

**ATTACHMENT A**

**A RESOLUTION AUTHORIZING MAYOR NELSON TO  
SIGN A LETTER TO CONGRESSMAN DAVID PRICE  
Resolution No. 193/2003-04**

**BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE TOWN OF  
CARRBORO:**

Section 1. Mayor Nelson is hereby authorized to sign a letter addressed to Congressman David Price regarding the town's concern about the recent changes in the Metropolitan Statistical Area and the affect of that change on HUD's income limits for affordable homebuyers.

Section 2. This resolution shall become effective upon adoption.

**Sarah Williamson**

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**From:** Mariana Fiorentino [mariana@terranovaglobal.com]  
**Sent:** Thursday, June 17, 2004 10:13 AM  
**To:** Michael Nelson (Forward to External)  
**Subject:** Affordable Housing action item  
**Importance:** High

□ □

Dear Mike,

Robert Dowling of Orange Community Housing and Land Trust has composed an important letter to Congressman David Price ATTACHED regarding the impact of an upcoming change in federal HUD guidelines for affordable housing programs (please see the attached WORD document). That change will come about as a result of Wake County being removed from the existing Metropolitan Statistical Area, leaving Durham and Orange County to stand alone.

The Council on Workforce Housing will meet again July 7. Our goal is to have all entities affected by this change sign the letter. I ask that you give this letter your immediate attention and provide any feedback you feel is important. I would urge that the Town of Carrboro Aldermen be a signatory to the letter, to demonstrate the importance of this issue to our community. Many thanks.

Mariana Fiorentino, CIPS, CRS, GRI

Broker/Owner

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6/17/2004

June 15, 2004

The Hon. Representative David E. Price  
2162 Rayburn Building  
Washington, D.C. 20515

Dear Representative Price:

We are writing to you about a matter of great concern to affordable housing providers based in Orange and Durham counties. As you are probably aware, this year Wake County was removed from our federally-determined Metropolitan Statistical Area (MSA). Durham and Orange Counties now stand alone as one MSA. From census data, we project that this change could cause a 15- 20% *decline* in HUD's income limits for affordable homebuyers in our new MSA.

This change causes us concern for the following reasons:

1. Some buyers who have waited a year or more to buy homes under construction might become disqualified by a drastic drop in the income limits.
2. Most affordable housing programs impose some penalty to owners who re-sell their homes to buyers earning more than 80% of the Area Median Income (AMI). A steep drop in income limits would make it very hard for these homeowners to find buyers earning less than 80% AMI.
3. A particular problem for the Durham and Orange Land Trusts is that our homeowners are not allowed under any circumstances to sell their homes to buyers earning more than 80% AMI. A steep drop in income limits could make it impossible for them to sell their homes for a number of years.

These problems could be mitigated if HUD were to do two things:

1. It would be very helpful if HUD would stagger in a drop in the income limits in small percentages over a few years, rather than implementing the full drop in 2005.
2. It would be very helpful if HUD would give us early notice of how it plans to determine our 2005 income limits, so that we can better prepare buyers who might be disqualified by a drop.

Representative Price, we would very much appreciate your help in raising these concerns to HUD and proposing solutions that would mitigate the problem. Our MSA changes could have a serious impact on our ability to deliver the housing that HUD supports, but we will certainly need help in making this concern heard at the federal level.

For further information about this issue, please contact Robert Dowling at (919) 967-1545.

With great appreciation,

Undersigned Organizations