



SUMMIT HOSPITALITY GROUP, LTD

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January 6, 2006

Mayor Foy and Chapel Hill Town Council
Town of Chapel Hill
405 Martin Luther King, Jr. Blvd.
Chapel Hill, NC 27514

Re: Request for Council Direction
Residence Inn Mixed Use Development – Affordable Housing Payment in Lieu
(Existing SUP approved March 24, 2003)

Dear Mayor Foy and Town Council Members:

During the project review process that led to the approval of the Special Use Permit for the Residence Inn Mixed Use development at the northwest corner of Dobbins Drive and Erwin Road, Summit Hospitality Group, Ltd., volunteered to develop one of the four approved residential dwellings as an affordable housing unit.

Since then, and in accordance with the SUP stipulations, Summit has entered into a 3 party agreement with the Orange Community Housing and Land Trust and the Town of Chapel Hill to provide this unit in perpetuity for a qualified household meeting the 80% or lower income requirements.

Robert Dowling, the Executive Director of OCHLT, has suggested that the provision of one affordable unit in this mostly commercial development where there are only four residences is not the most desirable location for an affordable home. He thought a payment-in-lieu to the Town would result in a more appropriately located affordable home that would be more desirable to a family. This same observation was made to the Council during the review process by Mark Chilton, the Executive Director of Empowerment, Inc.

Summit stands fully committed to providing this affordable housing unit in either of two forms:

- 1) On-site per the signed 3 party agreement, or
- 2) A payment-in-lieu that could benefit a deserving family in a neighborhood.

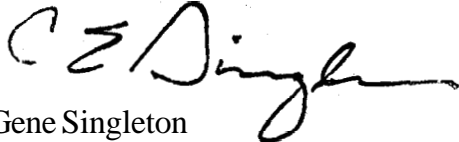
Because the building plans for the office/residential building are nearing completion and construction will begin this spring, Summit seeks timely direction on this matter from the Council.

We are presenting this as a petition to the Council for referral to staff and we hope a report back to the Council at its next business meeting on January 23, 2006.

We stand ready to answer any questions and Robert Dowling has volunteered to do the same.

Sincerely yours,

SUMMIT HOSPITALITY GROUP, LTD



Gene Singleton
GS/de

cc: Robert Dowling
Mark Chilton

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