



Legislation Details (With Text)

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Title: Review of the Community Home Trust Draft Charter
PURPOSE: The purpose of this item is for the Board of Aldermen to consider a draft charter which has been prepared by the Community Home Trust to establish a set of expectations and responsibilities for Orange County and the Towns of Carrboro, Chapel Hill and Hillsborough in relation to affordable housing functions to be provided by the Community Home Trust to the County and Towns.

Indexes:

Code sections:

Attachments: 1. Attachment A - Resolution, 2. Attachment B - Memo Council and Commissioners May 2014.pdf, 3. Attachment C - Draft Charter (Hillsborough comments) 2014-03-21.pdf

Table with 5 columns: Date, Ver., Action By, Action, Result. Row 1: 6/3/2014, 1, Board of Aldermen, approved, Pass

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Review of the Community Home Trust Draft Charter

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DEPARTMENT: Planning

CONTACT INFORMATION: Patricia McGuire - 919-918-7327 -pmcguire@townofcarrboro.org

INFORMATION: Founded in 1991, Community Home Trust (CHT and formerly Orange Community Housing and Land Trust) is a nonprofit organization that sells and preserves affordable homes for lower income families who live or work in Orange County, NC. The Home Trust sold the first Home Trust home in June 2000. Today, there are about 200 permanently affordable homes in Chapel Hill and Carrboro.

In 2013, the Board of Directors of the CHT determined that the organization needed a strategic plan to guide its work in the years ahead. The strategic plan was also expected to inform the development of a proposed Charter, or interlocal agreement, among the local governments and the Home Trust. The Board held a planning retreat in December 2013 and a follow-up retreat in early March. A draft of the charter was completed at that time and requests were made for consideration by elected boards and council in which the Home Trust operates. See Attachments B - C for a copy of the draft charter and other information pertaining to its preparation and scope. The agreement is proposed as one that would be renewed annually.

Robert Dowling, Executive Director of CHT, will be in attendance at this meeting and will provide an update on CHT's program and background information related to the proposed charter.

A. FISCAL & STAFF IMPACT: The draft charter states that “the County and Towns agree that their annual funding of CHT will gradually grow and annually be adjusted, starting in fiscal 2015-16, from their fiscal 2014-15 levels (Orange County \$149,000, Town of Chapel Hill \$200,000, Town of Carrboro \$35,000 and Town of Hillsborough \$2,500) to allow CHT to maintain a minimum operating cash balance. CHT's minimum required operating cash balance will be the sum of the industry-standard six months of operating expenses (\$350,000 as of July 1, 2014) plus special project reserves necessary for CHT to safeguard its portfolio of homes (\$550,000 as of July 1, 2014). Each year, CHT will re-determine these amounts and include them in its budget proposal.

The County and Towns agree that increases in operating funding are warranted to enable CHT to remain a financially sound and viable entity. County and Towns further agree that the CHT budget will include CHT staff compensation based upon compensation paid by County and Towns.”

RECOMMENDATION: The Administration recommends that the Board of Aldermen review and discuss the draft charter and provide policy feedback on the proposed terms. A resolution that provides an opportunity for the Board to specify comments and other actions, has been provided in Attachment A.