



Orange County Affordable Housing Coalition

September 14, 2021

Dear Mayor Hemminger, Town Council, and Housing Advisory Board members (cc Town Manager Jones),

On behalf of the Orange County Affordable Housing Coalition, we are writing to request your support for a meaningful commitment of affordable housing designated for low-income residents in the proposed Lullwater at Chapel Hill residential development located on Adair Drive and Old University Station Road Extension, near Weaver Dairy Road and Martin Luther King Jr. Boulevard.

The OCAHC understands that the developer has submitted a concept plan application for a multifamily residential development including 270 apartments and 40 townhomes, with 40 of the apartments set aside for families earning up to 120% of the area median income (AMI). In Orange County, 120% of the area median income is \$103,680 for a family of four. Thus, if housing costs equaled 30% of an 120% AMI household's income, these costs would be \$2,592 per month, surely not affordable by any reasonable definition. Furthermore, the developer's affordable housing plan cites expensive infrastructure extensions and site constraints as barriers to including an affordable townhome component in the project.

While we applaud this proposed addition of new housing units along this walkable transit corridor, we want to see truly affordable rents for income-targeted units at Lullwater, even if it means fewer total subsidized units, since 80-120% AMI rents approximate and may even exceed market rents. 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 of the affordable housing plan proposed at Lullwater 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 below 60% 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 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  
OCAHC Co-Chair

Dan Levine  
OCAHC Co-Chair