

Chapter 29 Homestead Housing Preservation Program

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2900 GENERAL PROVISIONS

2900.1 The purposes of the Homestead Housing Preservation Program (the “Program”) shall be as follows:

(a) To provide home ownership opportunities to residents of the District of Columbia, or individuals newly employed by the District of Columbia Government, of low and moderate income;

(b) To enable organized groups of low and moderate income District residents to obtain skills in the repair, maintenance and management of residential property; and

(c) To give highly motivated low and moderate income residents of the District of Columbia the opportunity to participate fully in the rehabilitation of their own decent and affordable homes.

2900.2 The objective of the Program is to reduce the critical shortage of decent and affordable low and moderate income housing stock by acquiring deteriorated tax delinquent residential properties and conveying them primarily to low and moderate income individuals and groups who agree to promptly bring the properties into a state of good repair and to reside in them for a period of five (5) years from the date of conveyance.

2900.3 The Program is authorized by the Homestead Housing Preservation Act of 1986, as amended, D.C. Law 6-135, D. C. Official Code §§ 42-2101 et seq. (2001)(the “Act”).

2900.4 The Director of the D.C. Department of Housing and Community Development (the “Director”) may waive, for good cause and stated in writing, any of the rules set forth in this chapter within the limits of applicable laws and regulations.

2900.5 The Director may allocate D.C. Department of Housing and Community Development funds and resources to the Program as, in his or her discretion, are deemed necessary to achieve the purposes of the Act.

AUTHORITY: Unless otherwise noted, the authority for this chapter is section 5 of the Homestead Housing Preservation Act of 1986, D.C. Law 6-135, D.C. Official Code § 42-2104 (2001); as amended by subsection 5 of the Technical Amendments Act of 1986, D.C. Law 6-192 § 5, 33 DCR 7838 (December 19, 1986).

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4948 (July 31, 1987).

2901 PROGRAM DESCRIPTION

2901.1 Two (2) times each year, the Director, upon the recommendation of the Administrator of the Department of Housing and Community Development Homestead Program Administration (the “Administrator”), shall identify residential properties which may be acquired by the District and which may be rehabilitated at a cost which is reasonable and affordable to low and moderate income persons using financing available from private and public resources.

2901.2 Applicants shall be screened to ensure that they comply with certain income and other eligibility requirements.

2901.3 Occupants of properties selected for multi-family homesteading shall have the opportunity to participate as homesteaders.

2901.4 For single family properties and, to the extent feasible, for multi-family properties, priority shall be given to low and moderate income applicants as defined in § 2999 of this chapter and to low and moderate income tenants of a property which is occupied at the time it is selected for inclusion in the Program.

2901.5 Applicants who are selected to become single family homesteaders shall agree to certain conditions relating to minimum term of occupancy, rehabilitation, and insurance requirements.

2901.6 Multi-family homestead projects shall comply with unit mix, income mix and such other requirements as prescribed by the Administrator consistent with this chapter.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4948 (July 31, 1987).

2902 PROGRAM ADMINISTRATION

2902.1 Administration of the Program shall be the responsibility of the D.C. Department of Housing and Community Development (“DHCD”) acting through its Homestead Program Administration. DHCD may procure such goods and services as it deems necessary for implementation of the Program, consistent with applicable District laws and regulations.

2902.2 The Homestead Program Administration shall take steps as necessary to ensure an effective and coordinated program including, but not limited to, the following:

- (a) Provide a Technical Training Program as needed to meet the conditions of the abatement agreement as specified in §§ 2913 and 2914 of this chapter;
- (b) Provide other technical support services as appropriate and needed to homestead applicants and selected homesteaders; and
- (c) Assure that private financial lenders are aware of program financing needs, including coordination with the Office of Banking and Financial Institutions.

2902.3 The Office of Tax and Revenue shall be responsible for the acquisition of tax delinquent properties to be offered by the Program including, but not limited to, the following steps:

- (a) Providing lists of available properties to the Administrator;

(b) Issuance of thirty (30) day notice to all lienholders, owners of record (or the designated representative of the record-owners); and

(c) Issuance of tax deed and compliance with attendant judicial verifications, notice and hearing proceedings.

SOURCE: Notice of Final rulemaking published at 34 DCR 4947, 4948-49 (July 31, 1987).

EDITOR'S NOTE: The District of Columbia Office of the Chief Financial Officer published a Notice of Public Interest at 44 DCR 2345 (April 18, 1997) which advised that "[t]he **OFFICE OF TAX AND REVENUE** will assume all of the duties and functions previously performed by the **DEPARTMENT OF FINANCE AND REVENUE**, as set forth in Commissioner's Order 69-96, dated March 7, 1969." All references to the "Department of Finance and Revenue" in the original text of these regulations have been replaced with the "Office of Tax and Revenue."

2903 SELECTION OF PROPERTIES FOR INCLUSION IN PROGRAM

2903.1 Twice each year, the Office of Tax and Revenue shall provide to the Administrator an inventory of all tax delinquent properties that are eligible for inclusion in the Program.

2903.2 The following properties shall be eligible for inclusion in the Program:

(a) Properties which have been in tax arrears for at least two (2) years, which have been bid in at a tax sale in the name of the District, and for which the two (2) year right of redemption from tax foreclosure on the part of the owner of record has expired;

(b) Properties which are in tax arrears, which have been bid in at a tax sale in the name of the District and for which the six (6) month right of redemption from tax foreclosure has expired as prescribed by amendments to existing D.C. law included in the Act; and

(c) Other properties as may be identified by DHCD.

2903.3 The DHCD shall, to the extent feasible, prepare a report on each property in the inventory including, but not limited to, the following information:

(a) Property address;

(b) Property size and layout;

(c) The number and size of dwelling units;

- (d) Tax lot identification;
- (e) Occupancy status (occupied or vacant); and
- (f) If occupied, household size and income of the occupants.

2903.4 The Administrator shall review all inspection reports and additional criteria relating to the suitability of the property for homesteading including, but not limited to, the following:

- (a) Tax status as reflected in the Office of Tax and Revenue records including the length of time a property has been in tax arrears;
- (b) Whether the property is vacant or occupied and, if occupied, whether occupants would be eligible to participate in the Program;
- (c) Whether the required rehabilitation of the property is feasible and affordable to low and moderate income persons or families;
- (d) Whether funds are available from Program funds or other DHCD sources with which to assist the rehabilitation process;
- (e) Whether there is a likelihood of obtaining clear title in a timely manner; and
- (f) Whether the property has applied for or received conditional commitment of funds under other DHCD operated programs.

2903.5 The Administrator, based on the review specified in § 2903.4, shall select which properties are suitable for inclusion in the Program.

2903.6 The Administrator shall provide a list of properties selected for inclusion in the Program to the Office of Tax and Revenue for completion of all procedures necessary for acquisition of clear title to the properties including, but not limited to, the steps enumerated in § 2902.2 of this chapter.

2903.7 The Administrator may recommend to the Director that properties not included on the inventory of tax delinquent properties provided by the Office of Tax and Revenue but available from other sources be acquired for inclusion in the Program provided they are suitable under the criteria of § 2903.4 and further the purposes of the Program.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4949-51 (July 31, 1987).

2904 OFFERINGS OF HOMESTEAD PROPERTIES TO PUBLIC

2904.1 After selection by the Administrator of properties to be included in the Program, there shall be published a list of properties available for homesteading, along with a Notice of Request for Proposals (RFP) from persons who wish to be considered for participation in the Program, in the following publications:

- (a) *D.C. Register*;
- (b) At least two (2) major newspapers of general circulation in the city; and
- (c) In newspaper(s) serving minority communities in the city.

2904.2 The RFP for single family homesteads shall provide all information necessary for persons to apply for participation in the Program including, but not limited to, the following:

- (a) A brief description of the Program including, but not limited to, age, income and residency requirements;
- (b) First-time home buyer requirement;
- (c) Application fee;
- (d) A brief description of the properties being offered including location and approximate size;
- (e) Conditions for acceptance in the Program;
- (f) Deadline for applications;
- (g) Address and telephone number of Homestead Program Administration;
- (h) Instructions for obtaining applications and additional Program information;
- (i) Assessed value of each available property: and
- (j) The availability of program and other DHCD financing.

2904.3 The RFP for multi-family homesteads shall provide, at a minimum, the following information:

- (a) A brief description of the Program;
- (b) A description of the property being offered including the current dwelling unit configurations;
- (c) The availability of Program and other DHCD financing;

(d) Guidelines and requirements concerning the submission of proposals including the deadline and location for submission;

(e) A description of the proposal evaluation process including a listing of factors affecting selection of proposals; and

(f) Assessed value of property.

2904.4 The RFPs for single family and multi-family homesteads shall indicate that homesteaders are expected to cover certain costs incurred in connection with the closing or acquisition of rehabilitation and/ or permanent financing for the homestead.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4951-52 (July 31, 1987).

2905 ELIGIBILITY: SINGLE FAMILY HOMESTEAD PROPOSALS

2905.1 An applicant who meets the following criteria, as determined by the Administrator, shall be eligible for participation in the Program:

(a) Eighteen (18) years of age or older;

(b) Low or moderate income;

(c) Resident of the District of Columbia for at least one (1) year at the time of application;

(d) First time homebuyer as defined in this chapter;

(e) Ability to spend at least twenty percent (20%) of monthly gross income on monthly housing expense (principal, interest, taxes and insurance) without the total of monthly housing expense and other long term consumer debt exceeding thirty-six percent (36%) of monthly gross income;

(f) Submission of ten dollars (\$10) non-refundable application fee; and

(g) Have an acceptable credit record.

2905.2 Applicants who are employees of the District of Columbia Government living outside the District of Columbia who are subject to the residency requirements of District of Columbia law shall be considered residents of the District of Columbia for purposes of the program, notwithstanding § 2905.1(c) provided, that they meet all other eligibility requirements of the program.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4952-53 (July 31, 1987).

2906 ELIGIBILITY: MULTI-FAMILY HOMESTEAD PROPOSALS

2906.1 To be eligible for participation in the Program, an application for a multi-family homestead shall adequately address the following elements, as determined by the Administrator:

- (a) Realistic rehabilitation costs;
- (b) Evidence of an ability to accomplish private rehabilitation and obtain financing;
- (c) A project plan which will allow at least fifteen percent (15%) of the dwelling units to be affordable to and reserved for low income households, and at least fifty percent (50%) of the dwelling units to be affordable to and reserved for low and moderate income households;
- (d) A project plan which provides for ownership and participation in decision making by all residents; and
- (e) Evidence of the applicant's capability to successfully complete the rehabilitation, occupancy, and management of the property based on the successful experience of members, consultants, affiliates, or partners in multi-family rehabilitation projects of similar size and complexity.

2906.2 Proposals to homestead multi-family properties which are wholly or partially occupied at the time of submission of the proposals shall expressly recognize the right of first refusal on the part of those occupants to participate in the Program and, if the occupants elect not to participate, their right to relocation assistance consistent with the Rental Housing Conversion and Sale Act of 1980, as amended (D.C. Law 3-86, D.C. Official Code § 42-3403.02 (2001), as applicable.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4953 (July 31, 1987).

2907 SELECTION OF MULTI-FAMILY HOMESTEAD PROPOSALS

2907.1 Proposals which are eligible under § 2906.1 for multi-family properties shall be considered for selection in the following order:

(a) Proposals from a tenant association occupying the prospective homestead property shall be considered first;

(b) If no acceptable proposals are received from tenant associations, proposals from cooperative housing associations whose active members at the time of proposal submission comprise District of Columbia resident households (including members as defined in § 2905.2) whose numbers are sufficient to occupy at least fifty percent (50%) of the units in the subject properties, shall be considered next; and

(c) If no acceptable proposals are received as provided in the above paragraphs, proposals from non-profit developers for the development of cooperative housing shall be considered.

2907.2 Proposals from other entities to develop cooperative housing meeting the criteria of the Program shall be considered only if there are no qualified proposals from the categories listed in § 2907.1.

2907.3 Within the categories stated in § 2907.1, preference shall be given to proposals that can feasibly provide the greatest number of housing units affordable to low and moderate income families, and that provide for future affordability of those units by low and moderate income families.

2907.4 The Administrator shall make the final selection from the proposals received for each multi-family property, consistent with this chapter.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4953-54 (July 31, 1987).

2908 SELECTION OF SINGLE FAMILY HOMESTEAD PROPOSALS

2908.1 All single family homestead proposals received by the published deadline shall be screened and evaluated for eligibility and completeness, and the following action taken:

(a) Applicants who submit proposals evaluated as ineligible shall be sent a letter of rejection for ineligible applications and the applications shall be eliminated from consideration; or

(b) Applicants who submit incomplete proposals shall be sent a letter informing them that they have seven (7) calendar days from the date of the letter to submit the missing information or that they shall be eliminated from consideration.

2908.2 Tenant(s) occupying the prospective homestead property shall have the right of first refusal to purchase the property pursuant to law.

2908.3 Priority for selection shall be given to eligible low income applicants, who shall be placed in a priority pool for selection.

2908.4 Eligible proposals shall be sorted by income priority and by applicants' indicated preference for specific available properties (first choice, second choice, third choice).

2908.5 After sorting all eligible proposals, the Administrator shall cause to be selected at random from the priority pool for each property, a homesteader, a first alternate and a second alternate. If there are insufficient proposals to make any or all three (3) selections from the priority pool, selection shall be made at random from other eligible proposals.

2908.6 Within five (5) business days after selection of homesteaders and alternates, the Administrator shall mail a certified letter to all persons selected indicating their status as either homesteader or alternate.

2908.7 Persons selected as homesteaders shall have fourteen (14) calendar days, including legal holidays and weekends, from the date of the notification letter to tender payment of the purchase price by certified check, cashier's check, or money order according to the instructions included in the notification letter.

2908.8 If a homesteader fails to tender payment by 4:00 p.m. of the required date, the Administrator shall mail the following certified mail:

(a) To the homesteader, notification of ineligibility to purchase the homestead property; and

(b) To the first alternate, notification of the opportunity to purchase the homestead property pursuant to the procedure indicated in § 2908.7.

2908.9 Failure of a selected first alternate to comply with § 2908.7 shall result in ineligibility pursuant to § 2908.8(a) and notification of the second alternate pursuant to § 2908.8(b).

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4954-55 (July 31, 1987).

2909 DEVELOPER RESPONSIBILITIES FOR PRE-EXISTING OCCUPANTS: MULTI-FAMILY HOMESTEADS

2909.1 The homestead developer selected pursuant to § 2908 shall provide to persons residing in a multi-family property converted to a homestead the right of first refusal to purchase their unit, or a comparable unit in the property.

2909.2 The developer selected pursuant to § 2908 shall provide to those persons who do not choose to purchase their units, relocation assistance consistent with section 302 of the Rental Housing Conversion and Sale Act of 1980, as amended (D.C. Law 3-86; D.C. Official Code § 42-3403.02 (2001)). Elderly tenants shall be afforded the protections contained in § 208 of the same Act.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4955 (July 31, 1987).

2910 PRE-CONVEYANCE REQUIREMENTS - FINANCING

2910.1 Homesteaders shall be responsible for obtaining private interim and permanent financing for rehabilitation costs exceeding the amount that may be provided to the project by DHCD pursuant to § 2910.3.

2910.2 Homesteaders shall apply to at least one (1) commercial lender for such financing within a reasonable period of time after establishing the estimated amount required and affordable to the homesteader as indicated on a financing worksheet provided to the homesteader by the Program staff.

2910.3 The DHCD shall provide a deferred payment loan to, or on behalf of, each eligible homesteader in an amount not to exceed ten thousand dollars (\$10,000) per dwelling unit under the following terms:

- (a) The loans shall be available only to low and moderate income homesteaders;
- (b) Loans shall be made at a rate of three percent (3%), simple interest, per annum, which interest may be deferred and accrued;
- (c) Loans shall be secured by a second deed of trust;
- (d) For single family homesteads, loans shall be paid in full upon sale or transfer of the property by the homesteader or according to other terms which may be incorporated into the loan agreement; and
- (e) For multi-family homesteads, loans made on behalf of an eligible homesteader shall be paid in full upon sale or transfer of that share by the homesteader to a person who is not a low or moderate income household; provided, however, that upon sale or transfer of that share to a low or moderate income household, the loan shall be assumed by the new share owner without modification or amendment.

2910.4 The Administrator may, at his or her discretion, waive payment of any or all interest which may accrue on loans made pursuant to § 2910.3.

2910.5 Loans made pursuant to § 2910.3 may be subordinate to private financing obtained by a homesteader for the purpose of accomplishing required rehabilitation of a homestead.

2910.6 If a homesteader is unable to obtain sufficient private financing from two (2) or more commercial lenders and produces loan applications and rejection letters as evidence of that fact, the Administrator may, as applicable, refer the homesteader to the Single Family Housing Rehabilitation Program or the Multi-Family Rehabilitation Program administered by the DHCD Neighborhood Improvement Administration for the purpose of applying for rehabilitation financing.

2910.7 Homesteaders shall obtain acceptable written commitments for all funds required for rehabilitation prior to conveyance of title to the property.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4956-57 (July 31, 1987).

2911 PRE-CONVEYANCE REQUIREMENTS - SCOPE AND ALLOCATION OF WORK

2911.1 Prior to the conveyance of a title, the prospective homesteader shall obtain or prepare a listing of the scope of work necessary to meet the requirements of

§ 2913.5 of this chapter. The DHCD may, upon the request of the prospective homesteader, provide technical assistance in the development of this scope of work.

2911.2 A homesteader may perform work items which are included in the scope of work provided that he or she can demonstrate to the Administrator the ability to perform those work items.

2911.3 When a homesteader contracts for rehabilitation work, he or she shall comply with the following requirements:

(a) The contractor shall be licensed to work as a general contractor in the District and meet any other requirements as established by DHCD consistent with D.C. law;

(b) The contract shall explicitly state that the work to be performed shall bring the property into conformance with all applicable requirements of the D.C. Building Code (DCMR Title 12A) and D.C. Housing Code (DCMR Title 14);

(c) The homesteader shall secure the Administrator's approval that all Program requirements have been met before entering into a written agreement with a contractor; and

(d) The contract for rehabilitation shall be solely between the homesteader and contractor; DHCD shall not be a party to the contract.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4957 (July 31, 1987).

2912 CONVEYANCE OF TITLE

2912.1 Conveyance of title to homesteaders shall be by special warranty deed, subject to conditions of an abatement agreement entered into by the District and the homesteader at the same time as the conveyance of title.

2912.2 Conveyance of title to multi-family homesteads shall be in consideration of a purchase price of two hundred fifty dollars (\$250) per dwelling unit.

2912.3 Conveyance of title for single family homesteads shall be in consideration of a purchase price of two hundred fifty dollars (\$250) or a price determined by the Administrator to be fair and equitable, considering the income level of the purchaser, the condition of the property and other factors as the Administrator deems appropriate.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4957-58 (July 31, 1987).

2913 CONDITIONS OF ABATEMENT AGREEMENT: SINGLE FAMILY HOMESTEAD

2913.1 Each homesteader at the time of property settlement shall enter into an abatement agreement with the District which shall include, but not be limited to, the requirements of this section.

2913.2 Each homesteader shall agree to maintain the property as his or her principal dwelling place and residence for a period commencing with the date of property settlement and ending on the fifth (5th) anniversary of the settlement date.

2913.3 If the property cannot be lawfully occupied on the date of conveyance because the property does not meet the requirements of the D.C. Building and Housing Codes, the Homesteader shall be considered in compliance with § 2913.2; provided, that he or she takes occupancy of the homestead within thirty (30) days of a determination by the Administrator that the property is habitable.

2913.4 Each homesteader shall agree to satisfactorily complete, to the extent required by the Administrator, a Technical Training Program conducted for the benefit of the Program.

2913.5 Each homesteader shall agree to improve the property within twelve (12) months of the starting date of the Technical Training Program sufficient to meet all applicable requirements of the D.C. Building Code (DCMR Title 12A) and D.C. Housing Code (DCMR Title 14).

2913.6 In addition, each homesteader shall agree to do the following:

(a) Not to sell, convey, lease, or otherwise alienate the homestead, or place liens or encumbrances on it, for at least five (5) years from the date of conveyance without the written approval of the Administrator;

(b) To permit periodic inspections of the dwelling by DHCD or its agents or other persons duly authorized by DHCD for the purpose of examining the dwelling to determine the homesteader's compliance with the requirements of the Program during the five (5) year period;

(c) To maintain at all times during the five (5) year residency period fire and extended coverage insurance with a face amount equal to at least eighty percent (80%) of the fair market value of the premises; and

(d) To pay all property taxes and other fees and assessments levied by the District, except as otherwise provided by District law.

2913.7 The Administrator may grant an exemption from the residency requirement of § 2913.2 if a homesteader dies or becomes totally disabled and if, in the opinion of the Director, the exemption would relieve the homesteader's heirs, devisees and immediate family of an unreasonable burden arising from the requirements of the abatement agreement.

2913.8 Alienation of a homesteader's interest in the homestead property may be approved, at the discretion of the Administrator, during the first five (5) years of ownership, provided that the following percentages of the tax assessment value (as determined at the time of conveyance of title to the homesteader) shall be paid as an assessment fee to the District:

(a) Eight percent (80%), if the alienation occurs within fifteen (15) months of the date of conveyance;

(b) Sixty percent (60%), if the alienation occurs within sixteen (16) to thirty (30) months from the date of conveyance;

(c) Forty percent (40%), if the alienation occurs within thirty-one (31) to forty-five (45) months from the date of conveyance; or

(d) Twenty percent (20%), if the alienation occurs within forty-six (46) to sixty (60) months from the date of conveyance.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4958-59 (July 31, 1987).

2914 CONDITIONS OF MULTI-FAMILY HOMESTEAD PROGRAM

2914.1 Multi-family homesteads shall be subject to abatement agreements containing all the conditions enumerated in § 2913, except that the conditions controlling commencement and completion of rehabilitation shall be as follows:

(a) Construction of the rehabilitation of the homestead property shall begin no later than six (6) months from the date of conveyance; and

(b) Rehabilitation shall be complete and the property shall meet all applicable requirements of the D.C. Building Code (DCMR Title 12A) and the D.C. Housing Code (DCMR Title 14) no later than two (2) years from the date of conveyance.

2914.2 A multi-family homestead project shall have at least fifteen percent (15%) of the proprietary interests in its dwelling units transferred to low income person(s), and at least fifty percent (50%) of the proprietary interests in its dwelling units transferred to low and moderate income persons.

2914.3 For each multi-family project, the homesteaders shall be selected under a project marketing and selection plan approved by the Program and implemented by the developer. All applicants selected by the developer or the homestead governing body for a period of five (5) years from conveyance shall submit a homestead application and be approved by the Administrator.

2914.4 The management entity for multi-family homesteads shall be responsible for removing participating parties who are in violation of prescribed conditions and for identifying new parties for participation and residency in the property who are acceptable to the Administrator.

2914.5 Abatement agreements shall contain specific provisions indicating actions that shall be taken by DHCD for failure of the homesteader to meet prescribed conditions.

2914.6 The Administrator shall require homesteaders of a multi-family homestead to meet additional conditions as may be necessary to ensure compliance with this chapter.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4959-60 (July 31, 1987)

2915 PROGRAM MONITORING - INSPECTIONS

2915.1 The Administrator shall make or cause to be made those inspections which are necessary to determine compliance with Program requirements.

2915.2 The Administrator shall take those additional actions deemed necessary to assess compliance with the provisions of the abatement agreement including, but not limited to, the following:

- (a) Reviewing the records of the Office of Tax and Revenue;
- (b) Requesting verification of required insurance coverage; and
- (c) Reviewing the records of the D.C. Recorder of Deeds.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4960 (July 31, 1987).

2999 DEFINITIONS

2999.1 When used in this chapter, the following terms and phrases shall have the meaning ascribed:

Administrator - the administrator of the Homestead Program Administration, DHCD.

Annual Household Income - includes gross household income from 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 a substantial period of time;
- (c) Other income regularly received by the applicant or his or her household from any source; and
- (d) Other net business income.

Applicant, Single Family - the person(s) in whose name(s) the homestead being applied for would be titled.

Applicant, Multi-Family - a tenant association, cooperative housing association, nonprofit developer or other entity who submits a proposal to homestead a multi-family property made available by the Homestead Preservation Administration.

Calendar Days - where a specified number of days ends on a weekend or a holiday, the prescribed period shall end on the next working day following the weekend or holiday.

Cooperative Housing Association - an association that is incorporated in accordance with the District of Columbia Cooperative Association Act, approved June 19, 1940 (54 Stat. 480; D.C. Official Code §§ 29-901 et seq. (2001), and organized for the purpose owning and operating residential real property in the District of Columbia (“District”), the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease, or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement. A cooperative housing association must be organized for the purpose of providing homeownership opportunities primarily for low or moderate income persons.

Deferred Payment Loans - loans which allow the borrower to defer payment of outstanding principal and interest until the property is sold or transferred, or meets other conditions specified in the loan terms.

DHCD - the D.C. Department of Housing and Community Development.

Director - the Director of the D.C. Department of Housing and Community Development.

Dwelling Unit - any room or group of rooms forming a single unit that is used or intended to be used for living, sleeping, and the preparation and eating of meals, and that is located within a building that is wholly or partially used or intended to be used for living and sleeping by human occupants.

First-Time Home Buyer - a purchaser who has no ownership interest in his or her principal residence at any time during the five (5) year period ending on the date of his or her application for assistance, but including an applicant who has divorced or separated during the five (5) year period where a formal settlement has been made under which the applicant does not receive an ownership interest in a primary residence which had been jointly owned.

Homestead - a residence sold by the District to an eligible purchaser (the homesteader) subject to certain conditions, including that the property be rehabilitated in compliance with the District building and housing codes and be the principal residence of the purchaser for a minimum residency period.

Homesteader - an individual or an organization representing individuals who are entitled to occupy a dwelling unit in a building that is included in the Program and who are occupying or will occupy the dwelling unit under an abatement entered into between the Administrator and the individual or organization.

Low income - persons or families whose annual household income as determined by the Administrator does not exceed the limits for lower income families established by the Administrator and updated periodically for use in connection with the Tenant Assistance Program established pursuant to title III of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code §§ 42-3503.01 et seq. (2001)

Moderate income - persons or families whose annual household income as determined by the Administrator does not exceed one hundred twenty percent (120%) of the lower income guidelines established pursuant to Section 8 of the United States Housing Act of 1937, approved September 1, 1937 (50 Stat. 891; 42 U.S.C. 1437f), for the Washington Standard Metropolitan Statistical Area (“SMSA”), as the median is determined by the United States Department of Housing and Urban Development and adjusted yearly by historic trends of that median, and as may be further adjusted by an interim census of District incomes by local or regional government agencies.

Monthly Housing Expense - the amount expended monthly for payment on mortgage loan, principal, interest, insurance and property taxes (PITI).

Multi-Family Homestead - a building as defined in section 4(8) of the Act, with more than four (4) dwelling units each with direct access to the outside or through a common stairway or hallway.

Non-Profit Developer - a corporation that has been approved by the Internal Revenue Service as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954, approved August 16, 1954 (68A Stat. 163; 26 U.S.C. 501(c)(3)), and that is organized for the purpose of developing housing for low or moderate income persons.

Program - the Homestead Housing Preservation Program.

Single Family Homestead - a property with from one (1) to four (4) dwelling units, including small multi-family dwellings as defined in section 4(11) of the Act, which is being offered by the Program.

Tenant Association - a cooperative housing association that represents a minimum of fifty-one percent (51%) of the households occupying a building and having a right of first refusal under District laws and regulations.

Transfer - the exchange of ownership of, or sharehold interest in, a property from a homesteader to another person or party by any means other than outright sale.

SOURCE: Notice of Final Rulemaking published at 34 DCR 4947, 4961-63 (July 31, 1987).