

# Key Considerations for Designing **Tenant and Community Opportunity to Purchase Policies**

## **TOPA or COPA**

Under Tenant Opportunity to Purchase Act (TOPA) policies, tenants hold the right of first offer and the right of first refusal to purchase their property, or they can assign their rights to a qualified organization, like a nonprofit affordable housing provider or community land trust. Under Community Opportunity to Purchase Act (COPA) policies, the qualified organizations hold those rights to purchase the property.

## **Timeline**

To level the playing field, TOPA/COPA policies should include ample timelines for the notice of intent to sell, statement of interest, right of first offer, right of first refusal, and closing.

Timelines under TOPA should be long enough to allow tenants to organize, form tenant associations, learn about different ownership models, secure financing, and close.

Timelines under COPA should be long enough to give qualified nonprofits ample time to submit a statement of interest, access bridge or acquisition loans, and close.

## **Preserving Affordability**

Jurisdictions should ensure that TOPA/COPA purchasers (and all subsequent owners) commit to maintaining the property as permanently

affordable housing. The affordability restrictions in a TOPA/COPA policy are essential to preserve housing as affordable for the long term and stem displacement pressures.

## **Qualified Organizations**

Jurisdictions should create a clear path for community-based nonprofit organizations to become qualified organizations that have rights under TOPA/COPA policies.

For COPA in particular, qualified organizations, such as community land trusts and affordable housing developers, lead the acquisition of properties. As communities consider passing COPA policies, new groups dedicated to affordable housing may be looking to form so they can participate in COPA purchases. Technical assistance and capacity building are necessary to support new organizations interested in participating in COPA.

## **Funding**

Without a consistent local funding source to acquire and rehabilitate properties, TOPA/COPA programs will not be effective. This is why cities and counties exploring TOPA/COPA policies must identify adequate funding sources dedicated to housing preservation, like a housing trust fund. Further opportunities for funding sources could include funding from community

benefit agreements and philanthropic contributions.

Dedicated funding for all aspects of a TOPA/COPA program is absolutely necessary. This should include funding for outreach to tenants, tenant education and resources about tenants' rights under TOPA/COPA, and technical assistance for tenants and qualified organizations to assist with financing and implementing different ownership models.

### **Tenant Participation/Engagement**

TOPA/COPA policies should prioritize robust tenant engagement and participation in the sale process and residents' ability to democratically control their housing after acquisition, in terms of addressing repairs, maintenance, and improvements.

TOPA policies should support tenant decision-making and control – providing sufficient time for tenants to make an informed decision about whether and how to collectively purchase the property.

COPA policies should ensure that tenants have every opportunity to participate throughout the process, from pre-acquisition activities such as organizing and education, to supporting tenants to form associations once COPA projects are finalized.

### **Enforcement**

Strong TOPA/COPA policies clearly outline enforcement mechanisms and remedies if owners of covered properties fail to comply with the law. Owners should be required to confirm that they complied with TOPA/COPA or were exempt, and the jurisdiction should actively monitor compliance. The City or County should have clear enforcement authority and tenants should have an avenue to enforce their rights under TOPA/COPA.