

3506 PROCEDURES FOR REVIEWING, APPROVING, AND PROVIDING FINANCING

- 3506.1 The land trust shall establish and implement written procedures, instructions, guidelines, forms, standards, requirements, and criteria for the solicitation, receipt, processing, evaluation, and approval of applications for, and for providing or closing on, development financing commitments, development financing, and individual financing.
- 3506.2 The application for development financing shall include the requirements set forth in section 3510.3.
- 3506.3 The standards and criteria for approving individual financing and development financing shall include the following:
- (a) The property to be assisted by the land trust shall be in compliance with the Zoning Regulations of the District of Columbia (as such term is defined in 11 DCMR § 100.5), the Housing Code (chapters 1 through 15 of Title 14, DCMR), and the Construction Codes (as such term is defined in 12A DCMR § 101.2), at the time of closing on the land trust financing; provided, that if the land trust is providing land trust financing to correct a current or imminent major system failure or other substantial defect, the property may be in non-compliance with the foregoing regulations and codes at the time of closing but shall be in compliance with the foregoing regulations and codes when the housing units assisted by the land trust financing are offered for sale;
 - (b) Land trust financing shall not be concentrated in poverty census tracts or high poverty census tracts;
 - (c) The land trust shall not provide financing, either through development financing, individual financing, or a combination of development and/or individual financing, for more than fifty percent (50%) of the housing units in a development consisting of over twenty (20) housing units in a poverty census tract, nor for more than twenty-five percent (25%) of the housing units in a development consisting of over twenty (20) housing units in a high poverty census. This provision shall not apply to tenant rental-to-ownership conversions and may be waived in writing by the Mayor's delegee for good cause shown; and
 - (d) The standards and criteria for individual financing set forth in section 3507 or the standards and criteria for development financing set forth in section 3510.
- 3506.4 The standards and criteria for closing on a development financing shall include a requirement that a minimum level of equity has been or will be invested by the developer in the development.
- 3506.5 The land trust shall submit for approval by the Mayor's delegee the applications, procedures, instructions, guidelines, forms, standards, requirements, and criteria required to be established under subsection 3506.1, including the standards, criteria, and requirements referenced in subsections 3506.2, 3506.3(d), and 3506.4 and those set forth in sections 3507 and 3510.
- 3506.6 The land trust shall not provide land trust financing until the initial applications, procedures, instructions, guidelines, forms, standards, requirements, and criteria of the land trust have been approved by the Mayor's delegee under subsection 3506.5.
- 3506.7 The land trust shall submit for approval by the Mayor's delegee any substantive change to a previously approved procedure, instruction, guideline, form, standard, requirement, or criterion.

Unless and until the change is approved by the Mayor's delegee, the land trust shall use the previously approved procedure, instruction, guideline, form, standard, requirement, or criterion.

- 3506.8 The land trust shall not review, approve, reject, provide, or close on land trust financing in a manner that is inconsistent with the applications, procedures, instructions, guidelines, forms, standards, requirements, and criteria of the land trust that have been approved by the Mayor's delegee under subsection 3506.5.
- 3506.9 The Mayor's delegee shall not unreasonably withhold or delay approval of an application procedure, instruction, guideline, form, standard, requirement, or criterion, or a substantive change to an application procedure, instruction, guideline, form, standard, requirement, or criterion, submitted for approval ("approval request"). The Mayor's delegee may reject or approve an approval request in whole or in part. An approval request shall be deemed approved if the Mayor's delegee does not reject the approval request, in writing, with a reasonably detailed rationale for the rejection, within thirty (30) calendar days after the Mayor's delegee receives the approval request. If the Mayor's delegee rejects an approval request, in whole or in part, the Mayor's delegee shall, upon the request of the land trust, undertake good faith negotiations with the land trust to resolve the issues that led to the rejection. Unless and until the issues are resolved and the approval request is approved, the land trust shall operate under previously approved procedures, instructions, guidelines, forms, standards, requirements, and criteria.
- 3506.10 The land trust shall approve and provide land trust financing, consistent with the standards and criteria approved by the Mayor's delegee pursuant to section 3506.5, so that the geographic distribution of, unit distribution of, and development criteria for land trust housing units align with the District's housing policies, consistent with subsection 3501.7. If the land trust determines that it is unable to achieve or maintain such an alignment without threatening the viability of the land trust or the land trust program, the land trust shall provide to the Mayor's delegee written documentation of the circumstances that create the inability to achieve or maintain such alignment and threaten the viability of the land trust or land trust program. The Mayor's delegee may waive the requirement of this subsection in whole or in part.

SOURCE: Final Rulemaking published at 55 DCR 7921 (July 25, 2008).