

CHATHAM PARK AFFORDABLE HOUSING PLAN ADDITIONAL ELEMENT

Introduction

This is the Chatham Park Planned Development District Affordable Housing Plan Additional Element (the “Element”), which addresses affordable housing and workforce housing, or optional land donation in lieu thereof, to be provided for Chatham Park as set out herein. Each Article of this Element is divided into Sections (designated by numbers) and subsections (designated by letters).

Article 1. Definitions

The following definitions apply to this Element:

1. Accessory Dwelling or ADU: A Dwelling Unit that is ancillary or secondary to a primary Single-Family Dwelling and that has a separate kitchen, bathroom, and sleeping area existing either within the same structure or on the same Lot as the primary Single-Family Dwelling. An Accessory Dwelling shall be excluded when calculating the number of Dwelling Units that have been platted or constructed in Chatham Park, proposed to be platted or constructed in Chatham Park, and the maximum number of Dwelling Units allowed by the Chatham Park Master Plan.
2. Affordable Housing Unit or AHU: A Dwelling Unit for which monthly rent or mortgage payment plus monthly cost of potable water, sanitary sewer, electricity, natural gas, and property owner association assessments does not exceed the following:
 - a. For an Affordable Housing Unit Type 1 or AHU1, thirty percent (30%) of sixty percent (60%) of annual MFI divided by 12; or
 - b. For an Affordable Housing Unit Type 2 or AHU2, thirty percent (30%) of eighty percent (80%) of annual MFI divided by 12.
3. Apartment Dwelling: A Dwelling Unit in a building that contains two or more Dwelling Units that are rented or proposed for rental.
4. Chatham Park, Chatham Park Planned Development District, or Chatham Park PDD: The real property included in the property zoned by the Town of Pittsboro, North Carolina as the Chatham Park Planned Development District.
5. Dwelling Unit or DU: A living space that provides complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation (i.e., bathroom). Each of the following constitutes a Dwelling Unit for this Element: Single-Family Detached Dwelling; Townhouse Dwelling; Apartment Dwelling; and Accessory Dwelling.
6. Employment Center: A locally recognized concentration of employment opportunities practically available to the residents of the proposed AHUs and/or WHUs. Examples of an

employment center are: a Village Center (as defined in the Definitions and General Provisions approved with the Chatham Park Additional Elements); hospital; an industrial park; a commercial district; and an office park.

7. Fair Market Rent: The HUD fair market rent for the applicable fiscal year for the zip code in which the Dwelling Unit is located, or if HUD data is not available for that zip code, then for Chatham County, North Carolina, or if HUD data is not available for Chatham County, North Carolina, for the Metropolitan Area that includes Pittsboro.

8. Lot: A tract of real property identified on a plat recorded in the office of the Register of Deeds for Chatham County, North Carolina as a separate tract and intended for development thereon of one or more Dwelling Units.

9. Master Plan: The Master Plan for Chatham Park PDD adopted as part of the zoning of Chatham Park PDD by the Pittsboro Board of Commissioners, including all subsequently adopted amendments and supplements thereto, and including all “Additional Elements” as defined in the Master Plan.

10. Median Family Income or MFI: Annual median family income for a household of four (4) persons in the Durham-Chapel Hill, NC HUD Metro FMR Area, as determined annually by the United States Department of Housing and Urban Development (HUD) in its calculations of Income Limits for Public Housing and Section 8 Programs.

11. Multi-Family Dwelling: An Apartment Dwelling or an Accessory Dwelling.

12. Single-Family Dwelling: A Single-Family Detached Dwelling or Townhouse Dwelling.

13. Single-Family Detached Dwelling: A single Dwelling Unit on a Lot that either is the only Dwelling Unit on the Lot or is the primary Dwelling Unit on the Lot if there also is an Accessory Dwelling on the Lot.

14. Town of Pittsboro or Town: A municipal corporation organized under the laws of the State of North Carolina for the better government of the people within its jurisdiction and having the powers, duties, privileges, and immunities conferred by law on cities, towns, and villages. Additionally, for the purposes of this element, the terms "Town of Pittsboro" or “Town” may also refer to and be interchangeable with the terms housing authority, housing trust, redevelopment commission or similar type entity charged with the administration of affordable housing in the Town of Pittsboro’s municipal jurisdiction.

15. Townhouse Dwelling: A Dwelling Unit in a building that contains two (2) or more separate Dwelling Units that are attached horizontally through one or more common walls, with each Dwelling Unit occupying space from the ground to the roof of the building (as contrasted with one Dwelling Unit being above another Dwelling Unit), and with each Dwelling Unit in the building located or capable of being located on a separate Lot.

16. Workforce Housing Unit or WHU: A Dwelling Unit for which monthly rent or mortgage payment plus monthly costs of water, sanitary sewer, electricity, natural gas, and property owner association assessments does not exceed thirty percent (30%) of one hundred twenty percent (120%) of annual MFI divided by 12.

17. Examples of AHUs and WHUs.

Example of a calculation for an AHU1:

- Assume MFI is \$86,400.00
- $\$86,400 \times 60\% = \$51,840.00$
- $\$51,840 \times 30\% = \$15,552.00$
- $\$15,552.00 \div 12 = \$1,296.00$

An AHU1 in the foregoing example is one for which the monthly rent or mortgage payment plus monthly water, sewer, electricity, natural gas, and property owner association assessments does not exceed \$1,296.00.

Example of a calculation for an AHU2:

- Assume MFI is \$86,400.00
- $\$86,400 \times 80\% = \$69,120.00$
- $\$69,120.00 \times 30\% = \$20,736.00$
- $\$20,736.00 \div 12 = \$1,728.00$

An AHU2 in the foregoing example is one for which the monthly rent or mortgage payment plus monthly water, sewer, electricity, natural gas, and property owner association assessments does not exceed \$1,728.00.

Example of a calculation for a WHU:

- Assume MFI is \$86,400.00
- $\$86,400 \times 120\% = \$103,680.00$
- $\$103,680.00 \times 30\% = \$31,104.00$
- $\$31,104.00 \div 12 = \$2,592.00$

A WHU in the foregoing example is one for which the monthly rent or mortgage payment plus monthly water, sewer, electricity, natural gas, and property owner association assessments does not exceed \$2,592.00.

Article 2. Affordable Housing Plan

AHUs and WHUs shall be provided for Chatham Park in accordance with this Element

1. The total number of AHUs and WHUs required for Chatham Park is equal to seven and one-half percent (7.5%) of the total number of Dwelling Units “platted” in Chatham Park, Additional Dwelling Units in Chatham Park resulting from density credits as provided herein shall not be counted in determining the total number of Dwelling Units platted in Chatham

Park. A Dwelling Unit in Chatham Park is deemed to be “platted” as follows:

- a. A Single-Family Dwelling is platted when a plat showing the Lot on which the Single-Family Dwelling is constructed or is to be constructed is recorded in the office of the Register of Deeds for Chatham County, North Carolina.
 - b. An Apartment Dwelling is platted when a certificate of occupancy is issued for the Dwelling Unit that constitutes the Apartment Dwelling.
2. **Table 1** attached hereto and incorporated by reference shows the number of AHU1s, AHU2s, and WHUs required to be provided by this Element as various levels of total numbers of Dwelling Units in Chatham Park are platted. Not less than ten percent (10%) of such Dwelling Units shall be Single-Family Dwellings (**Table 1** shows 10% Single-Family Dwellings and 90% Multi-Family Dwellings).
3. Each level of total Dwelling Units in Chatham Park shall not be exceeded until the required number of AHUs/WHUs has been provided.
4. If more than the minimum required numbers of AHUs and WHUs are provided as the various total numbers of Dwelling Units in Chatham Park are platted, the excess may be applied against satisfaction of subsequent minimum requirements.
5. AHUs and WHUs that satisfy the requirements of this Element may be provided in any combination of for sale Dwelling Units, subsidized for sale Dwelling Units, rental Dwelling Units, or subsidized rental Dwelling Units.
6. Ninety percent (90%) of the total number of Dwelling Units provided to satisfy the requirements of this Element shall remain an AHU or WHU, as applicable, for 30 years, beginning with the year in which it first is occupied; provided, each AHU shall remain an AHU for 30 years, beginning with the year in which it first is occupied. With respect to each WHU that is subject to the 30 year requirement, for each month during the 30 years that the monthly Fair Market Rent for the WHU exceeds 120% of the applicable MFI divided by 12 (such amount being referred to as the “excess”), the Town will pay the excess for that month.
7. AHUs, WHUs, and land donated to satisfy the requirements of this Element may be provided on land within the boundaries of Chatham Park PDD, on land within one-half (1/2) mile of any boundary of Chatham Park PDD, or on other land approved by the Pittsboro Board of Commissioners. Unless otherwise approved by the Pittsboro Board of Commissioners, land donated in lieu of providing AHUs and WHUs shall be in the Town limits of Pittsboro or, contemporaneously with the land donation, an annexation petition shall be filed to annex such land into the Town limits of Pittsboro.
8. Land proposed for donation to the Town in lieu of providing AHUs and WHUs shall:
 - a. Not contain any wetlands or flood plain in the portion of the land on which Dwelling Units are to be constructed;
 - b. Have a boundary or portion of a boundary that adjoins a publicly dedicated street

right of way;

- c. Have potable water and sanitary sewer lines constructed to a boundary of the land or located in a publicly dedicated easement that adjoins a boundary of the land. Allocation of water and sanitary sewer capacity for to a Preliminary Plan approved pursuant to the following Section 9 of Article 2 of this Element shall be done in accordance with applicable Town ordinances and regulations; and
9. A proposal for land donation to the Town in lieu of provision of AHUs and WHUs shall include a Town approved subdivision plan or site plan (the “Preliminary Plan”) showing the number and types of AHUs and/or WHUs, excluding Accessory Dwellings proposed for construction on the land. The number of AHUs and/or WHUs in the approved Preliminary Plan shall be provisionally credited against the number of AHUs and/or WHUs required by this Element and may be included in the annual report required by this Element. A Preliminary Plan shall remain valid for eight (8) years after the date it is approved. Prior to donating the land to the Town, until the earlier of commencement of development on the land proposed for donation or six (6) years after the date the Preliminary Plan is approved, Chatham Park Investors LLC shall make a good faith effort to obtain a commitment from a developer who agrees to develop the land and provide the number of AHUs and/or WHUs required by the Preliminary Plan. If development of the land proposed for donation has not commenced within six (6) years after the date of Preliminary Plan approval, Chatham Park Investors may then convey the land to the Town and the number of AHUs and/or WHUs proposed in the Preliminary Plan shall be finally credited against the number of AHUs and/or WHUs, as applicable, required by this Element. It is the responsibility of the Town to determine the length of time, not to exceed thirty (30) years, that AHUs and/or WHUs constructed on land donated to the Town remain AHUs and/or WHUs.
10. On or before July 1, 2024, the Affordable Housing Task Force previously appointed by the Town, with replacement of persons on the Task Force as necessary (e.g. unavailability) shall recommend to the Town how to administer, support, and incentivize the development of Affordable Dwelling Units and Workforce Dwelling Units in the Town of Pittsboro. If the Town has not established a method or entity to administer, support, and incentivize development of AHUs and WHUs by July 1, 2026, the requirement for provision of AHUs and WHUs shall be suspended until the method or entity is established. Provided, however, AHUs and WHUs for Chatham Park may continue to be provided during such time of suspension.
11. Commencing on July 1, 2022 and continuing through June 30, 2052, not less than two and one-half percent (2.5%) of the annual ad valorem taxes on real properties in Chatham Park PDD, but not on any other property in the Town of Pittsboro, collected by or paid to the Town of Pittsboro shall be allocated to be used solely for any one or more of the purposes described in the foregoing Section 10 of Article 2 of this Element in connection with AHUs and WHUs required by this Element. Prior to June 30, 2052, the Town will evaluate the need for extending this allocation of annual ad valorem taxes.
12. All land donated to the Town, or to a housing trust or other organization approved by the Town, in lieu of AHUs and/or WHUs required by this Element shall be used by the Town, or by a housing trust or other organization approved by the Town, for one or more of the following:

- a. construction of AHUs or WHUs thereon in satisfaction of the requirements of this Element;
 - b. sale or donation of the land to a developer who will construct AHUs and/or WHUs in accordance with the approved Preliminary Plan; or
 - c. sale of the land to raise proceeds to be used for construction of AHUs or WHUs in satisfaction of the requirements of this Element.
13. The value of all land donated in satisfaction of the requirements of this Element and the costs of donating such land shall be eligible for federal and state income tax deductions or credits. Provided, the Town shall have no liability if a tax deduction or credit is not allowed by the Internal Revenue Service or State of North Carolina.
14. All AHUs and WHUs provided to satisfy this element shall be subject to all applicable restrictive covenants, including payment of assessments as provided in the applicable restrictive covenant documents.
15. The Town of Pittsboro, if it has capacity, shall allocate water and sanitary sewer capacity for all AHUs and WHUs provided to satisfy the requirements of this Element. Provided, however, sanitary sewer capacity for all such AHUs and WHUs that is not available from the Town of Pittsboro and is provided by either the Chatham Park Water Recovery Center (located at the intersection of U.S. Highway 64 Business and Eubanks Road) or by other sewer capacity owned by or allocated to Chatham Park Investors LLC or its assignees or affiliates (e.g., sewer capacity to be provided by the City of Sanford), shall be provided at the same costs as it is provided for other residential properties in Chatham Park.
16. Each AHU and each WHU provided to satisfy the requirements of this Element shall be entitled to a rebate of all Town of Pittsboro fees related to construction of residential dwellings including, without limitation: water & sewer system development fees and permits; subdivision plan and site plan review application fees; plat review fees; engineering plan/construction drawing review fees; recreation and park fees; open space fees; and stormwater review fees, facility fees, and discharge permit fees. Also, to the extent such fees are payable to or controlled by the Town of Pittsboro, each AHU and WHU provided pursuant to this Element shall be entitled to a rebate of school impact fees, building permit and inspection fees, and sedimentation and erosion control permit and inspection fees. Rebate of any of the foregoing fees addressed by the Town's Unified Development Ordinance or other applicable ordinance shall be done in accordance with the applicable ordinance.
17. No dedication of park land required by the Chatham Park Master Public Facilities Plan Additional Element shall be required for any AHU or WHU provided to satisfy the requirements of this Element or for AHUs and/or WHUs in an approved Preliminary Plan for land donated to the Town.
18. For each AHU and each WHU provided pursuant to this Element, Chatham Park Investors LLC shall receive a density credit of eight (8) Dwelling Units for each AHU or WHU that is partially or wholly located within the applicable distances of at least three (3) of the following four (4) locations, or four (4) Dwelling Units for each AHU or WHU that is partially or wholly

located within the applicable distances of at least two (2) of the following four (4) locations, or two (2) Dwelling Units for each AHU or WHU that is partially or wholly located within the applicable distance of at least one (1) of the following four (4) locations, or one (1) Dwelling Unit for each AHU or WHU that is not located within the applicable distance of any of the following four (4) locations:

- a. within a one-half (1/2) mile radius of a boundary of a store at which fresh fruits and vegetables are sold and is in operation not later than six (6) months immediately following the date the applicable AHU or WHU first is occupied;
- b. within a one-half (1/2) mile radius of a boundary of a site on which a public school is located and is in operation not later than six (6) months immediately following the date the applicable AHU or WHU first is occupied;
- c. within a one-fourth (1/4) mile radius of a boundary of a site on which a transit stop is located and is in operation not later than six (6) months immediately following the date the applicable AHU or WHU first is occupied; and
- d. within a one (1) mile radius of a boundary of an Employment Center.

Each of the foregoing density credits must be used within a one-half (1/2) mile radius of a boundary of one (1) of the locations that is used to qualify for the density credit. Dwelling Units resulting from density credits for Affordable Units within Chatham Park PDD are in addition to the maximum number of Dwelling Units allowed by the Chatham Park PDD Master Plan. The foregoing density credits are in lieu of other density credits provided in Town of Pittsboro ordinances.

19. Chatham Park shall not be subject to any Town of Pittsboro ordinances or regulations, other than this Element, that require the provision of AHUs, WHUs, land dedication in lieu thereof, monetary payments in lieu thereof, any combination of one or more of the foregoing, or any other ordinance or regulation relating to the required provision of AHUs or WHUs. Provided, however, Chatham Park may participate in all Town of Pittsboro ordinances and regulations that provide incentives for the provision of AHUs and WHUs, except that where this Element and applicable Town of Pittsboro ordinances and regulations address the same type of incentive (e.g., density credits), this Element shall control, and Chatham Park shall be entitled only to the incentive specified in this Element.
20. The Town of Pittsboro shall work with Chatham County to identify incentives that may be used by Chatham Park and others for the provision of AHUs and WHUs (e.g., no school fees required for AHUs and WHUs; and percentage of annual ad valorem taxes paid to Chatham County to be allocated toward AHUs and WHUs in the same manner as described in this Element for allocation of ad valorem taxes collected by the Town of Pittsboro).
21. On or before each February 15, Chatham Park will submit a report to the Town confirming the number of AHUs and WHUs during the immediately preceding calendar year provided for Chatham Park that have been sold or rented, and the number of AHUs and/or WHUs in Preliminary Plans for proposed land donations to the Town, and including the cumulative total of the foregoing through the end of the immediately preceding calendar year.

TABLE 1

Chatham Park - Affordable & Workforce Housing

Overall Percent	7.5%
Single Family	10.0%
Multi-Family	90.0%

MFI Category	Under 60%	15.0%
	61 - 80%	25.0%
	81 - 120%	60.0%

Prior to DU's platted in Chatham Park	Under 60% MFI (AHU1)		61 - 80% MFI (AHU2)		81 - 120% MFI (WFU)		Total	
	Single-Family	Multi-Family	Single-Family	Multi-Family	Single-Family	Multi-Family	Single-Family	Multi-Family
5000	6	51	9	84	23	203	38	338
7500	3	25	5	42	11	101	19	168
10000	3	25	5	42	11	101	19	168
12500	3	25	5	42	11	101	19	168
15000	3	25	5	42	11	101	19	168
17500	3	25	5	42	11	101	19	168
20000	3	25	5	42	11	101	19	168
22000	2	20	4	34	9	83	15	137
Total	26	221	43	370	98	892	167	1483
Grand Total	247		413		990		1650	