



## COMMUNITY OPPORTUNITY TO PURCHASE ACT SELLER INFORMATION SHEET

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### BACKGROUND

The Community Opportunity to Purchase Act (“COPA”), found under San Francisco Administrative Code Chapter 41B, was adopted by the Board of Supervisors and became fully effective on September 3, 2019. COPA confers on certain qualified nonprofit organizations (“QNP”) a first right to purchase Multi-Family Residential Buildings (“Building”) for Sale in the City through a **Right of First Offer** (as described in Section 41B.6), and a **Right of First Refusal** (as described in Section 41B.7) for the purpose of creating and/or preserving affordable rental housing. COPA charges the Mayor’s Office of Housing and Community Development (“MOHCD”) with implementing and interpreting COPA, including the development of this seller information sheet.

### SELLER BENEFITS UNDER COPA

- **Partial City Transfer-Tax Exemption:** The increased tax rate imposed by subsections (d), (e), and (f) of the Business and Tax and Rules Code Section 1102 will not apply to a transfer of property under COPA. The effect of this exemption means that only subsections (a), (b), and (c) of the Business and Tax and Rules Code Section 1102 will apply to sellers executing a transaction under COPA. The maximum transfer tax rate imposed on buildings sold under COPA is a tax at the rate of \$3.75 for each \$500 or “fractional part thereof for the entire value or consideration, including, but not limited to, any portion of such value or consideration that is less than \$1,000,000.”
- **Potential Federal Tax Benefits:** Any QNP that purchases a Building under the Right of First offer pursuant to Section 41B.6 will work with the Seller to seek any federal tax benefits available under 26 U.S.C. § 1031, or the “1031 exchange.” Sellers should work with QNPs to determine eligibility.

### SELLER OBLIGATIONS UNDER COPA

As explained in further details in the Program Rules, even if a Seller does not accept a QNP’s offer to Purchase a Building under the Right of First Offer set forth in Section 41B.6, the Building will still be subject to the Right of First Refusal set forth in Section 41B.7. See **MOHCD Program Rules** for more information.

### SELLER ACKNOWLEDGEMENT

I \_\_\_\_\_, have read and understood the content, requirements and expectations under the Community Opportunity to Purchase Act.

Signature: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Date: \_\_\_\_\_

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