

**ZONING COMMISSION FOR THE DISTRICT OF COLUMBIA**  
**NOTICE OF RESCHEDULED<sup>1</sup> PUBLIC HEARING**

**TIME AND PLACE:** **Thursday, March 3, 2016, @ 6:30 p.m.**  
**Jerrily R. Kress Memorial Hearing Room**  
**441 4<sup>th</sup> Street, N.W., Suite 220-South**  
**Washington, D.C. 20001**

**FOR THE PURPOSE OF CONSIDERING THE FOLLOWING:**

**CASE NO. 04-33G (Amendments to Chapter 26, Inclusionary Zoning)**

**THIS CASE IS OF INTEREST TO ALL ANCs**

On February 2, 2015, a petition was submitted to the Zoning Commission (Commission), filed by the Coalition for Smarter Growth, et. al., to amend Chapter 26, Inclusionary Zoning (IZ) (Exhibit 2, Z.C. Case No. 04-33G). The Office of Planning (OP) submitted its report in support of setting the petition down for a public hearing on July 6, 2015, noting that they had several major concerns with the text as proposed in the petition. OP also recommended that the Commission set down alternate text to be considered as part of the same case. On July 13, 2015, the Commission set down the petition and alternate OP text amendments for a public hearing.

**Coalition for Smarter Growth, et. al. Petition**

The proposed substantive amendments of the petition filed by the Coalition for Smarter Growth, et. al., are summarized in the following table:

<b>Section</b>	<b>Summary Amendment</b>
2602 Applicability	Apply the IZ regulations to developments in both the Downtown Development (DD) and Southeast Federal Center (SEFC) Overlay Districts after December 31, 2017.
2603 Set-Aside Requirements	<ul style="list-style-type: none"><li>• Increase the required minimum percentage of residential gross floor area set aside for targeted households from the current 8% to 10% to a single 12%; and</li><li>• Require the set-aside be the greater of 12% of the gross floor area (GFA) or 75% of bonus density;</li><li>• In rental projects, target households at or below 50% of the Medium Family Income (MFI)<sup>2</sup>;</li><li>• In for-sale projects, target households at or below 70% of MFI;</li><li>• Specify that the Mayor or the DC Housing Authority shall have the right to purchase units for the purpose of leasing units, but only to low and very low income households; and</li><li>• Increase the set aside requirement in the Saint Elizabeth’s Districts from 8% to 10% of GFA.</li></ul>
2604 Bonus Density	<ul style="list-style-type: none"><li>• Increase the permitted bonus density from 20% to 22%;</li><li>• Remove all lot occupancy restrictions for all IZ projects in in all zones specified in § 2604.2 (R-5-E, CR, C-2-A/B/C, C-3-A, W-1/2/3 and SP-1/2);</li><li>• Permit an additional 10 feet of height as a matter of right for projects that include IZ units in all zones specified in § 2604.2, for a total of 20 feet beyond matter-of-right heights without IZ; and</li></ul>

<sup>1</sup> This hearing was previously scheduled for Thursday, January 28, 2016.

<sup>2</sup> US Department of Housing and Urban Development (HUD) uses the term Median Family Income (MFI) and not Area Median Income (AMI); any text amendments will reflect the change in terminology from AMI to MFI.

	<ul style="list-style-type: none"><li>• Further reduce the permitted lot widths as a special exception in the R-2 through R-4 zones.</li></ul>
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Proposed new text is shown in **bold** type and text to be deleted is shown in ~~strikethrough~~.

**1. Amendments proposed by the petitioner pertaining to Chapter 26.**

Amend the following sections of Chapter 26 as follows:

**2601 DEFINITIONS**

Moderate-income household – a household of one (1) or more individuals with a total annual income adjusted for household size equal to between fifty-one percent (51%) and ~~eighty percent (80%)~~ **seventy percent (70%)** of the Metropolitan Statistical Area median as certified by the Mayor pursuant to the Act.

**2602 APPLICABILITY**

2602.3 This chapter shall not apply to:

(e) Properties located in any of the following areas:

- (1) The Downtown Development or Southeast Federal Center Overlay Districts **until December 31, 2017, after which this chapter shall apply;**

**2603 SET-ASIDE REQUIREMENTS**

2603.1 Except as provided in § 2603.8, an inclusionary development ~~for which the primary method of construction does not employ steel and concrete frame structure located in an R-2 through an R-5 B District or in a C-1, C-2 A, W-0 or W-1 District~~ shall devote the greater of ~~ten percent (10%)~~ **twelve percent (12%)** of the gross floor area being devoted to residential use or seventy-five percent (75%) of the bonus density being utilized for inclusionary units.

2603.2 ~~An inclusionary development of steel and concrete frame construction located in the zone districts stated in § 2603.1 or any development located in a C-2 B, C-2 C, C-3, CR, R-5 C, R-5 D, SP, USN, W-2, or W-3 Zone District shall devote the greater of eight percent (8%) of the gross floor area being devoted to residential use or fifty percent (50%) of the bonus density utilized for inclusionary units.~~

2603.3 ~~Except as provided in § 2603.9, Inclusionary Developments located in R-3 through R-5 E, C-1, C-2 A, StE, W-0, and W-1 Zone Districts offering~~ **dwelling units for rent** shall set aside ~~fifty percent (50%) of inclusionary units for eligible low-income households and fifty percent (50%) of inclusionary units for eligible moderate income households.~~ The first inclusionary unit and each additional odd number unit shall be set aside for low-income households.

2603.4 Developments **offering for-sale dwelling units** located in ~~CR, C 2 B through C 3 C,~~ USN, ~~W 2 through W 3,~~ and ~~SP Zone Districts~~ shall set aside ~~one hundred percent (100%)~~ of inclusionary units for eligible moderate-income households.

2603.5 The Mayor or the District of Columbia Housing Authority shall have the right to purchase up to twenty-five percent (25%) of inclusionary units in a for-sale inclusionary development **for the purpose of leasing these units to low households** in accordance with such procedures as are set forth in the Act.

...

2603.7 An inclusionary development of ~~steel and concrete frame construction~~ located in a StE District shall devote no less than ~~eight percent (8%)~~ **ten percent (10%)** of the gross floor area being devoted to residential use in a StE District for inclusionary units.

**2604 BONUS DENSITY**

2604.1 Inclusionary developments subject to the provisions of this chapter, except those located in the StE District, may construct up to ~~twenty percent (20%)~~ **twenty-two percent (22%)** more gross floor area than permitted as a matter of right ("bonus density"), subject to all other zoning requirements (as may be modified herein) and the limitations established by the Act to Regulate the Height of Buildings in the District of Columbia, approved June 1, 1910

2604.2 Inclusionary developments in zoning districts listed in the chart below may use the following modifications to height and **no restrictions on lot occupancy for zones with greater density than R-4 zones** in order to achieve the bonus density.

Base	Matter-of-Right Zoning Constraints			Petitioners' Proposed IZ Modification	
	Lot Occupancy	Zoning Height (feet)	Zoning FAR	Lot Occupancy	Height (feet)
R-5-E	75%	90	6.00	<del>90%</del>	<del>90</del> <b>100</b>
CR	75%	90	6.00	<del>80%</del>	<del>100</del> <b>110</b>
C-2-A	60%	50	2.50	<del>75%</del>	<del>50</del> <b>60</b>
C-2-B	80%	65	3.50	<del>80%</del>	<del>70</del> <b>80</b>
C-2-C	80%	90	6.00	<del>90%</del>	<del>90</del> <b>100</b>
C-3-A	75%	65	4.00	<del>80%</del>	<del>65</del> <b>75</b>
W-1	80%	40	2.50	<del>80%</del>	<del>50</del> <b>60</b>
W-2	75%	60	4.00	<del>75%</del>	<del>80</del> <b>90</b>
W-3	75%	90	6.00	<del>80%</del>	<del>100</del> <b>110</b>
SP-1	80%	65	4.00	<del>80%</del>	<del>70</del> <b>80</b>
SP-2	80%	90	6.00	<del>90%</del>	<del>90</del> <b>100</b>

2604.3 Inclusionary developments in R-2 through R-4 zoning districts may use the minimum lot dimensions as set forth in the following table, **and additional lot width modifications in order to achieve the bonus density:**

Base Zone	IZ Zoning Modifications		
	IZ Min. Lot Area (square feet)	Min. Lot Width (feet)	Min. Lot Width (feet) Special Exception
R-2 Detached	3,200	40	<del>32</del> 30
R-2 Semi-Detached	2,500	30	<del>25</del> 23
R-3	1,600	20	<del>16</del> 15
R-4	1,500	18	<del>16</del> 15

2608 **APPLICABILITY DATE**

2608.2 The provisions revised on ~~XXXXX~~ of this chapter **amended by Z.C. Order No. 04-33G** shall not apply to any building approved by the Zoning Commission pursuant to Chapter 24 if the approved application was set down for hearing prior to ~~March 14, XXXX 2008~~ **[THE EFFECTIVE DATE OF THIS AMENDMENT]**.

**Office of Planning Alternative Text**

OP proposed alternative text to that proposed by the Petitioner. Within the alternative text proposed by OP, OP also included a limited second alternative relative to set-aside requirements and targeted households (Alternative 2 (OP)). The Alternative 2 (OP) addresses the targeted household income based on whether the IZ units are rental or for-sale units. The proposed substantive amendments of the OP alternate text are summarized in the following table:

Section	Summary Amendment
2601 Definitions	<ul style="list-style-type: none"> <li>• Add a new definition of Bedroom, Maximum Resale Price;</li> <li>• Add a new definition of Median Family Income as part of Option 2; and</li> <li>• Amend definition of Eligible Household (Option 2).</li> </ul>
2602 Applicability 2602.1(d)	Provide for voluntary participation in the IZ program where it would not otherwise be required
2603 Set-Aside Requirements; 2603.3 2603.4 2603.5	<ul style="list-style-type: none"> <li>• Move the C-2-B, C-3-A, SP-1 and W-2 zone districts to the group of zone districts that must target half of the IZ units to households at 50% of the MFI; or</li> <li>• Permit flexibility in occupancy by allowing units that have remained unoccupied for an extended period of time; or when increases in fees make units either unaffordable to target household or have a significant negative impacts on the Maximum Resale Price; and</li> <li>• Allow the Mayor to purchase a minimum of one unit and up to any amount agreed upon with the developer.</li> </ul>
Alternative 2 (OP); 2603.3	<ul style="list-style-type: none"> <li>• Alternative 2 (OP) would establish a targeted MFI by tenure type; for rental households: consolidate the MFI from 50% and 80% to a single target of 60% of the MFI, and for-sale IZ units to 80 % of the MFI.</li> </ul>
2607	<ul style="list-style-type: none"> <li>• Offer an administratively handled matter of right off-site provision within 2,640 feet (one-half mile) of the on-site requirement provided it results in 20% more square feet set-aside for IZ units.</li> </ul>
New Section	<ul style="list-style-type: none"> <li>• Provide flexibility for a developer to do fewer for-sale units at 60% MFI instead of more units at 80% MFI.</li> </ul>
Technical corrections, clarifications and	<ul style="list-style-type: none"> <li>• Change the terminology from “Area Median Income” (AMI) to “Median Family Income” (MFI);</li> </ul>

updates (various sections)	<ul style="list-style-type: none"> <li>• Provide greater clarity on requirement calculations, bedrooms and pricing;</li> <li>• Improve administration, monitoring and enforcement; and</li> <li>• Fixes minor errors and omissions.</li> </ul>
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Public Comment is requested on the following amendments to the Zoning Regulations and the alternative 2 (OP). Proposed new text is shown in **bold** type and text to be deleted is shown in ~~strikethrough~~.

*2. Amendments pertaining to Chapter 26 as proposed by OP in the alternative.*

Amend the following sections of Chapter 26 as follows:

**2600 GENERAL PROVISIONS**

2600.2 It is the intent of the Zoning Commission to promulgate only such regulations as are necessary to establish the minimum obligations of property owners applying for building permits or certificates of occupancy under an Inclusionary Zoning Program. All other aspects of the program, including the setting of maximum purchase prices and rents, the minimum sizes of the units, the selection and obligations of eligible households, **administrative flexibility to ensure occupancy** and the establishment of enforcement mechanisms such as covenants and certifications shall be as determined by the Council and Mayor of the District of Columbia.

**2601 DEFINITIONS**

2601.1 When used in the chapter, the following terms and phrases shall have the meanings ascribed:

...

**Bedroom – a room with immediate access to an exterior window and a closet that is designated as a “bedroom” or “sleeping room” on construction plans submitted in an application for a building permit for an Inclusionary Development.**

**Maximum Resale Price (MRP) – As defined by the formula found in Title 14 Chapter 22.**

....

Inclusionary unit – a unit set aside for sale or rental to an eligible low- and moderate-income household as required by this chapter, **by a Zoning Commission order granting a planned unit development in which the applicant has proffered to provide more inclusionary units than required under this chapter**, or by order of the Board of Zoning Adjustment pursuant to § 2607.

**2602 APPLICABILITY**

2602.1 Except as provided in § 2602.3, the requirements and incentives of this chapter shall apply to developments that:

- (a) Are mapped within the R-2 through R-5-D, C-1 through C-3-C, USN, CR, SP, StE, **HE**, and W-40 through W-3 Zone Districts, unless exempted pursuant to § 2602.3; **and**
- (b) **Are new construction or additions of gross floor area that would result in Have-ten (10) or more dwelling units constructed concurrently or in phases on a lot or; on contiguous lots, including those divided by an alley, if the lots were under common ownership, control, or affiliation within one (1) year prior to the application for the first building permit; (including off-site inclusionary units); and**
- (c) **Were in existence prior to August 14, 2009, have ten (10) or more dwelling units on a lot; or on contiguous lots, including those divided by an alley and there is an increase of fifty percent (50%) or more of its gross floor area; or Are**

~~either:~~

- ~~(1) New multiple dwellings;~~
- ~~(2) New one family dwellings, row dwellings, or flats constructed concurrently or in phases on contiguous lots or lots divided by an alley, if such lots were under common ownership at the time of construction; or~~
- ~~(3) An existing development described in subparagraph (i) or (ii) for which a new addition will increase the gross floor area of the entire development by fifty percent (50%) or more.~~
- (d) **Is a semi-attached, attached or multi-family residential development not described in §§ 2602.1(b) or (c) or that is located in one of the areas exempted by § 2602.3(e) and the owner agrees to abide by the set-aside and other requirements of this chapter provided, the square footage required to be set aside by § 2603 achieves a minimum of one (1) inclusionary unit. Properties located in the areas identified by § 2602.3(e)(3) through (6) may not use the modifications to height, lot occupancy, or minimum lot area or width permitted by §§ 2604.2 and 2604.3.**

2602.2 A development with less than ten (10) dwelling units shall become subject to this Chapter upon the filing of an application for a building permit to add one or more dwelling units to the development within a ~~two~~-**three (3)**-year period after the issuance of the ~~last certificate of occupancy~~ **first building permit**, if the construction for which application has been filed would result in the development having ten (10) or more dwelling units.  
...

2602.7 A development exempted under § 2602.3(f) shall be subject to the following provisions:

- (a) The development shall set aside ~~for low or moderate income households~~ affordable dwelling units **for households earning no greater than eighty percent (80%) of the MFI** (“Exempt Affordable Units”) equal to at least the gross square footage that would have been required pursuant to §§ 2603.1 and

2603.2. ~~The terms “low income household” and “moderate oncome household” shall have the same meaning as given them by the federal or District funding source, or financing or subsidizing entity, and shall hereinafter be referred to collectively as “Targeted Households”;~~

- (b) The Exempt Affordable Units shall be sold or rented in accordance with the pricing structure established by the federal or District funding source, or financing or subsidizing entity, for so long as the project exists;
- (c) The requirements set forth in § 2602.7(a) and (b) shall be stated as declarations within a covenant approved by the District; and
- (d) The approved covenant shall be recorded in the land records of the District of Columbia prior to the date that the first application for a certificate of occupancy is filed for the project; except that for developments that include one-family dwellings, the covenant shall be recorded before the first purchase agreement or lease is executed.

### 2603 SET-ASIDE REQUIREMENTS

2603.1 Except as provided in § 2603.8, an inclusionary development ~~for which the primary method of construction~~ that does not employ **Type I construction as defined by 12 DCMR A § 602.2<sup>3</sup>** ~~steel and concrete frame structure to construct the majority of dwelling units~~ located in an R-2 through an R-5-B District or in a C-1, C-2-A, W-0, or W-1 district shall devote the greater of ten percent (10%) of the gross floor area being devoted to residential use or seventy-five (75%) of the bonus density ~~being utilized~~ for inclusionary units.

2603.2 An inclusionary development **that employs Type I construction as defined by 12 DCMR A § 602.2** ~~of steel and concrete frame construction to construct the majority of dwelling units~~ located in the zone districts stated in § 2603.1 or any development located in a C-2-B, C-2-C, C-3, CR, R-5-C, R-5-D, SP, USN, W-2, or W-3 Zone District shall devote the greater of eight percent (8%) of the gross floor area being devoted to residential use or fifty percent (50%) of the bonus density ~~utilized~~ for inclusionary units.

2603.3 Except as provided in § 2603.9, inclusionary developments located in R-~~23~~ through R-5-~~DE~~, C-1, C-2-A, **C-2-B, C-3-A, SP-1**, StE, W-0 ~~and through W-24~~ Districts shall set aside fifty percent (50%) of inclusionary units for eligible low-income households and fifty percent (50%) of inclusionary units for eligible moderate-income households. The first inclusionary unit and each additional odd number unit shall be set aside for low-income households.

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<sup>3</sup> That provision states:

602.2 Type 1 ... construction are those types of construction in which the building elements listed in table 601 are of noncombustible materials, except as permitted by Section 603 and elsewhere in this Code.

2603.4 Developments located in CR, C-2-C, ~~through~~ C-3-C, USN, ~~W-2 through~~ W-3, and SP-2 Zone Districts shall set aside one hundred percent (100%) of inclusionary units for eligible moderate-income households.

2603.5 The Mayor or the District of Columbia Housing Authority shall have the right to purchase ~~up to~~ **the greater of one (1) inclusionary for-sale unit or twenty-five percent (25%) of for-sale inclusionary units, or any number or percentage agreed to by the owner of the Inclusionary Development** ~~in a for sale inclusionary development in accordance with such procedures as are set forth in the Act.~~

...

2603.7 An inclusionary development ~~located in a StE District that employs Type I construction as defined by 12 DCMR A § 602.2 of steel and concrete frame construction to construct the majority of dwelling units located in a StE District shall~~ devote no less than eight percent (8%) of the gross floor area being devoted to residential use in a ~~StE District~~ **for inclusionary units. An inclusionary development located in a StE District that does not employ Type I construction as defined by 12 DCMR A § 602.2 to construct the majority of dwelling units shall devote no less than ten percent (10%) of the gross floor area being devoted to residential use in a for inclusionary units.**<sup>4</sup>

2603.10 When dwelling units are located in cellar space or enclosed building projections extending into public space, then the entire development's residential floor area within those spaces shall be included for purposes of calculating the minimum set-aside requirements of §§ 2603.1, 2603.2, and 2603.7.

2603.11 In a for sale inclusionary development, the gross floor areas required set aside for sale to eligible moderate-income households may be reduced by twenty percent (20%) provided all the units are set aside to households earning sixty percent (60%) of the MFI.

**2604 BONUS DENSITY**

2604.2 Inclusionary developments in zoning districts listed in the chart below may use the following modifications to height and lot occupancy in order to achieve the bonus density:

Base Zone	Matter-of-Right Zoning Constraints			IZ Zoning Modifications	
	Lot Occupancy	Height (feet)	FAR	Lot Occupancy	Height (feet)
<del>R-5-E</del>	<del>75%</del>	90	<del>6.00</del>	90%	90
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	<del>90</del> 80%	<del>90</del> 100
C-3-A	75%	65	4.00	80%	65
<b>C-3-C</b>	n/a	90	6.5	n/a	<del>90</del> 100

<sup>4</sup> This second sentence was once § 2603.6 but was inadvertently repealed

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

2604.3 Inclusionary developments in R-2 through R-4 zoning districts may use the minimum lot dimensions as set forth in the following table:

Base Zone	IZ Zoning Modifications		
	IZ Min. Lot Area (square feet)	Min. Lot Width (feet)	Min Lot Width (feet) Special Exception
R-2 Detached	3,200	40	32
R-2 Semi-Detached	2,500	30	25
R-3	1,600	20	16
R-4	1,500	18	16

**2604.4 Increases in FAR obtained as a result of variances granted by the Board of Zoning Adjustment shall be treated as bonus density for the purposes of calculating the applicable maximum set aside requirement under § 2603.**

**2605 DEVELOPMENT STANDARDS**

2605.4 The interior amenities of inclusionary units (such as finishes and appliances) shall be comparable to the market-rate units, but may be comprised of less expensive materials and equipment **so long as the interior amenities are durable, of good quality, and consistent with contemporary standards for new housing.**

...

2605.6 Inclusionary units shall not be overly concentrated on any floor, **tenure or dwelling type including multiple-dwellings, one (1)-family dwellings, or flats** of an **Inclusionary Development project.**

...

**2605.7 In an Inclusionary Development subject to 2602.1 (c) or 2602.2, Inclusionary Units may be located solely in the new addition provided all the existing units were occupied at the application for the addition’s building permit and all other requirements of this chapter are met.**

**2606 EXEMPTION FROM COMPLIANCE**

2606.1 The Board of Zoning Adjustment is authorized to grant partial or complete relief from the requirement of § 2603 upon a showing that compliance (whether on site, offsite or a combination thereof) would deny the applicant **an IZ Development owner** economically viable use of its land.

2606.2 No application **from an owner of an Inclusionary Development** for a variance from the requirements of § 2603.2 may be granted until the Board of Zoning Adjustment has voted to deny an application for relief pursuant to this section or § 2607.

**2606.3 Notwithstanding § 2602.5, an owner/occupant of an inclusionary unit may sell the unit at a price greater than that established by the Mayor pursuant to § 103 of the Act if permitted by the Zoning Commission pursuant to the calendar provisions of § 3030 if the owner/occupant demonstrates:**

- (a) **Condominium or Homeowner association fees have increased to make the unit unaffordable to other Eligible Households as defined § 2602;**
- (b) **The application for relief includes written confirmation of § 2606.3(a) from the Director of the Department of Housing and Community Development; and**
- (c) **The inclusionary zoning covenant required by § 105 of the Act remains in effect and the unit is sold at the Maximum Resale Price (MRP) if the income of the Eligible Household purchasing the unit does not exceed one hundred percent (100%) of the MFI; or**
- (d) **If the inclusionary zoning covenant is terminated and the unit is sold above the MRP, a fee equal to any net proceeds from the sale that are above the MRP is deposited into the District's Housing Trust Fund as defined by § 2499.**

**2607 OFF-SITE COMPLIANCE**

2607.1 **Some or all of the set-aside requirements of § 2603 may be constructed off-site to another location within two thousand six hundred forty feet (2,640 ft.) of the inclusionary development provided:**

- (a) **The square footage of the set-aside requirement constructed off-site is twenty percent (20%) greater than what would have been required for the inclusionary development; and**
- (b) **All other provisions of this section have been met.**

2607.12 The Board of Zoning Adjustment is authorized to permit some or all of the set-aside requirements of § 2603 to be constructed off-site **anywhere within the District of Columbia** upon proof, based upon a specific economic analysis, that compliance on-site would impose an economic hardship. Among the factors that may be considered by the BZA in determining the existence of economic hardship are:

2607.23 **Both a building permit applications for an inclusionary development made pursuant to § 2607.1 and Board of Zoning Adjustment applications made pursuant to § 2607.2** ~~An applicant who has demonstrated the existence of economic hardship shall~~ further demonstrate that the off-site development:

- ~~(a)~~ Is located within the same census tract as the inclusionary development;
- ~~(b)~~(a) Consists of new construction for which no certificate of occupancy has been issued;
- ~~(c)~~(b) Is at a location suitable for residential development;
- ~~(d)~~(c) Has complied with or will comply with all on-site requirements of this chapter as are applicable to it;
- ~~(e)~~(d) Has not received any development subsidies from federal or District government programs established to provide affordable housing;
- ~~(f)~~(e) Will provide inclusionary units comparable in type to the market-rate units being created in their place, with gross floor areas of not less than ninety-five percent (95%) of the gross floor area of such market-rate units, and of a number no fewer than the number of units that would otherwise have been required on-site;
- ~~(g)~~(f) Will not have more than thirty percent (30%) of its gross floor area occupied by inclusionary units that satisfy the set-aside requirement of other properties, including the property that is the subject of the Board of Zoning Adjustment application; and
- ~~(h)~~(g) Has not utilized bonus density beyond that provided by § 2604.1.

2607.3 **All dwelling units as are required to be reserved in the off-site development shall be deemed inclusionary units for the purposes of this chapter and the Act.**

2607.5 ~~No order granting~~ **The off-site compliance shall become effective not relieve an inclusionary development of its entire set-aside requirement** until a covenant, found legally sufficient by the Office of the Attorney General, has been recorded in the land records of the District of Columbia between the owner of the off-site development and the Mayor. A draft covenant, executed by the owner of the offsite property, shall be attached to an application for relief under this section.

2607.7 Upon the recordation of the covenant, the set-aside requirements permitted to be accounted off-site shall be deemed to be the legal obligation of the current and future owners of the off-site development. ~~All dwelling units as are required to be reserved in the off site development in accordance with the BZA order shall be deemed inclusionary units for the purposes of this Chapter and the Act.~~

**3. Amendments proposed by OP pertaining to Filing Fees.**

Amend § 3040 as follows:

**3040 FILING FEES**

**3040.7 No fee shall be charged for applications pursuant to § 2606.3.**

**Alternative 2 (OP)**

The Commission and OP are also interested in hearing testimony on the issue in Alternative 2 (OP) which focuses on targeted households and MFI based on whether the IZ units are rental or for-sale. In addition to the OP proposed text amendments, Alternative 2 (OP) would require the following alternate text amendments to Chapter 26.

**4. Amendments proposed by OP pertaining to Alternative 2 (OP): § 2601 Definitions and §2603 Set-Aside Requirements).**

**2603 SET-ASIDE REQUIREMENTS**

2601.1 When used in the chapter, the following terms and phrases shall have the meanings ascribed:

**Eligible household** - one (1) or more persons certified by the Mayor as **not exceeding the applicable maximum income levels of § 2603.3.** ~~being a low or moderate income household pursuant to the Act.~~

**Low income household** ~~a household of one or more individuals with a total annual income adjusted for household size equal to less than fifty percent (60%) of the Metropolitan Statistical Area median as certified by the Mayor pursuant to the Act.~~

**Median Family Income (MFI)** - the Median Family Income for a household in the Washington Metropolitan Statistical Area as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development, adjusted for family size without regard to any adjustments made by the United States Department of Housing and Urban Development for the purposes of the programs it administers

**Moderate income household** ~~a household of one or more individuals with a total annual income adjusted for household size equal to between fifty one percent (51%) and eighty percent (80%) of the Metropolitan Statistical Area median as certified by the Mayor pursuant to the Act~~

**2603 SET-ASIDE REQUIREMENTS**

**2603.3** Except as provided in § 2603.9, inclusionary units resulting from set asides required by §§ 2603.1 and 2603.2 shall be rented or sold as follows:

- (a) **Rental units shall be rented only to eligible household earning sixty percent (60%) percent of the MFI; and**
- (b) **For-sale units shall be sold only to eligible household earning eighty percent (80%) percent of the MFI.**

~~2603.3 Inclusionary developments located in R 2 through R 5 D, C 1, C 2 A, StE, W 0 and W 1 Districts shall set aside fifty percent (50%) of inclusionary units for eligible low income~~

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~~households and fifty percent (50%) of inclusionary units for eligible moderate income households. The first inclusionary unit and each additional odd number unit shall be set aside for low income households.~~

~~2603.4 Developments located in CR, C 2 B through C 3 C, USN, W 2 through W 3, and SP Zone Districts shall set aside one hundred percent (100%) of inclusionary units for eligible moderate income households~~

Proposed amendments to the Zoning Regulations of the District of Columbia are authorized pursuant to the Zoning Act of 1938, approved June 20, 1938 (52 Stat. 797; D.C. Official Code § 6-641.01 *et seq.*)

The public hearing on this case will be conducted as a rulemaking in accordance with the provisions of § 3021.

**How to participate as a witness.**

Interested persons or representatives of organizations may be heard at the public hearing. The Commission also requests that all witnesses prepare their testimony in writing, submit the written testimony prior to giving statements, and limit oral presentations to summaries of the most important points. The applicable time limits for oral testimony are described below. Written statements, in lieu of personal appearances or oral presentation, may be submitted for inclusion in the record.

**Time limits.**

All individuals, organizations, or associations wishing to testify in this case are encouraged to inform the Office of Zoning of their intent to testify prior to the hearing date. This can be done by mail sent to the address stated below, e-mail ([domna.hanousek@dc.gov](mailto:domna.hanousek@dc.gov)), or by calling (202) 727-0789.

The following maximum time limits for oral testimony shall be adhered to and no time may be ceded:

- |    |               |                |
|----|---------------|----------------|
| 1. | Organizations | 5 minutes each |
| 2. | Individuals   | 3 minutes each |

Pursuant to § 3020.3, the Commission may increase or decrease the time allowed above, in which case, the presiding officer shall ensure reasonable balance in the allocation of time between proponents and opponents.

Written statements, in lieu of personal appearances or oral presentations, may be submitted for inclusion in the record. Written statements may also be submitted by mail to 441 4<sup>th</sup> Street, N.W., Suite 200-S, Washington, DC 20001; by e-mail to [zcsubmissions@dc.gov](mailto:zcsubmissions@dc.gov); or by fax to (202) 727-6072. Please include the case number on your submission. **FOR FURTHER INFORMATION, YOU MAY CONTACT THE OFFICE OF ZONING AT (202) 727-6311.**

**ANTHONY J. HOOD, MARCIE I. COHEN, ROBERT E. MILLER, PETER G. MAY, AND  
MICHAEL G. TURNBULL ----- ZONING COMMISSION FOR THE DISTRICT OF  
COLUMBIA, BY SARA A. BARDIN, DIRECTOR, AND BY SHARON SCHELLIN,  
SECRETARY TO THE ZONING COMMISSION.**