

**Include *Tenant Opportunity to Purchase Act (TOPA)* in final Economic Development bill!
*TOPA is amendment # 269 to H.4879***

A cost-neutral, enabling act that municipalities and residents need now to stabilize pandemic-related housing speculation and displacement.

- TOPA in a nutshell: ***Amendment # 269 to H.4879*** (“To guarantee a tenant’s first right of refusal”) in municipalities that adopt it, gives tenants in multi-family properties the opportunity to purchase their homes, when offered for sale, including in the foreclosure context – by matching the purchase price of a third-party purchaser. The opportunity to purchase can be designated to a non-profit organization. TOPA is cost-neutral.
- ★ **TOPA Enabling Act is critical *now* to address Pandemic-related housing speculation.**
 - The pandemic is causing increasing distress in the housing market and is expected to result in an avalanche of foreclosures, resident displacement, and speculative purchases.
 - Already billion-dollar investment funds have been set up for distressed properties.
 - Cities and towns desperately need tools before the housing crisis worsens.
- ★ **TOPA Enabling Act is essential during the Pandemic to help tenants keep their homes.**
 - Housing stabilization now is a public health issue. TOPA would help prevent the displacement of vulnerable tenants.
 - *TOPA Enabling Act would help blunt deepening inequities.* Displacement and unaffordable rents disproportionately impact people of color, single parents with children, seniors, people with disabilities, and other vulnerable groups -- and increase segregation in our communities. And, TOPA would help to avert speculation of 2008 when huge amounts of wealth were lost by communities of color and working class families.
- ★ **TOPA Enabling Act is cost-neutral.**
- ★ **TOPA Enabling Act is a local option** and will only be in effect in municipalities that choose it.
- ★ **Small landlords explicitly are excluded from TOPA.**
- ★ **TOPA Enabling Act contains safeguards to protect owners:**
 - *TOPA’s timeframes are designed to be typical of a normal real estate market in which properties are purchased with a combination of cash equity and debt.*
 - TOPA imposes no price restrictions: sales are at market rate.
 - TOPA allows tenants to designate their rights to a non-profit organization.
 - Small owners are exempted from TOPA.
- ★ **TOPA could move thousands of rental units to permanent affordability - every year.**
 - This bill is based on a Washington D.C. ordinance that has helped preserve thousands of homes since its enactment in 1980.

TOPA Enabling Act- Amendment # 269 to House Ec. Dev't Bill H.4879 - is essential NOW in the Pandemic to divert housing from speculators and give tenants a fighting chance to avoid displacement.

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*A COST-FREE LOCAL OPTION TO STABILIZE HOUSING: WHY WE NEED IT NOW***

Examples of how TOPA could help stabilize neighborhoods and avoid displacement:

- At 6 Humphreys Place in Dorchester, the owner sent building-wide eviction notices to residents, because a buyer wanted to purchase the building empty. With the support of City Life/Vida Urbana, the 20+ residents organized a tenants association and reached out to non-profit buyers that could pay the market price. The owner, however, sold the building to the initial buyer who continued efforts to evict the residents.

Had TOPA been in place in Boston, a non-profit buyer could have purchased the building at the third-party price, avoiding a long and very difficult fought battle by the residents to stay in their homes and guaranteeing permanently affordable housing in the community.

- A 20-year resident of Chinatown lived in a building on Johnny Court with her husband and three young children. In 2015, the building was sold to an investor, who at first raised their rent from \$930 to \$1,450 a month. The family was forced out after the investor-owner demanded \$2,600 per month, as he converted the units one by one to short-term rental use. The Chinatown Community Land Trust had prepared a purchase offer for the building, but the owner sold to the investor. With TOPA in place, residents could have preserved their housing and taken it permanently out of the speculative market.

How does the TOPA Enabling Act work?

In municipalities that adopt TOPA, multi-family property owners notify tenants and the municipality when they decide to sell a property. Tenants can form a tenant association, made up of tenants in at least 51 percent of the tenant-occupied units. Tenants can designate a non-profit organization or successor entity to the tenant association to act on their behalf.

The tenant association or its designee has the right to make a first offer to purchase after being notified of the sale. Additionally, when the owner enters a contract to sell the property to a third party, the tenant association/designee can agree to the terms of the third-party contract or make a counter offer. If they agree to the third-party contract, the tenant association/designee has a reasonable period of time to perform due diligence, secure financing, and close on the purchase of the building. Otherwise, the owner can sell to a third party. The TOPA Enabling Act also includes a tenant opportunity to purchase process for short sales and foreclosures.

The TOPA Enabling Act neither brings in additional revenue nor requires additional expenditures. As an enabling act, it simply allows municipalities to adopt tenant right-of-first-refusal ordinances. Existing state and local housing funding programs could be deployed to properties acquired via TOPA programs, and additional sources will be needed to fully stabilize neighborhoods and provide housing needed by low and moderate income tenants.

*Stabilizing housing and avoiding displacement is a public health necessity during the Pandemic.
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