



Legislation Text

File #: 14-0179, **Version:** 1

TITLE:

Public hearing on Land Use Ordinance Amendments Relating to Affordable Housing and Payments in-lieu

PURPOSE: The purpose of this agenda item is for the Board of Aldermen to consider amending the Land Use Ordinance to allow certain density bonus designated affordable units to convert to market units per specific requirements. A draft ordinance has been provided. The Board must receive public comments before taking action on the draft ordinance.

DEPARTMENT: Planning

CONTACT INFORMATION: Christina Moon - 918-7325; Patricia McGuire -- 918-7327; Jeff Kleaveland - 919-7332; Mike Brough - 929-3905

INFORMATION: The Legends AIS Homeowners Association, on behalf of the owners of affordable units in the Legends subdivision, submitted a request to the Town to modify its conditional use permit to allow the designated affordable units to convert to market rate units in accordance with certain requirements. The Board approved the CUP modification at the May 20th 2014 meeting, subject to a text amendment to the Land Use Ordinance which would allow for the conversion. A draft ordinance has been prepared (Attachment B).

At the time that the Legends AIS conditional use permit was issued, in 2006, the provisions in the Land Use Ordinance did not require affordable housing units to be managed by the Community Home Trust. The developer was not required to verify income eligibility of the buyers or to consider the potential impacts of HOA fees on potential buyers for the affordable units, but was required to establish a framework for restricting future sales price of the affordable units as required by the Land Use Ordinance. The affordable units at the Legends were constructed and put on the market in 2009. While the housing market was experiencing a decline at this time, 2010 marked the year when HUD updated the Area Median Income (AMI) to reflect the boundaries of the Metropolitan Statistical Area (MSA) that had just been redrawn to include Durham, Chapel Hill and Carrboro rather than Cary and Raleigh. As a result, the allowable resale price for the affordable homes is now lower than the 2009 purchase price. The owners of the affordable units have worked with the HOA, the Community Home Trust and Town staff to reduce their financial hardship from the loss of value in their respective units. For additional analysis, please see the Board of Aldermen's May 20, 2014 agenda item including the request for a minor modification to the CUP and associated text amendment at the following link: <https://carrboro.legistar.com/LegislationDetail.aspx?ID=1799513&GUID=2B348EA4-4A4C-46A4-A051-F794AA76D184&Options=&Search=>=>

The draft ordinance was presented to the Planning Board on June 5th and was referred to Orange County. Comments are provided (Attachment E).

FISCAL & STAFF IMPACT: Public hearings involve staff and public notice costs associated with

advisory board and Board of Aldermen review.

RECOMMENDATION: Staff recommends that the Board of Aldermen consider the resolution finding consistency, and the draft ordinance provided in the attachments.