

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Deputy Mayor for Planning and Economic Development
DC Department of Housing and Community Development

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INCLUSIONARY ZONING 2018 MAXIMUM INCOME, RENT AND PURCHASE PRICE SCHEDULE

Effective October 12, 2018

This 2018 Maximum Income, Rent and Purchase Price Schedule is published pursuant to the Inclusionary Zoning Implementation Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-275; D.C. Official Code §6-1041.01 *et seq.*, as amended) and the Inclusionary Zoning Regulations codified in Chapter 10 of Title 11-C and Chapter 22 of Title 14 of the DCMR.

Maximum Annual Income¹ limits, Minimum Annual Income² limits, rents and purchase prices are based on the Washington Metropolitan Statistical Area Median Family Income (MFI), previously referred to as Area Median Income (AMI). The MFI for a household of four, as published by the U.S. Department of Housing and Urban Development (HUD) on April 1, 2018, is \$117,200. The limits are adjusted for household size in this schedule.

Inclusionary Zoning (IZ) units currently exist only at the 50 percent, 60 percent, and 80 percent MFI levels. However, this schedule also includes the 30 percent, 100 percent, and 120 percent MFI maximum and minimum income levels and maximum rent and purchase price amounts, which are often used in residential developments that include Affordable Dwelling Units (ADUs). For ADUs that are subject to Affordable Housing Covenants that include specific formulas for calculating income limits, rents, and purchase prices, all figures provided herein are for guidance only. Individuals must consult the particular affordability requirements imposed by the terms of the applicable Affordable Housing Covenants to determine the requirements applicable to the subject ADU.

For further information, please contact the IZ Program Office, Department of Housing and Community Development, 1800 Martin Luther King Jr. Avenue, SE, Washington, DC 20020 at (202) 442-7221 or iz.adu@dc.gov.

¹ The term “Maximum Annual Income” is used throughout this schedule to include both the Maximum Annual Household Income for ADU and maximum Household Annual Income for IZ purposes.

² The term “Minimum Annual Income” is used throughout this schedule to include both the Minimum Annual Household Income for ADU and minimum Household Annual Income for IZ purposes.

Yellow Highlight Explanation

Currently IZ units are being produced at 50 percent, 60 percent and 80 percent MFI, while Affordable Dwelling Units (ADUs) may be available at the other income levels.

Maximum Annual Income

Household Size	30% of MFI	50% of MFI	60% of MFI	80% of MFI	100% of MFI	120% of MFI
1	\$24,600	\$41,000	\$49,200	\$65,650	\$82,050	\$98,450
2	\$28,150	\$46,900	\$56,250	\$75,000	\$93,750	\$112,500
3	\$31,650	\$52,750	\$63,300	\$84,400	\$105,500	\$126,600
4	\$35,150	\$58,600	\$70,300	\$93,750	\$117,200	\$140,650
5	\$38,700	\$64,450	\$77,350	\$103,150	\$128,900	\$154,700
6	\$42,200	\$70,300	\$84,400	\$112,500	\$140,650	\$168,750
7	\$45,700	\$76,200	\$91,400	\$121,900	\$152,350	\$182,850
8	\$49,200	\$82,050	\$98,450	\$131,250	\$164,100	\$196,900

Minimum Annual Income (Recommended)						
Based on Housing Costs Not Exceeding <u>38%</u> of the Household Income						
Unit Size	30% of MFI	50% of MFI	60% of MFI	80% of MFI	100% of MFI	120% of MFI
Studio	\$18,950	\$31,250	\$37,600	\$50,200	\$62,850	\$75,450
1 bedroom	\$20,200	\$33,800	\$40,400	\$53,700	\$67,250	\$80,850
2 bedroom	\$24,300	\$40,400	\$48,300	\$64,400	\$80,850	\$96,950
3 bedroom	\$28,100	\$47,050	\$56,550	\$75,450	\$94,100	\$113,050
4 bedroom	\$32,200	\$53,700	\$64,400	\$86,200	\$107,700	\$129,150

Minimum Annual Income						
Based on Housing Costs Not Exceeding <u>50%</u> of the Household Income						
Unit Size	30% of MFI	50% of MFI	60% of MFI	80% of MFI	100% of MFI	120% of MFI
Studio	\$14,400	\$23,750	\$28,550	\$38,150	\$47,750	\$57,350
1 bedroom	\$15,350	\$25,700	\$30,700	\$40,800	\$51,100	\$61,450
2 bedroom	\$18,500	\$30,700	\$36,700	\$48,950	\$61,450	\$73,700
3 bedroom	\$21,350	\$35,750	\$42,950	\$57,350	\$71,500	\$85,900
4 bedroom	\$24,500	\$40,800	\$48,950	\$65,500	\$81,850	\$98,150

Minimum Annual Incomes are only applicable for rental Inclusionary Units and are not applicable if a household has rental assistance, such as a rent voucher or subsidy.

Multifamily Developments

			30% of MFI Units		50% of MFI Units		60% of MFI Units	
Number of Bed-rooms	Estimated Utility Allowance	Estimated Condo Fees	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price
Studio	\$111 - \$160	\$341	\$600	\$48,600	\$990	\$110,400	\$1,190	\$141,400
1	\$169 - \$241	\$406	\$640	\$45,300	\$1,070	\$111,500	\$1,280	\$144,700
2	\$226 - \$322	\$601	\$770	\$35,300	\$1,280	\$114,800	\$1,530	\$154,600
3	\$285 - \$404	\$683	\$890	\$42,700	\$1,490	\$135,500	\$1,790	\$181,900
4	\$342 - \$484	\$715	\$1,020	\$57,600	\$1,700	\$163,700	\$2,040	\$216,700

			80% of MFI Units		100% of MFI Units		120% of MFI Units	
Number of Bed-rooms	Estimated Utility Allowance	Estimated Condo Fees	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price
Studio	\$111 - \$160	\$341	\$1,590	\$203,200	\$1,990	\$265,100	\$2,390	\$326,900
1	\$169 - \$241	\$406	\$1,700	\$210,900	\$2,130	\$277,200	\$2,560	\$343,500
2	\$226 - \$322	\$601	\$2,040	\$234,100	\$2,560	\$313,600	\$3,070	\$393,100
3	\$285 - \$404	\$683	\$2,390	\$274,700	\$2,980	\$367,400	\$3,580	\$460,200
4	\$342 - \$484	\$715	\$2,730	\$322,700	\$3,410	\$428,700	\$4,090	\$534,800

Single-Family Developments

			30% of MFI Units		50% of MFI Units		60% of MFI Units	
Number of Bedrooms	Estimated Utility Allowance	Estimated Homeowner Assoc. Fees	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price
2	\$269 - \$426	\$143	\$770	\$86,500	\$1,280	\$166,000	\$1,530	\$205,700
3	\$336 - \$529	\$169	\$890	\$100,700	\$1,490	\$193,500	\$1,790	\$239,900
4	\$401 - \$629	\$195	\$1,020	\$107,200	\$1,700	\$213,300	\$2,040	\$266,300

			80% of MFI Units		100% of MFI Units		120% of MFI Units	
Number of Bedrooms	Estimated Utility Allowance	Estimated Homeowner Assoc. Fees	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price
2	\$269 - \$426	\$143	\$2,040	\$285,300	\$2,560	\$364,800	\$3,070	\$444,300
3	\$336 - \$529	\$169	\$2,390	\$332,700	\$2,980	\$425,500	\$3,580	\$518,300
4	\$401 - \$629	\$195	\$2,730	\$372,300	\$3,410	\$478,400	\$4,090	\$584,400

The Maximum Purchase Price or Maximum Allowable Rent is calculated based on a Household at the benchmark income spending no more than 30 percent of its income toward housing costs.

The 2018 MFI represents a 6.3 percent increase over the prior year MFI for the region (\$110,300), the largest year-to-year increase of the MFI in the short history of the DC IZ program. Historically, however, for statistical and economic reasons the HUD MFI has often varied significantly from year to year declining as well as increasing. To facilitate the operation of the program and the planning of housing providers and residents alike, rents and purchase prices in this schedule are based on a 3 percent increase over the prior year. Any decreases that occur in future years will also be limited by 3 percent of the previous year's MFI.

Maximum Allowable Rent is equal to the rent published in the above tables minus any utility expenses paid by the tenant for water, sewer, electricity, natural gas, trash, and any other fees required in order to occupy the unit, including, but not limited to, mandatory amenity fees or administrative fees. Utilities are estimated above, and the range is based on the difference between gas or electric heat. Actual costs to be deducted for each utility are itemized in Schedule 1 below.

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An owner of an IZ unit or ADU may lower the rents or prices below the maximum rates identified in the tables to achieve a larger marketing band of incomes for marketing purposes to ensure occupancy.

Maximum Purchase Prices are calculated using the following assumptions:

1. A conventional 30 year, fixed-rate, fully amortizing mortgage at the national average mortgage rate as published by the Federal Housing Finance Agency at www.fhfa.gov (4.54 percent as of September 6, 2018) plus a 1.5 percent cushion to protect for future interest rate increases and a 5 percent down payment.
2. Real estate property taxes are assessed based on the control price at the current real estate tax rate of \$0.85 per \$100 of valuation and a homestead deduction of \$73,350.
3. Condominium fees are estimated at \$0.64 per square foot per month applied to the assumed unit square footages. Single-Family homeowner association fees are estimated at \$0.13 per square foot per month applied to the assumed unit square footages. Estimated unit sizes are:

	Multi-Family Development				Single-Family Development		
Unit Type	Studio	1 Bedroom	2 Bedroom	3 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Unit Size	525	625	925	1,050	1,100	1,300	1,500
Hazard Insurance	Included in Condominium Fee				\$120	\$130	\$190

Note 1. If the actual homeowner association/condominium fee for a specific unit is more than 10 percent higher than the fees assumed in this Schedule, then DHCD may use the actual fees to determine the Maximum Purchase Price.

Note 2. If the condominium fees for any given unit do not include hazard insurance, then DHCD may add the actual or estimated insurance costs to determine the Maximum Purchase Price.

Note 3. For unit types or target MFI not listed above, contact DHCD’s IZ Program.

Note 4. Maximum Annual Incomes and Minimum Annual Incomes are rounded to the nearest 50, Maximum Allowable Rents are rounded to the nearest 10 and Maximum Purchase Prices are rounded to the nearest 100. Incomes within 1 percent of the Maximum Annual Incomes and Minimum Annual Incomes will be considered by DHCD.

Note 5. More information on IZ and ADUs is available at www.dhcd.dc.gov.

SCHEDULE 1: ESTIMATED UTILITIES BY UNIT TYPE

The following utility estimates are produced by the District of Columbia Housing Authority. The estimates shall be deducted from the Maximum Allowable Rent if the tenant pays all or a portion of the required utilities. Only those utilities for which the tenant is responsible shall be deducted from the rental rate. For example, an 80 percent of MFI one-bedroom apartment for which the tenant pays electricity, but not water and sewer charges, will have a maximum rent of \$1,520 (\$1,700 Maximum Allowable Rent minus \$180 estimated electricity cost).

Required fees are also deducted from the Maximum Allowable Rent. If this same property also charges a \$500/year amenity fee, the pro-rated amount of \$42/month would also be deducted from the rent, yielding a maximum allowable rent of \$1,478.

Multifamily Developments					
Unit type	Electricity	Gas	Water	Sewer	Total
Electric heat, hot water, and cooking					
Studio	\$130	N/A	\$13	\$17	\$160
1 bedroom	\$180	N/A	\$26	\$35	\$241
2 bedroom	\$231	N/A	\$39	\$52	\$322
3 bedroom	\$282	N/A	\$52	\$70	\$404
4 bedroom	\$332	N/A	\$65	\$87	\$484
Gas heat, hot water, and cooking					
Studio	\$36	\$45	\$13	\$17	\$111
1 bedroom	\$48	\$60	\$26	\$35	\$169
2 bedroom	\$60	\$76	\$39	\$52	\$226
3 bedroom	\$72	\$91	\$52	\$70	\$285
4 bedroom	\$84	\$106	\$65	\$87	\$342

Single-Family Developments					
Unit type	Electricity	Gas	Water	Sewer	Total
Electric heat, hot water, and cooking					
2 bedroom	\$335	N/A	\$39	\$52	\$426
3 bedroom	\$407	N/A	\$52	\$70	\$529
4 bedroom	\$477	N/A	\$65	\$87	\$629
Gas heat, hot water, and cooking					
2 bedroom	\$72	\$106	\$39	\$52	\$269
3 bedroom	\$86	\$128	\$52	\$70	\$336
4 bedroom	\$101	\$149	\$65	\$87	\$401