

2799 DEFINITIONS

2799.1 When used in this chapter, the following terms and phrases shall have the meanings ascribed:

Community Development Areas - sections of Washington, D.C. approved as special areas eligible for Community Development Block Grant funds and programs.

Condominium - for purposes of this chapter, “condominium” has the same meaning as in § 102(d) of the Condominium Act of 1976, effective March 29, 1977, D.C. Law 1-89, D.C. Official Code § 42-1901.02 (2001).

Deferred payment loans - loans that allow the borrower to defer payment of the principal and interest until the property is sold or transferred.

Displacee household - a household that has received written notification under D.C. Law 3-86, indicating that the dwelling is to be sold, demolished, or discontinued in use, and that the tenants have a right to purchase their building.

Earnest money - the cash deposit paid by an individual household or tenant association as evidence of good faith intention to complete the purchase of a property.

Gap financing - consists of either loan guarantees or short-term trust mortgage loans provided to eligible tenant associations to make up the difference between the borrowing capacity of the tenant association and the amount needed to finance the costs of acquisition, rehabilitation, and marketing of the cooperative units.

Gross household income - includes the following:

- (a) Head of household’s stable income from primary employment, public assistance and pensions;
- (b) Spouse’s earnings and those of other household members if their employment is a definite characteristic of the household’s life and likely to continue for substantial period of time;
- (c) Other income regularly received by the applicant or his or her household from any source; and
- (d) Net income from real estate and other net business income.

Household - an individual residing in a housing unit in the District, or two (2) or more persons who reside together in a housing unit in the District of Columbia.

Low-moderate income - as defined in the Housing and Community Development Act of 1974, household income not exceeding ninety-five percent (95%) of the median household income of the Washington Metropolitan Area, as determined by the Secretary of the U.S. Department of Housing and Urban Development, with adjustments for household size, or other limits that may be established.

Lower income - as defined in the Housing and Community Development Act of 1974, household income not exceeding eighty percent (80%) of the median household income of the Washington Metropolitan Area, as determined by the Secretary of the U.S. Housing and Urban Development, with adjustments for household size, or other limits that may be established.

Low-yield cooperative - a cooperative where the transfer value of the membership is limited by the articles of incorporation or bylaws of the corporation to the sum of the following:

- (a) The membership price under the occupancy agreement or its equivalent (i.e., initial price of the proprietary lease or share cost) at an accrued rate of return set by the Board of Directors not to exceed a ten percent (10%) increase (compounded annually); PLUS
- (b) The value as determined by the Board of Directors of improvements installed at the expense of the member with prior approval of the Board, under a valuation formula that provides for reimbursement in an amount not to exceed the initial cost of the improvement; MINUS
- (c) The cost or estimated cost of all deferred maintenance repairs as deemed necessary by the corporation to place the dwelling unit in suitable condition for another occupant.

Market rate cooperative - a cooperative legally incorporated pursuant to the District of Columbia Cooperative Association Act, approved June 19, 1940 (54 Stat. 54; D.C. Official Code §§ 29-901 et seq. (2001)) or a cooperative corporation incorporated in another jurisdiction for the primary purpose of owning and operating real property in which members reside, without restriction as to the transfer value of membership.

Mixed-yield cooperative - a cooperative where the transfer value of some memberships is limited according to the definition of low-yield cooperative and the transfer value of some memberships is not limited.

Pre-purchase loan - a short-term, non-interest-bearing loan to an eligible individual household or tenant association to assist in the payment of earnest money deposits and/or purchase option costs that cannot be covered by the borrowing capacity and assets of the household or tenant association.

Purchase option - an agreement to keep open, over a set period of time, an offer to purchase a property.

Tenant association - an incorporated organization with bylaws, a board of directors, a bank account, and legal capacity to own real estate. For purposes of this chapter, all members of the association are tenants in the building(s), and the association membership constitutes more than fifty percent (50%) of the households living in the building(s) at the time of loan application.

Tenant-controlled rental property - a rental housing accommodation as defined in the Rental Housing Act of 1980, effective March 16, 1978, D.C. Law 3-131, D.C. Official Code §§ 42-4001 et seq. (2001), or any successor rent control act, whose operation is effectively controlled by a tenant association by means of a long-term written lease, partnership arrangement, or some other binding means which lease, partnership, or other means that has been reviewed and approved by the Department.

SOURCE: Notice of Final Rulemaking published at 28 DCR 903-905 (February 27, 1981); as amended by Notice of Final Rulemaking published at 30 DCR 811-812 (February 13, 1983).