

B. Owner-occupied Housing.

At least 10 percent of the total number of units sold as owner-occupied residential housing units located within the Pilot Knob PUD will be made permanently available at a price affordable to households with incomes at 80 percent of or below the median family income in the Austin metropolitan statistical area (“Affordable Ownership Unit(s)”) (collectively, the “Ownership Affordability Requirement”).

In addition the Landowner agrees to comply with the following:

1. The City and Landowner will enter into an Affordable Housing Agreement, approved by City Council, to document how permanent affordability will be implemented.
2. All lots transferred by the Landowner to AHFC, or other entity designated by the City, are subject to approval by AHFC or other entity designated by the City. The lots must be fully developed, buildable, and the subdivision accepted by the City of Austin, and integrated throughout the Pilot Knob PUD.
3. The Affordable Ownership Units constructed on any lot shall have substantially similar architectural design and restrictions as other residential units offered for sale to the general public.
4. Affordable Ownership units must:
  - a) Be sold to an income eligible household at 80 percent of or below median family income in the Austin metropolitan statistical area;
  - b) Include resale restrictions that require that resale of the affordable unit must be to a household at 80 percent of or below median family income in the Austin metropolitan statistical area;
  - c) Contain restrictions that will cap the equity that can be achieved upon resale of the affordable unit. Equity will be capped at the lesser of fair market value or 2 percent annually based on the original affordable sales price; and
  - d) Contain a Right of First Refusal to AHFC or other entity designated by the City. If AHFC or other entity designated by the City does not exercise the right of first

refusal, then Affordable Ownership units must be sold to income eligible purchasers.

The funding mechanism necessary to achieve the permanently affordable owner-occupied housing will be adopted by separate ordinance or other action and may include:

1. Waiver of all or a portion of fees of any kind;
2. A monetary contribution by the landowner if the property or development is of a type that is exempt from capital recovery or other fees that would otherwise have been paid under the existing MUD Consent Agreements (either under existing or future ordinance); and
3. Another affordable housing funding mechanism identified and established by the City Council.

If a funding mechanism for owner-occupied affordable housing is not approved by City Council in subsequent action, no agreement is reached with the Landowner, or an adopted mechanism disallowed by a court or any other reason, then the Affordable Ownership Units will be priced, at the time of their initial offering for sale, at a price that is affordable to a household with an income level of 80 percent of the median family income in the Austin metropolitan statistical area, as specified in Exhibit L of the Consent Agreements.