

Bella Terra Residential

Draft Affordable Housing Plan – Exhibit C

In accordance with applicable provisions of the Community Redevelopment Law (Health & Safety Code Sections 33334.2-33334.3), as well as SP-13 (§ 4.4.11), fifteen percent (15%) of the residential dwelling units in the Project will be restricted as affordable units. As a result, forty-five (45) dwelling units of the total three hundred (300) units will be dedicated as affordable and restricted by covenant for approximately 55 years.

Of the 45 affordable units, 28 units (60% of the affordable units, 9% of the total number of units) will be provided at 'affordable rents' to moderate-income households. As defined by City code, these units will be available to households earning not more than 120% of County-wide median income, adjusted for family size appropriate to the size of the units.

Additionally, 17 units (40% of the affordable units, 6% of the total number of units) will be provided at affordable rents to very low-income households. As defined by City code, households earning not more than 50% of County-wide median income, adjusted for family size appropriate to the size of the units are eligible for these units, as dedicated.

Affordable units will be phased in proportion to the phasing of market-rate (non-restricted) units, as the residential portion of the Project is developed. Affordable units will be dispersed throughout the Project and will be distributed proportionately between the tenant mix of 1BR/1BA and 2BR/2BA units and 3BR/2BA. For example, if 300 residential apartment units are developed, 12 of the 1BR/1BA units and 8 of the 2BR/2BA units will be set aside for moderate-income households and 8 of the 1BR/1BA units and 4 of the 2BR/2BA units will be set aside for very-low-income households.

The affordability restrictions will be covenant for approximately 55 years from initial Project occupancy. If the affordable units are later sold, the sales will occur to qualifying households at 'affordable housing cost' and the affordability terms will be a total of 45 years from the initial rental date. "Affordability" will be calculated annually, based on figures promulgated by the California Department of Housing and Community Development ("HCD"), with some of the input data (e.g., with respect to utility allowances and other housing costs) set by the Orange County Housing Authority.

Per SP-13, § 4.4.11, prior to issuance of the first residential building permit for the Project, the City Council must approve an Affordable Housing Plan and Affordable Housing Agreement (sometimes referred to as a "Regulatory Agreement"). The Regulatory Agreement will contain standard provisions relating to qualifying eligible occupants, annual reporting, subordination of the affordability covenants to financing, 'equity share' buy-out provisions for affordable for-sale units (in the event rental units are sold), and the like. The Affordable Housing Agreement will be recorded against the residential parcel(s) in the Official Records of the Orange County Recorder prior to issuance of the first residential building permit.