



# Town of Carrboro

Town Hall  
301 W. Main St.  
Carrboro, NC 27510

## Meeting Agenda Board of Aldermen



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Tuesday, May 3, 2016

7:30 PM

Board Chambers - Room 110

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### 7:30-7:35

#### A. REQUESTS FROM VISITORS AND SPEAKERS FROM THE FLOOR

### 7:35-7:40

#### B. RESOLUTIONS, PROCLAMATIONS, AND ACKNOWLEDGEMENTS

1. [16-144](#) Proclamation: Public Works Week  
*Attachments:* [2016 Public Works Week](#)
2. [16-145](#) Proclamation: Mental Health Awareness Month

### 7:40-7:45

#### C. ANNOUNCEMENT OF UPCOMING MEETINGS

### 7:45-7:50

#### D. CONSENT AGENDA

1. [16-143](#) Approval of Previous Meeting Minutes of April 19, 2016
2. [16-141](#) Approval of the Activities for 2016-17 HOME Investment Partnership Program

**PURPOSE:** The purpose of this item is for the Board to consider approving the HOME Investment Partnership Program's proposed activities for FY 2016-17.

*Attachments:* [Attachment A - Resolution](#)  
[Attachment B - HOME Program Plan Summary](#)

3. [16-142](#) General Fund Budget Ordinance Amendment

**PURPOSE:** The Board is requested to approve a budget amendment to recognize revenues for Freight Train Blues Series and adjust other revenues and expenses.

**Attachments:** [Budget Ordinance Amendment - April 2016](#)

E. OTHER MATTERS

**7:50-8:20**

1. [16-138](#) Presentation of Town Manager's Recommended Budget for Fiscal Year 2016-17

**PURPOSE:** The purpose of this agenda item is to receive the Town Manager's Recommended FY 2016-17 Budget, set the time for a public hearing and budget work sessions.

**Attachments:** [Resolution Setting Public Hearing on 2016-17 Recommended Budget](#)  
[Notice of Public Hearing on FY 2016-17 Budget](#)

**8:20-8:45**

2. [16-139](#) Buyer Identified Homeownership Program

**PURPOSE:** The purpose of this item is for the Board to consider adding the Buyer Identified Homeownership Program to the Town's affordable housing programs.

**Attachments:** [Attachment A - Resolution](#)  
[Attachment B - Draft BIHP Program](#)  
[Attachment C - Affordable Housing Goals and Strategies](#)  
[Attachment D - Flow Chart](#)

**8:45-9:45**

3. [16-146](#) Update on Legislative Changes Relating to Planning and Development

**PURPOSE:** The purpose of this item is to report to the Board of Aldermen on legislative changes in 2015, noting Town action in response.

**Attachments:** [Attachment A - Legislative update memo](#)  
[Attachment B](#)

- F. MATTERS BY BOARD MEMBERS**
- H. MATTERS BY TOWN MANAGER**
- I. MATTERS BY TOWN ATTORNEY**
- J. CLOSED SESSION - NCGS 143-318.11(3) AND (4)**





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## Agenda Item Abstract

**File Number:**16-141

**Agenda Date:** 5/3/2016

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### TITLE:

Approval of the Activities for 2016-17 HOME Investment Partnership Program

**PURPOSE:** The purpose of this item is for the Board to consider approving the HOME Investment Partnership Program's proposed activities for FY 2016-17.

**DEPARTMENT:** Manager's Office

**CONTACT INFORMATION:** Nate Broman-Fulks, Assistant to the Town Manager, 919-918-7314, nbroman-fulks@townofcarrboro.org

**INFORMATION:** The Orange County HOME Consortium asks the Board of Aldermen to review and approve a 2016-2017 HOME Program Plan developed by the HOME Program Review Committee. The Committee consists of elected officials and staff from the each of the four participating jurisdictions (Chapel Hill, Carrboro, Hillsborough and Orange County acting as the lead entity), and all participating jurisdictions must approve the plan and authorize submission of the plan to the U.S. Department of Housing and Urban Development by May 15, 2016.

#### Background

- Since 1992, the Orange County HOME Consortium has received federal HOME program funds to develop affordable housing throughout the County.
- In October 2000, the Consortium agreed to form a HOME Program Review Committee consisting of an elected official and staff member of each jurisdiction to allow elected officials to have more involvement in the development of the annual HOME Program plan and to review the progress of HOME funded activities.
- Alderperson Johnson is the representative on the Committee this year.
- In 2016-2017, the Consortium will have \$480,509 of HOME Program funds available: 2016-2017 grant funds  
\$308,538  
25% local match 69,421  
Program Income 38,069  
Reallocation 64,481
- Each jurisdiction's contribution of the local match is based on its population. The Town's contribution to the matching funds is 14% of the total match or \$9,719. Orange County, Chapel Hill, and Hillsborough will contribute \$27,768 (40%), \$28,463 (41%) and \$3,471 (5%) respectively.

#### Summary of Recommendation

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Habitat for Humanity	Second Mortgage Assistance	\$285,000
Orange County	Housing Rehabilitation	114,655
Rebuilding Together	Safe & Healthy Home Repair	50,000
Orange County	Administration	<u>30,854</u>
		\$480,509

### Key Issues

- A summary of the recommended HOME Program Plan is located in Attachment B.
- All programs must serve households earning less than 80% of the area median income.
- Housing projects funded with Orange County HOME Program funds are subject to the County's 99-year long-term affordability policy and must remain affordable for 99 years. Orange County records deed restrictions on the property with the Register of Deeds for affordable housing projects.
- If an agency is awarded funds and the proposed project is not implemented, we would return to the governing bodies of the participating jurisdictions with a proposed plan for reallocation of funds.

### Next Steps

The Plan will be submitted to HUD by May 15, 2016 as part of the Annual Update to the 2015-2020 Consolidated Plan.

**FISCAL & STAFF IMPACT:** Carrboro's portion of the local match will be \$9,719, 14% of the total local match.

**RECOMMENDATION:** Staff recommends the Board approve the plan developed by the HOME Program Review Committee, and authorize this plan to be incorporated into the Annual Update to the 2015-2019 Consolidated Plan for Orange County.

**RESOLUTION AUTHORIZING THE FY 2016 - 2017 HOME PROGRAM**  
**REVIEW COMMITTEE FUNDING RECOMMENDATION**

**5-3-2016**

**BE IT RESOLVED**, by the Carrboro Board of Aldermen as a member of the Orange County HOME Consortium approves the following activities for the 2016 - 2017 HOME Program.

<b>Name of Applicant</b>	<b>Activity/Other</b>	<b>Recommendations</b>
Habitat for Humanity	Second Mortgage Assistance	285,000
Rebuilding Together of the Triangle	Homeowner Repairs	50,000
Orange County	Housing Rehabilitation	114,655
	<b>TOTAL</b>	<b>\$449,655</b>

**BE IT FURTHER RESOLVED**, that the County Manager is hereby designated as the authorized representative of the County to act in connection with the submission of this plan and to provide such additional information as may be required by the U.S. Department of Housing and Urban Development.

This the 3rd day of May 2016.

## 2016-2017 HOME Program Plan Summary

The HOME Program Review Committee met on March 10, 2016 to review applications for HOME funding and recommends the following 2016-2017 program plan:

### Summary of Recommendation

Habitat for Humanity	Second Mortgage Assistance	\$285,000
Orange County	Housing Rehabilitation	114,655
Rebuilding Together	Safe & Healthy Home Repair	50,000
Orange County	Administration	<u>30,854</u>
		\$480,509

#### 1. **Habitat for Humanity: \$285,000**

*(Requested amount: \$285,000)*

Habitat for Humanity requested \$285,000 to provide deferred payment, zero-interest second mortgages for 12 homebuyers in the Fairview community in Hillsborough and the Tinnin Woods subdivision in Efland-Cheeks Township. The homes would be sold to households earning less than 65% of the area median income.

#### 2. **Rebuilding Together of the Triangle: \$50,000**

*(Requested amount: \$50,000)*

Rebuilding Together of the Triangle requested HOME funds to provide critical repairs, accessibility modifications, and home performance upgrades to low-income homeowners, earning less than 80% of the area median income, in Orange County.

#### 3. **Orange County: \$114,655**

Funds for housing repair/rehabilitation would be allocated to the Orange County Housing, Human Relations, and Community Development Department. This program would provide comprehensive rehabilitation of owner-occupied homes throughout Orange County.

#### 4. **Administration: \$30,854**

Funds for administration of the HOME Program would be allocated to the Orange County Housing, Human Relations, and Community Development Department.





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**File Number:**16-142

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### TITLE:

General Fund Budget Ordinance Amendment

**PURPOSE:** The Board is requested to approve a budget amendment to recognize revenues for Freight Train Blues Series and adjust other revenues and expenses.

**DEPARTMENT:** Finance

**CONTACT INFORMATION:** Arche McAdoo, 918-7439

**INFORMATION:** The Music Makers Relief Foundation and Recreation and Parks Department will be holding the 2016 Freight Train Blues Series on the Town Commons each Friday between May 20 and June 10. These concerts are free to the public. The Carrboro Tourism Development Authority (CTDA) has donated \$8,000 to Recreation and Parks to cover 50% of the costs of the Freight Train Blues Series. The other half will be provided from the Recreation and Parks existing budget appropriation. We need to recognize this revenue and appropriate it for the designated purpose.

#### Carrboro Tourism Development Authority

In the Town's adopted budget for 2015-16 we estimated distribution of \$116,280 to the CTDA from occupancy tax receipts. Through March 1, 2016 the Town has received \$129,426 from hotel/motel occupancy taxes and project that \$166,000 will be distributed to the CTDA for the year. Thus, we need to increase the budget amount of occupancy taxes to be distributed to the CTDA.

The Town currently has lease for \$90,000 annually for parking at 300 East Main Street. The CTDA has contributed \$43,370 to the Town to help cover the cost of this lease. In the adopted budget for 2015-16 the Town only budgeted for its share (\$46,630) of this lease rather than the total amount. We need to increase budget amount for this lease from \$46,630 to \$90,000.

#### Supplemental PEG Channel Support

The Town has two approved PEG channel - one operated by the Town and the other by The People's Channel. Revenues for Supplemental PEG Channel Support received from the State are divided equally among the two channels. For FY 2015-16 revenues for PEG Channel Support were inadvertently under-budgeted. For the first two quarters of the year, Town has received \$27,871 and expected to receive the same amount for the last two

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quarters. Thus, these revenues should to be increased from \$101 to \$55,801. On the expense side, the budget for distribution of revenues to The Peoples Channel needs to be adjusted to reflect the payments that should have been made last fiscal year but were not invoiced for payment until this year.

**FISCAL & STAFF IMPACT:** Revenue for the Freight Train Blues Series will be increased by \$8,000; revenues for Supplemental PEG Channel will increase by \$55,700; and, expenditures for The Peoples Channel will increase by \$17,149. The increase in expenditures for the parking lease will be offset by the contribution from the CTDA. The increase in occupancy taxes to be distributed to the CTDA will be from increased occupancy taxes collected by the Town.

**RECOMMENDATION:** The staff recommends that the Board of Aldermen adopt the attached amendment for the FY 2015-16 Budget Ordinance.

## AMENDMENT TO ANNUAL BUDGET ORDINANCE FY 2015-16

WHEREAS, the Town Board of the Town of Carrboro on June 16, 2015 adopted annual budget ordinance number 16/2014-15 for the fiscal year beginning July 1, 2015 and ending June 30, 2016; and

WHEREAS, it is appropriate to amend certain budget accounts in the general fund to provide for increased revenues and expenses for the reasons stated.

NOW, THEREFORE, BE IT ORDAINED, that in accordance with authority contained in G.S. 159-15, the following revenue and expense accounts are amended as shown and that the total amount for the funds are herewith appropriated for the purposes shown:

ACCOUNT CODE			ACCOUNT NAME	CURRENT	INCREASE	REVISED
ORG	OBJECT	PROJECT		BUDGET	(DECREASE)	BUDGET
6604	436202	54220	Donation - Freight Train Blues	\$ -	\$ 8,000.00	\$ 8,000.00
623	504703	54220	Community Events - Freight Train Blues	\$ -	\$ 8,000.00	\$ 8,000.00
1447	433721		Supplemental PEG Channel Support	\$ 101.00	\$ 55,700.00	\$ 55,801.00
418	504531		The Peoples Channel	\$ 32,000.00	\$ 17,249.00	\$ 49,249.00
421	504630		300 E Main Parking	\$ 46,630.00	\$ 43,370.00	\$ 90,000.00
1510	450000		Fund Balance Appropriation	\$ 624,916.00	\$ 4,919.00	\$ 629,835.00

**REASON:** To recognize \$8,000 of revenue from the Carrboro Tourism Development Authority and appropriate for expenditure for support of Recreation and Parks Community Events; increase amount of occupancy tax receipts to be disbursed to CTDA; adjust revenue and expenses for PEG Channel Support; and adjust 300 E Main Street Parking expense.





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**File Number:**16-138

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### **TITLE:**

Presentation of Town Manager's Recommended Budget for Fiscal Year 2016-17

**PURPOSE:** The purpose of this agenda item is to receive the Town Manager's Recommended FY 2016-17 Budget, set the time for a public hearing and budget work sessions.

**DEPARTMENT:** Town Manager

**CONTACT INFORMATION:** David L. Andrews, 918-7315 and Arche L. McAdoo, 918-7439

**INFORMATION:** By state law, the Town Manager is required to submit a recommended budget for FY 2016-17 and budget message to the Mayor and Board of Aldermen by June 1<sup>st</sup>. This recommended budget is to be made available for public inspection and the Board is required to hold a public hearing on it prior to adoption.

The recommended budget document is provided to the Board on the night of the presentation. Following the Town Manager's budget presentation, the date and time to hold a public hearing needs to be set. Attached is a resolution to set a public hearing for the budget on May 17, 2016 and a notice of public hearing to be published by the Town Clerk.

Also, the Board is requested to hold a budget work session on the Town Manager's recommended budget on May 10, 2016 and May 24, 2016 if desired. Budget work sessions allow for an opportunity to develop a more thorough understanding of the budget recommendation. Department heads will be available at work sessions to answer questions.

**FISCAL & STAFF IMPACT:** N/A

**RECOMMENDATION:** That the Board accept the Town Manager's Recommended Budget for FY 2016-17 and adopt a resolution setting a public hearing on it for May 17, 2016 at 7:30 PM..

**A RESOLUTION TO SET PUBLIC HEARING ON THE MANAGER'S  
RECOMMENDED BUDGET FOR FY 2016-17**

WHEREAS, the Town Manager presented the FY 2016-17 Recommended Budget to the Board of Alderman on May 3, 2016; and,

WHEREAS, the Town is required by North Carolina General Statute 159-12(b) to hold a public hearing before adopting the budget ordinance;

NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO HEREBY RESOLVES THAT,

The Board of Aldermen will hold a public hearing on Tuesday, May 17, 2016 at 7:30 p. m. in Town Hall Board Room to receive citizen comments on the Town of Carrboro Recommended Budget for 2016-17. Citizens are invited to make written or oral comments. Comments may be emailed to [cwilson@townofcarrboro.org](mailto:cwilson@townofcarrboro.org). The entire budget document may be viewed in the Town Clerk's Office Hall from 8:30 a.m. to 5:00 p.m. weekdays or on the Town website at [www.townofcarrboro.org](http://www.townofcarrboro.org).

## **NOTICE OF PUBLIC HEARING**

The Board of Aldermen will hold a public hearing on Tuesday, May 17, 2016 at 7:30 p. m. in Town Hall Board Room to receive citizen comments on the Town of Carrboro Recommended Budget for 2016-17. The budget is available for inspection in the Town Hall. Citizens are invited to make written or oral comments. Comments may be emailed to [cwilson@townofcarrboro.org](mailto:cwilson@townofcarrboro.org). The entire budget document may be viewed in the Town Clerk's Office from 8:30 a.m. to 5:00 p.m. weekdays or on the Town website at [www.townofcarrboro.org](http://www.townofcarrboro.org).







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**File Number:**16-139

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### **TITLE:**

Buyer Identified Homeownership Program

**PURPOSE:** The purpose of this item is for the Board to consider adding the Buyer Identified Homeownership Program to the Town's affordable housing programs.

**DEPARTMENT:** Manager's Office

**CONTACT INFORMATION:** Nate Broman-Fulks, Assistant to the Town Manager, 919-918-7314, nbroman-fulks@townofcarrboro.org

**INFORMATION:** The Buyer Identified Homeownership Program (BIHP) is a proposed program out of the Affordable Housing Fund. The intention of the program is to increase affordable homeownership opportunities in Carrboro and increase the permanently affordable housing stock. This program would be treated as a pilot-type program that would be evaluated and refined after it is used, based on the Town and applicant's experience.

BIHP is designed for situations where residents are working with nonprofit affordable homeownership providers to find an affordable home, but are unable to find an available home that fits their needs. This could be because the resident needs handicap accessibility throughout the house and none of the homes available have those features, or they simply need a three bedroom home and all that are available at that time are one and two bedroom homes. Whatever the case, this program provides a framework for assisting these residents by providing grant subsidies to the nonprofit they are working with to purchase a market rate home that will then be incorporated into the permanently affordable housing stock.

### **Example**

Jane is looking to purchase a home in Carrboro. She is working with the Community Home Trust and has been determined to be mortgage ready. She needs a three bedroom home to accommodate her family, but the Home Trust currently only has one and two bedroom homes available. Jane and/or the Home Trust find a three bedroom townhouse on the market for \$160,000. Jane can only afford a mortgage of \$110,000. Therefore, if the house were to be purchased and brought into the Home Trust's housing stock, \$50,000 is needed in subsidy.

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The Home Trust has \$15,000 available in HOME funds and is also able to receive Second Mortgage assistance from the North Carolina Housing Finance Agency for \$15,000. Community Home Trust is then able to apply to the Town's housing fund for BIHP money for the remaining \$20,000 needed to purchase the home.

If the Board approves the application, the resident would be able to become a homeowner in Carrboro and the Town's existing stock of permanently affordable housing would increase.

### **Alignment with Affordable Housing Plan**

BIHP is in line with at least two goals of the Town's Affordable Housing Goals and Strategies and is directly related to the implementation of one strategy. BIHP could help achieve Goal 1.1, "Increase the number of homeownership units that are permanently affordable in Carrboro." The program would also serve as a tool to achieving Goal 1.3, "Decrease barriers to first-time homeownership." In particular, the Goals and Strategies call for a similar program with Strategy 1.3A1, which calls to provide "Downpayment assistance for families participating in local homebuyer education programs."

The Affordable Housing Task Force reviewed the program at their February meeting. The Task Force endorsed the program and recommended bringing it to the Board of Aldermen for their consideration.

**Below is a complete description of the program guidelines:**

### **Carrboro Affordable Housing Fund: Buyer Identified Homeownership Program**

**Description:** BIHP is designed to provide subsidy to applicants to purchase market-rate homes for the purpose of incorporation into the permanently affordable housing stock in Carrboro. This program is a tool for residents, nonprofits, and the Town to create additional affordable homeownership opportunities within Carrboro.

**Subsidy:** The Town will provide a grant of no more than 25% of the final cost of the home, with a maximum grant of no more than \$25,000. Final cost of the home includes the purchase price and any necessary work conducted to bring the home to a viable condition.

BIHP subsidy may only be used in cases where other relevant funding sources, such as HOME funds or North Carolina Housing Finance Agency funds, are unavailable or insufficient to complete the purchase of the home.

**Applicant Eligibility:** An applicant must be an approved nonprofit affordable homeownership provider.

### **Homebuyer Eligibility:**

1. Must have a gross household income of 115% of the Area Median Income (AMI) or less, with priority given to households at 80% of AMI and below.
2. Have completed a homebuyer education course and financial counseling through a qualified agency, and have

been deemed mortgage ready in the appropriate price range, by the agency.

3. Home must be the beneficiary's primary residence.
4. Meet all other guidelines of the approved nonprofit.

**Unit Eligibility:**

1. The unit must be deemed viable by the Town and the nonprofit for inclusion into the permanent affordable housing stock.
  - a. Factors to be considered in this determination include:
    - i. Purchase price of the home and amount of subsidy required
    - ii. Licensed home inspector report
    - iii. Estimation of needed repairs
    - iv. Future sustainability of the home
    - v. Future marketability of the home
2. The unit must remain in the permanently affordable housing stock, or the grant recipient will repay the full amount of the grant to the Town of Carrboro.
3. The unit must be located within Carrboro town limits.

**Application Process:** Applicants must turn in the following information to the Town before funding will be considered:

1. A complete description of the project, including the location and explanation of how this project meets the program criteria.
2. Documented income data for the beneficiary.
3. Documentation for final cost of the home.
4. Licensed home inspector report.
5. Other relevant information as requested.

**FISCAL & STAFF IMPACT:** The program is designed to provide up to \$25,000 in grant funds per use. These funds would come out of the Affordable Housing Special Revenue Fund. Currently there is \$176,230 in unexpended reserves in the fund available to be used for eligible purposes. The funding decisions for this program, as stated in the Affordable Housing Fund Guidelines, would be made by the Board of Aldermen.

**RECOMMENDATION:** Staff recommends the Board consider adding the Buyer Identified Homeownership Program to the Town's affordable housing programs.

A RESOLUTION APPROVING THE IMPLEMENTATION OF A BUYER  
IDENTIFIED HOMEOWNERSHIP PROGRAM

5-3-16

WHEREAS, the Board of Aldermen created the Affordable Housing Special Revenue Fund on June 27, 2007 by the adoption of resolution no. 244/2006-07; and

WHEREAS, the creation of the fund is another way in which the Board can advance its goal of increasing and improving the stock of affordable housing within the Town and its planning jurisdiction; and

WHEREAS, the Board of Aldermen adopted the Affordable Housing Goals and Strategies document on June 17, 2014; and

WHEREAS, the Board of Aldermen approved updates to the Affordable Housing Special Revenue Fund on March 3, 2015 to expand the ways in which the fund can be used and to better facilitate the implementation of the Town's Affordable Housing Goals and Strategies; and

WHEREAS, the addition of the Buyer Identified Homeownership Program is in line with and will help achieve the Town's affordable housing goals.

NOW THEREFORE, BE IT RESOLVED that the Board of Aldermen hereby ordains:

Section 1. The Board of Aldermen approves the implementation of the Buyer Identified Homeownership Program.

Section 2. This resolution shall become effective upon adoption.

## **Carrboro Affordable Housing Fund: Buyer Identified Homeownership Program**

**Description:** The Buyer Identified Homeownership Program (BIHP) is designed to provide subsidy to applicants to purchase market-rate homes for the purpose of incorporation into the permanently affordable housing stock in Carrboro. This program is a tool for residents, nonprofits, and the Town to create additional affordable homeownership opportunities within Carrboro.

**Subsidy:** The Town will provide a grant of no more than 25% of the final cost of the home, with a maximum grant of no more than \$25,000. Final cost of the home includes the purchase price and any necessary work conducted to bring the home to a viable condition.

BIHP subsidy may only be used in cases where other relevant funding sources, such as HOME funds or North Carolina Housing Finance Agency funds, are unavailable or insufficient to complete the purchase of the home.

**Applicant Eligibility:** An applicant must be an approved nonprofit affordable homeownership provider.

### **Homebuyer Eligibility:**

1. Must have a gross household income of 115% of the Area Median Income (AMI) or less, with priority given to households at 80% of AMI and below.
2. Have completed a homebuyer education course and financial counseling through a qualified agency, and have been deemed mortgage ready in the appropriate price range, by the agency.
3. Home must be the beneficiary's primary residence.
4. Meet all other guidelines of the approved nonprofit.

### **Unit Eligibility:**

1. The unit must be deemed viable by the Town and the nonprofit for inclusion into the permanent affordable housing stock.
  - a. Factors to be considered in this determination include:
    - i. Purchase price of the home and amount of subsidy required
    - ii. Licensed home inspector report
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    - v. Future marketability of the home
2. The unit must remain in the permanently affordable housing stock, or the grant recipient will repay the full amount of the grant to the Town of Carrboro.
3. The unit must be located within Carrboro town limits.

**Application Process:** Applicants must turn in the following information to the Town before funding will be considered:

1. A complete description of the project, including the location and explanation of how this project meets the program criteria.
2. Documented income data for the beneficiary.
3. Documentation for final cost of the home.
4. Licensed home inspector report.
5. Other relevant information as requested.

# Affordable Housing Goals and Strategies

Town of Carrboro

Since mid-2012, the Affordable Housing Task Force has been evaluating existing policies and regulations that have been in place to support and increase affordable housing opportunities in Town. Since the summer of 2013, the Task Force focused its efforts on identifying short-term and long-term goals to include in a comprehensive affordable housing strategy. This policy document is the result of that work and also includes target completion dates for a number of initiatives. This document is intended to support the Board of Aldermen's efforts, to guide its next steps, and to help establish a base line against which ongoing and future efforts will be measured. Rather than fixing, absolutely, a course of action, the documents is intended to position the Town so it is able to allow/respond to opportunities as they arise.



# Acknowledgments

## TOWN OF CARRBORO BOARD OF ALDERMEN

Lydia Lavelle, *Mayor*

Bethany Chaney  
Jacquelyn Gist  
Randee Haven-O'Donnell

Michelle Johnson  
Damon Seils  
Sammy Slade

## AFFORDABLE HOUSING TASK FORCE

Heather Hunt (Planning Board)  
Bethany Chaney (Board of Aldermen)  
Michelle Johnson (Board of Aldermen)

Seth La Jeunesse (Transportation Advisory Board)  
Sammy Slade (Board of Aldermen)

## Affordable Housing and Development Community Participants

Robert Dowling  
Dan Jewell

Jeremy Medlin  
Ken Reiter

Anne Stoddard  
Ron Strom

Mark Zimmerman  
Adam Zinn

Omar Zinn

## Town Staff Support

Nate Broman-Fulks

Patricia McGuire

Christina Moon

*Thanks to the Community Home Trust and Town of Carrboro Planning for the photos included on the cover sheet.*

# Town of Carrboro Affordable Housing Goals and Strategies

The Town of Carrboro is devoted to providing opportunities for safe, decent and affordable housing for all residents no matter their age, ability or income level.

Goal	Strategies	Target Completion Date	Partners/Resources Needed
<b>1. Affordable Homeownership (Target income range is 60%-115% AMI)</b>			
1.1 Increase number of homeownership units that are permanently affordable in Carrboro. 2024 goal is to have 85 affordable ownership homes. In 2014 there were 41 affordable ownership homes. This is an average annual increase of 4.5 homes.	A. Gather more data from the developers about what percentages will work to both incentivize them and respond to the market condition	Q4 FY 2014-15	Developers, Affordable Housing Coalition, non-profit housing developers, staff
	B. Request that the BOCC continue to fund impact, permitting fees for non-profits.	Q4 Annually	
	C. Decide whether or not to modify the ordinance to reflect a model that will both incentivize developers and respond to market conditions.	Q1 FY 2015-16	CHT and other non-profit housing providers, Developers
	D. Identify/build dedicated subsidy source to assist with land trust transactions.	Ongoing	Consolidated plan partners; CHT and other AH Coalition participants
1.2 Fully evaluate and reduce housing density restrictions to slow the climb of housing prices and diversify housing stock, particularly in high transit areas.	A. Schedule a community discussion to examine open space requirements and their implications on housing prices and the feasibility for inclusion of affordable units.	Q3 - Q4 FY 2014-15	For- and non-profit housing providers, citizens, environmental advocates, recreation advocates
	B. As a component of the parking plan, determine whether modifications to parking requirements could materially affect homeownership prices, development opportunities, and density. Unbundled parking for condominiums and townhouses should be included in this analysis.	FY 2015-16	Staff, Parking plan consultant



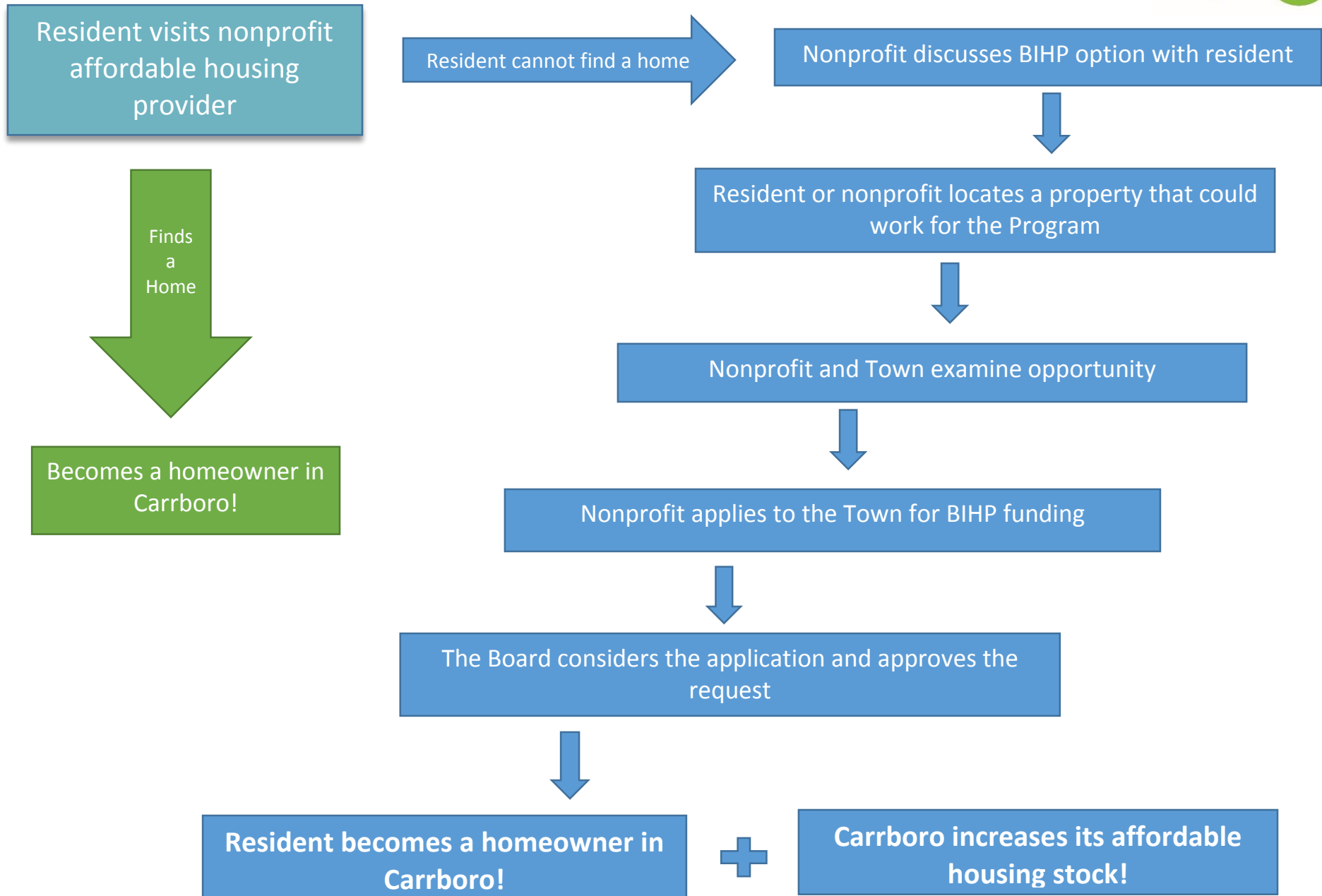
	C. Explore opportunities to modify zoning and land-use ordinances related to in-fill residential, connected housing, zero lot-line housing, and mixed-use developments.	Q1 FY 2015-16	Staff, intern, graduate planning workshop students, development community
1.3 Decrease barriers to first-time homeownership and to homeownership retention, particularly among seniors	A. Develop and implement a clear set of priorities and policies for the use of payment-in-lieu and/or other dedicated funding that includes opportunities to support this goal. Potential priorities:	Q4 FY 2014-15	AH Task Force, Board of Aldermen, Consolidated Plan partners
	A1. Downpayment assistance for families participating in local homebuyer education programs.		Federal and state funding for downpayment assistance, energy upfits, repairs, etc. Durham staff - Southside program as model
	A2. Grants for critical home repairs, energy efficiency, upfits to accommodate changing mobility, etc. +opportunities to decrease utility payments.		
1.4 Continuously improve public transit access, with a particular eye to moderate-income homeownership communities and developments with an affordability component.	A. Determine whether subsidizing transit access should be an approved use for payment-in-lieu or other dedicated housing funds.	With 1.3 above	AH Task Force, Board of Aldermen, Consolidated Plan partners
	B. Partner with CHT, and homeowners associations to identify and pursue opportunities to fund or otherwise make practical greater transit service to growing areas, including feeder systems to main routes.	Ongoing	Chapel Hill Transit, developers, HOAs, transit alliance
	C. Play a leadership role at local and regional transit 'tables' to ensure future transit priorities and policies support affordable housing goals.	Ongoing	Transit Partners, DCHC MPO
<b>2. Affordable Rentals (Target income is 60% or less of AMI)</b>			

2.1 Increase number of rental units that are permanently affordable to individuals and families earning less than 60% of AMI. 2024 goal is to have 470 affordable rental units. In 2014 there were 349 affordable rental units. This is an average annual increase of 12 units.	A. Modify ordinance to reflect a model that will both incentivize developers to include affordable units in their rental developments while also responding to market conditions.	Q1 FY 2015-16	Developers/Property Owners, OC Housing Coalition
	B. Work with Orange County, the University, and other landowners to examine, identify and reserve one or more tracts for future LIHTC and/or HUD-restricted rental communities.	Ongoing	Local governments, property owners, University
	C. Better position the town for future affordable rental development / redevelopment opportunities by cultivating relationships with experienced non-profit affordable rental housing developers.	Ongoing	OC Housing Coalition, NC Housing Coalition, DHIC
2.2 Reduce negative effects of parking requirements on rental prices.	A. Fully examine research and data regarding parking density and "bundling" to determine best approaches to achieve this goal.	Q4 FY 2015-16	Expect consultant to parking plan will provide some assistance. Possible UNC Planning Workshop.
	B. Utilize Town's parking management policy to support this goal.	Q4 FY 2015-16	" "
2.3 Slow the pressure on rental prices by increasing rental housing stock, particularly in high-transit areas.	A. Examine and consider reducing restrictions on accessory dwelling units. This strategy has the potential to support homeownership affordability by enabling homeowners to generate income to support their homeownership costs.	With 1) above	
2.4 Reduce erosion of rental housing quality and affordability	A. Research effective voluntary rental registry models and determine the efficacy of a similar program in Carrboro. If feasible, determine opportunities to implement a registry or rating system through a non-profit or other civic organization, with Town support.	With 1) above	

	B. Require all landlords with more than one unit of rental property to register for a business privilege license, and examine use of business regulations to enforce better stewardship of housing and neighborhoods.		
	C. Gather and examine rental housing data to better anticipate and monitor opportunities/conditions for redevelopment/rehabilitation.		OC Housing Coalition, Orange County HHRCD/Chapel Hill (Consolidated Plan partners)
	D. Convene landlords and property managers on an annual (regular) basis to build positive relationships, educate about Carrboro's housing expectations and policies, and encourage transparency about redevelopment/rehab/sale plans.	Following 1) above and ongoing	
2.5 Examine the current marketplace for mobile and modular homes.	A. Educate the Board of Aldermen about the difference between the housing styles and regulations that apply.	Q1 FY 2015-16	
<b>3. Overarching Priorities</b>			
3.1 Concerted Land Use Planning/small land use plan for three high priority/high potential areas.	A. Identify the three high priority/potential areas that are ripe for development or re-development. Could include: downtown, Jones Ferry Corridor, Estes Drive.		
	B. Consider the current planning processes that are underway and share coordination and overlap.		
3.2 Improve opportunities for developers and potential partners to identify affordability in a project.	A. Include members of OCAHC in initial development review to encourage creative solutions/opportunities for affordable housing to be integrated into projects, and/or identify best opportunities to secure payment-in-lieu.		
3.3 Develop a dedicated funding source--in partnership with county and peer municipalities	A. Explore the parameters of an AH Bond.  □		HOME Consortium, Con Planning Partners, OC Housing Coalition, and Downtown Housing Improvement Corporation (DHIC).
	B. Explore a public private fund for example TCF.		
	C. Find out about tax deduction.		

	D. Look to identify complimentary external funding that could be better leveraged with municipal participation.		
	E. Assessment of the most cost effective strategies-if we had a pot of money what is the best way to use it.		
3.4 Ensure implementation of the Affordable Housing Strategy	A. AHI task force meeting quarterly. <input type="checkbox"/>		
	B. Ensure operationalization and monitor progress of affordable housing plan by staffing at least 1/2 time.		
	C. Continuing to look at data and continuing to understand it-existing stock-number of affordable units and distribution-including transit access, non-motorized travel, overlaid with the distribution of housing.		
3.5 Provide greater incentives for developers to include affordable housing in their projects	A. Expedited review for projects that include affordable housing component.		
	B. Ask 3-5 developers to do an assessment of the costs for all of the LUO requirements-how much does this increase the cost per unit, or the rent per unit.		
	C. Evaluate the provision of public sector assistance for infrastructure in exchange for the provision of some percentage of affordable units (scaled).		
3.6 Reduce utility costs	A. Work with Owasa, Explore grants for energy efficiency.	Ongoing	
3.7 Acquisition of land/property-be proactive with OWASA in the land or parcels they are saying they will offer to municipalities first-Start to engage with them	A. OWASA-example but there are other options.		OWASA
	B. Consider condemned properties -provide an incentive for homeowner to sell loan fund for Habitat, Empowerment to allow for the property to be renovated and fixed up.		

## Buyer Identified Homeownership Program Flowchart







# Town of Carrboro

Town Hall  
301 W. Main St.  
Carrboro, NC 27510

## Agenda Item Abstract

**File Number:**16-146

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**Agenda Date:** 5/3/2016

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### **TITLE:**

Update on Legislative Changes Relating to Planning and Development

**PURPOSE:** The purpose of this item is to report to the Board of Aldermen on legislative changes in 2015, noting Town action in response.

**DEPARTMENT:** Planning

**CONTACT INFORMATION:** Trish McGuire, Planning Director, 919-918-7327,  
[pmcguire@townofcarrboro.org](mailto:pmcguire@townofcarrboro.org)

**INFORMATION:** The General Assembly enacted a number of laws in 2015 that incorporate changes to planning and development regulations or procedures. The attached memo summarizes these changes and identifies a Town response.

**FISCAL & STAFF IMPACT:** Legal and administrative costs, both direct and indirect, are expected in association with the needed responses. These costs have not been estimated.

**RECOMMENDATION:** It is recommended that the Board of Aldermen accept the update.



# TOWN OF CARRBORO

NORTH CAROLINA

## TRANSMITTAL

## PLANNING DEPARTMENT

**DELIVERED VIA:** ☐ HAND ☐ MAIL ☐ FAX ☒ EMAIL

**To:** David Andrews, Town Manager  
Mayor and Board of Aldermen

**From:** Patricia J. McGuire, Planning Director

**Date:** April 29, 2016

**Subject:** Changes to North Carolina Legislation related to Planning and Development

There were a number of changes to applicable laws in 2015. The table below presents the session law, bill number, description and action needed. Some bills include many provisions, some of which apply to areas of the state, such as the beach, that do not occur in Carrboro. The descriptions note those portions of the bill that staff interprets to apply to activities in Town. Staff anticipates working with Town Attorneys over the summer to prepare needed amendments for the Board's consideration in the early fall. In the meantime, compliance with provisions of the Town Code that are inconsistent with the Session Laws is not required.

Session Law/Bill #/ Effective Date	Description	Town Action
2015-246/ H.44/ 9-21-15 except for development agreement provision which was made effective 10- 1-15	<a href="http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H44v5.pdf">http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H44v5.pdf</a> Local government regulatory reform. 1. Authorize cities to provide annual notice to chronic violators or overgrown vegetation; 2. Prohibit requiring compliance with state voluntary rules; 3. Options for owners of tracts with split regulatory jurisdiction; 4. Exempt fence wraps at construction sites from sign regulations; 5. Provide choice of regulation rule to zoning permits; 6. Limit reduction in travel lanes to accommodate bike lanes on high traffic volume	1. Town Code amendment, 2.-5 LUO Amendments 6.No action 7.No action 8. Previous report on stream buffer provides status report/response. Follow-up scheduled for June 21 <sup>st</sup> . 9 – 10.Under review 11.No action 12. Act in accordance with provision of G.S. 13. Town Code amendment; notice of construction projects 14. Under review

Planning Department

301 West Main Street, Carrboro, NC 27510 • (919) 918-7327 • FAX (919) 918-4454 • TDD 1-800-826-7653  
AN EQUAL OPPORTUNITY EMPLOYER



Session Law/Bill #/ Effective Date	Description	Town Action
	roads; 7. Require density credits for dedicated rights of way; 8. Local riparian buffers; 9. Enforcement of ordinances outside ETJ 10. Permits for wells within service area of public water system 11. Leases for communication towers. 12. Notice to property owners of city construction 13. Prohibit definition of dwelling units that exceed state statute or rule; 14. Remove size and term limits on development agreements.	
2015-160/ H.201/8-1-2015	<a href="http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H201v6.pdf">http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H201v6.pdf</a> 1. Replace zoning protest petition with written citizen comment; 2. Remove affirmative vote provision for abstentions on zoning amendments.	1.LUO amendment 2.Town Code amendment
2015-145/ H.255/10-1-15	<a href="http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H255v8.pdf">http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H255v8.pdf</a> 1. Local inspectors shall make as many inspections as needed. 2. NC Building Code Council shall study procedures and policies for approval of alternative materials, designs or methods and report to the 2016 Regular session of the GA. 3. Clarification of official misconduct for code officials. 4. Raise threshold for building permit requirement from \$5,000 to \$15,000. 5. Create Building Code Council – 17 members appointed by Governor. Council shall include a Residential Code for One- and Two-Family Dwellings Committee and a Building Code Committee, which will review code amendments and appeals and interpretations. 6. Schedule for revisions to Building Code: Residential Code for One- and Two-Family dwellings once every six years starting in 2019. 7. Web posting of Building Code Council appeal decisions, interpretations and variations of the Code. 8. Inspections fees to be spent only for activities of inspections department. 9. Inspections to be completed in a full and timely	Procedural changes in administration of permitting and inspections services. Change to standard process made following enactment. Inspections staff had previously required deeper and wider building footings based on long-standing knowledge of local soil conditions. New definition of misconduct prohibits this. Staff has taken a proactive approach and now notifies applicants via informational stamps on plans of Town's recommendations. (see Attachment B for examples of previous and current notes).

Session Law/Bill #/ Effective Date	Description	Town Action
	manner and include all items failing to meet requirements. Revise building permit inspections, fees, reviews	
2015-192/ H.553/ 8-5-2015	<a href="http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H553v5.pdf">http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H553v5.pdf</a> 1) Prohibit town from setting standards of care for farm animals, which includes the following domesticated animals: cattle, oxen, bison, sheep, swine, goats, horses, ponies, mules, donkeys, hinnies, llamas, alpacas, lagomorphs, ratites, and poultry flocks of greater than 20 birds." 2) Noted standards related to Construction, repair, or improvement of farm animal shelter or housing; restrictions on the types of feed or medicines that may be administered to farm animals; and exercise and social interaction requirements.	1. and 2. Town Code amendments.
2014-149/ H.634/ 8-16-15	<a href="http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H634v6.pdf">http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H634v6.pdf</a> 1) For purposes of implementing stormwater programs, "built-upon area" means impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate through the surface and into the subsoil. "Built-upon area" does not include a slatted deck or deck; the water area of a swimming pool; a surface of number 57 stone, as designated by the American Society for Testing and Materials, laid at least four inches thick over a geotextile fabric; or a trail as defined in G.S. 113A-85 that is either unpaved or paved as long as the pavement is porous with a hydraulic conductivity greater than 0.001 centimeters per second (1.41 inches per hour)." 2) Environmental Management Commission shall adopt rules for implementing the requirement by December 1, 2015.	Under review.
2015-194/ H638/ 8-5-2015	<a href="http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H638v4.pdf">http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H638v4.pdf</a> 1) Encourage wetland mitigation practices that maximize opportunities habitat areas. 2) Requires Department of Environment and	Awareness of change in statutory provisions.

Session Law/Bill #/ Effective Date	Description	Town Action
	<p>Natural Resources and the Wildlife Resources Commission to work together to maximize public recreational opportunities, including hunting, in conservation easements or purchased mitigation areas, to promote wildlife and biological diversity.</p> <p>3) Identifies mechanisms for inventorying and purchasing from lands held by DENR's Office of Land and Water Stewardship.</p>	
2015-19/ H.706/ 5-14-2015	<p><a href="http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H706v4.pdf">http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H706v4.pdf</a></p> <p>Exempts open-air cabins of limited occupancy from requirements of Building Code. Requires BC amendment to comply/allow this law to sunset.</p>	Awareness of change in building code.
2015-187/ H.721/ 8-5-2015	<p><a href="http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H721v6.pdf">http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H721v6.pdf</a></p> <p>1.Modify performance guarantee provisions of subdivision statute; 2.Limit withholding building permits due to completion of separate permit of compliance with land use regulations.</p>	Minor change to LUO may be needed
2015-86/ S.25/ 6-19-15	<p><a href="http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S25v3.pdf">http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S25v3.pdf</a></p> <p>1) Establishes prohibition on regulation of building design elements for one- and two-family dwellings unless excepted. 2) Defines building design elements as "exterior building color; type or style of exterior cladding material; style or materials of roof structures or porches; exterior nonstructural architectural ornamentation; location or architectural styling of windows and doors, including garage doors; the number and types of rooms; and the interior layout of rooms. The phrase "building design elements" does not include any of the following: (i) the height, bulk, orientation, or location of a structure on a zoning lot; (ii) the use of buffering or screening to minimize visual impacts, to mitigate the impacts of light and noise, or to protect the privacy of neighbors; or (iii) regulations adopted pursuant to this Article governing the permitted uses of land or structures subject to the North Carolina Residential Code for One- and Two-Family Dwellings."</p>	1. And 2. Land Use Ordinance amendments.

Session Law/Bill #/ Effective Date	Description	Town Action
	3) Does not affect covenants or private agreements that regulate such features.	
2015-64/S.315/ 6-11-2015	<a href="http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S315v4.pdf">http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S315v4.pdf</a> Allow local school boards to make playgrounds available for other public recreational uses.	None anticipated.
2015-277/ S.472/ 10-20-2015	<a href="http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S472v3.pdf">http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S472v3.pdf</a> 1) Changes language pertaining to economic development appropriations. 2) Authorizes specific actions related to economic development; adds grants or loans to support rehabilitation of historic, public or private, commercial or non-commercial buildings. 3) Requires public hearing for any economic development activities. 4) Describes interest, cost estimating for new employment resulting from appropriations, applicability of Local Government Fiscal Control Act.	Awareness of amended provisions and definitions.
2015-217/ S.581/ 8-18-2015	<a href="http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S581v4.pdf">http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S581v4.pdf</a> 1) Study of NCDOT process for acceptance of subdivision streets 2) Report to Joint Legislative Transportation Oversight Committee 3) Changes percentage requirement for traffic calming requests from 70 percent to 60 percent.	Information/awareness of state policies and procedures. Communication with citizens eligible for requesting NCDOT actions.

**DUE TO EXPANSIVE SOIL, THE TOWN  
OF CARRBORO RECOMMENDS ALL  
FOOTINGS BE 24" WIDE X 12"  
DEEP WITH TWO #4 REBAR**

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**CARRBORO INSPECTIONS**

**PLEASE FURNISH MANUFACTURERS  
SPECIFICATIONS ON WINDOW  
AND DOOR FLASHING PRIOR  
TO FRAMING INSPECTION**

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**CARRBORO INSPECTIONS**

**ALL FOOTINGS MUST BE  
24" WIDE x 12" DEEP WITH  
TWO #4 REBAR**

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**CARRBORO INSPECTIONS**