**P.N. Hoffman, Inc. Planned Unit Development**
**2101-25 14th Street, N.W.**
**Washington, D.C.**

**Summary of Affordable Housing Program**
**December 29, 2003**

**Gross Floor Area**: The Applicant has committed to provide approximately 5,250 to 7,500 square feet of gross floor area, or approximately 35-50% of additional gross floor area achieved through the 5% increase under 11 DCMR § 2405.3.

**Unit Configuration**: The size and configuration of the units shall be determined in the final floor plan for the Project. The units will contain approximately 750 square feet of space. The number of units will range from seven to ten, depending on the income levels set for the affordable housing. A maximum annual income level of $32,000 will yield seven units; a maximum annual income level of $50,000 will yield ten units.

**Initial Unit Price**: The final contract price of an affordable unit will be determined in consultation with the District government consistent with the affordable housing standards.

**Certification of Eligibility**: Eligible buyers – for both initial purchases and for resale – are defined as those households that meet the following criteria:

- Having an annual household income not exceeding $32,000, with Applicant working with DHCD to give preference to District of Columbia police officers, teachers, firefighters and emergency medical technicians, to the extent permitted under federal and District laws; or an annual household income not exceeding $50,000
- Purchasing their primary residence;
- Having no ownership interest in any other housing;
- Committing to continuous owner occupancy; and
- Purchasers must also qualify for the necessary home mortgages and fund the required down payment.

Potential homebuyers can be certified for income-eligibility by making application to the home purchase assistance programs of the Department of Housing and Community Development (DHCD).

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EXHIBIT NO.24.3

Certification shall make households eligible for selection by lottery (see below).

**Selection of Buyers**: Applicant shall hold a lottery of all qualified families to be selected as the Initial Unit Purchasers. Applicant will provide notice of the lottery through advertisements in local newspapers and other vehicles reasonable to ensure broad exposure to potentially eligible purchasers. The Department of Housing and Community Development will also advise existing applicants to its home purchase assistance programs of this affordable housing opportunity. The Initial Unit Purchasers and the Initial Unit Price shall be determined in consultation with the District government six months prior to the projected completion of the Affordable Units.

**Restrictions on Sale Affordable Units**: The Affordable Units will be restricted through a deed restriction, covenant and/or other legal means in their resale for a period of twenty years to: (1) income-eligible homebuyers, a list of whom may be obtained from the Department of Housing and Community Development's applicant pool for home purchase assistance programs; (2) a maximum Purchase Price equal to the Initial Unit Price plus the cumulative change in the consumer price index and the cost of permanent improvements to the Unit; and (3) Sale within a given twenty year affordability restriction period shall create a new twenty year affordability restriction period.

**Sale After Restriction Period**: Upon the expiration of the twenty-year restricted selling period, the then current owner of the Unit may sell the Unit without restriction but the sales proceeds shall be allocated as follows:

First, to the seller in the amount of their original sales price plus the cumulative change in the consumer price index, the cost of permanent improvements to the Unit, the closing costs paid by the seller at their closing and a reasonable sales commission.

The remainder shall be split equally between the seller and a District of Columbia government fund dedicated to the provision of affordable housing, such as the Housing Production Trust Fund or its successor.

| | |
|---|---|
| **Monitoring and Enforcement**[1]: | Restrictive covenants shall be active until the Housing Production Trust Fund or similar organization receives the appropriate contribution from the sale of a unit.<br><br>The District government shall retain all rights to enforce in the provisions of the affordability covenants, according to the provisions of this document or such enforcement mechanisms as the District government may deem appropriate. The District government shall have the right to recapture any enforcement costs. |
| **Changes to Procedures After Initial Sale of Units**: | The substance of any of the above Clauses that are included in deed restriction terms may not be modified without the consent of both the unit owner(s) and the District government. Administrative, monitoring and enforcement mechanisms not included in deed restrictions may be modified at the sole discretion of the District government. |

[1] The Applicant is coordinating with District Department of Housing and Community Development on the monitoring and enforcement of the affordability of the units.

**Square 235/14th & V**
**PUD**
**Affordable Housing Financial Analysis –**
**Alternative 1**

| | | |
|---|---|---|
| No. of Units | 7 | |
| Unit Size | 750 | |
| Total floor area | 5,250 | |
| | | |
| Interest Rate | 7.00% | |
| Debt Constant | 7.98% | |
| Taxes | $1,300 | (annual) |
| | | |
| Condo Fee | $200 | (monthly) |
| Down Payment | 5.00% | |

| | | |
|---|---|---|
| Size of Households | 4 | 3 |
| Annual income | $32,000 | $32,000 |
| Available | 32.50% | 36.00% |
| | | |
| Available Annually for Mortgage Payment, Taxes, Condo Fee | $10,400 | $11,520 |
| | 12 | 12 |
| Available Monthly | $867 | $960 |
| Taxes | ($108) | ($108) |
| Condo Fee | ($200) | ($200) |
| Mortgage Payment | $558 | $652 |
| Debt Constant | 7.98% | 7.98% |
| Loan Amount | $83,922 | $97,950 |
| Down Payment | $4,417 | $5,155 |
| Sales Price | $88,339 | $103,106 |

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|---|---|
| Affordable housing unit price | $95,722 |
| Sales price per square foot | $128 |

**Value of Project Amenity**

| | |
|---|---|
| Market rate housing price per square foot | $380 |
| Affordable housing price per square foot | $128 |
| Difference per square foot | $252 |
| Total value of project amenity | $1,324,945 |

**Square 235/14th & V**
**PUD**
**Affordable Housing Financial Analysis – Alternative 2**

| | | |
|---|---|---|
| No. of Units | 10 | |
| Unit Size | 750 | |
| Total floor area | 7,500 | |
| | | |
| Interest Rate | 7.00% | |
| Debt Constant | 7.98% | |
| Taxes | $1,300 | (annual) |
| | | |
| Condo Fee | $200 | (monthly) |
| Down Payment | 5.00% | |

| | | |
|---|---|---|
| Size of Households | 4 | 3 |
| Annual income | $50,000 | $50,000 |
| Available | 32.50% | 36.00% |
| | | |
| Available Annually for Mortgage Payment, Taxes, Condo Fee | $16,250 | $18,000 |
| | 12 | 12 |
| Available Monthly | $1,354 | $1,500 |
| Taxes | ($108) | ($108) |
| Condo Fee | ($200) | ($200) |
| Mortgage Payment | $1,046 | $1,192 |
| Debt Constant | 7.98% | 7.98% |
| Loan Amount | $157,197 | $179,117 |
| Down Payment | $8,274 | $9,427 |
| Sales Price | $165,470 | $188,544 |

| | |
|---|---|
| Affordable housing unit price | $177,007 |
| Sales price per square foot | $236 |

**Value of Project**
**Amenity**

| | |
|---|---|
| Market rate housing price per square foot | $380 |
| Affordable housing price per square foot | $236 |
| Difference per square foot | $144 |
| Total value of project amenity | $1,079,931 |