

A RESOLUTION ADOPTING A STATEMENT EXPLAINING THE BOARD OF  
ALDERMEN'S REASONS FOR ADOPTING AN AMENDMENT TO THE TEXT OF THE  
CARRBORO LAND USE ORDINANCE

Draft Resolution No. 100/2011-12

WHEREAS, an amendment to the text of the Carrboro Land Use Ordinance has been proposed, which amendment is described or identified as follows: AN ORDINANCE AMENDING THE CARRBORO LAND USE ORDINANCE RELATING TO THE DEFINITION OF AFFORDABLE HOUSING UNITS

NOW, THEREFORE, the Board of Aldermen of the Town of Carrboro Resolves:

Section 1. The Board concludes that the above described amendment is consistent with *Carrboro Vision 2020* regarding efforts to provide housing for a diverse population, particularly the following three sections:

6.11 Town policy should accommodate a variety of housing styles, sizes and pricing. It should also address issues of density, funding and rezoning to allow for more non-detached housing, mixed-use development, and communal living options.

6.17 The town should interact with non-profit groups that work to provide affordable housing, including but not limited to the Land Trust, Orange Community Corporation, Empowerment Inc., and Habitat for Humanity.

6.18 A minimum of 15 percent of the residential units in any residential development should meet the affordability criteria specified in Section 15-182.4 of the Carrboro Land Use Ordinance.

Section 2. The Board concludes that its adoption of the above described amendment is reasonable and in the public interest because the Town seeks to remain consistent with its adopted plans or policies.

Section 3. This resolution become effective upon adoption.

**A RESOLUTION ADOPTING A STATEMENT EXPLAINING THE BOARD OF  
ALDERMEN'S REASONS FOR REJECTING AN AMENDMENT TO THE TEXT OF THE  
CARRBORO LAND USE ORDINANCE**

**Draft Resolution No. 100/2011-12**

WHEREAS, an amendment to the text of the Carrboro Land Use Ordinance has been proposed, which amendment is described or identified as follows: AN ORDINANCE AMENDING THE CARRBORO LAND USE ORDINANCE RELATING TO THE DEFINITION OF AFFORDABLE HOUSING UNITS

NOW, THEREFORE, the Board of Aldermen of the Town of Carrboro Resolves:

Section 1. The Board concludes that the above described amendment is not consistent with Town plans and policies.

Section 2. The Board concludes that its rejection of the above described amendment is reasonable and in the public interest because existing regulations are appropriate.

Section 3. This resolution become effective upon adoption.

AN ORDINANCE AMENDING THE CARRBORO LAND USE ORDINANCE RELATING  
TO THE DEFINITION OF AFFORDABLE HOUSING UNITS

THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO ORDAINS:

Section 1. The first sentence of Subsection 15-182.4(b)(1) of the Carrboro Land Use Ordinance (LUO) is amended to read as follows:

The appropriately-sized affordable housing unit must be offered for sale or rent at a price that does not exceed an amount that can be afforded by a family whose annual gross income equals 80 percent of the median gross annual family income, as most recently established by the United States Department of Housing and Urban Development, for a family of a specific size within the Metropolitan Statistical Area where the Town of Carrboro is located; provided that a for-sale housing unit that is offered for sale at a price that exceeds the foregoing limit but does not exceed an amount that can be afforded by a family whose annual gross income equals 115% ~~100%~~ of the median gross annual family income shall also be regarded as affordable so long as (i) such unit otherwise qualifies as an affordable housing unit under this section, and (ii) units that qualify as affordable under this exception do not constitute more than 25%~~0%~~ of the affordable housing units provided within any development.

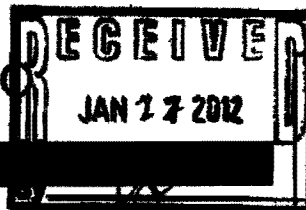
Section 2. The second sentence of Subsection 15-182.4(b)(2) of the LUO is amended to read as follows:

The developer shall also establish or provide for arrangements to ensure that each such affordable unit is made available for sale or rent only to a family whose annual gross income does not exceed (i) 80% of the median gross annual income of a family of the same size within the Metropolitan Statistical Area where the town of Carrboro is located, or (ii) 115%~~100%~~ of the median gross annual income of a family of the same size within the Metropolitan Statistical Area where the town of Carrboro is located if the unit is one that qualifies as affordable under the exception provided for in the second part of the first sentence of subsection (b)(1) of this section.

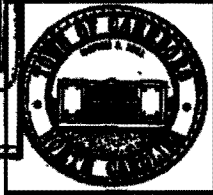
Section 3. All provisions of any Town ordinance in conflict with this ordinance are repealed.

Section 4. This ordinance shall become effective upon adoption.

# TOWN OF CARRBORO



ATTACHMENT C



"Dear Potential Business Operator:

Please be advised that it may be necessary to meet with several members of Town staff as well as outside agencies to identify and fully understand all rules, regulations, and policies applicable to your business. Please refer to the 'Checklist for Opening a Business in Carrboro.'

To the Board of Aldermen, the Planning Board, and the Appearance Commission, as appropriate, of the Town of Carrboro:

I (we), the undersigned do hereby respectfully make application and petition the Board of Aldermen to amend the Land Use Ordinance. In support of this application, the following facts are shown:

- 1) The Land Use Ordinance, at present, would allow (description/quote, page and number of section in question):

Section 15-182.4 Residential Density Bonus for Affordable Housing Paragraph (b) (1) which describes housing that is available to a family earning 80 percent of the area median income.

- 2) The proposed amendment to the Land Use Ordinance would allow (describe briefly intended change):

Community Home Trust proposes to allow 25% of affordable housing units to be sold to households earning more than 80% of area median income. However no affordable homes will be sold households earning more than 115% of area median income.

- 3) State the reasons for the proposed amendment:

The Aldermen have previously endorsed the proposal that the Home Trust sell 25% of its affordable homes to households earning more than 80% AMI.

Allowing a revision to the ordinance allowing us to sell homes to these higher income households will broaden our buyer base and more importantly, allow us sell homes without using Subsidy.

SIGNATURE:

Robert Dawley  
applicant

Robert Dawley  
(print)

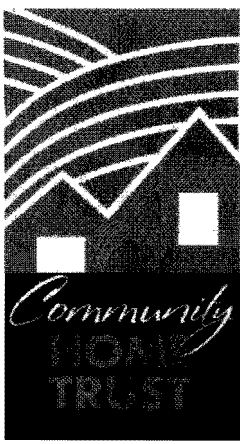
ADDRESS:

Po Box 507

Carrboro

TELEPHONE NUMBER:

919-967-1545 ext 507



From: Robert Dowling and Anita Badrock  
Re: The affordable homes in the Ballentine development  
Date: February 7, 2012

As the Board may recall, the Ballentine subdivision includes 17 affordable townhomes that are to become part of the Home Trust inventory. The first eight of those townhomes are scheduled to be complete in April/May of this year. The rest are to be built in late 2012 but not ready to close until 2013.

We are coming before you tonight with 3 requests for you to consider, in this order:

1. To, with due haste, amend your ordinance so that we can sell 2 of the Phase One townhomes to buyers making above 80% of the AMI. **This action will need to be completed before the end of March in order to affect the sales process for these homes.**
2. To allow the Developer to make a reasonable payment in lieu for the final 2 townhomes that will be part of a mixed building of market rate and affordable townhomes.
3. To modify the performance schedule for the pace of completing the second phase of affordable housing components of the development.

#### Item #1

- The Carrboro Board of Alderman approved serving these higher income buyers last year.
- Ballentine is the first and only development scheduled for completion since the Alderman approved the higher income limits that can provide affordable homeownership opportunities for these buyers in Carrboro in the foreseeable future.
- By allowing 2 of these homes to be sold to higher income buyers, we can preserve diminishing funds for more needy buyers. Buyers over 80% cannot receive subsidy for purchase.
- Allowing sale to higher income buyers expands the buyer pool.

The Ballentine project, as currently proposed, needs at least \$265,000 of subsidy for the initial sale of 8 units. By allowing 2 of the units to be sold as unsubsidized, we will reduce our subsidy need by more than \$60,000 at initial sale. Since HOME Funds have been cut twice in the past 12 months, this savings is important to all organizations that rely on HOME funds.

We have been working with the Planning Staff on the proposal to sell 2 units to buyers above 80% of median, and we recognize that an ordinance change will be required. **Since these townhomes will be built in the next 3 months, we thought we should bring this matter to the immediate attention of the Mayor and Board. Any action required will need to be completed by the end of March 2012 to allow us to serve these higher income buyers.**

#### BOARD OF DIRECTORS

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Jonathan Weiler

Executive Director  
Robert Dowling

**Item #2:**

- The final 2 townhomes will be part of a mixed building. This configuration presents design issues as well as issues with long term maintenance.
- A reasonable payment in lieu will provide funds for affordable housing initiatives under the control of the Town of Carrboro.
- Loss of 2 units would not significantly impact the goals of the inclusionary ordinance or the community's access to affordable housing

**This change would require a revision to the Ballentine CUP and to the Town's Affordable Housing Ordinance. June 30, 2012 is a requested date for completion.**

**Item #3:**

- The developer is currently required to build the 17 affordable townhomes concurrent with the market rate townhomes.
- Current reductions in subsidy funding are expected to continue, making it more difficult to project when sufficient funds will be available to assist the buyers of the second phase of affordable Ballentine townhomes with funds for purchase.
- The Home Trust wants to be sure funding is secure before making a commitment that it can sell future affordable housing.
- It seems unreasonable to expect the developer to produce affordable homes which the Home Trust is unable to sell because local and state governments do not have the necessary funds to provide subsidy for these buyers.
- If the Town does not amend this development schedule, then the Town risks losing assurances that the Phase Two townhomes will be owner occupied and owned by lower income people.
- If the Town grants some flexibility as to when the developer can build the second round of affordable homes, the Home Trust can better maximize the use of subsidy from other sources such as NCHFA. This action will further preserve local HOME funds for other uses.

**This action will also require a revision to the Ballentine CUP. June 30 is a requested date for completion.**

**General Information**

The Home Trust predicts that the Ballentine subdivision, as currently proposed, will need more than \$500,000 to make the homes affordable on the initial sale.

**Because the local AMI figures are now less than they were seven years ago,** these homes, and others like them, will continue to require subsidy funds at resale.

The Payment in Lieu option remains a way for the Town of Carrboro to develop a local source of funds to assist Home Trust buyers and fund other housing initiatives.

Federal funding is **rapidly** dwindling, and the success of the local affordable housing initiatives will be more and more dependent upon developing a local pool of funds to support the mission of inclusionary housing.

**Section 15-182.4 Residential Density Bonuses for Affordable Housing (AMENDED 05/25/99; REWRITTEN 6/26/07); (AMENDED 1/22/08)**

(a) The Board of Aldermen has established as a policy goal that at least fifteen percent of the housing units within all new residential developments should consist of affordable housing units as described in this section. The remaining provisions of this section are designed to provide incentives to encourage developers to comply with this policy goal either by providing affordable housing units or lots or, under the circumstances set forth in subsection (d1), by making payments in lieu of providing such affordable housing units. (AMENDED 1/22/08)

(b) For purposes of this section, an affordable housing unit means a dwelling unit that satisfies the requirements of the following subsections (1) and (2):

- (1) The appropriately-sized affordable housing unit must be offered for sale or rent at a price that does not exceed an amount that can be afforded by a family whose annual gross income equals 80percent of the median gross annual family income, as most recently updated by the United States Department of Housing and Urban Development, for a family of a specific size within the Metropolitan Statistical Area where the Town of Carrboro is located. It is conclusively presumed that a family can afford to spend 30 percent of its annual gross income on housing costs. In the case of housing units that are for sale, the term "housing costs" shall mean the costs of principal and interest on any mortgage, real property taxes, insurance, fees paid to a property owners association, and any ground lease or maintenance fees. In the case of rental housing units, the term "housing costs" shall mean the cost of rent plus utilities. In making the calculation called for in this subsection, it shall be conclusively presumed that a unit is appropriately sized when an efficiency or one bedroom housing unit serves a family of one, that a two bedroom housing unit serves a family of two; that a three bedroom housing unit serves a family of three, and that a housing unit containing four or more bedrooms serves a family of four.
- (2) The developer of the affordable housing unit must arrange for such unit to remain affordable as described herein for a period of not less than 100 years, commencing from the date of initial occupancy of the unit, by including provisions to ensure such continued affordability in legally binding agreements (including but not limited to a ground lease, a deed restriction or other covenant) running with the unit. The developer shall also establish or provide for arrangements to ensure that each such affordable unit is made available for sale or rent only to a family whose annual gross income does not exceed 80% the median gross annual income of a family of the same size within the Metropolitan Statistical Area where the Town of Carrboro is located. The documents establishing such arrangements shall be reviewed and approved by the Town of Carrboro prior to final plat approval if the units are located on subdivided lots or prior to the issuance of a certificate of occupancy if the units are not located on unsubdivided lots. The provisions of this subsection (a)(2) shall be considered satisfied if units are transferred to the Orange Community Housing and Land Trust at or below a price that is consistent with the provisions of subsection (a)(1) above.

(c) For purposes of this section, an affordable housing lot shall mean a lot that (i) is designed and approved for the construction of a single family dwelling, and (ii) upon creation of such lot by the recording of a final plat, is donated (without additional consideration) to a non-profit agency that is in the business of constructing on such lots affordable housing units that meet the affordability criteria set forth in subsection (b) above.

(d) The maximum residential density permissible within a development whose maximum density would otherwise be determined in accordance with the applicable provisions of this Article XII shall be increased by two dwelling units for every one affordable housing unit constructed within the development, up to a maximum of 150% of the density otherwise allowable. Similarly, the maximum number of single family detached residential building lots that could otherwise be created within a development tract under the applicable provisions of this Article XII may be increased by two such lots for every one affordable housing lots created within such development, up to a maximum of 150% of the maximum density otherwise allowable. To illustrate, if the maximum density of a tract would be 100 dwelling units (or single family lots), a developer who chooses to construct 10 affordable housing units (or create 10 affordable housing lots) as part of the development of that tract would be allowed to construct 10 additional dwelling units (or create 10 additional lots) that did not satisfy the "affordability" criteria set forth in subsections (b) or (c), for a total density of 120 dwelling units (or lots). In this illustration, the maximum possible density that could be achieved would be 150 dwelling units if the developer constructed at least 25 affordable housing units (or created 25 affordable housing lots).

(d1) For purposes of determining the maximum density permissible within a development under subsection (d) of this section, the Board of Aldermen may allow the payment of an affordable housing payment in lieu fee (determined in accordance with the provisions of subsection 15-54.1(b)(4)) to be regarded as the equivalent of providing an affordable housing unit. The developer may request such authorization at any time following the submission of a development application. In exercising its discretion as to whether such a request should be granted, the Board shall consider the need for the particular type of units the payments in lieu would replace, the comparative need for cash resources to assist in the provision or maintenance of affordable housing, and such other factors as the Board deems relevant in determining whether and to what extent payments in lieu would better serve the Board's goal of providing and maintaining affordable housing.

(e) Within any development that provides affordable housing units or affordable housing lots, the minimum area that must be set aside as open space to satisfy the requirements of Section 15-198 may be reduced by an amount equal to twice the land area consumed by all such affordable housing units or lots, except in no case may the required percentage of open space be less than 20 percent (10 percent in the ORMU and R-2 districts).

(f) Affordable housing units or lots constructed or created in accordance with this section shall not be unduly isolated or segregated from other dwellings or lots that do not satisfy the "affordability" criteria set forth in this section.

(g) In approving a special or conditional use permit for a development that proposes to utilize the density bonus provisions of this section, the permit issuing authority shall ensure, by approval of



a condition, phasing schedule, or otherwise, that affordable housing units or lots, or payments in lieu thereof, are actually provided in accordance with the provisions of this section. Without limiting the generality of the foregoing, the permit issuing authority may impose a condition specifying that certificates of occupancy may not be issued for the market priced units until the corresponding affordable housing units are constructed and offered for sale or rent for an amount that is consistent with the definition set forth in this section, or payments in lieu thereof have been made to the town.  
**(AMENDED 1/22/08)**

(h) If, by using the affordable housing density bonus provided for in this section, the number of dwelling units or lots within a development increases to the point where the type of permit required for the project based on the number of units or lots would otherwise change from a zoning to a special use permit or from a special use to a conditional use permit in accordance with the provisions of Section 15-147, the developer may nevertheless seek approval for the project under the permit process that would be applicable if no density bonus was sought under this section.

(i) As provided in subsection 15-92.1(d), developments that use the affordable housing density bonus provisions of this section may be entitled to relief from the setback requirements under some circumstances.

**A RESOLUTION WAIVING THE APPLICATION FEE RELATED TO A LAND USE ORDINANCE  
TEXT AMENDMENT REQUESTED BY THE COMMUNITY HOME TRUST FOR A CHANGE TO  
THE PRICING LIMITS OF AFFORDABLE HOUSING**

**Draft Resolution No. 101/2011-12**

**WHEREAS, the Board of Aldermen seeks to further affordable housing opportunities and;**

**WHEREAS, a request to waive the application fee for a text amendment related to the definition of affordable housing has been made by the Community Home Trust, a non-profit organization committed to the creation of affordable housing opportunities.**

**NOW THEREFORE BE IT RESOLVED by the Board of Aldermen that the Aldermen grant a waiver of the application fee associated with a land use ordinance text amendment request, in accordance with Administrative Policy 540-1 in the amount of \$425.00.**



# TOWN OF CARRBORO

ATTACHMENT G  
Attachment A

## Planning Board

301 West Main Street, Carrboro, North Carolina 27510

## R E C O M M E N D A T I O N

THURSDAY, MARCH 1, 2012

### LAND USE ORDINANCE TEXT AMENDMENTS TO REFLECT CHANGES TO THE DEFINITION OF AFFORDABLE HOUSING UNITS

Motion was made by Barton and seconded by Seils that the Planning Board recommends that the Board of Aldermen approve the draft ordinance.

VOTE: AYES: All (Barton, Chang, Ferrer, Seils, Killoen, Clinton, Poulton, Hunt)  
ABSENT/EXCUSED: Jarmayfield, Foushee, Schaefer  
NOES:  
ABSTENTIONS:

#### Associated Findings

By a unanimous show of hands, the Planning Board membership indicated that no members have any financial interests that would pose a conflict of interest to the adoption of this amendment.

Furthermore, the Planning Board of the Town of Carrboro finds that the proposed text amendment is consistent with the findings from *Carrboro Vision 2020* regarding efforts to provide housing for a diverse population, particularly the following sections:

6.11 Town policy should accommodate a variety of housing styles, sizes and pricing. It should also address issues of density, funding and rezoning to allow for more non-detached housing, mixed-use development, and communal living options.

6.17 The town should interact with non-profit groups that work to provide affordable housing, including but not limited to the Land Trust, Orange Community Corporation, Empowerment Inc., and Habitat for Humanity.

6.18 A minimum of 15 percent of the residential units in any residential development should meet the affordability criteria specified in Section 15-182.4 of the Carrboro Land Use Ordinance.

VOTE: AYES: All  
ABSENT/EXCUSED: Jarmayfield, Foushee, Schaefer  
NOES:  
ABSTENTIONS:

(Chair)

Jim Killoen 3/1/12  
(Date)