
From: Roger Stancil
Sent: Friday, April 20, 2018 9:14 AM
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; Ben Hitchings; 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: Park Apartments Affordable Housing proposal
Attachments: 2018 income limits.xlsx

I know you receive a lot of information so I want to highlight for your attention a discussion on your upcoming agenda. On April 25, we will present information to you about proposed modifications to 25% design of the Elliott Road Extension related to the proposed redevelopment of the Park Apartments. My purpose in writing this is to point out the affordable housing discussion we have had with the developer. A combined staff team from Planning, Housing and Economic Development worked closely with the developer team to create a proposal that we believe makes progress in our affordable housing goals. We will recommend that you accept this proposal and the road design. Because this is a different approach, I wanted to make sure this did not get lost in the massive amount of information we send you. Please let me know what questions arise for you.

I asked Loryn Clark, our Executive Director for Housing and Community, to provide the following summary of the proposal and our thinking behind it:

Town staff met with the applicant to discuss multiple issues including the Town's affordable housing interests and the goal of creating 300 new affordable housing units within the Blue Hill District. We explained the Council's interest in creating a variety of housing options serving a range of incomes up to market rate in the community, and the need for resources to support other affordable housing initiatives. The applicant was aware of the Town's goals and though not required to contribute to the Town's affordable housing efforts, they voluntarily propose the following plan:

1. Provide 155 on-site income restricted units

- 30 1 bedroom units affordable to households at 80% AMI
- A mix of 65 1, 2 and 3 bedroom units affordable to households at 100% AMI
- A mix of 60 1 and 2 bedroom units affordable to households at 120% AMI
- Attached for your information is a chart showing 2018 income limits along with affordable rent using a max of 30% of household income.
 - The estimated monthly rent of these units would be approximately \$1,000 - \$1,800 per unit.
 - We will continue to work with the applicant to better understand the details of this proposal including the length of affordability for the units, the location of units within the development, and a system for identifying tenants and monitoring the program to make sure residents continue to meet the eligibility criteria.

2. Provide \$1.5 Million voluntary contribution to affordable housing

- These funds would be allocated to the Town's Affordable Housing Fund to support Town-wide affordable housing initiatives.
- Based on the average amount of subsidy used to create affordable housing opportunities, we estimate that these funds could subsidize approximately 60 units.
- The applicant has expressed an interest in exploring whether these funds could be reinvested in the project to support the income restricted units.

We recognize that the proposed units would not serve the income ranges traditionally associated with affordable housing (less than 80% of the Area Median Income). However, we believe that the proposal addresses affordability because it is consistent with the Town's stated goal of creating a range of housing options at various levels of affordability. The 155 housing units as described would create a sizeable number of new housing opportunities in a desirable location. We believe that these units could provide opportunities for people that serve the community to live here such as Town/municipal employees as well as employees of UNC, UNC Healthcare, school system employees, and entrepreneurs. It could provide an opportunity to pilot an employee housing incentive program for Town staff.

We believe that the proposed \$1.5 Million contribution would support affordable housing projects such as those recently identified during the affordable housing bond discussions. Also, as previously discussed with the Council, in the coming year we anticipate reductions in federal funds used to support affordable housing including public housing operating fund, Community Development Block Grant Funds, and the HOME Program. The proposed contribution could be used to support these or other programs that would increase the supply of affordable housing in the community.

Proceeding with this proposal would exceed the goal of creating 300 new affordable housing units within the Blue Hill District. One-hundred and forty nine units have already been created with DHIC's Greenfield Place and Greenfield Commons developments. We have a unique opportunity to work with a developer who has voluntarily agreed to work with the Town to address the Town's affordable housing interests. We offer our preliminary support for this proposal. There are still many questions that we need to discuss and refine the details with the applicant that we need to evaluate before offering a final recommendation. If the Council supports this idea, we would continue our discussions with the applicant to refine the details of this proposal and develop a formal Affordable Housing Performance Agreement that would include the agreed upon conditions.

Income Limits Calculations

2018 AMI \$ 80,600

Income Level	1 person	30%/month	2 people	30%/month	3 people	30%/month	4 people	30%/month	5 people	30%/month	6 people	30%/month	7 people	30%/month	8 people	30%/month
30%	\$ 16,950	\$ 424	\$ 19,400	\$ 485	\$ 21,800	\$ 545	\$ 25,100	\$ 628	\$ 29,420	\$ 736	\$ 33,740	\$ 844	\$ 38,060	\$ 952	\$ 42,380	\$ 1,060
50%	\$ 28,250	\$ 706	\$ 32,250	\$ 806	\$ 36,300	\$ 908	\$ 40,300	\$ 1,008	\$ 43,550	\$ 1,089	\$ 46,750	\$ 1,169	\$ 50,000	\$ 1,250	\$ 53,200	\$ 1,330
60%*	\$ 33,900	\$ 848	\$ 38,700	\$ 968	\$ 43,560	\$ 1,089	\$ 48,360	\$ 1,209	\$ 52,260	\$ 1,307	\$ 56,100	\$ 1,403	\$ 60,000	\$ 1,500	\$ 63,840	\$ 1,596
80%	\$ 45,150	\$ 1,129	\$ 51,600	\$ 1,290	\$ 58,050	\$ 1,451	\$ 64,500	\$ 1,613	\$ 67,700	\$ 1,693	\$ 74,850	\$ 1,871	\$ 80,000	\$ 2,000	\$ 85,150	\$ 2,129
100%	\$ 56,450	\$ 1,411	\$ 64,500	\$ 1,613	\$ 72,550	\$ 1,814	\$ 80,600	\$ 2,015	\$ 87,100	\$ 2,178	\$ 93,550	\$ 2,339	\$ 100,000	\$ 2,500	\$ 106,450	\$ 2,661
120%	\$ 67,740	\$ 1,694	\$ 77,400	\$ 1,935	\$ 87,060	\$ 2,177	\$ 96,720	\$ 2,418	\$ 104,520	\$ 2,613	\$ 112,260	\$ 2,807	\$ 120,000	\$ 3,000	\$ 127,740	\$ 3,194

*https://www.novoco.com/sites/default/files/atoms/files/2018_mtsp_income_limit_tables_033018.pdf