

4704 CONVERSION OF THE HOUSING ACCOMMODATION

- 4704.1 Within fifteen (15) business days of receipt of the confirmation of the results of an election pursuant to § 4703.1 or a verification in lieu of election under § 4702.16, the owner shall pay the conversion fee under § 4704.6.
- 4704.2 If the owner is a tenant organization, the conversion fee may be paid at settlement on the individual shares or units pursuant to § 202(a) of the Act.
- 4704.3 The Conversion and Sale Regulatory Office shall certify compliance within ten (10) business days of receipt of the conversion fee. A certification of compliance expires at the close of business one hundred eighty (180) days after issuance, or close of business on the next business day, if the one hundred and eightieth (180) day falls on a weekend or holiday.
- 4704.4 If the owner does not convert during the one hundred eighty (180) day period, the owner may not request another election for one (1) year from the date of expiration.
- 4704.5 An owner may request an extension by application to the Conversion and Sale Regulatory Office. The application shall contain the notarized consents of more than fifty percent (50%) of the qualified voters, the reason for extension, the anticipated timing of the conversion, and a sworn statement as to the truthfulness of the information provided. Any extension shall not exceed ninety (90) days. There shall be no more than two (2) extensions per election.
- 4704.6 The owner shall pay a conversion fee representing four percent (4%) of the anticipated sales price for each unit or a reduced fee in accordance with § 4704.9.
- 4704.7 An owner may request a reduction of the conversion fee if the owner declares an intent to sell or lease units or shares to at least fifty-one percent (51%) of the nonelderly low income tenants.
- 4704.8 To qualify for a reduction under this section, a lease shall be for at least five (5) years at existing rent plus any annual increases allowed by the Rental Housing Act of 1977, as amended (D.C. Law 2-54), and its successor legislation or twenty-five percent (25%) of gross household income, whichever is greater. For an intent to sell to qualify as a basis for reduction of the fee, the unit price and terms shall provide an opportunity for the low-income tenant to purchase.
- 4704.9 After reviewing an owner's request for reduction of the conversion fee, the Conversion and Sale Regulatory Office may reduce the fee as follows:

SCALE FOR CONVERSION FEE PAYMENTS

Percentage of Low Income	Intent to Sell or
Nonelderly Tenants in the	Lease to Low Income

Housing Accommodation	Nonelderly Tenants	Fee Per Unit
80-100%	All	\$50
80-100%	75%	1% of Sales Price
80-100%	51%	1.5% of Sales Price
50-79%	All	\$100
50-79%	75%	1.5% of Sales Price
50-79%	51%	2% of Sales Price
25-49%	All	1.5% of Sales Price
25-49%	75%	2% of Sales Price
25-49%	51%	2.5% of Sales Price
1-24%	All	2% of Sales Price
1-24%	75%	2.5% of Sales Price
1-24%	51%	3% of Sales Price

4704.10 Tenants who have a right to a statutory tenancy shall not be included in the percentage of low-income tenant determination.

4704.11 The owners shall provide copies of Recorder of Deeds Form FP-2 reflecting the price of each unit or share sold, or a copy of the share which indicates the price thereof, within five (5) business days after settlement.

4704.12 When the condominium or cooperative is sold out, the owner shall submit a final accounting of units or shares sold or leased. If the owner qualified for reduction of the conversion fee, then the final accounting shall show that the reduction was justified. The final accounting shall be signed and notarized.

4704.13 If an owner sells a unit or share for less than the declared price, the owner may apply to the Conversion and Sale Regulatory Office for a refund. An application for refund shall be made when the owner supplies a copy of the settlement form for that unit or share.

4704.14 If an owner sells a unit or share for more than the declared price, or fails to justify the

reduction in fee, the additional amount shall be paid at settlement. If the additional amount is not paid at settlement, it shall become a lien on the property. The Conversion and Sale Regulatory Office shall so notify the Office of the Recorder of Deeds and the Office of Tax and Revenue.

4704.15 If a property that would be subject to a lien pursuant to § 4704.14 is sold to a low income tenant, the Conversion and Sale Regulatory Office may waive attachment of lien.

4704.16 Any owner of a unit converted pursuant to Title II of the Act rented to any low-income tenant or low-income elderly tenant is eligible for property tax abatement. Upon request from the owner, the Conversion and Sale Regulatory Office shall certify to the Office of Tax and Revenue that the owner qualifies for a tax abatement.

4704.17 Occupancy during any portion of a year will be sufficient to qualify for tax abatement for that year.

4704.18 A request for tax abatement shall include the following:

- (a) The name and unit number;
- (b) The address and telephone number of the low income tenant;
- (c) The length of the tenant's lease; and
- (d) A notarized statement as to the truthfulness of the information.

SOURCE: Notice of Final Rulemaking published at 28 DCR 2443 (May 29, 1981), incorporating by reference the text of Notice of Emergency and Proposed Rulemaking published at 28 DCR 694, 699 (February 13, 1981).