

The “New Port Covington Amended and Restated Memorandum of Understanding” dated September 11, 2016 (but still not made public), fails to improve in any significant way on the April 20, 2016 Inclusionary Housing Memorandum of Understanding. Like the April 20 MOU, the current agreement fails to ensure the creation of a minimally adequate number of units– either on-site or off – that are inclusionary and affordable to households at a range of income levels below the area median of \$86,700.¹ The chart below compares the two versions of the MOU.

	September 11 MOU	April 20 MOU
Loophole	Yes. Notwithstanding nominal 20% set aside below, Developer can comply with agreement and make no payment-in-lieu if it makes less than 5% of all units affordable to 80% AMI	Yes. Notwithstanding nominal 10% set aside below, Developer can comply with agreement and make no payment in lieu if it makes 2.5% of all units affordable to 80% AMI
Affordable at 80% AMI (\$69,360) or below	20% of all units (inclusive of percentages reflected below) 12% of all units must be on-site, 8% of all units may be off-site	10% of all units on-site, none permitted off site
Affordable at 50-60% AMI (\$43-350-\$52,020)	None required, if Developer does not obtain additional tax subsidy (LIHTC) If Developer obtains additional tax subsidy (LIHTC), 0.5% (half-percent) of all units must be affordable at 50% AMI and remainder of units receiving LIHTC must be affordable at 60% AMI as required by federal law.	None required, if Developer does not obtain additional tax subsidy (LIHTC) If Developer obtains additional tax subsidy (LIHTC), developer must make those units affordable at 60% AMI as required by federal law.
Affordable at 30% AMI (\$26,1010) or below²	None required, if Developer does not obtain additional tax subsidy (LIHTC) <i>and</i> project-based vouchers. If Developer obtains additional tax subsidy <i>and</i> project-based vouchers, 1-2% of all units ³ must be affordable at 30% AMI. All of the 30% AMI units may be off site.	None required
Family Units (2+ BR)	None required	None required
Integrating Affordable Units Within Development	Not required Agreement notes aspirational intent to integrate affordable housing units with market-rate units “where feasible”	Not required

¹ All income thresholds listed in this document are for a household of 4.

² The City’s Inclusionary Housing Law, where it applies, requires 30% of units in a development to be affordable at 30% AMI or less.

³ The MOU is ambiguous as to whether the figure is 1% or 2% of the total, but in either instance, it is a trivial amount.

