

Amy Harvey

From: Roger Stancil
Sent: Tuesday, April 24, 2018 9:18 PM
To: Allen Buansi; Donna Bell; Hongbin Gu; Jeanne Brown; Jess Anderson; Karen Stegman; Town Council; Michael Parker; Nancy Oates; Pam Hemminger; Rachel Schaevitz; Roger Stancil; Ross Tompkins
Cc: Loryn Clark; Sarah Vinas; Amy Harvey; Beth Vazquez; Carolyn Worsley; Catherine Lazorko; Christina Strauch; Dwight Bassett; Flo Miller; Mary Jane Nirdlinger; Rae Buckley; Ralph Karpinos; Ran Northam; Roger Stancil; Sabrina Oliver
Subject: Council Questions: Item 9: Elliott Road Extension

FINANCING

Council Question: How much is the NCDOT reimbursement from Phase 1?

Staff Response: *The Town has a reimbursement agreement with the NCDOT for \$2.1 million. The NCDOT will reimburse the Town for the cost of construction and Construction Engineering and Inspection (CEI) services for the 15-501 Superstreet U-turn and Ephesus-Fordham intersection improvements. The Town has received approximately \$1.2 reimbursement to date for the project and is working with NCDOT to obtain the remaining portion of the reimbursement.*

Council Question: Has sufficient revenue come in via the synthetic TIF to cover the differential?

Staff Response: *The Town has experienced a significant increase in the assessed valuation of the properties located in the Blue Hill / Ephesus Fordham District. The FY 2019 recommended budget will include the first transfer from the General Fund to the Debt Service Fund in the amount of \$445,000 which represents the incremental property tax increase (based on the aggregate change in the valuation of the district since its establishment in 2014) to cover the debt service payments incurred for roadwork repairs for Phase I. Based on the valuation numbers that were provided by the County for FY 2019, the synthetic TIF has provided sufficient revenue to cover the debt service payments for the project.*

ROAD DESIGN

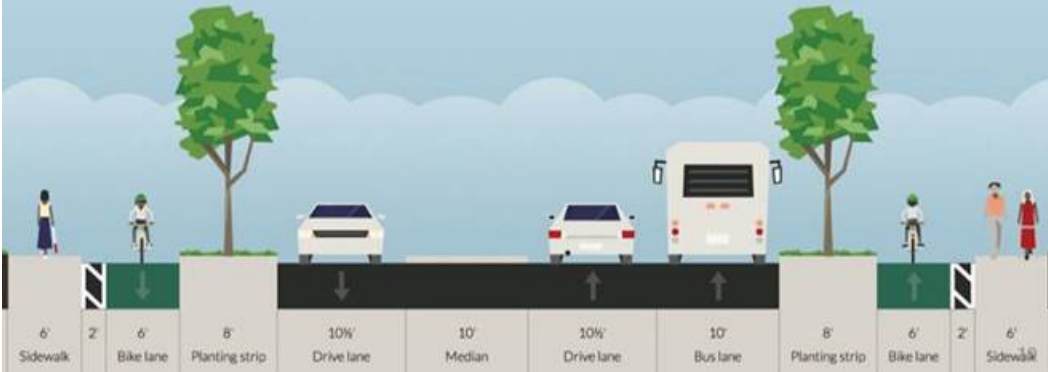
Council Question: The roundabout is a single lane, correct?

Staff Response: *It is designed with a single lane.*

Council Question: Can we see a picture or get a fuller description of the kind of protected bike lanes staff is recommending are built if we convert the Park Apts driveways to full access?

Staff Response: *The first photo below shows a concept of Elliott Road Extension with a protected bike lane. The second photo shows the existing buffered bike lanes on Sage Road, as an example of what could be on Elliott Road Extension. Staff discussed both of these options as part of our recommendation.*

Elliot Rd extension



Council Question: How many driveways total would there be along this stretch of Elliott Road? How many on each side?

Staff Response: *There are two driveways for the new apartment community*

AFFORDABLE HOUSING

Below is updated information about a housing proposal related to the redevelopment of The Park Apartments. We received clarifying information from the applicant that the \$1.5 million voluntary contribution to the Town would be unrestricted and could be used Town-wide to support the Town's affordable housing goals. An additional clarification is that the 155 units proposed for households earning between 80% and 120% of the Area Median Income would not include an agreement for long-term affordability. The proposal you received yesterday and the attached email received today states the applicants intent to provide units as proposed. Because this proposed project is located in the Blue Hill District and does not require a rezoning and does not include residential units for homeownership, the Town does not have the authority to regulate rental rates.

We continue to offer our preliminary support for this proposal and that the Council agree to receive a voluntary contribution of \$1.5 million. We also recommend that we continue to work on a plan with the applicant to serve the range of income levels as proposed.

Below are responses to questions received from the Council.

Council Question: The affordable housing offer on the table seems quite generous. I am wondering how the \$1.5 million amount was arrived at - although it is not exactly a payment in lieu, did you apply any of the payment in lieu formulas we had been looking at?

Council Question: Payment-in-lieu suggests that there were additional affordable units that could've been provided. In referencing the slide on p. 187, were 60 more affordable units contemplated? If not, how many had been contemplated.

Staff Response: *During our discussions, the applicant offered a \$1.5 Million voluntary contribution to support the Town's affordable housing goals. We will ask the applicant to be prepared to discuss how they arrived at this amount. This does not represent a payment-in-lieu of providing affordable housing because this project is located in the Blue Hill District and does not require rezoning approval from the Council. We did not apply the payment-in-lieu formulas reviewed by the Council in February and will attempt to apply the formulas to the project as proposed.*

As proposed, the funds would be in addition to providing the units. The 60 units referenced in the draft presentation represent our estimate of the number of units that \$1.5 Million could subsidize throughout the Town based on the current average Town-subsidy per unit (\$25,000).

Council Question: I would be comfortable with the AMI levels they have offered, assuming they will commit to long-term affordability, but would not be supportive of agreeing to commit to using the PIL to subsidize the cost of those affordable units, if that is what they are proposing? If that's not what they are proposing, could you please elaborate on the developer's vision for those funds?

Staff Comment: *That is not what they are proposing. The applicant has clarified that the project will have units that serve a variety of income levels including 80%-120% of the Area Median Income, an identified need in the community. Though the applicant does not propose to formalize an agreement related to the long-term affordability for the units, they have stated the intention to provide units in the proposed ranges. The units separate created using the \$1.5 million voluntary contribution would require a commitment to long-term affordability.*

Council Question/Comment: I'm concerned about this statement from the applicant pertaining to the \$1.5M payment for affordable housing:

"The applicant has expressed an interest in exploring whether these funds could be reinvested in the project to support the income restricted units."

Does the town get the \$1.5M cash for our many other affordable housing needs, and the applicant will offer rent "discounts" on a specified number of units? Or is the applicant expecting that the town will use the \$1.5M to pay him the difference between market rate and the affordable rate?

If the latter, we would be better off taking the \$1.5M in cash and allowing the market to work its magic on his project. The area is already overbuilt with market-rate units, as evidenced by the slow lease-up of Berkshire, and more apartment buildings are in the pipeline. If the supply-and-demand theorists are right, we would end up with the "affordable" units anyway due to an oversupply.

Staff Response: *The applicant has clarified that the voluntary \$1.5 million contribution would be unrestricted and used Town-wide to support the Town's affordable housing goals.*

Council Question: Would you find out what the existing apartments rent for now, so we have that for comparison?

Staff Response: *We will ask the applicant to provide this information for the Council's discussion on Wednesday evening.*

Council Question: In Blue Rock's "Key Points" document, I see terms like "targeting" so many units at or below a certain AMI — will we have more ironclad language at some point to ensure that we GET these units, not just that it is a target/goal? Similarly a range of 1-5 3BR units at 100%AMI is not super encouraging, because we definitely won't get five, we'll get one. Any way we can strengthen this language before we approve going forward?

Council Question: Would there be other kinds of homes aside from apartments constructed? What other kinds of homes will there be along this extension?

Staff Response: *The applicant has agreed to work with staff to refine its proposal. In addition to rental rates, the discussions would include the types of homes to be constructed on this site and where they would be located.*

Amy Harvey

From: Roger Stancil
Sent: Wednesday, April 25, 2018 5:59 PM
To: Pam Hemminger
Cc: Lance Norris; Loryn Clark; Ben Hitchings; Allen Buansi; Donna Bell; Hongbin Gu; Jeanne Brown; Jess Anderson; Karen Stegman; Town Council; Michael Parker; Nancy Oates; Rachel Schaevitz; Roger Stancil; Ross Tompkins; Amy Harvey; Beth Vazquez; Carolyn Worsley; Catherine Lazorko; Christina Strauch; Dwight Bassett; Flo Miller; Mary Jane Nirdlinger; Rae Buckley; Ralph Karpinos; Ran Northam; Roger Stancil; Sabrina Oliver
Subject: RE: Questions about Elliott Road Extension and Park Apartments proposal

Thank you for sharing. Please see our quick responses below. Presenting staff is aware of these questions and will be prepared to discuss.

From: Pam Hemminger
Sent: Wednesday, April 25, 2018 3:51 PM
To: Roger Stancil <rstancil@townofchapelhill.org>
Subject: Questions about Elliott Road Extension and Park Apartments proposal

Roger,

Today, my office has received several calls and e-mails about the Elliott Road Extension proposal.

Below are the questions and concerns that have been shared with me:

Does the agreement for Affordable Housing between the Town and the applicant specify a length of time that the 155 units (80 – 120% AMI) will remain affordable? The affordable housing proposal does not specify a length of time for affordability. We had discussions with the applicant about the need to provide a range of affordability in our community. In response to those discussions, he provided this information about the range of rents he was planning for.

There is concern that increasing impervious surface here combined with the smaller retention pond behind Eastgate will increase flooding downstream. Has there already been an analysis of the potential impacts? What are the standards the developer would be held to? The Elliott Storage Facility has been analyzed and still provided a benefit to the Town with a decreased flood elevation. As with any project in the district, this land owner will be required to meet the Town's stormwater control standards for volume runoff and totals suspended solid reductions for on-site activities. For the stormwater runoff from the Elliott Extension Road, Town Staff will be working with the developer to provide detention to address increased runoff from the road.

The staff presentation and memorandum suggest that the proposed changes will result in satisfactory traffic and mobility conditions but do not include any data or analysis. What Levels of Service are expected when this project is built? What red flags does the analysis show? Are there other mitigations that the town may need to pay for that have not been discussed yet? Construction of Elliott Rd Extension will improve the Level of Service at Fordham Blvd/Elliott Rd and Fordham Blvd/Ephesus Church Road. Level of Service (LOS) for build conditions found to be "C" which is an improvement to the existing conditions LOS "D", There are no red flags indicated on Elliott Road Extension. However, build analysis indicated that several intersections are failing on

Fordham Blvd between Sage Rd and I-40. NCDOT is currently conducting a feasibility study for this section of Fordham Blvd to address the future needs.

LOS C: stable flow, at or near free flow. Ability to maneuver through lanes is noticeably restricted and lane changes require more driver awareness. Minimum vehicle spacing is about 220 ft(67 m) or 11 car lengths. Most experienced drivers are comfortable, roads remain safely below but efficiently close to capacity, and posted speed is maintained.

It is unclear how much money the council is committing to. How much of the \$4.23 million will come from NCDOT and how much will come from the Synthetic TIF? NCDOT has already reimbursed the Town \$1.2 million. We are expecting \$400,000 in additional reimbursement

It looks like the original agreement was that council would see the designs twice before final approval: at 25% and 70% . Why has the 70% check-in been eliminated? Staff is not recommending a Council check-in on the 70% plans for three main reasons: 1) Because the major roadway design questions will have been resolved at 25% plans; 2) This is a second look that includes the applicant's proposed modifications; and 3) Removal of the 70% Council check-in would enable the applicant to move more forward space with the project in return for the affordable housing payment in lieu and units rented at affordable rates.

Lots of phone calls. Thank you for your help.

Pam



Pam Hemminger
Mayor

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Help create a new Comprehensive Plan at <http://www.chapelhill2020.org>