

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: J.B. Culpepper, Planning Director
Gene Poveromo, Development Manager
Loryn Clark, Housing and Neighborhood Services Manager

SUBJECT: East 54 Affordable Housing: Minor Modification to the Special Use Permit

DATE: May 18, 2009

PURPOSE

The purpose of this report is to inform the Council of a request from East West Partners for a minor modification to the affordable housing provisions of the Special Use Permit for the East 54 development (see Attachment 1). The minor modification would designate 20% of the residential units at East 54 Phase Two as affordable, and replace the remaining 10% of committed units with a payment-in-lieu.

BACKGROUND

In a letter dated May 12, 2009, East West Partners requested that they be permitted to exercise the payment-in-lieu option referenced in the Special Use Permit Modification Resolution adopted by the Council on February 26, 2007 (see Attachment 2).

The Special Use Permit Modification approved on February 26, 2007 included a stipulation for providing 30% of the units as affordable housing. The resolution also noted that upon receiving consent from the Council that a proposed change is a minor modification, the Town Manager is authorized to approve a payment-in-lieu for affordable housing for Phase Two of the development (stipulation 4b(ii)), such that:

Phase One (Buildings 300 and 400):	30% affordable housing provided
Phase Two (Buildings 200 and 500):	20% housing provided 10% payment-in-lieu

DISCUSSION

The applicant has proposed to make a payment-in-lieu to the Town for a portion of the units in Phase Two of this project. The applicant consulted with the Executive Director of the Orange Community Housing and Land Trust, Robert Dowling, and they agreed that the payment should be established at \$75,000 per unit, the sales price for a one-bedroom condominium. The Special Use Permit Modification requires the amount of the payment-in-lieu to increase until the time a decision is made to make a payment-in-lieu for Phase Two of this project. We recommend that this amount be inflated 4% each year (beginning July 10, 2008) until the payment is made to the Town. The exact number of units that will be built is not known at this time, but the applicant

estimates that the payment would be provided in-lieu of constructing ten to twelve affordable units, and the total amount of the payment-in-lieu could be \$750,000 to \$900,000.

RECOMMENDATION

We recommend that the Council adopt the attached resolution endorsing the payment-in-lieu option for East 54 Phase Two as described in the Special Use Permit adopted on February 26, 2007 as a minor modification to the Special Use Permit.

ATTACHMENTS

May 12, 2009 Letter from Lee Perry, East West Partners (p. 4).
Resolution A, East 54 Special Use Permit (p. 5).