



October 23, 2006

Dear Mayor Foy and Members of the Chapel Hill Town Council:

This letter is to update you on the status of Habitat for Humanity's Sunrise Ridge affordable housing development. As you recall, the Council reviewed Habitat's most recent Concept Plan for Sunrise Ridge on April 19, 2006. Following this review, Habitat for Humanity submitted a development application to the Town of Chapel Hill in July 2006 for 44 single family homes on the approximately 19.6 acre tract.

Since submitting the development application, Habitat for Humanity has been in discussion with Regions Development, LLC, a North Carolina limited liability company that is the developer of the Bradley Green subdivision adjacent to Sunrise Ridge. On October 12, 2006, Habitat for Humanity's Board entered into an agreement with Regions Development LLC in which Regions will submit a development plan to the Town of Chapel Hill for the properties it has under contract on Ginger Road, including the approved Bradley Green Subdivision, and the two properties that Habitat owns: the 17.4 acre tract on Sunrise Road (the original property for which Orange County and Town of Chapel Hill funds were used to finance the purchase) and the 2.25 acre tract on Ginger Road that Habitat has purchased with its own privately raised funds. The development plan will include 31 single family Habitat homes on the original 17 acre tract owned by Habitat, plus an undetermined number of market rate single family homes on the remaining acreage. Habitat will allow Regions to use its 31 affordable housing lots to meet any affordable housing requirements the Town may impose as a condition of the approval of the market priced lots.

Under the agreement, Regions will be responsible for securing the necessary land use approvals, and will construct the infrastructure necessary to develop Habitat's 31 lots for single-family homes. Upon completion of the infrastructure constructionsuch that Habitat can begin building homes on the 31 lots, Habitat will transfer ownership of the 2.25 acre property it owns on Ginger Road to Regions. The infrastructure construction is to be completed no later than November 2008.

Habitat Board members and a representative of Regions LLC have met with members of the Sunrise Coalition to show them the sketch of the proposed development plan. The Sunrise Coalition has indicated that they are supportive of the agreement between Habitat and Regions, and of the new development plan. Regions plans to submit a new concept plan to the Town of Chapel Hill in October that will include Habitat's 31 single-family lots as well as its own market rate lots.

The agreement between Habitat and Regions is a positive step forward toward adding 31 new affordable homes in a location that is close to major employers and has easy access to schools, shopping, and health care. The 31 lots that are created under this agreement will cost Habitat about half of what they would have cost if Habitat were the sole developer of the two tracts it currently owns, and thus will allow Habitat to more efficiently and cost effectively steward its funds and those provided by local government.

In light of the agreement between Habitat and Regions, Habitat for Humanity requests that the development application submitted in July 2006 for forty-four single family homes be made inactive at this time. Should we not be able to proceed under the terms of the agreement with Regions for any reason, Habitat will request that our Sunrise Ridge development application be reactivated.

Habitat for Humanity further requests that Regions Development LLC be granted expedited review for the plan for the Sunrise Road and Ginger Road properties it will submit to the Town, beginning at the Concept Plan stage. The Council previously granted expedited review to Habitat for Humanity for Sunrise Ridge in November 2004. The same rationale for granting expedited review for Sunrise Ridge applies to the new proposal, which will include 31 lots that will be developed as affordable homes by Habitat for Humanity on the original Sunrise Ridge property.

I will be happy to provide further information or answer any questions that any representative of the Town may have regarding this newest development and our request for expedited review. As always, we are grateful for your support of Habitat's work providing home ownership for hardworking families and individuals who could not otherwise afford to own a home in Chapel Hill. We look forward to continuing to work in creative partnership with the Town to better meet the housing needs of all of Chapel Hill's citizens.

Sincerely,


Susan Levy
Executive Director

✓Cc: JB Culpepper