

ATTACHMENT A

A RESOLUTION APPROVING A SERVICE CONTRACT BETWEEN THE TOWN OF CARRBORO AND THE ORANGE COUNTY HOUSING AND LAND TRUST

Resolution No. 154/2003-04

Whereas; the Orange Community Housing and Land Trust receives an annual allocation of funds in the amount \$20,000 to assist with the provision of affordable housing in the Town of Carrboro; and

Whereas; the Town of Carrboro was instrumental in the establishment of the organization to assist the local governments in the development of single family and multifamily housing in OrangeCounty; and

Whereas; the Town of Carrboro may need assistance in working with developers to insure that when affordable housing is included in the proposed project and the Town of Carrboro accepts the proposed housing, that the housing price, design and location within the project is acceptable; and

Whereas; all non-profit grant recipients sign grant agreements committing a certain level of service for funds received from the town, and

Whereas; the Town of Carrboro continues to seek input into the annual work plan of the organization through the Board of Aldermen liaison and staff input.

NOW THEREFORE BE IT RESOLVED; that the Board approves the contract as to form and directs the Town Manager to update and execute the contract on an annual basis.

NORTH CAROLINA
ORANGE COUNTY

2004-2005
PERFORMANCE AGREEMENT

THIS AGREEMENT, made and entered into the ____ day of _____, 2004 by and between the TOWN OF CARRBORO, a North Carolina Municipal Corporation, 301 West Main Street, Carrboro, NC, 27510, hereinafter referred to as "Town", and the ORANGE COMMUNITY HOUSING AND LAND TRUST, Post Office Box 307, Carrboro, NC 27510-0307, hereinafter referred to as "Corporation".

WITNESSETH

WHEREAS, the Corporation desires to support and initiate construction, conversion or rehabilitation of both rental and owner-occupied housing; and

WHEREAS, the focus will be on families and individuals with income levels at or below 80% of the area's median income level; and

WHEREAS, the Town has made commitments to the promotion of low- and moderate-income housing opportunities through the provision of General Fund revenues to low-income housing initiatives;

NOW THEREFORE, in consideration of the above and mutual covenants and conditions hereinafter set forth, the Town and the Corporation agree as follows:

1. Town Support

The Corporation agrees to provide services as described in Section 4 of this Agreement. The Board of Aldermen agreed to provide the sum of Twenty Thousand Dollars (\$20,000) for administration of the Corporation for fiscal year 2004-2005.

The Town does not obligate itself to provide any other support to the Corporation this fiscal year or continued support in succeeding years.

The Corporation shall hold the Town harmless against any claims or actions for damages, injury or death relating to or arising out of the use of these funds or acts of its employees or agents.

2. Payment and Documentation

The appropriation shall be paid to the Corporation in quarterly installments at the beginning of each quarter in which services will be provided, pursuant to the Work Statement attached hereto. Each quarterly installment will be for Five Thousand Dollars (\$5,000). Each payment is contingent upon receiving quarterly progress reports detailing progress of activities described in the attached Work Plan.

3. Financial Records

The Corporation agrees to furnish the Town with quarterly financial statements. In addition, the Corporation agrees to allow the Town to inspect its financial books and records upon reasonable notice during normal working hours.

4. Work Statement

The Corporation agrees to solicit the input of the Town Manager or his designee in developing its annual Work Plan, prior to approval by the Corporation's Board of Directors and prior to incorporation into any subsequent contracts.

The Corporation agrees to provide services described in the Work Plan approved by the Corporation's Board of Directors attached hereto and incorporated herein by reference.¹

The Corporation agrees to provide services to residents of Carrboro and to maintain a high level of professionalism in the provision of these services. Funds shall be used to provide services within the geographic area of Orange County.

5. Termination for Cause

In the event that the Corporation shall cease to exist as an organization or shall enter bankruptcy proceedings, or be declared insolvent, or liquidate all or substantially all of its assets, or shall significantly reduce its services or accessibility to Carrboro residents during the term of this Agreement, or in the event that the Corporation shall fail to render a satisfactory accounting as provided herein, then and in that event the Town may terminate this Agreement and the Corporation will return the funds already made to it by the Town for services which have not been provided or for which no satisfactory accounting has been rendered.

6. Nondiscrimination

The Corporation will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age marital/familial status, affectional preference, or status with regard to public assistance. The Corporation will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Corporation agrees to post in conspicuous places, available to employees and applicants for

¹ The Work Plan includes pursuing opportunities to purchase for resale condominiums in the Town of Carrboro for sale to Carrboro residents and Town employees using HOME funds allocated for that purpose.

² The Work Plan includes meeting with all potential developers to explain the Land Trust Concept, ensure the inclusion of the affordable units approved by the Board of Aldermen in the development plans, setting of the unit(s) prices to ensure affordability at 30 percent of the annual income of the purchaser and the location of the unit(s) within the project.

employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

IN WITNESS WHEREOF, the parties hereunto cause this Agreement to be executed in their respective names.

This the ____ day of _____, 2004.

ORANGE COMMUNITY HOUSING AND LAND TRUST

SIGNATURE

TITLE

ATTEST

TITLE

TOWN OF CARRBORO

TOWN MANAGER

ATTEST BY TOWN CLERK:

TOWN CLERK

TOWN SEAL

Approved as to Form and Authorization

TOWN ATTORNEY

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

FINANCE DIRECTOR

Community and Economic Development Director

WORK STATEMENT

Orange Community Housing and Land Trust

Work Plan for 2004-2005

Approved by the OCHLT Board of Directors on August 13, 200

Rosemary Place at Meadowmont – Complete construction of 32 townhomes, and have all units sold and occupied by September 1, 2003. We will also work with Resolute and homeowners to complete punch lists in an expeditious manner. Lastly, we will train the homeowners on maintenance matters and transfer the homeowner's association duties over to the homeowners.

Purchase a townhome in Carrboro – Purchase a townhome or condominium in Carrboro to be resold to a first time homebuyer. This may entail making minor repairs to the home. We also anticipate reducing the price of the home through use of HOME funds as a second mortgage. Ideally, we will be able to repeat this transaction and create four or five affordable homeownership opportunities. The objective is to encourage homeownership among households earning less than 70% of median income. The first transaction should be complete by December 31, 2003.

Collaborations – Close on the sale of a single-family home built by Habitat for Humanity on Dillard Street in Carrboro. This will be the first Habitat home built in the land trust. It should be completed by October 31, 2003. We are also working with Empowerment, Inc. on two homes on Sykes Street. We expect to close on 501 Sykes Street once rehab work is completed in the fall of 2003. Empowerment is also building a new single-family home at 503 Sykes Street, which should be completed during the fiscal year. Both of these homes will be in the land trust. Our role will include marketing and administration of the land trust.

Vineyard Square – Market 30 townhomes within the Vineyard Square development in Chapel Hill to income-qualified buyers. The developer, Centex, is willing to place all of these homes in the land trust. The first fifteen of these units should be available early in 2004. Our role is marketing and administration of the land trust.

Larkspur – Market the first of thirteen single-family homes being developed by Carol Ann Zinn, a private sector developer. The first two homes will be ready to close in October 2003. An additional two homes should be ready in the spring of 2004. All 13 of these homes will be in the land trust. Our role is marketing and administration of the land trust.

Greenway Condominiums – Purchase a 16-unit condominium building from White Oak Properties and resell the condos as land trust properties. This Meadowmont property will be our first condominium development. The Greenway condos are under construction and should be completed by December 31, 2003. Our role will be marketing and administration of the land trust.

Pacifica Co-Housing – Work with developer Giles Blunden to market seven affordable homes in this Carrboro co-housing development to income-qualified (less than 80% of median) buyers. These will be the first land trust homes incorporated within a co-housing development. The first homes should be ready for sale in the summer of 2004.

Homebuyer Classes – We will continue to teach homebuyer classes 8-10 times each year. Each class consists of two, three-hour sessions taught by volunteer real estate professionals like bankers, realtors and attorneys. Classes are free to the public.

Abbey Court Rentals – We will continue to own and manage three units in Abbey Court on behalf of OPC Mental Health Agency. These units are rented to OPCMHA clients.

Providence Glen – Market 18 condominium units in this Chapel Hill development at below-market prices. The developer of Providence Glen agreed to sell 18 units through OCHLT to income-eligible buyers (100% of median income in Chapel Hill). These units will not be in the land trust. Winter 2004.

Other responsibilities of Orange Community Housing and Land Trust:

Reselling Land Trust properties – since we own the land, we are responsible for marketing land trust properties when they become available for resale. In fiscal year 02-03, we resold 3 land trust properties.

New Opportunities – unknown opportunities frequently reveal themselves during the course of the year, including homes in Culbreth Park, Magnolia Place and elsewhere that we may wish to capture into the land trust.

Orange Community Housing and Land Trust
DRAFT Work Plan for 2004-2005

Vineyard Square – Complete the marketing of 30 townhomes within the Vineyard Square development in Chapel Hill to income-qualified buyers. We expect ten of these homes to close in the fiscal year 2003-04. The remaining twenty should close during 2004-05. Since all of these homes will be in the Land Trust, our role is to market the homes to income-eligible buyers, assist with construction walk-thru's and obtain subsidy financing when needed.

Larkspur – Continue marketing the affordable single-family homes being developed by Carol Ann Zinn, a private sector developer. We expect three of the thirteen affordable homes being built in Larkspur will close in the current fiscal year. We expect an additional four will close in 2004-05, but the timing of these closings is beyond our control. Again, all of these homes will be in the Land Trust, so we will be responsible for marketing to income-eligible buyers, and assisting with construction walk-thru's.

Greenway Condominiums – We have already closed on 12 of the sixteen condominiums in this building that was developed by White Oak Properties. We expect to close on two additional units in the current fiscal year, and complete sales early in the 2004-05 fiscal year. Again, all of these homes are in the Land Trust, so we are responsible for marketing the units and managing the homeowner association until we turn it over to the homeowners.

Townhomes in Carrboro – Utilizing HOME funds allocated to Carrboro in 2002, we expect to purchase and resell two or three townhomes for resale to income-eligible, first time homebuyers. This will probably entail overseeing minor repairs to the homes. We also anticipate reducing the price of the home through use of HOME funds as a second mortgage. We expect the first home to close in June 2004. The objective is to encourage homeownership among households earning less than 70% of median income.

Private sector developers in Carrboro - Assist the Town of Carrboro in its negotiations with developers when affordable housing is to be provided by the private sector. Our role will be to provide guidance as to pricing and siting of affordable units within the proposed development. The expectation is that the affordable homes will be affordable to individuals and families earning less than 80% of the area median income and that they will remain affordable in perpetuity.

Collaborations – We are working with Empowerment, Inc. to sell two homes on Sykes Street. We expect to close on 503 Sykes Street once that home is completed in the summer of 2004. 501 Sykes will then be renovated and also sold as a Land Trust property. Our role will include marketing and administration of the land trust.

We will also be working with Habitat for Humanity on their Sunrise Road development. Habitat has asked us to consider building up to 20 townhomes on this 17-acre site. We are currently meeting with Habitat to determine how this partnership would be structured.

Pacifica Co-Housing – Work with developer Giles Blunden to market seven affordable homes in this Carrboro co-housing development to income-qualified (less than 80% of median) buyers. These will be the first land trust homes incorporated within a co-housing development. The first homes should be ready for sale in the summer of 2005.

Homebuyer Classes – We will continue to teach homebuyer classes 8-10 times each year. Each class consists of two, three-hour sessions taught by volunteer real estate professionals like bankers, realtors and attorneys. Classes are free to the public.

Abbey Court Rentals – We will continue to own and manage three units in Abbey Court on behalf of OPC Mental Health Agency. These units are rented to OPCMHA clients.

Other responsibilities of Orange Community Housing and Land Trust:

Reselling Land Trust properties – since we own the land, we are responsible for marketing land trust properties when they become available for resale. In fiscal year 03-04, four Land Trust homes have come back on the market to be re-sold.

New Opportunities – unknown opportunities frequently reveal themselves during the course of the year, including homes in Culbreth Park, Twin Magnolias and elsewhere that we may wish to capture into the land trust.

Draft to be reviewed by the Land Trust Board of Directors on May 12, 2004.