

# Implementing Inclusionary Zoning: Review of Zoning & Administrative Regulations

Presentation to the Coalition of Non-Profit  
Housing & Economic Development

July 23, 2009

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



## Agenda

- Purpose
- Handouts
- Review of Zoning Regulations
- Questions & Answers
- Break (if needed)
- Review of Administrative Regulations
- Questions & Answers
- Implementation Timeline

## Purpose

- Review the Zoning Regulations
- Review the Administrative Regulations
- Introduce the Administrative Process
- Receive Feedback Prior to Implementation

## Information Packet

- Consolidated Zoning Regulations
- Administrative Regulations
- Certificate of Inclusionary Zoning Compliance (CIZC)

## 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

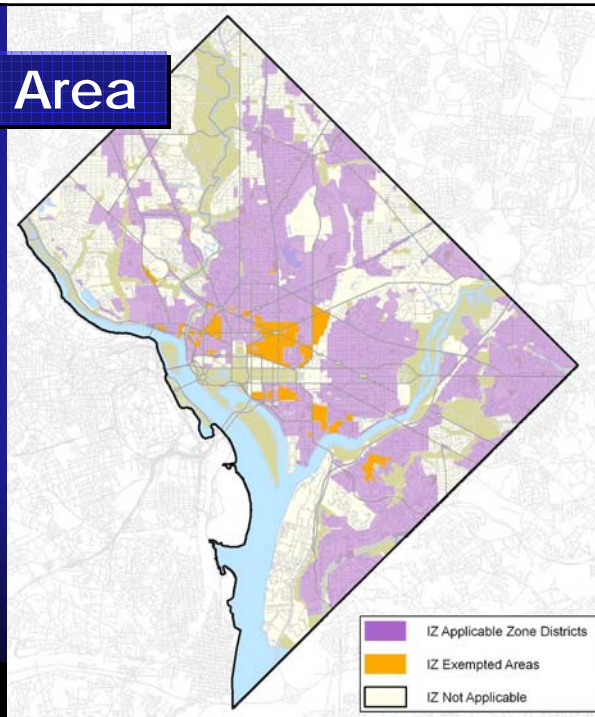
# Applicability

## ■ 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
- Contact DCRA 202 442 – 4541



## Question & Answers

- Zoning Regulations
- CIZC / Permitting

## DHCD Administrative Overview

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

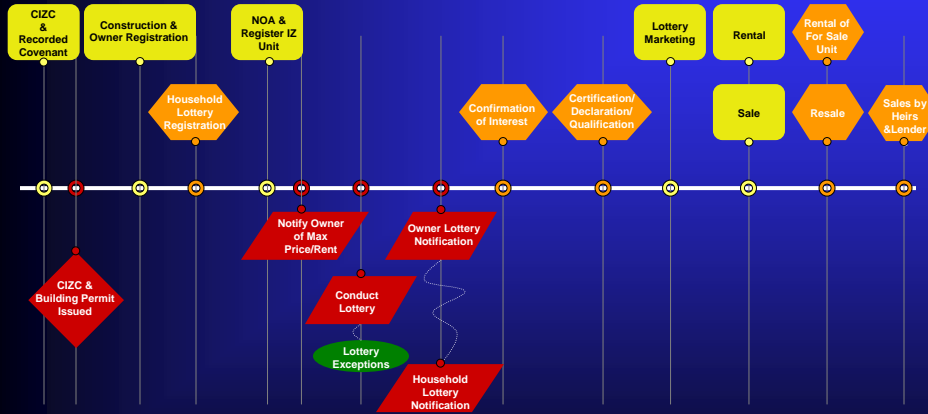
## Lottery Process

- 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

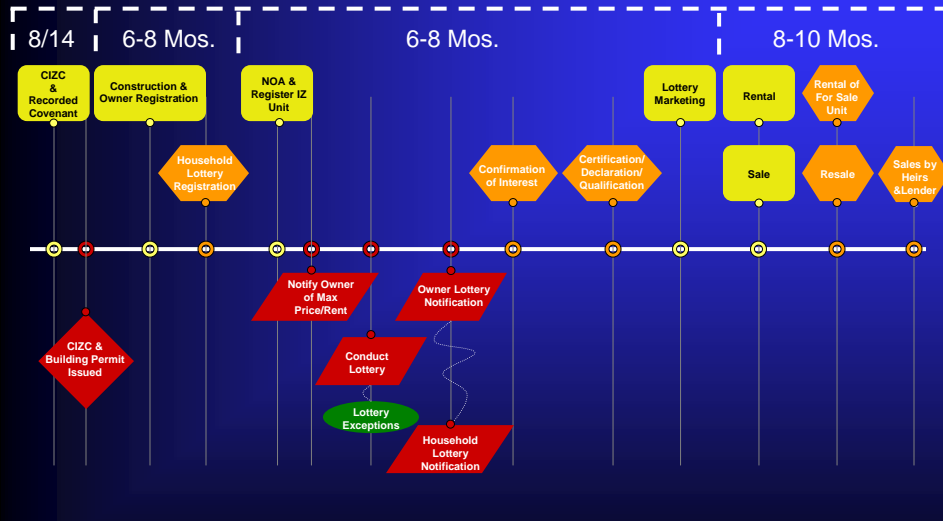
# IZ Administrative Chronology



# Implementation Phases

- 1: CIZC/DCRA Process
- 2a: Owner & Household Registration
- 2b: NOA/Lottery/Certification
- 3: Compliance and Enforcement

# Implementation Timeline



# Next Steps

- Finalize Amended Administrative Regulations & Covenant
- Design Informational Website (DHCD.DC.GOV)
- Develop Administrative Website (DCHOUSINGSEARCH.ORG)

## Questions & Answers

- Implementation
- Ongoing management

## For Further Questions

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