

# Implementing Inclusionary Zoning: Review of Zoning & Administrative Regulations

Department of Housing & Community Development  
Department of Consumer & Regulatory Affairs  
Office of Planning



District of Columbia Office of Planning



# Zoning Review

- Applicability
- Set Aside
- Income Level
- Bonus Density & Flexibility
- Development Standards
- Relief

# Applicability

- New Construction of 10 or more units
- Additions that expand a building's residential FAR by 50% or more and adds 10 or more units
- Most Residential and Mixed-Use/Commercial Zones
  - R-2 to R-5-D
  - C-1 to C-3-C
  - CR, SP, & W

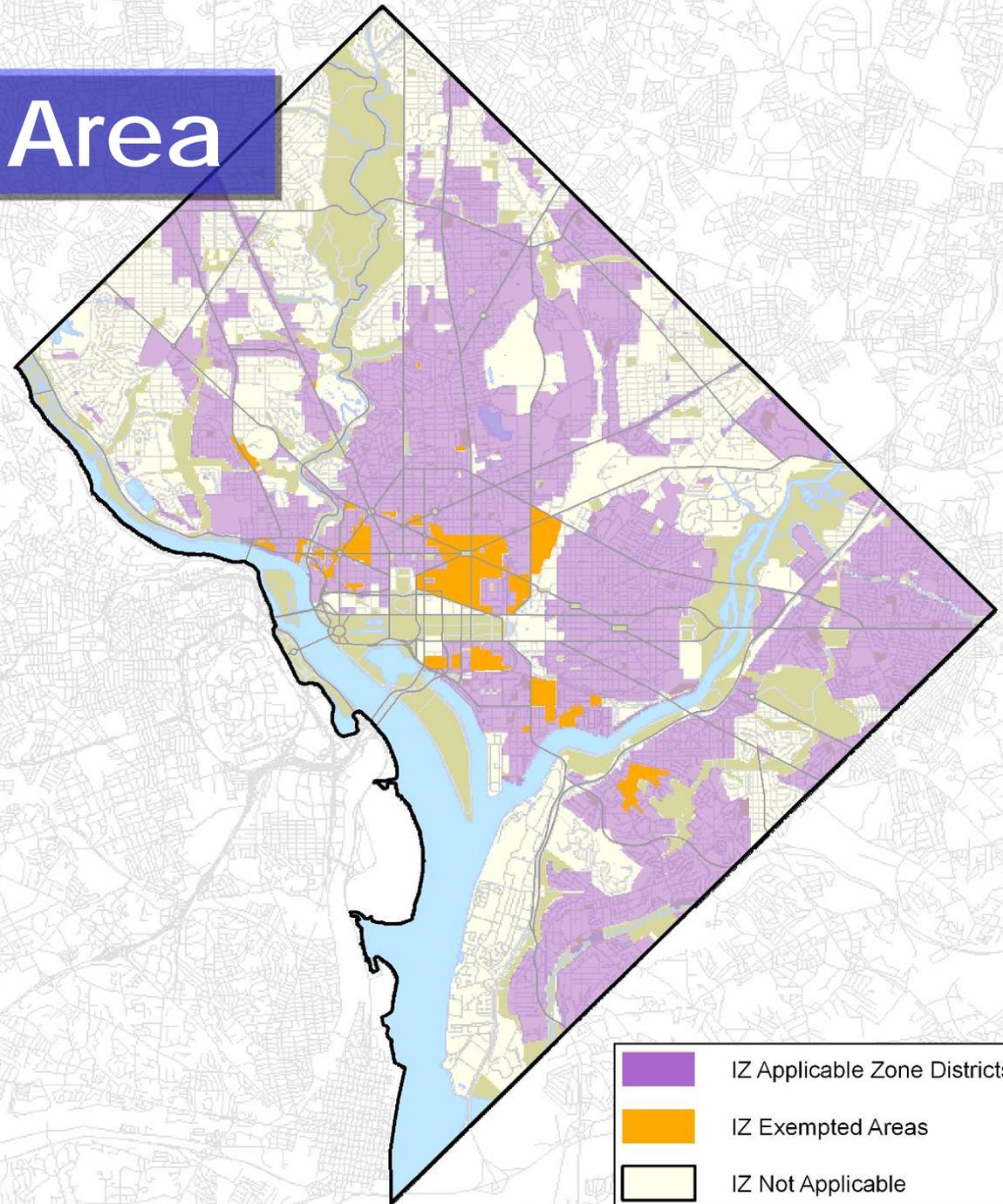
# Applicability

## ■ Exemptions

- Uses: Dormitory, Hotels, Diplomatic Housing, Boarding/Rooming houses, CBRF
- Geographic:
  - ➡ Zones: C-4, C-5, R-5-E, M & CM
  - ➡ Overlays: DD, TDR, SEFC, NO/C-2-A, ES
  - ➡ Historic Districts: Georgetown W-2, Anacostia R-3
- Projects:
  - ➡ PUDs set down for public hearing prior to the effective date
  - ➡ BZA orders published prior to effective date
  - ➡ Building Permit issued prior to the effective date

# Geographic Area

IZ is not mapped like an overlay zone, but applicable in appropriate zone districts



# Income Levels

- IZ targets households earning less than 50% of AMI and between 50% and 80% of AMI depending on zoning and construction type
- Current income levels according to family size are based on HUD's 2009 AMI for the region of \$102,400

Household Size	Maximum Household Income	
	50% of AMI Units	80% of AMI Units
1	\$35,950	\$57,500
2	\$41,100	\$65,750
3	\$46,200	\$73,950
4	\$51,350	\$82,150
5	\$56,500	\$90,400
6	\$61,600	\$98,600

# Affordability Set-Aside

The Greater of 8% to 10% of the residential use or 50% to 75% of the bonus density achieved depending on zoning and construction type

Density/Construction Type		Zoning Categories	
		Residential Zones (R-2 to R-5-D)	All Other Zones (C, CR, SP, & W)
Low Density Zones (R-2 to R-5-B, C-2-A, W-1) (Stick built Construction)	% of Units Required	Greater of 10% of residential FAR or 75% of the bonus density	Greater of 10% of residential FAR or 75% of the bonus density
	Target Households	Units set aside split evenly between 50% and 80% of AMI	Units set aside split evenly between 50% and 80% of AMI
Higher Density Zones (R-5-C & D, C-2-B to C-3-C, W-2 & 3, CR & SP) (Steel & Concrete Construction)	% of Units Required	Greater of 8% of Residential FAR or 50% of the bonus density	Greater of 8% of Residential FAR or 50% of the bonus density
	Target Households	Units set aside split evenly between 50% and 80% of AMI	Units set aside for 80% of AMI

# Price & Rents

- Monthly housing costs limited to 30% of benchmark income
- Actual rents are adjusted by utility expenses
- Price schedule is adjusted by interest rates, condo fees, insurance and taxes

Number of Bedrooms	50% of AMI Units		80% of AMI Units	
	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price
Studio	\$ 899	\$ 108,000	\$ 1,438	\$ 192,000
1	\$ 1,027	\$ 118,300	\$ 1,643	\$ 214,200
2	\$ 1,155	\$ 120,800	\$ 1,849	\$ 228,700
3	\$ 1,412	\$ 181,300	\$ 2,259	\$ 277,100

Note: Prices above reflect national average interest rate for loans of 5.08% as published by the Federal Housing Finance Board on March 26, 2009.

# Bonus Density

- Projects receive a 20% bonus density to balance affordability requirements
- Certain zones have different height and lot occupancy standards to accommodate bonus

Base Zone	Matter-of-Right Zoning Constraints			IZ Zoning Modifications	
	Lot Occupancy	Zoning Height (feet)	FAR	Lot Occupancy	Height (feet)
CR	75%	90	6.00	80%	100
C-2-A	60%	50	2.50	75%	50
C-2-B	80%	65	3.50	80%	70
C-2-C	80%	90	6.00	80%	90
C-3-A	75%	65	4.00	80%	65
W-1	80%	40	2.50	80%	50
W-2	75%	60	4.00	75%	80
W-3	75%	90	6.00	80%	100
SP-1	80%	65	4.00	80%	70
SP-2	80%	90	6.00	90%	90

# Development Standards

- Proportion of affordable studios and 1-bedrooms may not exceed market rate proportion
- Exteriors must be comparable to market rate units
- Interiors must be comparable but may be of less expensive materials
- Units may not be overly concentrated on a floor
- Administrative regulations require units to be a certain minimum size

# Relief Provisions

- Off-site by special exception for Projects:
  - With exceptionally high condo fees, or
  - With expensive or specialized social services, or
  - Rental use is no longer economically feasible
- Full or partial relief if applicant can prove IZ denies economically viable use of the land

# Administrative Process

- Certificate of Inclusionary Zoning Compliance [CIZC]
- Notice of Availability
- Application submittal as Supplement to Building Permit application with \$250 fee
- Plans must show IZ Units, Unit Identifiers (eg Apt #101), Schedule of Equipment and Finishes

# Expedited Permit Process

- Development Ambassador Program [DAP]
- Facilitate and Coordinate Reviews
- Include any BZA or ZC Orders

# DHCD Administrative Overview

- Notice of Availability (NOA)
- Housing Locator Registration
- Lottery Registration
- Lottery Selection
- Marketing & Income Verification
- Closing Procedures
- Reporting Requirements

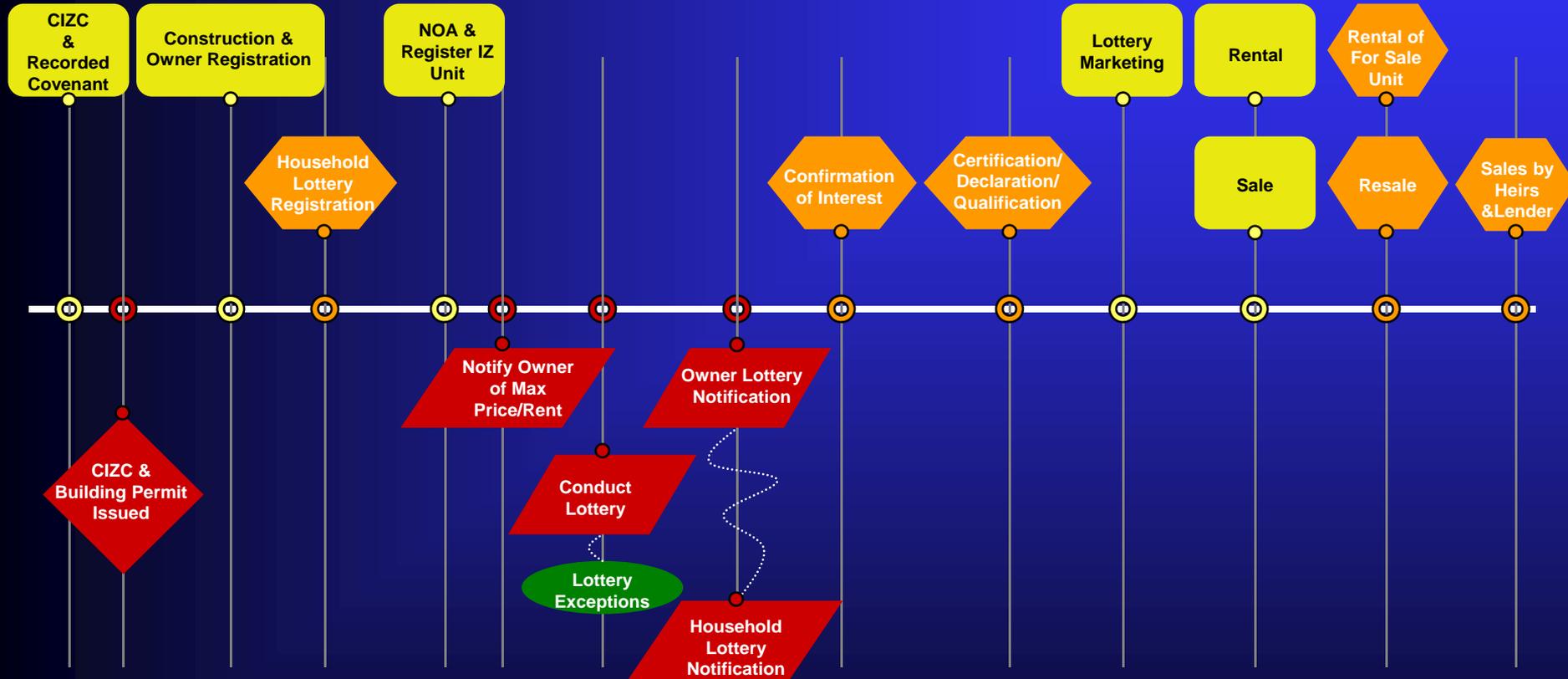
# Lottery Process

- Applicant registry – self certify information
- Selection criteria – AMI, HH Size, preferences (DC resident or employed in DC)
- DC holds lottery and notifies Applicants
  - Exception to lottery if – Right to return, replacement unit in New Communities, sold to a Designated Housing Provider, sold to immediate family (subsequent sale only), or after 6 months from initial lottery with written approval from DHCD.

# Marketing & Income Verification

- At least 4 households selected for 1 unit
- To receive a Certificate of Eligibility applicants supply:
  - Certification of income
  - Certification of occupancy
  - Mortgage pre-qualification (if applicable)
  - Other documents required by Mayor
- Referred eligible applicants are approved to buy or rent by a Certifying Entity

# IZ Administrative Chronology



# IZ Implementation

## ■ Balance Policy and Pragmatism

- IZ Regulations: Process Improve?
- IZ Covenant: Acceptable to Market?

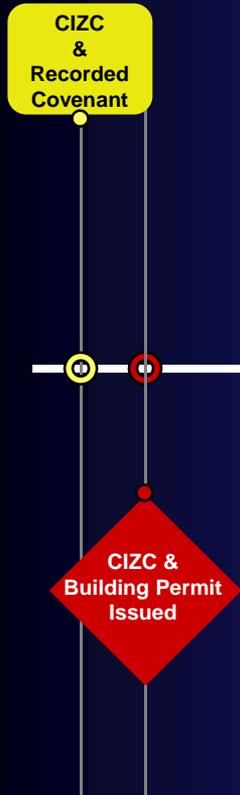
## ■ Streamline Process – Make IZ EZ

- Training/Education
- Accessible Information
- Dynamic Integrated Web Solution
- Phased Implementation

# IZ Process: Phase 1

## ■ CIZC/DCRA Process

- Target – August 14, 2009
- Execute & Record Covenant
- File CIZC and Building Permit Applications
- CIZC Certificate and Building Permit Issued



# IZ Process: Phase 2

## ■ Owner & Household Registration

➤ 6-8 Months

➤ Construction Period

➤ Owner Registration

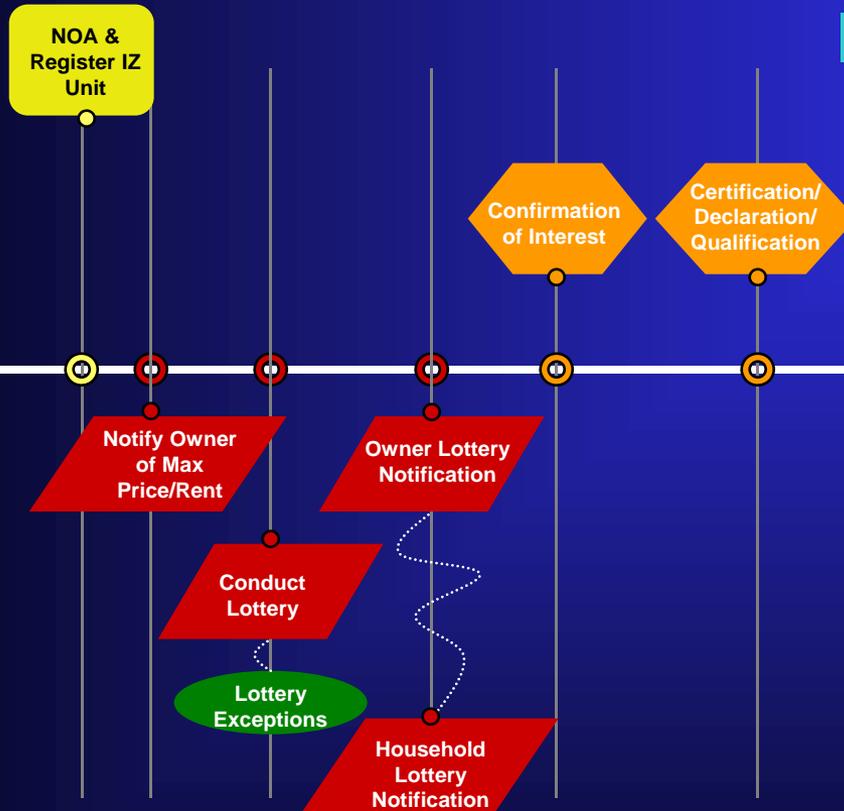
➤ Homeowner Counseling

➤ Household Registration

Construction &  
Owner Registration

Household  
Lottery  
Registration

# IZ Process: Phase 3



## ■ NOA/Lottery/ Certification

➤ 6-8 months

➤ Homeowner  
Counseling

➤ Household  
Registration

# IZ Process: Phase 4

## ■ Compliance and Enforcement

➤ 8-10 months

➤ Financing/Foreclosure



# Next Steps

- Continue Training/Education
  - Development Community
  - Mortgage Industry
  - Title Companies/Real Estate Lawyers
  - Certifying Entities
  - Realtors
  - District Agency Staff

# Next Steps

## ■ Launch Informational Website

- Developer/Owner Info
- Tenant/Purchaser Info
- Legislative/Legal Info
- Forms
- Presentations
- Calendar of Events
- FAQs

# Next Steps

- Develop Administrative Website

The screenshot shows the homepage of DCHousingSearch.org. At the top left is the DHCD logo with three stars. To its right are four small images of different housing units. Further right is another set of three stars above a red horizontal bar. Below this bar is the main title "DCHousingSearch.org" in large red letters, with the tagline "linking people to communities" underneath. A navigation menu below the title includes links for "home", "rent housing", "buy housing", "add property", "tools & info", "resources", and "about us". On the right side of the menu, there are links for "Login", "English", and "Español".

The main content area features a welcome message: "Welcome to DCHousingSearch.org, a FREE listing service that provides easy access to information about housing opportunities within the District of Columbia." Below this, a paragraph explains that users can browse up-to-date listings for rent and for sale properties, including those developed or renovated with funding from the DC Department of Housing and Community Development (DHCD) and the DC Housing Finance Agency. It also mentions properties managed under the DC Housing Authority's Housing Choice Voucher Program.

A second paragraph states that the service links people to housing that best fits their individual and family needs using a wide variety of search criteria, including number of bedrooms and baths; rent and deposit information; location (with map link); special amenities; and accessibility features for people with disabilities. It also notes that the site connects people to housing resources through website links and provides helpful tools for renters such as an affordability calculator, rental checklist, and information about renter rights.

On the right side of the main content area, there are four prominent buttons with icons and text: "Find Housing For Rent" (magnifying glass icon), "Find Housing For Sale" (magnifying glass icon), "Add Property" (house icon), and "Tools & Information" (wrench icon). The background of this section features a large, stylized American flag graphic.

At the bottom of the page, a footer contains a row of links: "home", "rent housing", "buy housing", "add property", "disclaimer", "privacy", "terms", "about us", and "contact us".

# Next Steps

- Develop Administrative Website
  - Managed Phased Implementation Based on Developed Forms

# For Further Questions

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