

2702 TENANT ASSOCIATIONS: GAP FINANCING

- 2702.1 A tenant association applying for gap financing assistance shall meet requirements of this section.
- 2702.2 The articles of incorporation or bylaws of the association shall demonstrate the intent to operate as a low-yield cooperative, condominium, or tenant-controlled rental property.
- 2702.3 The tenant association shall provide evidence of ability to successfully undertake cooperative development, including the following:
- (a) A letter of tenant interest submitted by the tenant association to the building owner and to the Department, pursuant to an offer to sell under § 403 of D.C. Law 3-86 or its successor; and
 - (b) A conversion feasibility study.
- 2702.4 The letter of intent required under § 2702.3(a) shall include an agreement by each participating tenant household to provide income and other household information necessary for the completion of a tenant profile, and to make its apartment available for inspection during a building condition survey.
- 2702.5 The conversion feasibility study required under § 2702.3(b) shall include the following, in accordance with the provisions of §§ 2702.6 through 2702.9:
- (a) A tenant profile;
 - (b) A building profile;
 - (c) A projection of total development costs; and
 - (d) A projection of income and expenses.
- 2702.6 A tenant profile shall include information about the size, composition, and income of each applicant household.
- 2702.7 A building profile shall include current information about the number of units, bedroom mix, commercial or leased space use, and the income and expense statement for the building during the past two (2) years.
- 2702.8 The feasibility study shall include a projection of total development costs, including a *bona fide* sales price, rehabilitation cost estimate, technical assistance cost estimate, estimate of marketing expenses, and other supplemental information that the Department may require.

2702.9 The feasibility study shall also include a projection of income and expenses, including unit pricing, income projections, debt reduction schedule, administrative cost estimates, operating cost estimates, maintenance cost estimates, and other supplemental information that the Department may require.

SOURCE: Notice of Final Rulemaking published at 28 DCR 903, 905-906 (February 27, 1981); as amended by Notice of Final Rulemaking published at 30 DCR 811, 812-813 (February 13, 1983).