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Town of Chapel Hill

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March 20, 2007

Mayor Kevin Foy and
Chapel Hill Town Council Members

Re: Revolving Acquisition Fund

Dear Mayor Foy and Members of Council:

I would like to ask that the Council allow the Land Trust to access the revolving acquisition fund to reduce prices of existing Land Trust properties.

As the Council is aware, we have some properties that will become unaffordable over the next several years as a result of flat HUD income limits and the implementation of our stewardship fee. The stewardship fee, which will be assessed to every new Land Trust homeowner, will be dedicated to particular capital items like roof replacements, new HVAC systems, hot water heaters and exterior painting.

We are asking for this expansion of uses of the revolving fund because we currently have a 2BR Greenway unit that is being re-sold. It is unaffordable to any income-eligible buyers, and therefore will need subsidy before we can find a buyer. It will require about \$60,000 to make this home affordable to a two person household at 70% of median income.

Alternatively, we might be able to sell this condo with between \$30,000 and \$40,000 of subsidy if the subsidy guidelines allowed us to sell to households earning between 80% and 100% of median income.

Lastly, we could sell the home at the market price without income restrictions if the Council would amend the SUP to allow that option.

Thank you for your assistance. I appreciate the Council's attention to these Land Trust challenges.

Sincerely

Robert Dowling
Robert Dowling
 Executive Director

cc: Roger Stancil Town Manager