

P.O. Box 459 • Hillsborough, NC 27278 • (919)732-6767, FAX: (919)732-2337 • ochabitat@earthlink.net

April 5, 2004

Mr. Cal Horton, Town Manager
Town of Chapel Hill
361 North Columbia Street
Chapel Hill, NC 27516

Dear Mr. Horton:

This letter is to follow up on a request made by John Tyrrell at the March 24th public hearing before the Town Council for funding for pre-development costs for the property that Habitat for Humanity owns on Sunrise Road in Chapel Hill.

Habitat for Humanity submitted an application on February 26th for CDBG funding in the amount of \$200,000 for surveying, engineering and design as well as infrastructure costs for the Sunrise Road property. As you know, the staff did not recommend approval for this funding request. According to staff, federal regulations do not allow CDBG funds to be used for pre-development costs for new construction projects. (The staff also recommended that the Council consider funding for infrastructure costs using future year CDBG funds, since Habitat doesn't to anticipate using those funds designated for infrastructure in the upcoming 2004-2005 fiscal year.)

Since pre-development costs are not a permissible use under federal regulations, Habitat for Humanity of Orange County is formally requesting \$60,000 in Chapel Hill Housing Trust Fund monies for the pre-development costs we anticipate incurring beginning in May 2004.

Our Board of Directors is currently reviewing the results of the design charrette process that began in October 2003 with a design workshop attended by over sixty individuals, half of whom were residents of the adjacent neighborhoods. On March 8, 2004 the charrette process concluded with the presentation of four possible design options for the property by a design team who donated their services to Habitat. Our Board, in consultation with Orange Community Housing and Land Trust, will decide upon a concept plan(s) for submittal to the Town later this spring. Prior to submittal, Habitat representatives will meet with the neighbors of the property and other interested parties to receive comments and answer questions about the concept plan(s). I am attaching the four design options presented on March 8th.

Habitat for Humanity of Orange County originally requested \$40,000 in Housing Trust Fund monies approximately one year ago for engineering and design costs for the Sunrise Road property. At that time, it was the staff's recommendation that we wait to apply for funding until after the Mayor's Committee on the Sunrise Road property had made its recommendations and the Council had taken action. As you know, the Mayor's Committee's recommendations in the form of 17 goals/principles were adopted by the Council on May 12, 2003. The 17 principles adopted by the Town were used by the design team to develop four possible design options that were presented publicly on March 8th, and those principles will continue to guide Habitat as we move forward in the development process.

7

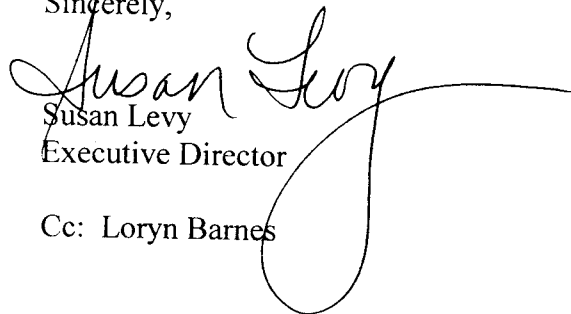
To date, in addition to \$100,000 raised towards the purchase of the land, Habitat has expended approximately \$13,000 in its own privately raised funds for pre-development costs such as surveying, wetlands determination, a Phase I environmental assessment, and appraisal. To date, all design and engineering services have been donated to Habitat, but this generous donation of services ends as we begin the formal development application process with the Town.

The estimated costs for which we are currently seeking funding from the Chapel Hill Housing Trust Fund include:

Traffic Study	\$13,500.00
Environmental Assessment (for HUD)	2,500.00
Noise Study	4,000.00
Soil Testing	3,500.00
Surveying	4,500.00
Engineering (Concept Plan and SUP Process)	32,500.00
Total Pre-Development Costs	\$60,000.00

Thank you for your consideration of this funding request. I am happy to answer any questions you or other staff members may have.

Sincerely,


Susan Levy
Executive Director

Cc: Loryn Barnes