



## **Public Hearing on**

B26-0359 - Tenant Buyout Agreement Transparency Amendment Act of  
2025

Committee on Housing, Chairperson Robert White

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Good morning, Chairperson White and members of the Committee. My name is Emilia Calma and I am the Director of The Wilkes Initiative on Housing Policy at the D.C. Policy Center, an independent nonpartisan think tank advancing policies for a strong, vibrant and compelling District of Columbia.

Today, I am testifying in opposition to B26-0359, the Tenant Buyout Agreement Transparency Amendment Act of 2025. This bill aims to improve negotiated outcomes for tenants and housing providers. But the regulatory structure proposed by the bill risks significant unintended consequences without addressing the key problems with monetary consideration during TOPA negotiations. My testimony draws from our March 2025 report, [TOPA's Promise and Pitfalls: Balancing tenant rights, affordability, and housing investment in Washington, D.C.](#), which analyzed 11 years of TOPA activity, housing data, and stakeholder interviews. Our findings underscore a central lesson: even well-intended interventions can inadvertently slow transactions, deter investment, and shrink opportunities for both tenants and affordable housing providers.

### **The bill's push toward monetary payments undermines affordability, building improvement, and reinvestment.**

By pushing negotiations toward monetary payments in exchange for assignment of rights, the bill undermines the full range of negotiated benefits that tenants regularly secure such as repairs, affordability covenants, and energy-efficiency upgrades. Redirecting negotiations toward cash payments would:

- Reduce the number of affordability commitments tied to TOPA outcomes;
- Diminish reinvestment in aging buildings; and
- Put mission-driven affordable housing developers at a disadvantage as tenants, when acting individually, may understandably prefer immediate cash over long-term affordability outcomes for the building.

The bill further compounds this challenge by introducing pricing floors that artificially inflate transaction costs. Housing providers and investors interviewed for our report

already view TOPA-related payouts as a significant cost that does not contribute to improved affordability or building conditions. Mandated minimum payments will heighten these costs, making it more difficult for affordable housing developers to compete with market-rate buyers—ultimately undermining one of TOPA’s core aims: preserving affordable housing.

A uniform framework as proposed by this bill is incapable of accounting for the wide variation in building conditions, tenant circumstances, and financial constraints across the District. A rigid formula may appear protective, but in practice it can make negotiations more adversarial and reduce the likelihood of mutually beneficial agreements.

**This bill’s proposed determination factors make no economic sense, and introduce legal uncertainty that could stall transactions.**

The bill bases minimum and maximum allowable payments on factors that are only loosely connected to tenant needs: unit size, tenancy length, and fair market rent (which is subjective). These factors do not account for other important information such as whether the tenant is vacating the unit or remaining in the building, the tenant’s rent payment history, physical condition of the unit, or needed repairs. As a result, this approach could:

- Tie owners to outdated prior payment levels that no longer reflect building economics,
- Require identical offers for tenants whose situations are materially different, and
- Encourage formulaic engagement rather than thoughtful negotiations.

Further, the determination factors injects ambiguity into an already complex process. Title companies, lenders, and attorneys would face new risks as they try to evaluate whether payment amounts comply with statute. Disputes over the factors used, how the formulae are applied, or whether an offer is “adequate” could delay

transactions, increase legal exposure, and reduce investor interest in D.C.'s multifamily housing market.

Together, these components increase overall transaction costs, price out affordable housing providers, and add legal uncertainty and risk to existing transactions, driving investors and developers out of D.C.'s housing market.

### **The bill creates administrative requirements without a path to usability or enforcement**

The proposed requirement to file every offer and agreement introduces a new administrative obligation without clear public value. DHCD already faces capacity constraints that affect their ability to conduct oversight and support affordability initiatives. Adding new reporting obligations without a plan for how the information will be analyzed, shared, or used, risks diverting attention and resources from higher-impact activities.

Critically, the bill does not collect information on non-monetary outcomes such as repairs, affordability covenants, or energy upgrades. These gaps already hinder evaluation of TOPA's effectiveness. Without a strategy for making data publicly available or actionable, these filings may function primarily as paperwork, rather than tools for transparency or accountability.

### **Conclusion**

As drafted, B26-0359 introduces rigidity, risk, and administrative burden without strengthening tenant protections or improving housing outcomes. Instead, it is likely to increase housing costs, discourage investment, and make it more difficult for affordable housing developers to acquire or rehabilitate properties.

Tenants should have access to clear information and fair treatment in TOPA negotiations, and housing providers need predictability and protection against exploitative claims that allow them to invest in and preserve D.C.'s multifamily housing stock. Unfortunately, this bill does not advance either objective. A more balanced approach that preserves flexibility, captures the full scope of negotiated benefits, and strengthens the connection between TOPA and long-term affordability, would better support the Council's goals.

Thank you for the opportunity to testify. I welcome your questions.