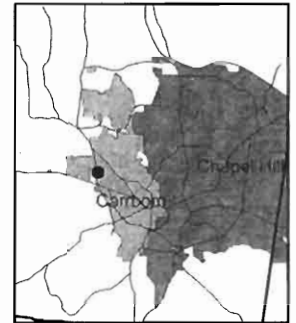


810 Old Fayetteville Road



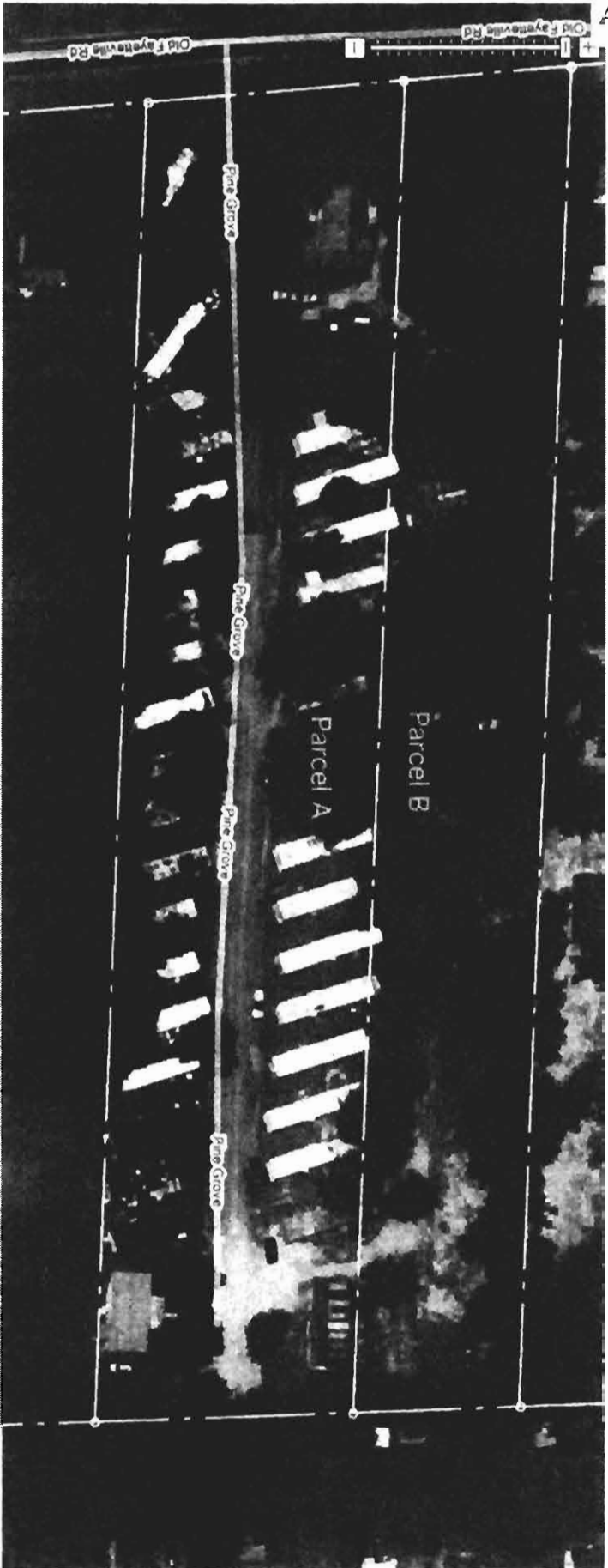
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TOWN OF CARRBORO
301 W. Main St.
Carrboro, NC 27510

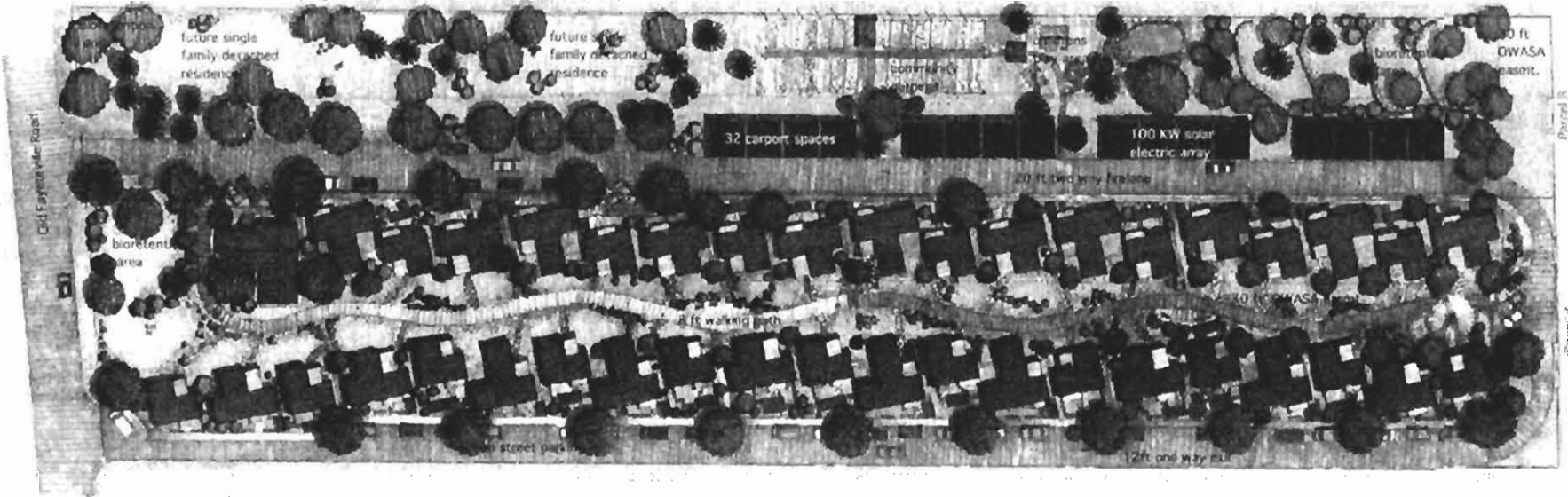
Printed Sep 22, 2006



Existing Pine Grove Mobile Home Park

Veridia a proposed LEED certified neighborhood

Access easement on parcel B for road, gardens, stormwater, play area, carports, solar electric system, OWASA



39 detached 1350 sq ft 3 bdr condominiums

78 parking spaces

Parcel A 810 Fayetteville road 2.76 acres

Parcel B 812 Fayetteville road 1.88 acres

Rainwater Catchment

Underground cisterns will be incorporated to provide water for toilet flushing reducing OWASA water use by approx 40%

Green Homes

All 39 homes will be built to Energy Star and LEED standards

18 homes will have solar hot water

Solar Electricity

A 100 KW grid tied photovoltaic array mounted atop carports will generate enough electricity to offset most of the electrical demand of the 39 homes

Carrboro LUO Section 15-54.1 Affordable Housing Goal and Alternative Methods of Achieving the Goal (REWRITTEN 6/26/07)

(a) The Board of Aldermen has established as a policy goal that at least fifteen percent of the housing units within all new residential developments should consist of affordable housing units as described in Section 15-182.4. That section, as well as Section 15-188, establish incentives for developers to provide for such affordable housing. The purpose of this section is to establish alternative processes whereby developers who do not achieve the 15% objective can nevertheless contribute to the fulfillment of this goal in another way, and also to create a process to ensure that developers understand the importance of attempting to meet this goal.

(b) An applicant for approval of any residential development containing five or more dwelling units or lots that does not elect to meet the Board's 15% affordable housing policy goal by constructing affordable housing units or donating affordable housing lots (as those terms are described in Section 15-182.4) shall nevertheless be considered to have met this goal if such applicant makes a payment to the Town's Affordable Housing Special Reserve Fund in lieu of such construction or donation in an amount calculated as provided in this subsection:

- (1) The number of dwelling units or lots authorized within the development (including additional units or lots authorized when the developer chooses to utilize the bonus density provisions of Section 15-182.4 shall be multiplied by 0.15 and the product shall be carried to two decimal places.
- (2) The number of affordable housing units or affordable housing lots proposed to be provided by the developer (as described in Section 15-182.4) shall be subtracted from the product derived under subsection (b)(1).
- (3) The product derived under subsection (b)(2) shall be multiplied by the affordable housing payment in lieu fee. The result is the amount that must be paid to satisfy the provisions of this subsection (b).
- (4) The affordable housing payment in lieu fee shall be an amount established annually by the Board of Aldermen at the beginning of the fiscal year. This fee shall be established so that it roughly corresponds to the average subsidy required for an affordable housing agency to complete an affordable unit. In making this determination, the Board shall be guided by the following:
 - a. At the end of each fiscal year, each affordable housing agency that operates within the Chapel Hill-Carrboro School District will be asked to provide the town with a list of new affordable units within that district during that year and to specify for each such unit the dollar

amount of subsidy needed to make such unit affordable. The subsidies considered will be inclusive, i.e. donated lots, discounted land, public funds, private funds, donated infrastructure, donated or discounted labor and materials, or other forms of subsidy and shall represent the difference between the appraised market value and the sales price, less any additional subsidies provided at the time of sale.

- b. The per unit average of the subsidies will be calculated.
- c. The per unit average will be multiplied by the average percent increase in the cost of new homes constructed in the Chapel Hill Carrboro area for that fiscal year, and the result will be the payment in lieu fee for the coming year.

(c) An applicant for approval of any residential development containing five or more lots restricted to single-family residential use (which lots the developer intends to sell undeveloped) who does not elect to meet the Board's 15% affordable housing policy goal by donating affordable housing lots (as those terms are described in Section 15-182.4) or making a payment in lieu as provided in subsection (b) above shall nevertheless be considered to have met this goal if such applicant chooses to follow the process that reserves lots for purchase by the Town of Carrboro and made a payment for the eventual purchase of such lots as outlined in this subsection.

- (1) The developer shall request that a condition that obligates the developer to comply with the provisions of this subsection be added to the special or conditional use permit that authorizes the subdivision in question, and such condition shall be added by the permit issuing authority.
- (2) Before the final plat is approved, the developer shall designate on the plat a number of lots that are reserved for purchase by the Town of Carrboro. The number of lots so reserved shall be equal to the product of the number of lots within such subdivision multiplied by 0.15, rounded down to the nearest whole number.
- (3) The purchase price for each reserved lot shall be the estimated market price as agreed upon by the Town and the developer, which price shall be specified in the condition added to the special or conditional use permit.
- (4) The lots so designated shall be restricted by the permit to the development of affordable housing as defined in Section 15-182.4 of this chapter.
- (5) The lots so designated shall be in all other ways equal to the market rate lots and shall be provided with utility connections and other

ATTACHMENT C-3

necessary infrastructure so as to render them buildable at the time of sale.

- (6) With respect to all other lots within the subdivision, no certificate of occupancy shall be issued for any dwelling unit constructed on such lots unless and until a payment is made to the town in an amount determined as follows:
 - a. Prior to approval of the permit for such subdivision, the applicant for the permit shall estimate the total market value of all developed lots (i.e. lots with houses completed on them) within the subdivision that are not restricted to affordable housing units, and calculate from this number the percentage number that, when applied to the total market value of such developed lots, would yield the number of dollars necessary to purchase the lots within the subdivision that are restricted to affordable housing use. My note says to clarify that the designated lot purchase funds are coming from the sale of the other lots. But, at the moment, this seems fairly clear.
 - b. If the town accepts the percentage number derived above as a reasonable estimate, such percentage shall be included as part of the condition on the permit prohibiting the issuance of a certificate of occupancy until a payment is made to the town as provided in this subsection.
 - c. The amount of the payment shall be determined by applying the percentage determined in accordance with this subsection to the appraised value of the completed house and lot, as determined by a licensed appraiser.
- (7) The funds so received shall be held and reserved for the purchase of the lots designated to be developed with affordable housing.
- (8) The town shall have the right to purchase the designated lots at any time after final plat approval, and must purchase the lots not later than ninety days after sufficient funds to do so have been received by the town from the other lots.
- (9) If sufficient funds have not been received by the town to purchase one or more of the affordable housing lots after the last certificate of occupancy is issued for the other lots within the subdivision, then the town shall either purchase such affordable housing lot or lots using such funds as may be available to the town within ninety days after the date of issuance of such certificate of occupancy, or the condition limiting the use of such designated lot or lots to affordable housing

shall be deemed to have expired and such designated lot or lots may thereafter be conveyed without this restriction.

- (10) If the funds received exceed the amount necessary to purchase the lots that have been reserved then such funds shall be retained in the fund and used for other purposes authorized for that fund.

(d) The Board finds that some developers may not fully understand how the affordable housing provisions of this chapter operate or the incentives that are available under the ordinance to encourage affordable housing. Therefore, the Board concludes that, when developers of proposed developments containing five or more dwelling units propose to construct such developments without meeting the affordable housing goals established by the town for new developments, it may be beneficial to both the developers and the town for the Board and such developers to have an opportunity, prior to the formal consideration of a permit request, to discuss the town's affordable housing policy, the affordable housing opportunities and incentives provided by this chapter, and any questions or concerns such developers may have about utilizing those provisions. Subsections (e) and (f) below provide for that opportunity.

(e) The applicant for any residential development containing five or more lots or dwelling units, and therefore required to obtain either a special use permit from the Board of Adjustment or a conditional user permit from the Board of Aldermen, shall be required to participate in an Affordable Housing Review Meeting with the Board of Aldermen if the residential development does not meet the Board's affordable housing goal in any of the ways described in this section or Section 15-182.4.

(f) Should an applicant for any residential development containing five or more lots or dwelling units decide in the course of the development review process to change the application in such a way that it no longer satisfies the Board's affordable housing policy goal, further review of the project will be delayed until the applicant participates in an Affordable Housing Review Meeting with the Board of Aldermen.

Affordable Housing Provision Exemption Request

In about six months (we hope!), you will vote on a Conditional Use Permit application to reroute traffic around the perimeter of a walkable community (Veridia) to be built on the site of the Pine Grove Mobile Home Park on Old Fayetteville Road. This request to change the existing traffic pattern at the park is necessary to build an affordable LEEDs certified solar community with open space. You will learn more about this later as the project is presented to you for the CUP review process.

We recently discovered that our CUP request triggers a 15% affordable housing provision. Our situation is unique and there are compelling reasons to exempt us from the precise requirements of that provision.

- As background, we propose to build thirty nine 1350 square foot 3 bedroom homes. We plan to construct a 100 kilowatt community solar array that will make the community energy independent. We will catch and reuse rain water for a 40% reduction in water use. We will meet LEEDs and energy star standards. We will provide a large internal greenway, community house, community gardens and a recreation area. We will sell the homes for \$289,000. At this price, our homes will be less than half the price of the average new home in the area. They will be the most affordable new free standing homes on the market that provide so many green features. It is not economically feasible to provide six homes at the affordable housing price of \$120,000 in this project.
- The town and its attorney have already ruled that the 39 trailers in the mobile home park may be replaced without a CUP with thirty nine 1350 square foot homes as long as existing non conformities are not made worse and all applicable rules and regulations are followed - most significantly the construction of approved storm water and sewer/water facilities. Under this ruling, no affordable units would be required. If we followed that path, the conventional project would make permanent a host of non-conformities. There would be no open space, no set backs, no recreational area etc. - in short, a far less desirable community.
- In addition to the above, we feel that the terms of the affordable housing provision cannot be fairly applied to our project for two reasons. First of all, as part of our negotiated agreement with the town over what we can do right now, we were restricted in size per unit to 1350 square feet. That is already small and affordable. Because of this restriction we are not able to build the larger more profitable housing that normally offsets the affordable component. Additionally, due to the existing allowable density which completely fills the property we are not able to benefit from the affordable housing density bonus which would normally allow more market rate homes to offset the cost of affordable ones.

It is rare when market demand, zoning and density facts on the ground, desires of the developer, times we live in, and the mindset of the board come together and make it possible for a sustainable, affordable community like the one we propose. We know of no other being planned. It is important that someone show it can be done. We are not asking for any favors or subsidies. We simply ask that you not burden the project with conditional use requirements that make it impossible to build.

Respectfully,

Trip Overholt
Developer
Sustainable Properties

Giles Blunden
Architect and Consultant
Blunden Studios