time under Title IV-A of the Act. The Owner shall provide prompt written

District of Columbia Municipal Regulations

notification to the Mayor of any extensions of time granted to a Tenant Organization.

2404.9 All time periods for negotiation and settlement by the Mayor are minimum time periods, and the Owner may give the Mayor a reasonable extension of such time periods in writing.

2404.10 At settlement, the Mayor or the Mayor's Assignee shall provide to each Household in the Housing Accommodation a written statement indicating the following:

- (a) The name, address, and contact information of the new Owner;
- (b) Instructions to send or make all payments;
- (c) The current terms of tenancy status or lease agreement; and
- (d) Any program verification requirements, as applicable.

SOURCE: Final Rulemaking published at 65 DCR 12627 (November 16, 2018).