

2200 HOMESTEAD

Conditional Zoning Application

29 October 2020

Affordable Housing Proposal

In 2017, the Town of Chapel Hill Council adopted a resolution designating 2200 Homestead Road as a mixed-income affordable housing site, a designation that followed evaluation of the site by Town staff and a Council-led housing task force. After adoption of that resolution, potential beneficiaries and other stakeholders were involved in the creation of the concept plan for this site in 2017 and 2018 through a Town-led public participation process. The concept plan was further refined through input from two of the Town's advisory boards, the Community Design Commission and the Housing Advisory Board. The concept plan developed through that process forms the basis of the proposed project.

The homes at 2200 Homestead will be developed by CASA, Community Home Trust, and Habitat for Humanity, all nonprofit agencies with strong track records in Orange County. In total, the partners propose to develop 115-130 affordable rental and homeownership units serving households earning from below 30% to 115% AMI. The homes will be a mix of apartments, duplexes, and townhomes, ranging from 1-bedroom units to 4-bedroom units.

The homes will be available to low- and moderate-income households that meet the respective development partners' eligibility requirements. In addition, the range of unit sizes and types will provide opportunities to serve several target populations, including persons with disabilities, individuals or families transitioning out of homelessness, holders of housing vouchers, survivors of domestic violence, and veterans, among others.

All of the units developed at 2200 Homestead road will be subject to restrictions ensuring long-term affordability. Community Home Trust's townhomes will be sold subject to a 99-year ground lease, giving the Home Trust the ability to limit the appreciation realized by homeowners and keep the homes affordable to future buyers. Community Home Trust homes typically sell for 30-50% below market value.

The Habitat for Humanity homes will be sold using deeds of restrictive covenants requiring 99-year affordability to buyers who earn 80% or less of the AMI. In addition, Habitat retains a right of first refusal on all of its homes. A shared equity agreement allows Habitat buyers to share a percentage of the appreciation of their property based on the ratio of their first mortgage, which is provided by Habitat, and the original sales price of the home, which is determined by a market appraisal at the time of sale, while ensuring that Habitat's homes remain affordable.

CASA has committed to a 30-year affordability restriction for the three apartment buildings, which is standard for affordable multifamily new construction projects.