

April 11, 2005

TO: Cal Horton, Town Manger
FROM: Susan Levy, Executive Director
RE: Rusch Hollow/Rogers Road Community Sewer Issues

As a part of the development of Rusch Hollow , Habitat has extended sanitary sewer from its terminus in the New Homestead Place development. This extension required the negotiation of a number of sewer easements, from members of the Caldwell family, and from two property owners on Billabong Lane. In addition, Habitat has agreed to pay the up front costs of providing sewer service to two residents on Purefoy Road, both of whose septic systems have failed, and who have received notification from Orange County Environmental Health to vacate their properties as of May 1, 2005 if they have not hooked on to public sewer and abandoned their systems.

As of February 28, 2005, Habitat has incurred a total of **\$646,150** in expenses related to Rusch Hollow, for land acquisition, design and engineering, and construction of infrastructure, including sanitary sewer extension. There are a number of expenses that still remain that Habitat will pay for from our own privately raised funds:

Related to sewer extension and easements:

Fencing for adjacent properties	8,000
Water line extension for adjacent property owners (Clendenning, Lacy)	5,600
Sewer Extension, Lacy	4,000
Pay Tap Fees for adjacent property owners (Lacy, Hopkins, Campbell)	6,500
Sewer extension, Campbell and Hopkins	7,265
Legal fees, easements, deeds	1,000

<i>Other Infrastructure Construction Items, per contract</i>	<u>46,000</u>
	\$78,365

Estimated Total Cost of Rusch Hollow Development, *excluding* construction of homes and Habitat overhead: **\$724,515**

Subsidy from the Town and County for the Rusch Hollow development of 12 single family homes and 5 rental units, all affordable to households earning less than 50% of the area median income:

• Orange County HOME funds (FY 02-03)	50,000
• Community Development Block Grant Funds (FY02-03)	17,000
• Orange County Housing Bond Funds ('97 Bond)	110,000
• Community Development Block Grant Funds (FY01-02)	50,000
• Chapel Hill Housing Trust Fund (FY01-02)	50,000
• Orange County HOME funds (FY 99-00)	50,000
• Orange County 2002 Housing Bond Funds	170,000

- Total Project cost, exclusive of construction of five rental units \$1,504,515
- Total Subsidy from Town and County Sources \$497,000
- Total Funded By Habitat from its own sources \$1,007,515
- Percent Funded by Habitat from its Own Sources 67%

Habitat has incurred significant out of pocket expenses related to the extension of sanitary sewer in the Rogers Road community. Habitat has requested assistance with paying for the costs of providing sewer service to the Purefoy Road residents. Habitat is currently proposing that the Town reimburse Habitat for the Hopkins sewer hookup, while Habitat will assume financial responsibility for hooking the Campbell residence to sewer. The approximate cost, including the OWASA tap fee, is \$6,000 to hook Ms. Hopkins to sanitary sewer.

In addition, Habitat proposes the use of CDBG funding to pay for the extension of sewer, including tap on fee, to a residence on Rusch Road. The septic system on this property is currently functioning, but extends onto a lot in the Rusch Hollow subdivision, and will have to be abandoned prior to the start of construction on a single family home on that lot. Construction on that lot is scheduled to begin early in July. The connection to the sewer would need to happen prior to that, most likely in late June. Habitat has asked that the staff determine if CDBG funds that will become available July 1 for Rogers Road residents to hook on to sewer could be committed for this property prior to July 1, and that reimbursement could take place when funds are available.

Other Related Issues:

Habitat has requested HOME and CDBG funding for the extension of sewer to a new property owned by Habitat at the end of Purefoy Road, adjacent to the Greene Tract. This extension, as proposed by Habitat, will serve some but not all households on Purefoy Road. Habitat requests that the Town, and if appropriate, County, engineers participate in examining the situation and that they meet with residents to provide them with accurate information about who can be served by sanitary sewer and on what timetable, and that the provision of sewer service in the Rogers Road community to non-Habitat households be the responsibility of the local government in terms of coordination and funding.