

Planned Unit Development
Inclusionary Housing Commitment Standards

(Based Upon the Standards Issued by the Office of the Director
of the D.C. Office of Planning in Previous PUD Cases)

NoMa West Residential I, LLC
Zoning Commission Case No. _____
June 7, 2007

Development Standards

Total Square Footage: Applicant shall commit to reserve 49,385 square feet of the total gross floor area for units affordable to households within the targeted income range.

Unit Types: The mixture of affordable unit types shall be comparable to the mixture of market rate unit types. The proportion of affordable studios and one-bedroom units may not exceed the proportional mix of market rate studio and one-bedroom units.

Unit Sizes: Internal square footage of affordable units should be comparable to that of market rate units.

Unit Distribution: Affordable apartment units shall be distributed vertically and horizontally throughout all buildings and/or phases of the project, except the top floors. Affordable units shall not constitute a majority of units on any floor, building or phase of the project. Nor shall any floor, building or phase of the development contain 100% of the affordable units.

Construction: External design and materials of affordable units shall be indistinguishable from market rate units. Internally, appliances and finishes shall be comparable, but may be of different quality.

Household Standards

Target Income Range: Eligible households are defined as those households that meet all of the following:

- Having a household income not less than 60% and not exceeding 80% of the area median income for the Washington, D.C. Metropolitan Statistical Area, as adjusted for family size (see below for the summary of current income limits).
- Purchasing or renting their primary residence.

- Have no ownership interest in any other housing within the past three years.
- Commit to continuous occupancy per the lease terms or deed covenants.
- Qualify for any necessary mortgage financing and down payment.
- Have an income eligibility certification letter per the requirements of Chapter 26 of the Zoning Regulations.

Affordability Control Period:

The affordability control period shall be for a time period of twenty (20) years from the issuance of the first certificate of occupancy for the residential unit. Upon expiration of the program, the units may be rented or sold at market rates.

Initial Housing Cost:

Shall be determined by the District based on the following assumptions, as may be adjusted by future income limits:

- Monthly housing payment shall equal 30% of the income limits by family size and unit type.

<u>Unit Type</u>	<u>Household Size</u>	<u>FY 2007 Limits</u>
Studio/Efficiency	1 Person Household	\$52,900
1 -Bedroom	2 Person Household	\$60,500
2-Bedroom	3 Person Household	\$68,000
3-Bedroom	5 Person Household	\$75,600

- Purchase assumptions include:
 - 5% down payment;
 - Monthly housing payment includes principal, interest, taxes, insurance and condo or home association fees;
 - 30 year term; and
 - Current national average interest rate determined by FreddieMac weekly survey of mortgage (see www.freddiemac.com).
- Rental assumptions include:
 - Housing payment does not include utility allowance.

Final Housing Cost:

Shall be determined 60 days prior to marketing of the affordable units using current information for the same assumptions above.

Occupant Selection:

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 District of Columbia Department of Housing and Community Development ("DHCD") 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 six months prior to the projected

completion of the affordable units.

Resale Restrictions:

Resale During Control Period - The affordable units will be restricted (through a deed restriction, covenant and/or other legal means) in their resale, for a period of 20 years as follows: (1) available to income-eligible homebuyers, a list of whom may be obtained from the DHCD's applicant pool for home purchase assistance programs; and (2) the maximum purchase price shall be equal to the initial unit price plus the cumulative change in the consumer price index and the cost of permanent improvements to the unit.

Resale After Control Period - Upon the expiration of the 20 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, if District funds are used to underwrite the affordability of the units. If District funds are not used, then to the Applicant or its affiliated entity developing the project.

Enforcement:

If District funds are used to underwrite the affordable units, the restrictive covenants applicable to the contributing funding source used will apply.

The District government shall retain all rights to enforce 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.

Procedural Changes:

The substance of any of the above clauses that are included in deed restriction terms may not be modified without consent of both the unit owner(s) and the District government. Administrative monitoring and enforcement mechanisms not included in the deed restrictions may be modified at the sole discretion of the District government.