

The Residences at Chapel Hill North

Affordable Housing Proposal

Current Town of Chapel Hill Policy

It is the policy of the Chapel Hill Town Council that all new residential development shall provide housing affordable to households with incomes at or below 80% of the area median based upon household size. The amount of housing is targeted at fifteen percent (15%) of the total amount of development.

Inclusionary Zoning Task Force and Workforce/Affordable Housing

A Town Council task has provided recommendations to the Council about the possible adoption of an ordinance requiring Inclusionary affordable housing. Report recommendations include:

The number of affordable "inclusionary" units within a development should be 15% (rounded down) of the total units developed on site.

- An affordable housing fee for any fractional units (eg. 13.72) will be paid to the Town's Affordable Housing Trust Fund.

Rental Housing and Inclusionary Affordable Housing in Chapel Hill

According to Town records, the only existing rental housing development with Inclusionary affordable housing units is the Chapel Ridge apartment development of 180 units. According to Orange Community Housing and Land Trust (OCHLT) staff, the inclusion of price (rent) restricted units in this development has not been successful with regard to placing non-student households in the development.

The Residences at Chapel Hill North • Applicants Proposed Affordable Housing Program

The applicant originally proposed and continues to propose inclusionary affordable housing.

Affordable Housing Stipulation • Applicant Proposal

#-- Provision of Affordable Housing: that the developer provide an "*Affordable Housing Plan*" (*The Plan*) for approval by the Town Manager prior to issuance of a Zoning Compliance Permit. The Plan will provide for:

- a. Fifteen percent (rounded down) of the total units constructed shall be Affordable Housing Units with a proportional distribution of dwelling units by type according to the following relationships:

(1)	1 Bedroom Dwellings	65%
(2)	2 Bedroom Dwellings	35%
- b. The Affordable Housing Plan shall included provisions that cover:
 - (1) The determination of eligibility of renters or owners. This is assumed to be limited to potential renters making no more than 80% nor less than 65% of the Orange County median income by appropriate household size for the dwelling units. Qualifying Households shall be those that meet industry standard income and credit verification requirements.
 - (2) A marketing program for the Affordable Housing Units. Marketing and leasing shall be the responsibility of the owner/management of The Residences at Chapel Hill North. It is expected that the program will be in conjunction with standard market rate advertising initiatives such as websites, apartment guides, newspapers and non-profit housing providers.

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- (3) If rental, the determination of rental rate. (Currently assumed to be set annually using the NCHFA Income Limits and Maximum Housing Expense table.)
 - (4) Adequate assurances that the designated units will remain affordable as rental units for 30 years NCHFA requires affordability for 15 years.)
 - (5) Provisions for allowing the affordable units to go be rented for market rate rents (for up to a year at a time) if no qualified affordable households have avylied. During initial leasing for affordable housing units, they shall be advertised for at least three (3) weeks for qualifying households. Should there be an insufficient number of qualifying households, units not leased after the period of public advertisement shall be released for rental at market rates and allowed to be leased for up to one (1) year. At the end of the initial lease for any designated affordable housing unit (and any subsequent lease), the unit shall be advertised for a period of at least two (2) weeks as an affordable housing unit. If not leased to a qualified household during that advertising period, the unit shall again be released for market rate rental occupancy in accordance with the conditions described above.
 - (6) Adequate assurances that the designated units, if converted to owner occupied proverties during the time period in item (4) above, continue to be used for affordable housing purposes for the remainder of this period.
 - (7) Provide an Affordable Housing Annual Report to the Town that includes:
 - (a) The occupancy experience of the affordable units by qualified households,
 - (b) The income range of qualified households occupying the affordable units, and
 - (c) Similar pertinent data for ownership units if the development is converted to ownership in accordance with provision (6) above.
- c. Modifications to the Affordable Housing Plan when proposed by the developer and approved by the Town Manager, provided that the changes are consistent with the Town's adopted Affordable Housing goals and guidelines. Changes to the Affordable Housing Plan are not considered to be "Modifications of the SUP" that require a new application for development review and approval.