



GOVERNMENT OF THE DISTRICT OF COLUMBIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



INCLUSIONARY ZONING STEPS FOR DEVELOPERS

During the Inclusionary Zoning (IZ) process, IZ developers must be aware of these steps involving both the DC Department of Housing and Community Development (DHCD) and the DC Department of Consumer and Regulatory Affairs (DCRA).

A. Pre-Construction

- 1. File an <u>application</u> for a Certificate of Inclusionary Zoning Compliance (CIZC) with DCRA before applying for building permits for the Inclusionary Development. Send a copy of the CIZC application to DHCD (<u>iz.adu@dc.gov</u>).
- 2. **DHCD will respond** with an introductory letter and assign a DHCD specialist.
- 3. **Execute an Inclusionary Development Covenant** and send to your DHCD specialist for approval (in both electronic and hard copy formats).
- 4. The DHCD specialist will inform DCRA to proceed with the CIZC review and approval once the specialist receives the hard copy of the executed covenant (including the legal description and latest recorded deed).
- 5. Once DCRA approves the CIZC, submit an electronic copy to your DHCD specialist for recordation with the IZ covenant through the <u>DC Recorder of Deeds</u>.
- 6. Finalize the project's building permit through DCRA.

B. During Construction

- 1. IZ households must have their income and household size certified by a DHCD-approved Certifying Entity.
 - a. For sale IZ units, DHCD-contracted Community-Based Organizations (CBOs) serve as Certifying Entities.
 - b. For rental IZ units, the leasing team may apply to serve as the Certifying Entity, or the owner/developer may contract with one of the CBOs to provide that service and notify DHCD when the agreement is in place.
- 2. At least one member of the sales/leasing team and property management staff must attend (and all staff are encouraged to attend) DHCD's IZ/ADU 101 Course.
 - a. The class is also required for any rental property staff handling income documentation for prospective or renewing IZ tenants (that is, those part of the Certifying Entity team).
 - b. The course is typically conducted the 3rd Wednesday of each month, from 10 am 12 noon, at DHCD's office (RSVP via email to iz.adu@dc.gov).





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- The IZ development owner/developer must file a Notice of Availability (NOA) with DHCD approximately 60 days before filing a Certificate of Occupancy application with DCRA.
- 4. DHCD will respond to the NOA within 7 days with a post-NOA letter verifying the maximum rents/purchase prices of the units, the income limits and estimated lottery dates.
- 5. DHCD staff will conduct a site visit of the completed units as soon as the units are substantially complete. Please note this is separate from the DCRA inspections.
- The sales or leasing agent must properly post the units (including the prices provided on the post-NOA letter) on the DC Housing Locator (<u>www.dchousingsearch.org</u>) within 7 days of the post-NOA letter.
 - a. DHCD cannot start the lottery process until verifying that the units have been properly listed.
 - b. In the event the sales or leasing agent cannot post on dchousingsearch.org within seven days, a new NOA will need to be submitted to restart the IZ lottery process. Please notify your DHCD specialist in writing as soon as the units are listed.
- 7. The IZ development owner/developer files a Certificate of Occupancy application with DCRA. The owner shall provide DCRA a copy of the recorded Inclusionary Development Covenant. If the information in the CIZC application has changed substantively since the application was approved, the owner also must provide an update of all that information.
- 8. **DCRA** inspects the IZ Development to ensure it is in compliance with the CIZC and issues a Certificate of Occupancy.

C. The Lottery Process

- 1. Once DHCD has verified that all necessary steps have been followed, the IZ lottery process begins to identify potential applicants for the available IZ units.
 - a. The IZ development owner/developer or agent will receive a list of selectees (approximately 1O ranked households for each unit) within 3 weeks of DHCD's receipt of the NOA.
 - b. The households then have 6O days to confirm interest in the unit, provide necessary documentation and obtain a certification of income, affordability and housing size (COIAHS) and sign a lease or contract for the selected IZ unit (unless the IZ development owner/developer or agent extends a deadline in writing).





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- 2. DHCD must conduct the first lottery for all IZ units.
- If IZ units are not filled in the first lottery and an IZ development owner/developer intends to fill units using an alternate process, prior written approval from DHCD is required.
 - a. To seek written approval, submit an Affirmative Fair Housing Marketing Plan (AFHMP) and Household Selection Plan (HSP) to <u>iz.adu@dc.gov</u>.
 - b. Allow up to 90 days for revisions and approval.
 - c. If the IZ development owner/developer intends for DHCD to continue conducting lotteries (both for new IZ units and re-leases of existing IZ units), the AFHMP and HSP documents are not required.