

August 18, 2014

Mr. Lee Bowman
Newland Communities
16 Windy Knoll Circle
Chapel Hill, NC 27516

Dear Mr. Bowman,

Recently, you inquired about the potential fiscal consequences of a request by NNP-Briar Chapel for a Conditional Use Permit Revision to increase the dwelling unit count from 2,389 to 2,500 residential units and to modify the use chart to allow up to 200 multi-family units.

In my experience, fiscal impact analysis for a highly amenitized multi-family community is generally not required as these types of projects typically do not raise fiscal concerns. The reasons are twofold, as illustrated below.

As shown in Table 1, a highly amenitized multi-family unit yields a market value of \$108,700 per occupant compared to \$89,500 per occupant for the median Chatham County single family home. Because costs of public services are usually allocated on a per capita basis, neutral/favorable results are expected from highly amenitized multi-family units.

Table 1: Comparison of Market Value Per Person: Median Value Owner Occupied to Amenitized Multi-family Community

Description	Market Value	Persons Per Housing Unit	Market Value Per Person	Source
Median Market Value of Owner Occupied Home	\$204,100	2.28	\$89,500	NC Department of Commerce (Chatham County), 2008-2012 American Community Survey (Chatham County)
Market Value of 1,050 Square Foot Amenitized Multi-Family Unit	\$175,000	1.61	\$108,700	Noell Consulting Group (Orange County, NC), 2008-2012 American Community Survey (NC)

Multi-family units have much lower student generation rates than single family homes. Table 2 compares the percentage of public school children, by type of residence, in three area counties. By far, the majority of public school children live in single family homes. Public education costs represent a significant portion of the County's budget. The multi-family unit's lower student generation rate is favorable, from a fiscal standpoint.



Table 2: Public School Children by Units in Structure

Public School Children by Units in Structure	Chatham County	Orange County	Wake County
Single-family homes	77%	72%	74%
Multi-family units	4%	9%	15%

Source: 2008-2012 American Community Survey

This relationship is further confirmed by the educational impact fee rate structure in Chatham County.

Table 3: Chatham County Educational Impact Fees

Chatham County Educational Impact Fee	Fee	As % of Single Family
Single-family homes	\$3,500	100%
Multi-family units	\$1,100	31%

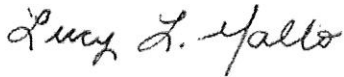
Newland Communities - Briar
Chapel Voluntary Impact Fee \$2,000

Source: Chatham County

Accordingly, the increase in multi-family units in the proposed Conditional Use Permit Revision should be fiscally positive.

Please let me know if you have further questions.

Best regards,



Lucy L. Gallo