



Strengthening our community
with permanently affordable housing opportunities

May 11, 2021

Dear Mayor and Council,

Thirty (30) years ago, the Town of Chapel Hill created Community Home Trust (CHT) to manage the Town's ambitions of including affordable housing in new homeownership developments. This Town policy later became its Inclusionary Zoning Ordinance. Of the 260 homes CHT owns, **188 (72%) were acquired directly from developers, because of Inclusionary Housing policy.** These homes include single-family homes, townhomes, and condominiums, located side-by-side with private market homes in numerous neighborhoods.

Throughout CHT's history, administering the Town's inclusionary housing policy has encouraged robust and regular partnerships between CHT and private developers. Some projects are easier to develop than others, but the partnerships are always approached with the intention to "make it work" -- to make sure affordable homes are integrated into each of our community's neighborhoods. CHT is sensitive to the constraints on all developers regarding the inclusion of affordable housing in private development and CHT is consistently willing to explore what makes sense for this community.

CHT does not support Aura's current affordable housing plan. Aura's plan to provide a Town-sanctioned donation for off-site housing to a single non-profit chosen by Aura, instead of building affordable, on-site homeownership units, is inequitable-- the plan disparately impacts other affordable housing providers and the community members that access their services. This plan departs from the Council's long-standing process to provide equal opportunity for all affordable housing providers to access funds for a wide variety of projects. Approving this proposal would set a dangerous precedent of inequality that could reduce the options for affordable, diverse housing in the future. It is not too late to explore other possibilities -- and Council should encourage the stakeholders to do so.

The Inclusionary Zoning Ordinance provides for alternatives to on-site development, but only if the applicant demonstrates to the satisfaction of the Town Council or the Planning Board that the proposed alternative (1) provides an equivalent amount of Affordable Dwelling Units that the Council or Planning Board determines better achieves the goals, objectives, and policies of the plan; or (2) is not economically feasible and the alternative will further affordable housing opportunities to an equivalent or greater extent than constructing on site. CHT asks that the Town require the developer to comply with the Ordinance and provide justification for its request to provide an alternative. The site on which Aura proposes to build sits on a transit corridor and future bus rapid transit line. Few opportunities remain for developable land in Chapel Hill, and affordable housing at Aura would provide many families with access to opportunities they otherwise would not have -- and this result contrasts with Aura's proposal to sponsor homes that will be located on the outskirts of town.



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Aura's affordable housing plan has been revised numerous times over the past six months. The proposals directed at CHT by Aura have included live/work space, condominiums, and stacked townhomes. CHT expressed support for all of these proposals, provided feedback, and offered to assist Aura with continued creative planning. Unfortunately, the suggestions and offers seem to have been passed over.

The last option provided to CHT by Aura was to sell three-story townhomes to CHT as stacked townhomes, consisting of two separate residences each. North Carolina state law classifies stacked townhomes as condominiums. This proposition would have required CHT to purchase, hold, and legally convert the homes to condominiums, which would make the project cost-prohibitive. CHT provided this information to Aura and suggested that other developers historically, and even much more recently, have found ways to creatively comply with the Inclusionary Zoning Ordinance. For example, the Chandler Woods developer built nine (9) small, two-story townhomes amongst large single-family homes. And while the Bridgepoint developer pledged less than 15% of the affordable housing required under the Ordinance, it provided that the townhomes would include garages and be the same size as the market-rate townhomes.

Changes to the plan are expected during negotiations and there has been no exception here. However, it concerns CHT that Aura has seemed to lack motivation to find a solution that provides on-site affordable FOR SALE housing -- a solution that complies with the Inclusionary Zoning Ordinance. While CHT fully supports and applauds Aura's commitment to provide fifteen percent (15%) of its 361 rental apartments as affordable, CHT does not believe this rental proposal negates Aura's responsibility to the community to provide on-site homeownership units.

CHT maintains that a creative solution is obtainable at Aura for on-site homeownership units and that all possibilities have not been explored. CHT would like Council to strongly encourage the developer to have meaningful and creative conversations with CHT regarding the development of on-site homeownership units. CHT believes that, with affordable homeownership inclusion, Aura will be a very positive development for this community.

Sincerely,

Kimberly Sanchez

Kimberly Sanchez
Executive Director
Community Home Trust