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October 10, 2005

Mayor and Town Council  
Town of Chapel Hill  
405 Martin Luther King Jr. Blvd.  
Chapel Hill, NC 27514

Dear Mayor Foy and Members of the Town Council:

The purpose of this letter is to comment on the proposed Bradley Green subdivision which is located to the south of the property that Habitat for Humanity owns on Sunrise Road. At the October 4, 2005 Planning Board meeting, Gary Wallace, developer of Bradley Green, in a letter of record, requested that contributions he is willing to make in the construction of the sewer and water lines so that they serve Habitat's Sunrise Ridge development, as well as improvements he has offered to make to Ginger Road, be counted as his payment in lieu contribution for affordable housing. According to the formula that the Town employs, the payment in lieu for Bradley Green would be around \$549,000. Mr. Wallace has indicated that if he is required to pay this amount, he will take advantage of the small house option instead of the payment in lieu or the 15% affordable housing option.

Under the current method of calculating the payment in lieu for affordable housing, there appears to be very little chance that developers of small subdivisions like Bradley Green will use this option, or the option of providing 15% of the units as affordable. Instead, they will choose the small house option, which does not contribute to the supply of affordable housing. It seems unproductive to continue to use a formula that rarely yields the intended results, especially when the need for affordable housing in Chapel Hill is so great. In the case of Bradley Green, some type of negotiation with the developer that takes into account a contribution of infrastructure that will benefit Habitat's ability to build affordable homes in its Sunrise Ridge subdivision seems appropriate.

As the Town considers adopting an inclusionary zoning ordinance, we hope that there will be serious consideration given to the current calculation of payment in lieu and how it may be detrimental to rather than encouraging of the production of more affordable housing in Chapel Hill. In the mean time, we are hopeful that the opportunity for the developers of Bradley Green to contribute toward increasing the supply of affordable housing by assisting Habitat's efforts to develop the Sunrise Ridge property not be lost. We encourage you to look for a creative solution that meets the intent of the land use management ordinance and the comprehensive plan, and benefits Habitat's efforts to create affordable home ownership opportunities in Chapel Hill for hard working members of our community.

Sincerely,

John Sehon, President  
Habitat for Humanity, Orange County

Susan Levy, Executive Director  
Habitat for Humanity, Orange County