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DAVID R. RAVIN  
VICE PRESIDENT

July 13, 2005

Mayor and Town Council  
Town Hall  
306 North Columbia Street  
Chapel Hill, NC 27516

**RE: Dobbins Hill II**

Dear Mayor & Town Council,

I am writing to update you and the Council on what has transpired since our Wilson and Dobbins Hill II projects were given SUP approval by the Town of Chapel Hill.

As you recall the first surprise we received was with respect to the site score Dobbins Hill II received from the State Housing Finance Agency. The State's consultants gave the site a 0 out of a possible 15 points, citing numerous other affordable projects within that particular submarket.

Upon closer examination of that report we discovered many of the other affordable projects were in Durham, but we were told those projects were along a bus route that served Chapel Hill and the State had to give priority to situations where no affordable housing was even in close proximity.

Fortunately, through a lot of hard work and the additional assistance provided by the Town of Chapel Hill and Robert Dowling, the Housing Finance Agency became more sensitive to our application and in the end looked much more favorably upon it.

However, just as we felt as though we had won the Housing Finance Agency over, we were informed that the 15-501 Superstreet project would be delayed to 2006. Unfortunately our SUP stated that we could not start construction until the Superstreet was awarded to a contractor and that suddenly made starting in 2005 an impossibility.

We immediately contacted the Housing Finance Agency to alert them of our situation. The Housing Finance Agency in turn warned us that should we be awarded the credits and then be unable to use them due to the Superstreet issue, we would be doing everyone a disservice. These credits are highly sought after and should not go unused. Robert Dowling and our team agreed we could not risk

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burning a bridge with Housing Finance Agency and therefore two weeks ago we removed our application from consideration for 2005.

We now find ourselves in a difficult position. We are tentatively planning to resubmit our Dobbins Hill II application for the 2006 credits, but we do not want to be in this same situation again next August. The application is due in January of 2006 and this will be the third time we have submitted this exact application. The first time was when we originally proposed rezoning the Wilson property in 2003 but we dropped that application when the rezoning request was met with resistance from the surrounding neighbors and as a result we elected to work with the zoning already in place.

In addition to being in a somewhat uncomfortable position with what the true timing of NCDOT will be, we are also sitting on a very expensive piece of property with the Wilson site.

Our plan is to meet with staff within the next two weeks to discuss the situation. We have also contacted Mr. Cal Horton to alert him of the predicament and to tell him we will almost certainly be unable to meet the project start date as referenced in the SUP approval due to this unanticipated delay.

We will be in contact again soon, but I wanted to give you and the Council a status report. Again, thank you for your help with the Dobbins Hill II application and we are all very saddened to see it not come to fruition over an uncontrollable NCDOT decision.

Sincerely,



David R. Ravin  
Vice President

cc. Mr. Robert Dowling  
Mr. Cal Horton