

April 25, 2018

To: The Mayor and Town Council, Chapel Hill, North Carolina

Cc: Roger Stancil, Ben Hitchings, Loryn Clark, Rae Buckley, Amy Harvey, Flo Miller, Ralph Karpinos

Re: The Park Apartments (Chapel Hill, NC) proposed redevelopment by Bluerock Woodfield, housing needs of the current residents, and affordable housing needs

WHAT is going to happen to the CURRENT residents living in the approximately 200 units at The Park Apartments? Where are they going to go? Who will cover their moving expenses? Who will subsidize their rent for the difference in what they are paying now at The Park and what they will be able to find at much higher rents at a new location? Will the Park be demolished all at once or in stages?

They are going to be displaced to a rental housing market where there is not comparable modest rents in Chapel Hill. They certainly will not be going to The Berkshire—where one bedroom apartments start at \$1,300—complements of the Ephesus-Fordham FBC that was approved by the mostly former Town Council members in May 2014 without ANY regard for or inclusion of concessions for affordability and sustainability in exchange for density. You are charged with and challenged to mitigate the suffering created by that mistake that is causing more and more people to not have access to remotely affordable housing here. You must amend and fix the Ephesus-Fordham FBC and do it now before more people become homeless!

While a property owner has the legal rights to displace all of his/her tenants and to charge whatever rents he/she chooses, where is the Golden Rule: “do unto others as you would have them do unto you”. You will be displacing hundreds of people with little to no access to anything remotely in their price range. You would not want this to happen to you or anyone in your family. The people who will be displaced include members of our work force and retired work force—they may provide care for your children, or empty your parents and grandparents bedpans in hospitals and nursing homes, they teach your children, they are hospital support staff, town support staff, and others vital wheels of the bus who serve us all in our Community. Please, don’t apply the arrogant greedy world view of “let them eat cake”. Please apply sensitivity, respect, hospitality, humility, compassion, common sense, and a collaborative spirit.

While I appreciate that Bluerock Woodfield is not required to offer any affordable rental housing, and is proposing a generous offer of \$1,500,000 unrestricted funds to other affordable housing initiatives in Chapel Hill, it is like giving with one hand and taking away with the other. One can’t gain affordable housing units when building fewer apartments than the number being removed that rent for less than what is proposed for the “affordable” rent in a redeveloped Park Apts.

Clay Grubb is NOT displacing ANY of his tenants in 440 apartments at Glen Lennox Apartments during redevelopment. While 44 apartments will be removed during phase 1, all of the people living in those units were given a minimum of one to two years notice and voluntarily offered other apartments within Glen Lennox if they wanted to stay. In addition Grubb Properties voluntarily paid a fixed amount for moving expenses for each household whose apartment is being removed during redevelopment. This is Clay Grubb's plan for all the residents in all of the apartments during all the subsequent phases of the redevelopment. I know because I live in Glen Lennox Apartments.

In addition Clay Grubb is voluntarily providing for up to 15% of the long-term tenants who have lived in Glen Lennox Apartments for five years or longer to not pay market rent and to have yearly increases capped at CPI and capping CPI in the 3%-5% range. He also had this written into the Development Agreement. This is in addition Mr. Grubb's commitment to 15% affordable for sale housing units. It is also in addition to Mr. Grubb's recent offer to participate in the Justice United request for the town and private property owners of rental property to offer affordable housing and offering some apartments to people whose incomes are at 30% AMI.

It seems to me that a company such as Bluerock Woodfield with offices on 5<sup>th</sup> Avenue in New York City is certainly financially capable of providing for their current tenants in the same way that Clay Grubb is VOLUNTARILY providing for the people living in Glen Lennox Apartments .

I invite and encourage Bluerock Woodfield executives and other developers to do what Clay Grubb did and meet with their tenants! Mr. Grubb met every month from February 2009 for 18 months with his tenants. All 440 apartments were invited to monthly meetings on Sunday afternoons and a weekday evening. Clay & his Vice President drove back and forth from Charlotte, NC and listened to our concerns, hearts, needs, challenges, problems, hurts and never once led did he lead the agenda or tell us what he was going to do. We no longer were just numbers in a building, we became people with faces and hearts—just as he became a person with a heart to us. He did not patronize or bully us. He showed us respect, sensitivity, hospitality, humility, integrity, ethics, generosity and a lack of greed. He showed us compassion, common sense, a collaborative spirit. He displayed generosity and a lack of greed or arrogance. This happened before we even began our two year Neighborhood Conservation District process in which Mr. Grubb & other members of Grubb Properties participated, and before the Development Agreement process that followed.

Mr. Babb & Bluerock Woodfield, I volunteer to help you. I would be happy to help you organize tenants meetings and do a needs assessment of your current tenants—short-term and long-term tenants. I also encourage you to talk with Clay Grubb. He is not just talking, he is walking the walk, and he is walking **with** his tenants. We are serving and benefiting each other and our Community. Our long-term thriving and desire to live in Glen Lennox , and Mr. Grubb's not putting any of us to the street benefits Grubb Properties, our neighborhood, the Town of Chapel Hill, and our Community.

Reading a letter from Blue Rock Woodfield's Mr. Babb dated March 26, 2018 to Mr. Ben Hitchings at the Town of Chapel Hill (including in agenda # 9 item for town council meeting April 25) and an email from Mr. Stancil dated April 20 to town council members, I gather that The Park Apartments Redevelopment

Project is proposing: 30 one 1 Bedroom apartments at 80% AMI (Area Median Income) at \$1,028 to \$1,129/month; 65 1, 2, 3 bedroom units at 100% AMI; and 60 1 and 2 bedroom units at 120 % AMI with estimated rents up to \$1,800. This is challenging to interpret, because Blue Rock Woodfield's letter and Mr. Stancil's email give slightly different rental amounts.

However what is clear is that current residents—including families—will be displaced out of approximately 200 apartments and 150 apts will not provide a net gain of 150 affordable units even if they were all offered at 30%-80% AMI, because the people who will be displaced will be looking for housing that is rare or non-existent. In addition Mr. Babb states that the rent for a one bedroom apartment at 30% AMI in the NEW development of The Park Apts will be \$1,028. Yet according to various websites for current rents for a one-bedroom apartment available at The Park, range from \$780-\$805/month, and that there have been some renting for \$755/month, so a so-called "affordable" one-bedroom apartment in a redeveloped Park Apt would be \$223-\$273/month more than some tenants are currently paying for a one-bedroom apartment at The Park.

According to the Orange County Affordable Housing Needs Assessment for Rental Housing published in 2010 (found on the Town of Chapel Hill website), "40% of Orange County residents earning 30% or less of AMI are under the age of 25 and 63% are white. These stats point to the need for housing for college-age students in Orange County. However the statistically high percentage of non-white residents at the lowest income level also means that minorities are disproportionately over-represented in Orange County's 30% AMI bracket." WHERE IS UNC & WHY ARE THEY NOT STEPPING UP TO THE PLATE & contributing \$\$ to alleviate this housing nightmare that it is for the work force and retired work force. Students need housing, yet when they access it, they push out the work force and retired work force.

The aforementioned rental housing study also shared that "for households earning \$12,038 which is 30% AMI, there is a gap of 6,017 rental units. These households would have to find units that rent for \$376/month to have affordable housing. This gap represents a lack of affordable housing for 83% of Orange County residents in this income level. For households earning less than \$20,000 annually there is also a gap of 4,017 rental units. On the other hand it is fair to assume that the gap is HIGHER because a portion of the rental units listed are rented to those making MORE than the income in the 30% AMI."

This was in 2010. The need for affordable and/or at least modestly priced rental housing has only increased in Chapel Hill since that time.

According to the National Low Income Housing Coalition Out of Reach North Carolina/Orange County for 2017, the fair market rent for a 1-bedroom apartment in Orange County is \$834, for 2 bedrooms: \$978, for 3 bedrooms: \$1,332, 4-bedrooms: \$1,481. Yet Blue Rock Woodfield is proposing that a person pay \$50 MORE/MONTH for a 1-bedroom apartment that the fair market rent for a 2 bedroom housing unit which is \$978/month in Orange County.

In order to afford these fair market rents, a person in Orange County would need to earn \$16.04/hour to pay rent for a 1 bedroom apartment; earn \$18.81/hour for 2 bedroom housing; earn \$25.62/hour for 3

bedroom housing; earn \$28.48/hour for 4 bedroom housing . (Also a person would need to earn a housing wage of \$13.65/hour to pay for a \$710/month fair market rate one room studio—no bedroom).

At the current minimum wage in both Orange County and North Carolina of \$7.25/hour, affordable rent is \$377/month. To pay for fair market rent in Orange County a person would have to work 88 hours/week to pay for a 1-bedroom apartment at \$834/month; work 104 hours/week to pay for 2 – bedroom housing at \$978/month; work 141 hours/week to pay for 3-bedroom housing at \$1,132/month; and work 157 hours/week to pay for 4-bedroom housing at \$1,481/month. The most expensive “affordable” apartment in the redeveloped Park Apts will be \$1,800/month according to the Town Manager’s email on April 20, 2018.

Bluerock Woodfield’s proposed 1 bedroom apartment that they say will be at 80% AMI at \$1,028/month in a redeveloped Park Apts will require a person to work approximately 141 hours/week at minimum wage or at 78 hours/week at Orange County’s mean housing wage of \$13.20/hour (according to National Low Income Housing Coalition Out of Reach North Carolina/Orange County, 2017).

In Orange County the estimated mean renter wage is \$13.20/hour and rent affordable at mean renter wage is \$686/month.

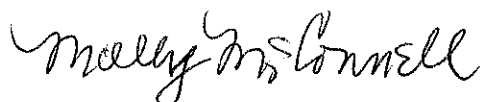
In addition the cost of housing in Orange County is \$150-\$224/month MORE for fair market rent than for North Carolina. Fair Market rent for 1 bedroom apt for NC is \$683/month; for 2 bedrooms: \$821/month; for 3 bedrooms: \$1,108; for 4 bedrooms: \$1,336. (for 1 room studio—no bedroom: \$629/month.

WHY is there such a disparity in the statistics between Bluerock Woodfield and the Town Manager’s statistics for what is affordable and what the National Low Income Housing Coalition says is both fair market rent and affordable rent in Orange County, North Carolina. Why would Chapel Hill’s housing costs be so different than what is seen as fair market rent for the county? Where are the Town Manager and Bluerock Woodfield obtaining their stats? Where can the rest of us gain access to the same information that differs from the National Low Income Housing Coalition Out or Reach North Carolina/Orange County 2017.

How can I help you serve the current tenants in The Park Apts and find housing for them that they can afford? I volunteer to assist Mr. Babb in any way I can to make this possible. We are all brothers and sisters together, and what hurts one hurts the other. When we wound one brother or sister, we wound us all. When we hold hands and work together collaboratively with compassion, common sense, humility, and respect to serve all of us, we benefit everyone in our Community.

“What does the Lord require of you but to do Justice and love Kindness [Mercy] and walk Humbly with your God.” Micah 6:8

Respectfully and in Peace,



Molly McConnell, 71 y/o life-long resident of NC, living locally in rental housing since 1970.