

Appendix I: Affordable Housing Program

**2201 NORTH PERSHING DRIVE
AFFORDABLE HOUSING PROGRAM
JANUARY 10, 2008**

We are committed to providing affordable housing units within our project as an integral part of the community benefits package in recognition of the change to the General Land Use Plan (GLUP) that we have proposed.

The main highlights of the program are as follows:

- Unit Count – Provision of 18 Affordable Dwelling Units (ADUs) (equivalent to 10.11% of the total residential units within the project) affordable to households earning 60% of area median income for the Washington Metropolitan Area, based on imputed household size per unit type as per HUD and VHDA standards.
- Unit Mix – At least eight (8) of the ADUs will be two bedroom units, with the remainder being one bedroom units.
- Rent Levels – Rents on the ADUs will be set using the standard HUD and VHDA formula such that rent plus utilities (based on standard utility allowance charts) will not exceed 30% of the target income level for the ADU.
- Income Limits – The ADUs will initially be marketed to households whose income does not exceed 60% of area median income. However, if after a 30-day marketing period the ADU is not leased to a household within this income limit, then the ADU may be leased to a household earning up to 70% of area median income, or greater with approval of the County Manager or his designee.
- Rent Increases – Rents on the ADUs shall increase each year based on the increase in the area median income as published annually by HUD. In addition, for the first five years of any individual tenancy, annual rent increases shall be subject to a 5% per annum cap.
- Compliance Period – The ADUs shall be subject to the rent and income restrictions outlined above for a period of thirty (30) years from the date that each ADU is initially occupied. In addition, at the conclusion of the compliance period, the owner agrees to pay relocation assistance in an amount consistent with then-current County relocation guidelines, but in any event not less than two month's rent, to any tenants forced to relocate due to the expiration of the ADU program.
- Condominium Conversion – If the residential portion of the 2201 North Pershing Drive project should be converted from rental apartments to condominiums in the future, the ADUs shall continue to be maintained for the compliance period as rental units, with the owner of the ADUs agreeing in writing to comply with all provisions of the ADU program for the remainder of the compliance period.

By comparison, the standard affordable housing requirement for this project would be as follows:

- A cash contribution of \$612,849, applying the standard formula for site plan projects without a GLUP change; OR

- A cash contribution of \$787,729, applying the formula used in the recent 2000 Wilson Boulevard project, which did include a GLUP change consistent with an adopted small area plan

The standard affordable housing requirement also provides applicants with the option of providing on-site ADUs in lieu of providing the cash contribution as indicated above. The requirement under this option would be 5% of the density greater than a 1.0 FAR, or approximately 4.5 units. Our program commits to providing the ADUs on site instead of making a cash contribution, and provides those ADUs at a level four times that of the standard.