



We build strength, stability, self-reliance *and* shelter.

November 9, 2023

Dear Mayor and Town Council:

Habitat for Humanity of Orange County has been asked by Bryan Properties and Northview Partners to serve as contingency partner to provide the affordable housing component of the Lakeview Meridian Development (aka Gateway). Habitat understands that the proposed plan includes an affordable rental component to be developed by Taft Mills Group with the support of LIHTC funding. Habitat fully supports this vision and recognizes the significant need for more affordable rentals in Chapel Hill, especially for older adults. We are optimistic that this proposal will go forward.

In the event that the developer is unable to move forward with a LIHTC component on a timeline acceptable to the Town, Habitat agrees to partner with the developer to construct units for affordable homeownership. The proposed plan includes 24 affordable townhomes. Habitat homebuyers must earn between 30% and 80% AMI, live or work in Orange County and meet all Habitat program criteria. All Habitat homes have a 99-year affordability clause to ensure permanent affordability.

If this plan moves forward, Bryan Properties and Northview Partners have agreed to provide 24 fully developed lots to Habitat. These lots will be provided with all infrastructure completed, including curb and gutter, paved streets, water and sewer, power and communication utilities lines installed, all stormwater measures for the neighborhood installed and in service, and the site graded to the approved ZCP. In addition, Bryan Properties and Northview Partners will provide a financial contribution to Habitat per lot. This contribution will help Habitat to cover costs incurred from building homes outside of our typical build schedule, including subcontractor costs and overhead. Based on the current cost per unit, this contribution would be approximately \$15,000 per unit. We anticipate an approximate 5% escalation in these costs per year. The final amount of the contribution will be determined if and when the secondary plan moves forward.

Habitat reiterates our support for the current proposal that includes high-density affordable rentals. If a LIHTC development proves unfeasible, we express full willingness to step in to ensure the timely creation of affordable units on the proposed site. The scarcity and high cost of land is a significant barrier to developing affordable housing and we welcome partnerships that help to address this need. Attached is a preliminary draft of Habitat lots within Gateway. If this plan ultimately moves forward, the site plan will be further refined by Habitat, Bryan Properties, and Northview Partners, with input from Town of Chapel Hill and the broader community.

Sincerely,

Jennifer Player
President and CEO

