

**BOARD OF ALDERMEN**

**ITEM D(1)**

**AGENDA ITEM ABSTRACT  
MEETING DATE: FEBRUARY 14, 2006**

**SUBJECT: A REVIEW OF AFFORDABLE HOUSING FOR THE CARRBORO GREENS AIS MAJOR  
SUBDIVISION LOCATED AT 1236 HILLSBOROUGH ROAD**

<b>DEPARTMENT: PLANNING DEPARTMENT</b>	<b>PUBLIC HEARING: YES No <u>X</u></b>
<b>ATTACHMENTS: A. VICINITY MAP B. SITE PLAN C. APPLICANT JUSTIFICATION PACKAGE D. SECTION 15-54.1 OF THE LUO</b>	<b>FOR INFORMATION CONTACT: JEFF KLEAVELAND, TOWN STAFF: 918-7332</b>

**PURPOSE**

Because the Carrboro Greens AIS Conditional Use Permit project does not propose to reserve 15% of its units as affordable, Section 15-54.1 of the Land Use Ordinance requires that the applicant participate in an Affordable Housing Review Meeting with the Board of Aldermen before project review may continue. At this time, the Board of Aldermen is asked to review the affordable housing component of the Carrboro Greens AIS major subdivision.

**INFORMATION**

On June 24<sup>th</sup>, 2003 Tom O’Dwyer of Construction Resources, Inc. submitted a Conditional Use Permit application for the construction of 18 single family homes and townhomes at 1236 Hillsborough Road (**Attachments A & B**). The subject property is further identified by tax map number 7.108..5. The property is located directly southeast of the Barrington Hills Subdivision.

The 8.65 acre property is located in the R-20 zoning district. At one unit per 20,000 sf., this allows a base density (without the affordable housing density bonus) of 18 dwelling units. At this time, the applicant is not proposing to build any affordable housing units nor is he intending to use the affordable housing density bonus. Instead he wishes to maximize the base density by providing 8 townhome lots and 10 single family lots to be sold at market rate. Under his current proposal, in order to meet the 15% affordable housing minimum, 3 of the 18 units would need to meet the price provisions of 15-182.4 (this would be *without* corresponding bonus lots).

Were the applicant to fully utilize the density bonus provisions of Section 15-182.4 of the LUO (i.e.: 150% of the base density) a total of 27 units is possible. However, the ordinance provides only a “one for one” bonus, and thus, in yields where an odd number results (i.e. “27”) the applicant will universally round downward. With this in mind, the *practical* maximum yield with the bonus, is 26 units (18 units plus, 4 bonus and 4 affordable units). The 15% affordable threshold in this situation requires that 4 units (or lots) be made affordable, out of a total of 26.

Mr. Tom O’Dwyer, the owner and applicant for the Carrboro Greens AIS has provided the attached evidence which he believes demonstrates that this ordinance provision is ill-suited to a small scale developer such as himself (**Attachment C**). His evidence suggests that a small development, on which

only lots are sold, cannot substantially offset the cost of building the affordable homes. Mr. O'Dwyer has met with Orange Community Housing and Land Trust (OCHLT) to discuss the matter.

Mr. O'Dwyer is providing further evidence to support the idea of a *contribution* to affordable housing, based on proceeds from Carrboro Greens home sales. He believes this mechanism would better serve projects of this size and scope (**Attachment C**).

The Town of Carrboro Zoning Division has completed two formal reviews of the Carrboro Greens AIS. Per the provisions of Section 15-54.1 of the Land Use Ordinance, proposed residential projects that provide less than 15% affordable housing (as defined by Section 15-182.4) are required to participate in an Affordable Housing Review Meeting with the Board of Aldermen (**Attachment D**).

**RECOMMENDATION**

Staff recommends that the Board participate in the Affordable Housing Review as pertaining to the Carrboro Greens AIS subdivision.