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December 1, 2004

Mayor Kevin Foy and Council Members
Town of Chapel Hill
306 N. Columbia Street
Chapel Hill, NC 27516

Subject: Wilson Assemblage Special Use Permit:
Request for Date-Specific Expedited Review of Dobbins Hill Affordable Housing
Application

Dear Mayor and Council Members:

On behalf of Crosland, Inc., I would like to share my appreciation for the time spent with the Council at our Public Hearing for the Wilson Assemblage Special Use Permit application on November 15, 2004. We would like to take this opportunity to address the affordable housing issue that was raised at the Public Hearing, and to provide an update on our project.

Key Issue: Affordable Housing

We understand the Council would like the Wilson Assemblage application to again include an affordable housing component. And, we certainly agree that affordable housing in Chapel Hill is needed. Unfortunately because we have reduced our density from the original Concept Review plan as presented in 2003, this task is now harder to accomplish.

Just over two years passed between our initial Concept Review and our first public hearing. During those two years we worked diligently with the surrounding neighborhoods and the Town staff to address many issues with particular focus on how to reduce density and traffic impacts. The connection out to Sage Road and the reduction of roughly 100 bedrooms from our concept review plan did alleviate many of the neighbors' concerns, but it was at the expense of a rezoning request and our affordable housing component.

We are of course troubled by implications that we deceived the Town by eliminating the affordable housing. We believed we were negotiating in good faith when we made it clear in our first SUP application filed in early 2004 that to downsize the project would mean eliminating the tax credit housing project.

Unfortunately, we do not think it wise to now ask for a rezoning request in order to bring back the affordable housing option. We have given our word to the neighbors that we would limit our density. Therefore we believe we have to think outside the box and discover another solution.

Meeting Town Expectations

As noted in our original Concept Plan Review materials, Crosland's mission is to "design, develop and manage properties that make communities better places to live, work and shop." We further noted that our company has established a "long-term commitment to community-oriented development and responsible stewardship."

Accordingly, we note that we have clearly heard the Town Council's request to find a way to again provide affordable housing opportunities in coordination with the Wilson Assemblage proposal. And, we would like to do so while still keeping the Wilson Assemblage proposal financially feasible. From our perspective this means creating an affordable housing opportunity that does not decrease the amount of market-rate floor area available under the existing Residential-4 (R-4) zoning district for the Wilson Assemblage site.

Since the Public Hearing, we have met with Town staff to discuss the affordable housing issue, and approaches whereby we could provide affordable housing in coordination with the Wilson Assemblage project. We believe that we have now developed a promising solution.

Providing Affordable Housing

Crosland happens to be the property owner and developer for the adjacent Dobbins Hill affordable housing community. We believe that there is space on the Dobbins Hill site for one to two new tax credit apartment buildings if we add new vehicular connection points in certain areas and combine some of the storm water management areas with the Wilson Assemblage.

Crosland would be willing to prepare and pursue the Special Use Permit Modification that would be necessary to authorize these additional buildings on the Dobbins Hill site, apply for and obtain the appropriate State approvals, and construct these additional affordable housing units in coordination with the approval of the Wilson Assemblage project. We believe that this venture would have several key benefits, including the following:

- Provision of additional permanently affordable housing units
- A large enough Dobbins Hill community that the existing half-time property manager role could become a full-time employee, benefiting all residents.
- A second point of ingress and egress via the Wilson Assemblage's connection to Sage Road.

In order for such a tax-credit affordable housing opportunity to materialize however, we must request Council assistance in the form of an expedited schedule for the Dobbins Hill property that will allow this affordable housing project to be considered for approval prior to the Council's 2005 summer recess. And, we would also need to request Council assistance in the form of an expedited schedule that would allow a Zoning Compliance Permit to be issued prior to the end of 2005. We readily acknowledge that such a schedule will necessarily include submittal deadlines that we will also need to meet in order to achieve such a time frame.

Maintain the Current Review Schedule for the Wilson Assemblage SUP

In coordination with our effort to provide additional affordable housing units for the Dobbins Hill community, we request that the Town Council not unduly delay the Wilson Assemblage Special Use Permit application. In addition to working on this affordable housing alternative, we are modifying the Wilson Assemblage plan to address several other site-specific design concerns.

We would like to request that the Council still discuss and take action on the Wilson Assemblage Special Use Permit application in January. Because we are not asking for expedited ZCP approval for the Wilson Assemblage, we would want to submit a ZCP application as soon as possible, assuming a positive SUP vote, so as to align ZCP approval dates with Dobbins Hill.

Based on the Wilson Assemblage Special Use Permit being on track for SUP action prior to the review of the proposed Dobbins Hill Special Use Permit Modification, we acknowledge that linkage needs to be established between the Wilson Assemblage development proposal and the proposed Dobbins Hill Special Use Permit Modification, in order to ensure that these affordable units will indeed be provided to the community in concert with the development of the Wilson Assemblage site.

We believe that the appropriate linkage between the two projects is to attach a condition to the Wilson Assemblage Special Use Permit that would stipulate that affordable housing be provided through one of the following two approaches: (A) the provision that we develop a tax-credit

affordable housing project with numbers equal to or greater than 15% of the number of approved market rate units for the Wilson Assemblage through a modification of the Dobbins Hill Special Use Permit, or (B) the provision of affordable housing on the Wilson Assemblage site (15% of the dwelling units available to families earning 80% or less of the Town's median income). Option A is our strong preference, however if Option B ends up being the Council's default choice, we note that for the Wilson Assemblage project to remain financially feasible, the floor area for the affordable units will need to be bonus floor area, above and beyond the floor area permitted by the existing zoning district.

Concluding Thoughts...

The construction and provision of tax-credit affordable housing is a very time-sensitive process due to State deadlines and the financial aspects of the endeavor. Therefore, as part of our creative effort to provide additional affordable housing on the adjacent Dobbins Hill site in coordination with the Wilson Assemblage Special Use Permit application, we are asking the Town Council to offer time and date certainty as contributions to this joint endeavor.

Accordingly, we request that the Town Council direct the Town Manager to develop a Date-Specific Expedited Review schedule (beginning with Concept Plan Review by the Community Design Commission in January) that would enable a Dobbins Hill Special Use Permit Modification application to be scheduled for a Public Hearing in May, 2005, and to be considered by the Town Council for approval prior to the Council's summer recess in 2005. In addition, we would ask that the Date Specific Expedited Review process also include a schedule that would permit the issuance of a Zoning Compliance Permit prior to December 31, 2005.

We hope that you will find this alternative affordable housing opportunity to be a promising solution for all parties. Thank you again for your consideration.

Sincerely,



David R. Ravin
Vice-President

cc: Cal Horton
Roger Waldon
Jack Smyre