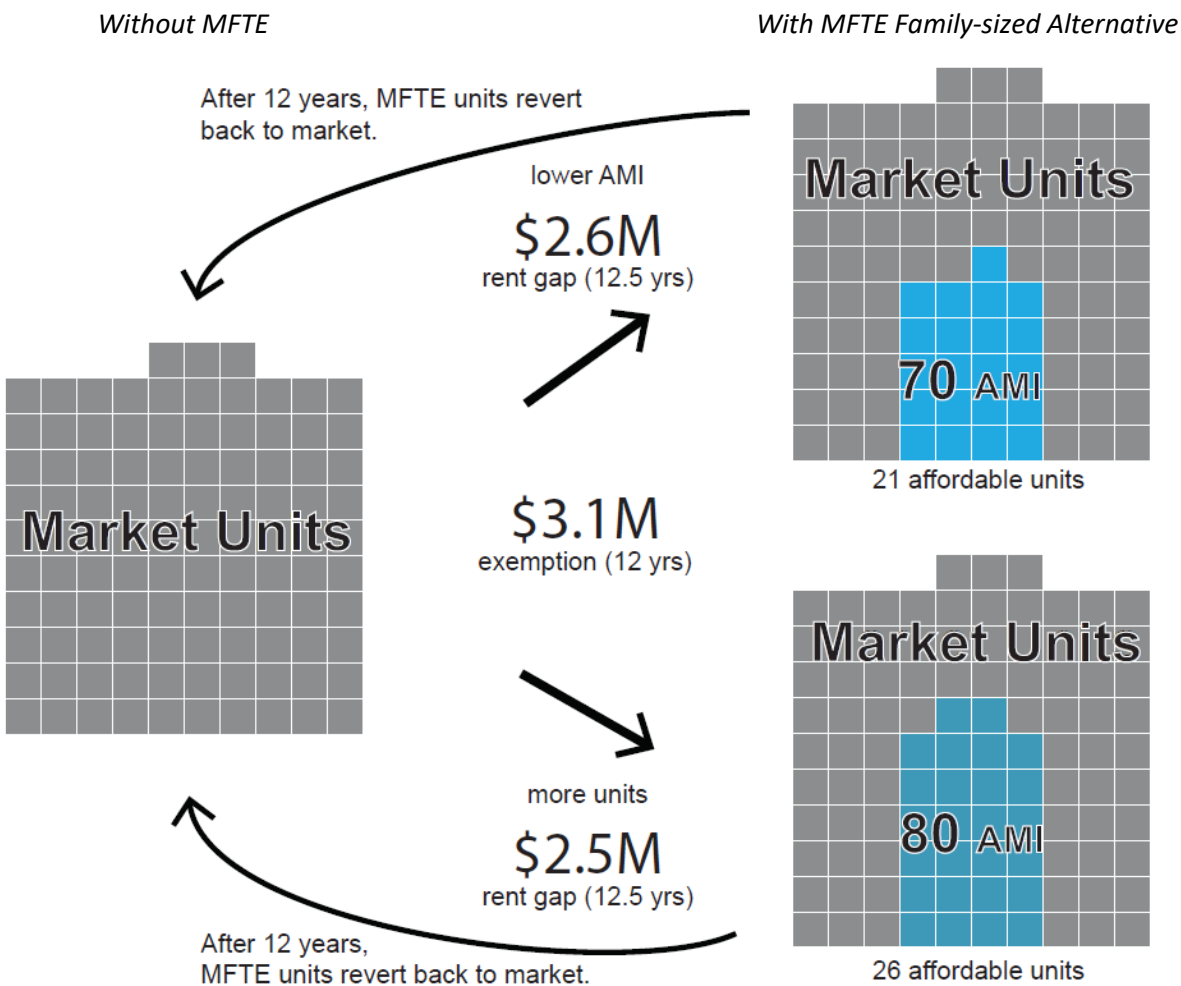


Family-sized unit alternative

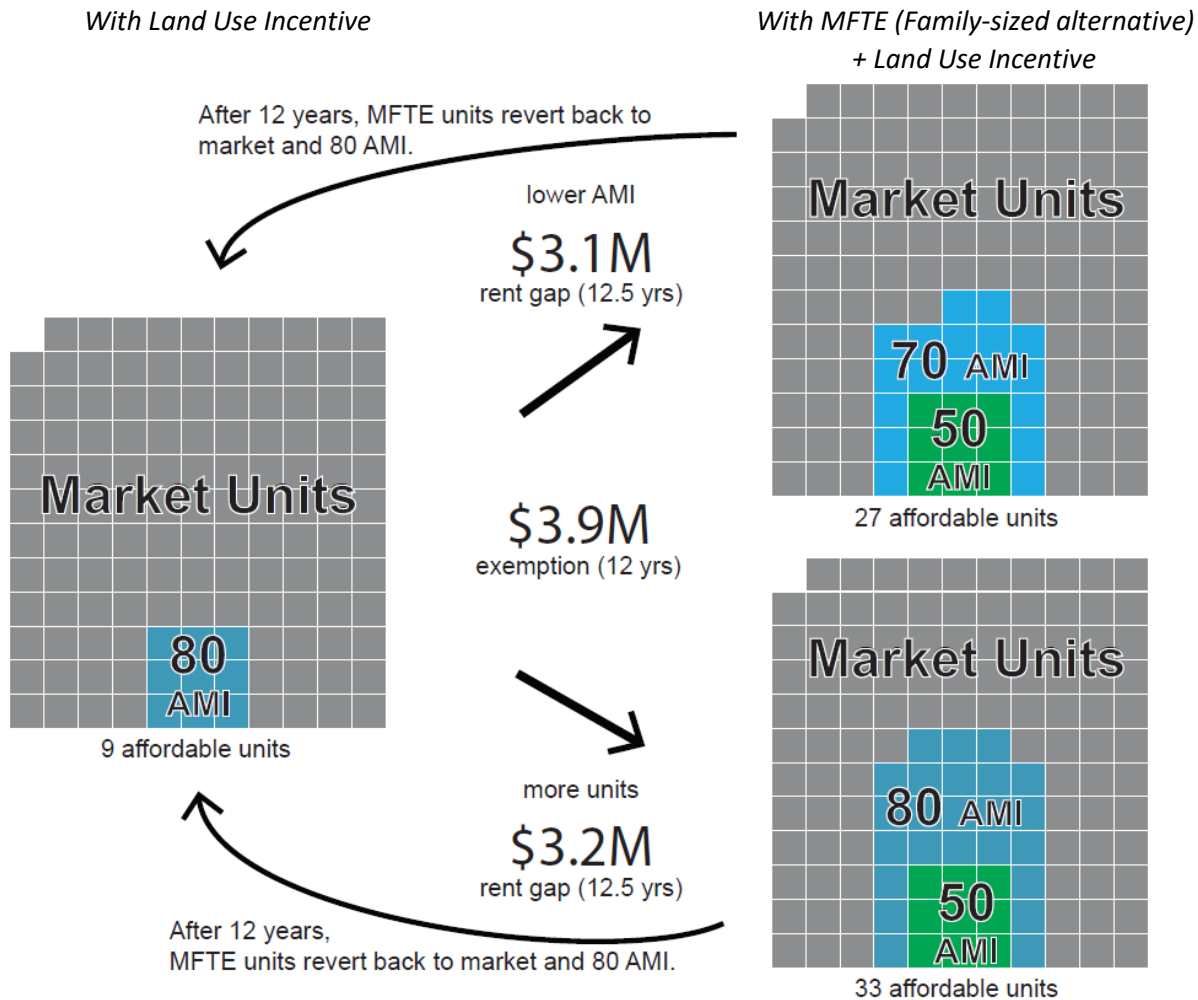
The current MFTE program requires that all projects include 15% of units to be sized at 2 or more bedrooms. Council directed staff to retain this requirement but provide an alternate approach to developers who cannot meet this requirement. Staff evaluated opportunities to require either deeper affordability (70% AMI instead of 80% AMI) or a higher percentage of affordable units (25% instead of 20%). Either option is viable, so staff recommend leaving the choice up to the developer.

Staff evaluated a number of types of projects that might take advantage of this alternative, including projects with a variety of studio/1-BR mixes at larger sizes, similar mixes at smaller sizes, and mixes that included up to 5% 2-BR units. In all cases, both the deeper affordability and the higher quantity of affordable units approaches had similar costs. Below are two examples, one showing a project that does not have any units affordable under the Land Use Code incentives and one that does. For the latter, staff have shown the options available for overlapping. Staff recommend maintaining the overlapping affordability level at 50% AMI even when the deeper affordability option is chosen. This further incentivizes projects that may otherwise struggle to meet these deeper requirements to use MFTE.

MFTE-only Example: A 103-unit project located in Downtown Perimeter Overlay A-1. Max FAR of 3.5 reached on a 19,000SF site. This project has slightly smaller studios and 1-bedrooms, with a 50% mix of each. The examples included in this document are used for illustrative purposes only and represent a potential set of program variables for Council's consideration.



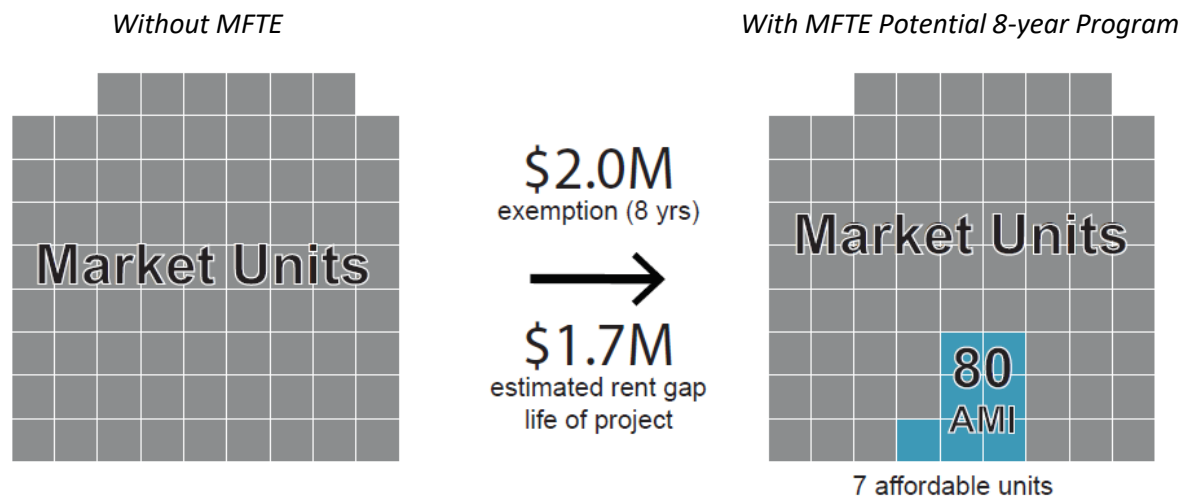
MFTE + Land Use Example: A 131-unit project located in Downtown Perimeter Overlay A-1. Max FAR of 3.5 reached on a 19,000SF site. Bonus FAR up to 4.5 reached using affordable housing incentive under Land Use Code. This project has slightly smaller studios and 1-bedrooms, with a 50% mix of each.



8-year life-of-project affordability program

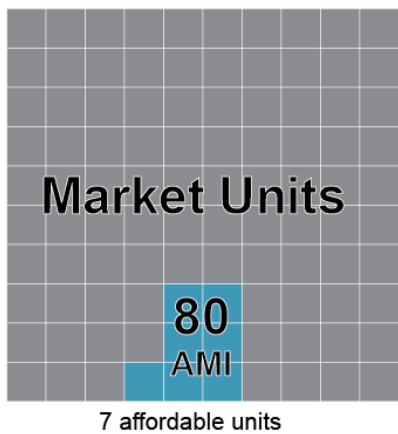
The same affordability requirements would apply as for the 12-year program, but only 8% of units (instead of 20%) would be required to be affordable because they must remain affordable for the life of the project.

MFTE-only Example: A 78-unit project located in Downtown Perimeter Overlay A-1. Max FAR of 3.5 reached on a 19,000SF site.



MFTE + Land Use Example: A 100-unit project located in Downtown Perimeter Overlay A-1. Max FAR of 3.5 reached on a 19,000SF site. Bonus FAR up to 4.5 reached using affordable housing incentive under Land Use Code.

With Land Use Incentive



not overlapping
\$2.3M
estimated rent gap
life of project



\$2.5M
exemption (8 yrs)



overlapping
\$1.4M
estimated rent gap
life of project

*With MFTE Potential 8-year Program
+ Land Use Incentive*

