



February 13, 2008

Mayor Kevin Foy and
Chapel Hill Town Council Members

Re: Residences at Grove Park

Dear Mayor Foy and Council Members:

It is my understanding that Ram Realty Services is proposing to include 52 affordable bedrooms in their development application for the Residences at Grove Park. I believe the affordable units will be a mix of 1BR and 2BR condominiums that are expected to be in the Land Trust. As a result, I expect the Land Trust will be required to sell and manage an additional 30 to 40 condominiums.

We are happy to work with the Town and Ram to insure the success of these affordable condominiums. As always, we want to be certain these condominiums will be affordable over time to households who will earn less than 80% of the area median income (AMI). This will require that we understand the initial level of the condominium assessments and the projected increases over time. As with East 54 and Greenbridge, I believe that a transfer fee is the safest way to insure the long-term affordability of condominiums. Once we know the amount of the monthly assessments, I can work with the Manager and Ram to determine the appropriate prices for these units.

As the Council is aware, the Land Trust exists largely to implement the inclusionary housing policies of the local governments. However, I feel obliged to inform the Council that the Land Trust lacks the capacity to manage the volume of homes that we are expected to sell and manage in coming years. If inclusionary housing is to be successful, the Land Trust staff will need to increase significantly in the years ahead.

Sincerely,

Robert Dowling
Robert Dowling
Executive Director

cc: Mr. Roger Stancil, Town Manager

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