

This is the current staff recommendation for alternative compliance in response to Council's first reading action directing staff to prepare draft language. The alternative compliance provision would allow the property owner to take advantage of a density bonus for a property of their property and receive "credit" towards the required amount of affordable housing. The property owner and adjacent neighborhood are currently in discussion regarding the language.

Staff recommends the following process for processing of requests for alternative compliance:

- Property owner submits request to NHCD staff;
- NHCD staff reviews request in accordance with alternative compliance guidelines (described below);
- Staff approves or denies request for alternative compliance.

Add the following language to new Section 4.3.2.E of the draft MLK Regulating Plan:

[Density bonus alternative compliance guidelines]

E. Alternative Compliance

The owner of a property that is developed utilizing the standards in Subsection B above may receive full or partial credit for the fulfillment of the affordability requirements of Subsection C and D above, in proportion to the achieved percentage of the standards described below. Prior to receipt of a development bonus, the owner must provide to the Department of Neighborhood Housing and Community Development verifiable documentation that a development under the same or affiliated ownership located within the boundaries of the TOD District:

- Has not utilized any of the development standard waivers in Subsection B above; and
- Has fully or partially fulfilled the affordable unit requirements in Subsection C above. As an alternative to a contribution to the Housing Assistance Fund and subject to the approval of the Director of the NHCD, the owner may provide verifiable documentation of a contribution to a certified Community Housing Development Organization (CHDO) for the sole purpose of development or rehabilitation of housing units meeting the affordable unit requirements in Subsection C within or external to the TOD district. The required square footage dedicated to affordable housing units may be reduced by one square foot for each contribution to a certified CHDO in accordance with the fee-in-lieu amount applicable to a density bonus; or
- Has fully or partially fulfilled the fee-in-lieu requirements in Subsection D above. As an alternative to a contribution to the Housing Assistance Fund and subject to the approval of the Director of the NHCD, the owner may provide verifiable documentation of a contribution to a certified Community Housing Development Organization (CHDO) for the sole purpose of development or rehabilitation of housing units meeting the affordable unit requirements in Subsection C within or external to the TOD district.
- An owner seeking alternative compliance must submit a project proposal for the proposed development or rehabilitation of housing units development must be submitted to NHCD for approval. The owner must demonstrate that the CHDO has completed the units within 18 months of receipt of the contribution.
- The development for which a density bonus is sought must be initiated (i.e. development application submitted) prior to January 1, 2009.