



April 14, 2008

Mayor Kevin Foy and
Chapel Hill Town Council Members

Re: Affordable Housing at Ayden Court

Dear Mayor Foy and Members of Council:

We have been working with the Ayden Court developer on the affordable housing component of the proposed development application, which includes eight affordable condominiums. I understand the developer is proposing to provide four one-bedroom units on site, plus a payment-in-lieu for an additional four units.

I understand the affordable units will be priced so as to be affordable to one-person households earning less than 80% of the area median income. In addition, the developer has agreed to make use of the 1% transfer fee which insures that the affordable units will remain affordable and well maintained in perpetuity.

Regarding the payment-in-lieu, the Council is well aware of my concerns about the number of condominiums that will be coming to the Land Trust in the next several years. In addition to the approximately 100 condominiums that have already been approved, another fifty-plus units are being considered for approval this spring in three developments: Residences at Grove Park, Woodmont and Ayden Court.

I believe the Council would be well served if the developers were allowed flexibility to provide units or a payment-in-lieu, or a combination of the two in all of these projects. Perhaps the special use permits could be structured to allow for that flexibility – such that the Council would have discretion to determine which option best meets the Town's needs when the buildings are under construction. For the three developments seeking approval this spring, that will be in mid-2009, by which time we will have a better understanding of the demand for condominiums in the narrow market for affordable units.

I appreciate the Council's consideration of this perspective. I trust you understand that my sole motivation continues to be the success of the Town's inclusionary housing program.

Sincerely,

Robert Dowling
Executive Director

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