

Chapel Hill Crossings – ALTERNATIVE Affordable Housing Conditions

September 27, 2023

The Affordable Housing Plan in Ordinance A conditions the rezoning to include 20 affordable rental units, with at least half of units at 65% Area Median Income (AMI) and the remainder at 80% AMI. If Council's preferred option is 14 affordable rental units at 60% AMI, the conditions below will serve as the Affordable Housing Plan for Ordinance A.

6. Affordable Housing Plan: The developer shall provide the following:
 - a. Breakdown of Affordable Units: The developer shall provide the following affordable units:
 - i. 15% of market rate for sale units
 - ii. 14 affordable rental units
 - b. Unit Size:
 - i. For-Sale Units: The affordable units will include a mix of studio, 1-, 2-, and 3- bedroom units, in the approximate same proportion as the market rate units.
 - ii. Rental Units: The affordable units will include a mix of studio, 1-, 2-, and 3- bedroom units, in the approximate same proportion as the market rate units.
 - c. Location:
 - i. For-Sale Units: the affordable units shall be sited in multiple locations within the development. No more than 50% of the affordable units may be sited within any one residential phase as shown on site plan sheet C0.2.
 - ii. Rental Units: the affordable units shall be interspersed throughout the building.
 - iii. The affordable housing performance agreement shall include a description of the location of the affordable housing units to be approved by the Town Manager.
 - d. Pricing:
 - i. For-Sale Units:
 1. At least 50% of the affordable for-sale units will be sold at a price that is affordable for households earning 65% or less of the area median income (AMI). The remainder of the affordable units will be sold at a price that is affordable for households earning 80% or less of the AMI.
 2. The AMI will be based on income data published annually by the U.S. Department of Housing and Urban Development for the Durham-Chapel Hill Metropolitan Statistical Area. Pricing of the for-sale units will consider the total cost of mortgage principal and interest, property taxes, homeowners and condo association fees, any mandatory maintenance fees, and homeowner's insurance such that a household's total housing costs do not exceed 30 percent of the maximum specified AMI level.
 - ii. Rental Units:
 1. All of the affordable rental units will be reserved for households earning 60% or less of the AMI.
 2. Pricing of the affordable rents shall comply with the following:

- a. Maximum rental prices shall be calculated based on 30% of monthly household income at the specified AMI levels, adjusted for household size, minus housing-related costs.
 - b. Housing-related costs include rent, utilities (heat, water, sewer, electric, and gas) and other fees required by the owner or property manager.
 - c. Maximum housing costs are based on the AMI for Durham-Chapel Hill, NC HUD Metro Fair Market Rent Area published annually by the U.S. Department of Housing and Urban Development.
 - d. AMI for a given unit size shall be calculated assuming 1.5 persons per bedroom.
- e. Phasing: At least fifty percent of the affordable housing shall be completed prior to the Zoning Final Inspection of the first half of the market rate dwelling units. The remaining affordable dwelling units shall be completed prior to Zoning Final Inspection of 90 percent of the market rate dwelling units. This standard shall be applied to the northern 5500 Old Chapel Hill and southern Huse Street sites separately.
- f. Affordability Period:
- i. For-Sale Units: The affordable for sale units will be affordable for a period of at least ninety-nine (99) years from the receipt of a Certificate of Occupancy.
 - ii. Rental Units: The affordable rental units shall be affordable for a period of at least thirty (30) years from the receipt of a Certificate of Occupancy.
- g. Design:
- i. All affordable units will be finished with similar exterior design, trim, materials, and details as the market-rate units.
 - ii. All affordable units will meet the same energy efficiency standards as the market-rate units.
- h. Payment in Lieu: If the calculation of the affordable for sale units results in a fractional number of units, the fractional amount shall be fulfilled with a payment in lieu of affordable housing.