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D.C. Court of Appeals Rules in Favor of Homeowners on Single-Family Exemption Act of 2018

22 Aug 2024

On August 22, 2024, the D.C. Court of Appeals in *Lashawn Lane v. District of Columbia Department of Housing and Community Development* held that the Single-Family Exemption Act of 2018, D.C. Law 22-120, § 409, 65 D.C. Reg. 5077 (2018) ("Single-Family Exemption Act") applies to all tenants of single-family properties regardless of when their tenancies began. Landlords must still notify tenants of their intent to sell, but only elderly and disabled tenants who began residing in the property prior to April 15, 2018 have the right to match a bona fide offer of sale.

As background, after the enactment of the Single-Family Exemption Act, owners of single-family accommodations who intend to sell their property need only provide tenants with notice of sale within three days of receiving or soliciting an offer, and that notice no longer triggers a tenant's right to purchase. D.C. Code § 42-3404.09(b).

In *Lashawn Lane*, a tenant leased a single-family home in 2010. In 2023, the property owners contracted to sell the property to a third party and served the tenant with certain Tenant Opportunity to Purchase ("TOPA") Forms pursuant to D.C. Code § 42-3404.09(b). The tenant argued that the Single-Family Exemption Act did not apply to tenants of single-family housing who had resided in their properties before the 2018 amendments were enacted. The tenant further argued that she was entitled to the far broader protections and privileges of the pre-amendment TOPA.

The tenant filed for a "Petition for Declaratory Relief" in the Department of Housing and Community Development ("DHCD") for violation of TOPA. DCHA determined that the property owners did not violate the tenant's TOPA rights. The tenant subsequently appealed to the D.C. Court of Appeals.

The Court of Appeals noted that the legislative history of the Single-Family Exemption Act clearly intended to override a tenant's prior TOPA rights after its enactment. Moreover, "[t]he text of the 2018 amendments make it crystal clear that the Council intended the new single-family accommodation exemption to apply to tenants . . . whose tenancies preceded the 2018 amendments in all but the limited subset of cases where the tenant is elderly or disabled." Consequently, tenants who leased property prior to 2018 and do not claim elderly or disabled status do not have a right of first refusal for the sale of a property under the Single-Family Exemption Act.

Jackson & Campbell, P.C. attorneys Brian W. Thompson and Selena A. Motley represented the property owners, as intervenors, in this case.

If you have any questions about this case or laws impacting real estate in and around the Washington, D.C. region, feel free to contact us. Our Real Estate Litigation and Transactions Practice Group is ready to assist.

Read the full decision here.

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D.C. COURT OF APPEALS RULES IN FAVOR OF HOMEOWNERS ON SINGLE-FAMILY EXEMPTION ACT OF 2018