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**Testimony of Mel Zahnd  
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**Before the Committee on Housing  
Council of the District of Columbia**

**Hearing on B26-359 – Tenant Buyout Agreement Transparency Amendment Act of  
2025**

**November 20, 2025**

Legal Aid DC<sup>1</sup> opposes the Tenant Buyout Agreement Transparency Amendment Act of 2025. We share the Council's concern about buyout agreements. These are agreements where a landlord offers to pay a tenant cash in exchange for that tenant agreeing to give up their tenancy rights. These agreements are often used to drive displacement. Tenants who are unfamiliar with their legal rights may be exploited by these agreements – sometimes sacrificing deeply affordable housing in exchange for money that will give them limited options on the open market.

However, in Legal Aid's experience, any legislation prohibiting tenant buyout agreements risks eroding tenants' rights. As Council considers the upcoming budget cycle, we encourage continued funding for Community Based Organizations that organize tenants. Education on tenant rights will be the most effective tool to prevent landlords from cornering tenants into unfair buyout agreements.

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<sup>1</sup> Legal Aid DC is the oldest and largest general civil legal services program in the District of Columbia. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal legal system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. For more information, visit [www.LegalAidDC.org](http://www.LegalAidDC.org).

## How Buyout Agreements Can Be Used to Exploit Tenants

When abused, buyout agreements can drive displacement and can deprive tenants of their rights under DC law. Recently, the Council has considered these kinds of agreements in the context of the Tenant Opportunity to Purchase Act (TOPA). However, at Legal Aid, we see landlords offer buyout agreements to tenants in all kinds of situations outside of TOPA.

In the Legal Aid Housing Unit, most of our work occurs in Landlord Tenant Court, representing tenants facing eviction. In these cases, landlords will sometimes offer tenants money in exchange for the tenants permanently agreeing to give up their homes. Landlords who are seeking to clear out a building – outside of the context of a sale – will sometimes offer buyout agreements as well. At their root, buyout agreements are just exchanges of money for tenancy rights; there is nothing specifically tying them to TOPA.

In fact, buyouts are not common, and only a small fraction of TOPA cases have ended in the building being fully vacated through buyouts.<sup>2</sup> When buyouts occur in TOPA cases, they are typically driven by landlords – not tenants.<sup>3</sup> Landlords typically seek to buy tenants out of their rights when rents are below market rates.<sup>4</sup> In such buildings, vacant units are more valuable to the landlord than units with tenants in them.<sup>5</sup>

Buyout offers are a particular source of concern when they are made to individual tenants who have not yet had the chance to organize and who do not yet have legal counsel. Some tenants do not realize that a landlord must have good cause to evict a tenant in DC. Tenants in deeply affordable housing face particularly severe potential harm if they give up their tenancies and are forced to seek equivalent housing on the open market.

I have spoken to a number of tenants who feel pressure to accept a buyout offer from their landlord. They worry that, if they do not accept the offer, the landlord will be able to force them from their homes without any compensation. Some tenants have told me that they believe their landlord is doing them a favor by offering them a little cash in exchange for moving out. However, these same tenants also tell me that they do not know how they will find an equivalent apartment in their price range. Sometimes they worry that the cash being offered will not even cover moving costs – let alone any period of increased rents in

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<sup>2</sup> Coalition for Nonprofit Hous. and Economic Development, “Sustaining Affordability: The Role of the Tenant Opportunity to Purchase Act (TOPA) in Washington, DC,” 11 (Nov. 15, 2023).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

a new market-rate home. When I tell these tenants that their landlord cannot evict them without good cause, they often express relief that they will not have to accept these low buyout offers and can stay in their homes. If tenants do not have the knowledge and information they need about their rights, then they risk being exploited by unfair buyout agreements.

### **Why This Bill Will Fail to Prevent Exploitative Buyout Agreements**

While we share Council's goal of preventing exploitative buyout agreements, we worry that this bill will do little to prevent such agreements. Based on Legal Aid's experience, there is no fair and generalized way for the Rental Housing Commission (RHC) to calculate a cap on buyout agreements. This bill places added burdens on the Department of Housing and Community Development (DHCD) and RHC that they cannot fulfill. We appreciate the requirement that tenants receive a disclosure statement along with any buyout offer, but we worry that the disclosure requirement in itself will not remedy the exploitative nature of these agreements.

When I am advising tenants whether or not to consider a buyout agreement, I usually help them think through the increased expenses they will be taking on if they choose to give up their tenancies. These include the expenses associated with moving – application fees, security deposits, and hiring moving trucks and movers. I also suggest they investigate other homes that might be appropriate for their families. The considerations include bedroom size, proximity to work and school, and amenities, just to name a few. Once they have identified some apartments they might be able to move to, I work with them to calculate the increased rent costs they might be facing over the years if they give up their current tenancy. It will be nearly impossible for RHC to calculate a fair and generalized maximum buyout offer.

Further, this bill tasks RHC with determining maximum buyout amounts every three years.<sup>6</sup> The determination of these amounts every three years would demand significant resources from RHC. In the cases where a buyout agreement is in the interests of both the landlord and the tenants, the appropriate number is case-specific. It would be an impossible task to decide in the abstract what number is appropriate for every situation that may arise.

This bill requires DHCD to establish a program for monitoring and enforcement of buyout offers and agreements.<sup>7</sup> DHCD currently struggles to keep up with its responsibility for enforcing TOPA. Monitoring and enforcement of buyout offers would be a massive undertaking. As we previously discussed, at Legal Aid we see buyout offers made in

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<sup>6</sup> *Id.* § 2(c).

<sup>7</sup> "Tenant Buyout Agreement Transparency Amend. Act of 2025, B26-359, § 2(a).

eviction cases. We also see them when there is no active legal case at all. DHCD is not in a position to adequately monitor or enforce the execution of buyout agreements on top of its existing enforcement responsibilities.

We appreciate the disclosure statement required by this bill, but we worry that it will not adequately help tenants think through their options. In a high pressure and complex situation – like considering a buyout offer – disclosure statements can be hard to parse even for savvy tenants. Tenants who struggle with literacy may face particular challenges understanding what the disclosure is communicating.

### **How Tenant Education Can Help Prevent Exploitative Buyout Agreements**

Increased opportunities for tenant education will help to empower tenants faced with buyout offers. While disclosure statements move in the right direction, it will be particularly important going forward to give tenants the time and opportunity to organize. In the context of TOPA cases, specifically, the cooling off period in the RENTAL Act will give tenants the time to connect with Community Based Organizations when considering buyout offers.

Continued funding for these Community Based Organizations going forward will be essential in preventing exploitative buyout agreements. When tenants are armed with a knowledge of their rights and have the opportunity to discuss their options with their neighbors, they are in a position to make the best decisions for themselves and their families.

### **Conclusion**

Legal Aid opposes this bill. We agree with the underlying goal of this legislation – preventing exploitative buyout agreements that drive displacement. However, this bill will not accomplish that goal. Instead, increased opportunities for tenant education and organization will prevent future tenants from feeling pressure to accept exploitative buyout agreements.