

**Residential Workforce Housing Units
Florida Rock Properties, Inc.
Zoning Commission Case No. 04-14**

**Summary of Workforce Housing Program
Proposed Plan - March 20, 2008**

Size: The applicant and any subsequent owner (collectively the "Owner") will commit to reserve approximately 29,000 square feet of gross floor area within the Residential Building for workforce housing. This square footage equates to approximately twenty-five units of various unit types based on the current proposed design of the project ("Workforce Housing Units"). Workforce Housing Units will be designated and set aside for a "Workforce Family," being a family making no more than eighty percent of the Area Median Income within the District of Columbia, based upon the current year median family income levels for the Washington, DC area from the U.S. Department of Housing and Urban Development.

**Unit Configuration
And Location:** The size and configuration of the Workforce Housing Units shall be determined in the final floor plan for the project. The Workforce Housing Units will be a mix of unit types. The Workforce Housing Units will be generally evenly distributed throughout the Residential Building, with the exception of the top two floors on which no Workforce Housing Units will be located. The allocation of Workforce Housing Units among unit types in the Residential Building will be in approximately the same ratio as the ratio of unit types for all housing units in the Residential Building.

Unit Rental Price: In the event that the Residential Building is operated as a rental housing accommodation, the rental prices for the Workforce Housing Units will be set so that a Workforce Family should spend no more than thirty percent of its annual gross income on housing costs. The actual rental price for each unit type upon initial sale will be set after conferring with DHCD.

Unit Sales Price: In the event that the Residential Building is developed as a condominium or a cooperative regime, the sales

price for the Workforce Housing Unit will be set so that the annual mortgage obligations will be equivalent to thirty percent of the annual gross income of a Workforce Family. This amount will not include insurance, taxes and cooperative or condominium assessments, as applicable. The actual contract price for each unit type upon initial sale will be set after conferring with DHCD.

Eligibility of

Renters or Buyers:

Eligible renters are those families who fall within the definition of a Workforce Family, as defined above, based upon a certification from DHCD.

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

- Having household income of a Workforce Family, as defined above;
- Purchasing their primary residence;
- Have no ownership interest in any other housing;
- Commit to continuous owner occupancy;
- Purchasers must also qualify for the necessary home mortgage and fund the required down payment; and
- Certification by DHCD as a Workforce Family.

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

**Selection of Renters
or Buyers:**

The Owner shall hold a lottery of all persons that qualify as a Workforce Family to select, as applicable, the initial renters or buyers of the Workforce Housing Units in the Residential Building. The Owner will provide notice of the lottery through advertisements in local newspapers and other vehicles reasonable to ensure broad exposure to potentially eligible renters or purchasers, as applicable. The Owner will also consult with the DHCD to advise existing persons registered with DHCD on this Workforce Housing opportunity at the Residential Building.

The initial renters shall be determined one month prior to the projected completion of each of the Workforce Housing Units. The eligible renters who are not selected as an initial renter will be placed on a waiting list (based on the results of the lottery). All future eligible renters will be placed on the waiting list on a first-come, first serve basis. As Workforce Housing Units become available for rent, the Owner shall offer the Workforce Housing Units based on the waiting list.

The initial buyers shall be determined by the Owner in consultation with DHCD six months prior to the projected completion of the Workforce Housing Units. Future buyers will be determined as set forth below.

Restriction on Workforce

Housing Units:

The "rental" Workforce Housing Units will be restricted by the Owner as Workforce Housing Units for a period of twenty years from the date of occupancy of the first Workforce Housing Unit.

The "for sale" Workforce Housing Units will be restricted through a deed restriction, covenant and/or other legal means in their resale for a period of twenty years to the following: (1) income-eligible homebuyers as identified above; and (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.

Rental After Restriction

Period:

Upon the expiration of the twenty year restricted rental period, the Owner may rent the units at the then-market price for the applicable unit.

Sale After Restriction

Period:

Upon the expiration of the twenty year restricted selling period, the then current owner of the Workforce Housing 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.

Monitoring and Enforcement:

For the "rental" Workforce Housing Units, monitoring and enforcement shall be in the exclusive control of DHCD.

For the "for sale" Workforce Housing Units, restrictive covenants shall be active until the affordable housing trust fund receives the appropriate contribution from the sale of the Workforce Housing Unit. 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.

Changes to Procedures

After 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 DHCD. Administrative, monitoring and enforcement mechanisms not included in deed restrictions may be modified at the sole discretion of DHCD.