

A RESOLUTION CREATING AN AFFORDABLE HOUSING
SPECIAL REVENUE FUND
Resolution No. 244/2006-07

WHEREAS, the Board of Aldermen has, through the adoption of policies and ordinances attempted to endorse and encourage the creation of affordable housing within the Town and its planning jurisdiction; and

WHEREAS, the Board believes that the creation of an Affordable Housing Special Revenue Fund will be another way in which the Board can advance its goal of increasing the stock of affordable housing within the Town and its planning jurisdiction; and

WHEREAS, the term “affordable housing” shall have the meaning specified in Section 15-182.4 of the Carrboro Land Use Ordinance;

NOW THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO ORDAINS:

Section 1. The Town shall establish and maintain an Affordable Housing Special Revenue Fund. Payments to the Town made by developers in lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance shall be deposited into this fund. Other revenue sources for the fund may include grants, donations, loans, interest payments, or other revenues that may become available.

Section 2. The Board shall authorize all disbursements from the fund. [Alternatively, the resolution could provide that disbursements up to a certain amount in furtherance of the purposes of the fund could be authorized by the manager].

Section 3. Appropriations from the fund may be in the form of grants or loans and may be used for any of the following purposes:

- To guarantee the payment of loans or subsidize the interest rate on loans made by financial institutions to qualified individuals for the purpose of acquiring or rehabilitating affordable housing (such guarantees shall not extend beyond funds available in the Affordable Housing Special Revenue Fund);
- To provide direct deferred payment loans to qualified individuals to supplement loans made by financial institutions for the purpose of acquiring or rehabilitating affordable housing;
- To purchase land for reconveyance to nonprofit affordable housing agencies;
- For down payments, earnest money, or first options on properties to be placed in the Orange Community Housing and Land Trust;
- To pay some or all of the expenses associated with the construction of affordable housing;

- To acquire developed properties suitable for resale to qualified low and moderate income buyers;
- To pay some or all of the pre-development costs (such as feasibility studies, appraisals, land options and preparation of an application) for projects to be developed for the purpose of providing rental or owner-occupied affordable housing.
- To provide grants to organizations for land trust projects that guarantee long-term affordability of a property through a 100-year renewable ground lease.
- Consider also, to provide permanent subsidies to reduce the sales price of existing housing units so as to make it more affordable as well as new homes developed under the Town's affordable housing policies. Restrictive covenants, affordability easements, and/or other mechanisms would be required from affordable housing agencies.
- Would these provisions apply equally to rental housing developed /managed by an affordable housing agency? Particularly, the rehab/upgrade of units that are rented?
- Do we need to specify that the affordable housing agency is a non-profit?

Section 4. This resolution shall become effective upon adoption.