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NEWS RELEASE

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FOR IMMEDIATE RELEASE:

Affordable Rental Housing addressed in Ephesus Fordham Renewal

In an effort to increase the community's supply of affordable rental housing, the Town of Chapel Hill is partnering with a Raleigh nonprofit to create an affordable housing development on Legion Road. The project is one part of the Ephesus Fordham Renewal effort.

"We are honored to be asked to develop this property and fill one of the greatest needs in housing today – affordable rental homes," said Gregg Warren, president and executive director of DHIC. "We are proud of our track record and view ourselves as a market leader in this area."

The Project

DHIC Inc. is the Triangle area's oldest and largest nonprofit housing organization. Since 1974, the agency has built or renovated more than 1,500 affordable rental homes and 400 homes for sale. This would be its first project in Chapel Hill, where there is a large need for affordable rentals. A 2010 Residential Market Study found that about 1,260 new rental units would be needed to serve the town's population in 2014. But since 2009, approved development applications include about 540 rental units.

The DHIC plan would build two rental communities – Greenfield Place, 84 apartments for working families, and Greenfield Commons, about 60 units for senior citizens. DHIC is applying to receive low income housing tax credits from the NC Housing Finance Agency. While the awards are extremely competitive, such funding would make the project financially viable.

The Town of Chapel Hill will provide 8.5 acres of Town property for the development, as expressed in a Jan. 10 Letter of Intent and a Contract for Purchase to convey the property to DHIC for \$100. The land was identified previously in an asset review list of real estate holdings that the Town could conceivably sell to meet Town goals. The property is located on an undeveloped portion of the Chapel Hill Memorial Cemetery. Next steps for this project include establishing an access easement for this site and to initiate subdivision of the property.

The Council considered the rezoning of the Ephesus Fordham area on Jan. 22 during a public hearing on the Ephesus Fordham Renewal effort. Coming up are opportunities for additional review at a public information meeting Feb. 20, a Council work session March 3, and a public

hearing March 24. If the project moves forward, the next major step of the Ephesus Fordham Renewal effort is rezoning the property.

The Need

In the last two Community Surveys conducted in 2009 and 2011, the issue of affordable housing received the highest dissatisfaction rating among Chapel Hill residents. The Chapel Hill 2020 Plan set a goal to create a range of housing options for current and future residents. Partnering with nonprofit housing providers like DHIC to develop a low income housing tax credit project on Town-owned land was the top recommendation identified in the draft Affordable Rental Housing Strategy developed by the Mayor's Committee on Affordable Rental Housing.

Many of the people who work in Chapel Hill cannot afford to live here. This group includes hospital workers, bus drivers, teachers, police officers and firefighters. The overall percentage for all Town of Chapel Hill employees is about 22 percent who live in Chapel Hill zip codes.

At UNC-Chapel Hill, less than half of the workforce lives in Orange County (49 percent of 11,900 employees). Of the 10,147 employees at UNC Health Care, about 18 percent live in Chapel Hill zip codes. The largest number of Health Care employees report living in Durham County. Similarly for the Chapel Hill-Carrboro City Schools, less than half -- 46 percent of the 2,112 employees -- live in Chapel Hill or Carrboro.

Affordable Rentals

The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. About 52 percent of Orange County renters reported spending about 35 percent of their household income on rent in 2011.

Rent is high in Chapel Hill at about \$872 per month on average. By comparison, the Greenfield Place development will charge between \$278 and \$648 for a one-bedroom apartment, \$334 to \$775 for a two-bedroom apartment, and \$390 to \$900 for a three-bedroom apartment.

The Town's Housing Department manages 336 public housing apartments in 13 neighborhoods throughout Chapel Hill and Carrboro. About 1,000 residents live here. At any given time, about 300 people are on the Town's public housing wait list -- and another 1,800 are on the housing choice voucher program (formerly known as the Section 8 program) waitlist. Several area non-profit organizations also manage affordable rental units for very low income households, however, the supply is limited and the on-going subsidy required to maintain the affordability of the units is substantial.

The Goals

The proposed affordable rental development projects may continue to advance the Town's goals to increase the availability of and access to housing, to expand socioeconomic diversity, to provide people with the ability to remain in Chapel Hill through different stages in their lives, and to support employee recruitment and retention.

To learn more, visit www.townofchapelhill.org/affordablehousing and www.townofchapelhill.org/ephesusfordham

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