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PETITION

February 27, 2006

To: Mayor, Town of Chapel Hill
Chapel Hill Town Council

From: Larry T. Short
Shortbread Lofts

Delores Bailey
Empowerment

Re: Shortbread Lofts
Affordable Housing Program

We respectfully petition the Chapel Hill Town Council to include consideration of the Shortbread Lofts' Affordable Housing Program, as described on the attached Memorandum, as an Agenda item at your next business meeting.

MEMORANDUM

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To: Mayor, Town of Chapel Hill
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From: Larry T. Short
Shortbread Lofts

Delores Bailey
Empowerment

Re: Shortbread Lofts
Affordable Housing Program

Background:

Shortbread Lofts is a condominium project proposed for West Rosemary Street in Chapel Hill. It is proposed to be approximately 165 units, initially to be held as rental homes, with potential of becoming individually owned residences at a future date. It is in the TC-II zoning district. To date, this proposed project has been reviewed through the Concept Review process by the Community Design Commission and by the Chapel Hill Town Council.

Shortbread Lofts' Affordable Housing Program is now fully developed and fully integrated into the overall concept and plans of this multi-use project. This concept is to provide a large number of small (approximately 50), size restricted, homes targeting low to moderate-income households. There are no large units within this project, in excess of two bedrooms, to attract groups of unrelated occupants.

We are asking the Town Council tonight to discuss, evaluate and support this innovative Affordable Housing Program. We are making this request, now, prior to submitting our plans for a Special Use Permit.

The significance of receiving approval to proceed under this plan is that this Affordable Housing Program defines our entire project. Our unit size, configuration and market strategy is determined solely by the small unit size concept. We cannot proceed with the SUP process, i.e. develop plans, elevations, parking requirements, architectural and civil drawings, etc., without the selection of either the small unit size concept, or, alternatively, one suited to a completely different market.

The design of this program is, in large part, a response to the public and political demands for new, innovative and creative solutions to the affordable housing needs of

Chapel Hill. The Land Use Management Ordinance recognizes the benefit of limited size dwelling units, Section 3.8.5 (b). The Chapel Hill Comprehensive Plan states, among other things, under “Strategies and Actions” (7A – 1), “Efforts should also be made to promote the development of single room occupancy (SRO) units. Because of their small size compared to apartments, SRO units often serve as the only affordable housing option for low-income individuals”. One of the overall Objectives of the Comprehensive Plan (7.2) is to provide ... “Housing Variety: Establish policies, regulations, incentives, and programs to promote the availability of a full range of housing types, densities, costs and tenancy options in Chapel Hill, both within new developments and existing neighborhoods.”

The Affordable Housing Program

Shortbread Lofts

Commitment to Affordable Housing

Shortbread Lofts is committed to offering 30% (approximately 50 units) of its constructed units at a floor area restricted maximum of 850 square feet, a “Small Home”. They may not later be expanded or combined. Our Small Homes will be from between 550 square feet to an allowable maximum of 850 square feet. The proposed Small Home units within Shortbread Lofts will be one bedroom and single room occupancy (SRO) units.

Additionally, Shortbread Lofts, offers to deed restrict 10 units within the “Small Home” allocation, to be permanently affordable as rental units to persons or families who earn not more than 80% of the median area income as defined by the Department of Housing and Urban Development from time to time.

EmPOWERment, Inc. has agreed to partner with Shortbread Lofts in a combined effort to advertise to, inform and educate those Target Families of the availability and advantages of living in our downtown Chapel Hill community at the Shortbread Lofts.

EmPOWERment, Inc. will qualify certain applicants as to Employment and as to Targeted Income level. Shortbread Lofts will qualify those applicants as to credit and criminal background.

Leases will be signed with those who qualify through this procedure, under the same “Conditions”, “Terms” and “Rules and Regulations” as those who qualify in the Open Market. The rental units will be managed by the central management entity of Shortbread Lofts.

It is our mutual goal to give priority to those who live and/or are employed in the Chapel Hill/Orange County community, to those who have been Chapel Hill residents or who have families in Chapel Hill and to those who will actually live (not sublet) in Shortbread Lofts.

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If, for any reason, units cannot be filled by Income Qualified applicants, after a minimum of 3 months due diligence by both EmPOWERment and Shortbread Lofts management, Shortbread Lofts reserves the right to lease any unfilled units through Open Market means. Any units that are filled by the Open Market, that become available at a later date, must be given the opportunity to be first filled by Targeted Families through means as described above.

**Larry T. Short
Managing Partner, Shortbread Lofts**

**Delores M. Bailey
Executive Director, EmPOWERment, Inc.**

Summary

This Affordable Housing Program of Shortbread Lofts is an innovative strategy in response to the directives in the Chapel Hill Comprehensive Plan and Land Use Management Ordinance. We have responded to our community leaders who have demanded affordable housing options be offered by the private community without public subsidy. Additionally, we have voluntarily forged a partnership between the neighboring community not-for-profit, EmPOWERment, Inc., to ensure at least 10 rental units remain as permanently affordable within a deed restricted program.

Our Small Home product will bring housing options to the Chapel Hill downtown, which are not now available. We will appeal to the entire Chapel Hill workforce population, as well as retired citizens, extensions of the Northside neighborhood families, University and Town employees and all segments of urban pioneers.

This project, similar to the Downtown Economic Development Initiative, “has the potential to stimulate additional development with the downtown to help meet the Town’s Comprehensive Plan and Downtown Small Area Plan objectives enhancing downtown as the center of the community. It will also enhance the objective of creating a downtown with a true mix of uses by providing a significant amount of residential units in downtown. New residents, in turn, would support the businesses and services existing in downtown, as well as support those created in the future.”

Thank you for your consideration of our Affordable Housing Program. We appreciate your opinions and, ideally, your approval of this program. With your approval, we can move forward toward the development and submittal of our project and our continued cooperation with the community and EmPOWERment toward providing exciting new and creative downtown housing opportunities.