



Orange County Affordable Housing Coalition

December 10, 2021

Dear Mayor Hemminger, Town Council, and Housing Advisory Board members
(cc Town Manager Jones; Sarah Viñas, Director of Affordable Housing and Community Connections; and Grubb Properties, LLC),

On behalf of the Orange County Affordable Housing Coalition (OCAHC), we are writing to request your support for a meaningful commitment of affordable housing designated for low-income residents in the proposed 101 East Rosemary Street development in Chapel Hill. The OCAHC understands that Grubb Properties, LLC has submitted a concept plan and conditional zoning application for a seven-story mixed-use development including 150 apartments for households earning between 60%-140% of area median income (AMI). In Orange County, 140% of the area median income is \$120,960. Housing is considered affordable when a household spends 30% or less of their income on housing expenses. Thus, someone earning 140% AMI per month could afford to spend over \$3,000 on housing per month, surely not affordable by any reasonable definition. The current affordable housing proposal does not specify how many units will be made available to this wide income range and if a certain number will be set for households at the lower end of this range.

We request a minimum of 15% of the units be set aside for households earning up to 80% AMI with half of those units set aside for households earning 50% AMI or below. A two-person household earning the Orange County Living Wage has a gross income of a little less than 50% of AMI. Pricing units at rates affordable for households earning 50% of AMI will ensure these units can serve as living-wage rentals. While we applaud this proposed addition of new “essential housing” units along this walkable downtown area of Chapel Hill, we want to see truly affordable rents for households earning below 50% AMI at 101 E. Rosemary Street, even if it means fewer total subsidized units. We also want to ensure that the affordable units are not rented to full-time student households. Still, we commend the plan for its proposed contributions to the overall housing inventory in our community and hope a reasonable compromise can be reached.

Our support for this development is contingent on the Town and developer executing an enforceable agreement that affordable units will not be rented to full-time student households and income-restricted units be set at rent levels that are truly affordable to tenants earning below 50% AMI, accounting for utility allowances as is typical for subsidized housing programs. Further, the Town should set an expectation that the owner will accept Housing Choice Vouchers (also known as “Section 8”) and similar vouchers to increase access to these new rental units. Finally, there should be long-term covenants (30+ years) or other enforcement mechanisms for income restricted units that survive sale to new investors. Similar standards apply to federal housing programs such as the Low-Income Housing Tax Credit and HOME.

Thank you for your attention and for your service to the community,

Jennifer Player
2020-21 OCAHC Co-Chair

Dan Levine
2021-22 OCAHC Co-Chair