

**AN ORDINANCE AMENDING THE CARRBORO LAND USE
ORDINANCE TO PROVIDE FOR THE REMOVAL OF THE RESTRICTIONS ON
AFFORDABLE HOUSING UNITS UNDER SPECIFIED CONDITIONS**

DRAFT 5-23-2014

THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO ORDAINS:

Section 1. Subsection 15-182.4 of the Carrboro Land Use Ordinance is amended by the adding the following new subsection (j):

(j) Notwithstanding the foregoing, with respect to a development that (i) was approved prior to the amendments to this section adopted on June 26, 2007, and (ii) constructed dwelling units that satisfied the affordability criteria by recording covenants and including restrictions in the deeds that conveyed title to the affordable units limiting the sale or resale price of such units in accordance with a formula set forth in this section, and (iii) took advantage of the density bonus provisions of this section and constructed additional market rate units as authorized by this section:

- (1) The Board of Aldermen may amend the conditional use permit that authorized such development to provide that those provisions that restrict the price at which the affordable units may be sold shall no longer be binding, (thereby allowing the units to be sold at market value) subject to and in accordance with the following provisions:
 - a. At the closing on the sale of such units, all fees and charges typically paid by the seller of other market rate units (such as loans secured by property, real estate commissions, prorated property taxes, excise taxes, etc.) shall be paid by the seller of a unit previously designated as affordable. The balance of the proceeds of the sale to which the seller is entitled shall be referred to in this section as the “net proceeds of the sale.”
 - b. To the extent that the price paid by the buyer of the unit exceeds the price paid by the seller when the seller purchased the unit, the difference between the two figures shall be referred to in this section as the “equity appreciation amount.” To the extent that the net proceeds of the sale are sufficient, the seller shall be allowed to keep the first five thousand dollars (\$5,000.00) of equity appreciation, plus an amount of the equity appreciation equal to the amount paid by the seller for additions to the home or significant upgrades to the home (routine maintenance, repairs, or replacements excluded).
 - c. If the net proceeds of the sale exceed the amount the seller is permitted to retain under the foregoing paragraph, the remainder of the net proceeds shall be split evenly between the Town and the seller.
- (2) The Board of Aldermen may also amend the conditional use permit that authorized such development to provide that those provisions that restrict the price at which the affordable units may be sold shall expire automatically on the twentieth anniversary

of the recording date of the deed conveying the affordable unit to the party owning that unit on the effective date of this subsection. Thereafter, no restrictions on the sales price of such unit or the disposition of sales proceeds shall apply to such unit.

- (3) A development wherein affordable units are converted to market rate units under this subsection shall not be regarded as nonconforming with respect to density.

Section 2. All provisions of any Town ordinance in conflict with this ordinance are repealed.

Section 3. This ordinance shall become effective upon adoption.