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ATTACHMENT 1



ram

MEMORANDUM TRANSMITTAL

To: Gene Poveromo
Phil Mason
Planning Department
Town of Chapel Hill

Date: June 21, 2007

From: John Florian, VP of Development NC
Jon Keener, Development Manager
Ram Development

Re: Additional Information Request from the Town Council for the SUP Approval Hearing on Lot 5

Number of Copies included in transmittal: 1

Contents:

- 1.) Cover Memo
- 2.) Published Material on Urban Infill's positive impact on Suburban Sprawl (Deliver Hard Copies)
- 3.) Exhibit of Sidewalk dimensions for the Lot 5 Project
- 4.) Open Space Comparison (Chart & Visual References)
- 5.) Church St. On-Street Parking Summary
- 6.) Accessibility Exhibit for Plaza Level

Gene, Phil, and Planning Staff,

Included with this cover letter are the requested exhibits and information that the Council and Planning Staff have requested from us. The following is a breakdown and explanation of what we have presented here:

1.) **Affordable Housing Count** - In order to fulfill the Town of Chapel Hill's Inclusionary Zoning Ordinance and provide 15% affordable housing units, Ram has agreed to provide 21 one bedroom units spread across the Lot 5 Project. In the public hearing of June 18th, the Town Council requested we look at an alternative plan that provides a greater mix of unit types and an increased amount of bedrooms, between 21 and 41, that is at least equal in value to the commitment we have made in the Development Agreement. In recognition of the fact that a change in unit type results in a further considerable loss for the affordable housing component beyond the savings recouped by reducing the number of kitchens and fixtures, the Council recognized that if an increase beyond 21 bedrooms could be achieved with a mixture of unit types that would allow the developer to recoup some square footage to offset that additional loss, the solution could be a win-win situation for both the Town, the Developer, and the affordable housing community. We have worked to find that solution.

To provide the most beneficial plan for the affordable housing market, we have been discussing the Council's request for an increase in the number of affordable bedrooms with Robert Dowling of Orange Community Housing & Land Trust. We presented him with a plan mixing 1 BR, 2 BR, & 3 BR units, predominantly the larger units, to determine the best plan. According to the Land Trust's gauging of the affordable market demand, 3 bedroom condominium units will not sell and he requested a mix of 1 and 2 bedroom units. Though this strategy of eliminating the 3 bedroom units would limit the total number of bedrooms we could provide the Council beyond the proposed 21, we have worked with Robert Dowling's request and can provide a solution. Based on the options we have developed for the Council and Land Trust, we could deliver 24-27 bedrooms in a mix of 1 and 2 bedroom units within the same space and budget currently dedicated to affordable housing in the Lot 5 design. The maximum number of bedrooms at 27 would be provided by 12 two bedroom units and 3 one bedroom units for a total of 15 units. If the Land Trust determines more 1 bedroom units would be preferred by their market, we can add in more one

bedroom units to increase the overall unit count, but the number of bedrooms overall would decrease. However, if we can find the square footage to include additional functional 1 bedroom units and increase both the unit count and total within the committed investment we will. In order to provide the best possible solution for the Town Council and the affordable housing market overseen by OCHLT, we can provide any mixture of one and two bedroom units the Land Trust prefers for a total affordable bedroom increase beyond 21 with the investment already dedicated to affordable housing in the Development Agreement. We look forward to working with the Land Trust and the Town manager to determine the most effective unit mix for the affordable housing component subject to the final approval of the Town Manager.

2.) Continuing Affordability - The affordable housing issue of continuing affordability in limiting both monthly and special assessments for affordable housing residents will be addressed by a three pronged strategy built on the Town of Chapel Hill, Ram and Orange Community Housing and Land Trust's cooperation in the development and deployment of our affordable housing plan.

First, the 1.5% cap on affordable housing monthly dues agreed to in the Development Agreement's Article VIII will keep the continuing assessments limited for the first year and only allow limited, affordable increases set by independent metrics into perpetuity regardless of increases in the monthly dues of the market rate units. As part of those monthly dues, conservative capital reserves assessments will be made on all units to pay for the larger extraordinary expenses the Homeowner's Association will face in the future. By virtue of the limitations on affordable dues outlined in Article VIII, the greater portion of that capital reserve amount will be paid for by the market rate units. Therefore, the cost of extraordinary expenses on the residents of affordable housing on Lot 5 will be limited on both a monthly basis and long term basis as this growing capital reserve account will address the brunt of any cost associated with extraordinary expenses. To insure even this fee with all its components will be affordable for potential residents, these fees in total along with individual utility costs, taxes, and mortgage costs are figured into the monthly housing expenses by OCHLT in order to set the sales price for each unit. Thus, even before the resident takes on the payment for the unit we have made sure the fees will be affordable to them.

Second, Orange Community Housing & Land Trust's existing policy of charging a nominal monthly stewardship fee to the residents creates a fund to provide for any extraordinary expenses for the individual units involving the hot water heaters, HVAC units, or flooring that would otherwise create an insurmountable personal expense to our residents. As with the monthly assessments, this stewardship fee is figured into the sales price calculation to ensure ongoing affordability.

Finally, in Article VIII of the Development Agreement Ram is donating \$25,000 in additional funds to study the on going affordability issues associated with units in condominium developments. These funds can be used to determine the most effective affordable housing policy for the Town of Chapel Hill. With a complete understanding of the issues this study will foster, Chapel Hill can then enact the best methodologies for setting assessment policies to ensure monthly assessments are kept at a minimum while still ensuring that capital reserve budgets are sufficient to minimize or negate the need for additional assessments based on extraordinary expenses.

Based on these three components created by the joint efforts of Ram, OCHLT, and the Town of Chapel Hill we hope to ensure the ongoing affordability of all our units on Lot 5.

3.) Literature on Urban infill Projects combating Suburban Sprawl - We will deliver hard copies of excerpts and essays from the ULI, Sierra Club, the AIA and others for your review today.

4.) Sidewalk Dimensions - Please find attached a detailed diagram breaking out the different components of the pedestrian environment including sidewalks and amenity strips surrounding our site giving total widths on all three walkable sides. The Franklin St. width averages approximately 23.5' including the sidewalk and amenity strip required to meet the coming revised streetscape plan. Church St. averages approximately 9' in sidewalk and amenity strip width and due to the required Duke Energy easement and planned amenity strip the Rosemary St. frontage averages approximately 24' of hardscape and amenity

strip from the building face to back of curb except where a Town Standard 5' sidewalk crosses over the entrances to the garage and service bay.

5.) **Open Space Comparison** - Attached in a CD, please find 4 power point slides showing both in a chart and visually the Open Space provide in the Lot 5 design as compared to the other three Chapel Hill and Carrboro locations reference by the original presentation the Council referred to. The comparison includes the Franklin St. Post Office square with 3,750 SF of public space, the Carolina Inn corner grove area encompassing approximately 17,150 SF, and Weaver St. Market's non-public open space including approximately 29,140 SF. Lot 5's open space on the plaza level includes approximately 35,900 SF of walkable open space including 27,180 SF of true public open space and 8,720 SF of open space with retail maintained by the building staff.

6.) **Total On-Street Parking Summary**

Church St. On-Street Parking Summary - Attached please find a diagram showing the three on street parking scenarios explored by our engineers in conjunction with the Engineering Department. In brief there are three options:

A.) 8 parallel spaces can be provided on the east side of Church St. by converting Church St. to a one way street and the sidewalks can be maintained on both sides of the street within the 34' overall right of way.

B.) 8 parallel spaces can be provided on the west side of Church St. while maintaining two-way traffic by annexing an additional 5' of ROW on the west side of Church St. at the expense of the existing sidewalk and amenity strip.

C.) 8 parallel spaces can be provided on the west side of Church St. while maintaining two-way traffic by annexing an additional 5' of ROW on the east side of Church St. at the expense of eliminating the majority of the planned sidewalk and amenity strip and eased valley curb planned for the new Lot 5 Project.

Diagonal or perpendicular spaces along Church St. would require additional ROW to be annexed on either side as well as limiting the traffic to one way. After assessing these scenarios, it was determined on street parking was infeasible along Church Street.

Franklin St. On-Street Parking Summary - As can be seen in the exhibit, adding a maximum of 8 parallel spaces on the Franklin St. Façade of the project would require sacrificing the 10' of the pedestrian amenity strip dedicated to the Town's new streetscape plan. If this 10' is cut into the streetscape a retaining wall would be required to make up for the sloping grade from the east to west side of the Franklin St. border of the site to maintain accessible pedestrian walkways. This retaining wall would greatly limit the effective use of the parallel spaces on the western half of the Franklin St. façade by restricting safe access to the cars on the passenger side closest to the building. Furthermore, sacrificing this space for parking would greatly impinge on the open public plaza and the main pedestrian connection the project was originally proposed to create between the East and West Franklin St. retail corridors in the Downtown Small Area Plan. However, should the Town wish to proceed with this plan, because Franklin St. is a State rather than Town owned road, NCDOT approval would be required for any parking or street changes on Franklin. Initial queries into the possibility of these changes would not be well received by NCDOT in the opinion of the Engineering Staff or our designers when we first laid out these options.

W. Rosemary St. On-Street Parking Summary - Also provided with this exhibit is a study of how W. Rosemary St. could accommodate some parallel on street parking. In this exhibit only 4 spaces could be safely added to W. Rosemary, but these spaces would impede on an existing Duke Energy easement, require the relocation of existing overhead lines throughout the W. Rosemary St. service line and again greatly infringe on the pedestrian environment eliminating the street amenity strip and landscaping planned for the site. Again because of the limited return, extreme barriers to approval for the spaces, and destruction of the pedestrian environment in favor of automobile amenities, the opinion shared by the Planning Staff, Engineering Staff and our designers was that the benefits did not justify the sacrifice.

7.) **Accessibility Diagram for the Plaza Level** - Attached please find the plaza level diagram with a circulation plan outlining accessible routes across the site. To address Councilman Ward's question on the accessibility of doors on the western façade of the Franklin St. retail, all public doors to those spaces will be on accessible paths from Franklin St. The area along the western façade under the colonnade is being reserved for potential outdoor dining space and will have to be entered into by accessible routes from the upper mall by any patron or through private doors that can only be accessed through accessible public doors into those retail spaces.

We appreciate your continued work with us and will deliver any and all remaining or additional requests as soon as they are settled.

Very Best Regards,
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