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Funding Provided by:

Town of Chapel Hill

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September 20th, 2009

Mayor Mark Chilton and the Carrboro Aldermen

Town of Carrboro

301 West Main Street

Carrboro, NC, 27510

Dear Mayor Chilton and Members of the Board of Aldermen:

I am pleased to report that Layton Wheeler is planning to work with the Home Trust to provide affordable homes in the proposed Lloyd Square development. We have reviewed Lloyd Square's affordable housing plans and believe they present a good opportunity for Home Trust homebuyers.

The Home Trust and Mr. Wheeler have reached the following agreement regarding partnering to sell affordable homes in Lloyd Square:

1. Mr. Wheeler will build two affordable units in Lloyd Square, which will be attached in a duplex. He plans to request a payment in lieu for the rest of his affordable housing requirement under the town's ordinance.
2. Each unit will have a minimum of 1600 square feet of heated living space, 3 bedrooms and two and a half baths.
3. All bedrooms will be a minimum of 120 square feet in size.
4. Mr. Wheeler will meet with the Home Trust to determine final house plans before construction.
5. In Lloyd Square's site plan, Mr. Wheeler will include a use easement granting the eventual owners of the unit on lot 5 the use of the "flagpole" portion of lot 6, which will run behind their house.
6. Mr. Wheeler will sell the homes to the Home Trust for a price of \$120,000 per unit.
7. Mr. Wheeler will own the properties during the marketing period, until the Home Trust is able to close with income-eligible buyers.
8. The Home Trust will market the affordable units, provide buyer education, and work with qualified buyers through the closing process. Mr. Wheeler will pay the Home Trust a marketing fee of \$3,000 per unit when we close on each home with an income-eligible buyer.
9. Any unit that the Home Trust does not sell within twelve months after it receives certificate of occupancy may be sold by Mr. Wheeler under the terms of his permit and the town's ordinance.

Please note that while \$120,000 is affordable to households at 80% of the Area Median Income, we will need additional local subsidy in order to create an adequate affordability window to market these homes.

We appreciate the Board of Aldermen's continued commitment to affordable housing and the Home Trust. If you have any questions or comments about our initial agreement with Mr. Wheeler, please call me at 967-1545 ext 305.

Sincerely,

Christine Westfall
Project Manager