



Legislation Text

File #: 15-0019, **Version:** 1

TITLE:

Resolution in support the Community Home Trust's sale of subsidized homes to households earning 80 to 115 percent of Area Median Income

PURPOSE: The purpose of this item is for the Board of Aldermen to consider a draft resolution that, if adopted, expresses support to HOME consortium partners for the sale of subsidized homes to households earning more between 80 and 115 percent of area median income.

DEPARTMENT: Planning

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

INFORMATION: The Community Home Trust (CHT) is the primary non-profit housing provider that partners with the Town of Carrboro and other local governments to provide affordable housing options to local residents. CHT receives United States Department of Housing and Urban Development (HUD) funds through the Orange County HOME Consortium for subsidies to support its mission.

Since 1999, the Town's land use regulations have included an incentive for the inclusion of affordable homes in residential developments. The provisions have been expanded and amended over the years to improve their effectiveness in response to requests from CHT and others, with one constant being 'affordability' defined in relation to 80 percent of the median income. In March 2012, the Board of Aldermen approved a Land Use Ordinance text amendment that allows a percentage of affordable units to be sold to buyers earning up to 115 percent of Area Median Income. In September 2014, Robert Dowling, CHT Executive Director, submitted a memorandum (Attachment B) to the Mayor and Board of Aldermen requesting the Town take two actions:

1. Approve allowing lenders to have an unrestricted, fee simple interest in Home Trust homes in the event of foreclosure. *A public hearing on a text amendment responding to this action is under consideration this evening.*
2. Approve, in its role as a member of the HOME consortium, allowing CHT to sell subsidized homes to households between 80 and 115 percent of the Area Median Income when permitted by HUD. *A resolution that expresses this approval has been drafted for the Board's consideration.*

HOME Consortium partners, Orange County and the Towns of Chapel Hill and Hillsborough have responded positively to these requests as noted in the attached copies of minutes and/or resolutions (Attachments C through E). As noted in Attachment E, the affordability period established by HUD funding (up to 15 years) is shorter than that specified in Orange County (99 years). The change requested in Item 2 will eliminate the need for repayment to the County of subsidy funds if homes are sold to households earning more than 80 percent of the median income and otherwise consistent with the HUD affordability period requirements. This change has the potential to strengthen the viability of CHT's efforts by increasing the pool of eligible buyers and reducing subsidy requirements.

FISCAL & STAFF IMPACT: Minimal staff impact associated with adoption of the resolution.

RECOMMENDATION: Staff recommends that the Board of Aldermen adopt the attached resolution and request that copies be forwarded to HOME Consortium partners.