



Legislation Text

File #: 16-160, **Version:** 1

TITLE:

Update from the Community Home Trust and Renewal of Interlocal Agreement

PURPOSE: The purpose of this item is for the Board to receive an update on the activities of the Community Home Trust and to consider renewing the Interlocal Agreement.

DEPARTMENT: Manager's Office

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INFORMATION: On April 28th, 2015, the Board of Aldermen approved an Interlocal Agreement with Chapel Hill, Hillsborough, and Orange County related to the Community Home Trust. This item is being provided as an update to the Board on the work of the Home Trust over the last year and as an opportunity to renew the Interlocal Agreement.

Background

- In 1990, the Town, along with Chapel Hill, Hillsborough, and Orange County, created the Orange Community Housing Corporation (OCHC) to create affordable housing opportunities.
- The Towns and the County have annually provided operating support to the organization since its inception.
- In 1998 the Towns and County recommended that OCHC staff the newly created community land trust, later renamed the Community Home Trust.
- A key function of the Community Home Trust is to manage affordable housing units created through the Town's Inclusionary Zoning.

Components of the Agreement

Staff from the jurisdictions worked closely with the Community Home Trust staff to draft the agreement. Key components of the agreement include:

- Reinforcement that the County and the Towns are committed to creating successful affordable housing opportunities in Orange County;
- Identification of responsibilities of the Community Home Trust (Section III.C), and the partner jurisdictions (Section III.D);
- Agreement on an annual funding formula based on the ratio of Community Home Trust homes to the total number of the organization's homes (Section III.D.3);
- Annual review of the agreement during the annual budget cycle by the Board of Aldermen and the elected boards of all of the partners;
- Acknowledgement and agreement that the Community Home Trust's programs serve households earning up to 115% of the area median income;
- Continuing to appoint a representative from each jurisdiction to the Community Home Trust board of

directors (Section III.B)

- Agreement to allow Community Home Trust to provide an unrestricted fee simple deed of trust to lenders of Home Trust homes. In short, if a home is foreclosed upon, the Towns and County agree to cancel all affordability restrictions recorded against the property. This would increase the lending options to buyers. (Section III.D.5a.);
- Agreement that homes subsidized by local funds or Town Community Development funds may be resold to households earning up to 115% of the area median income without repaying the funds (Section III.D.5.b); and
- Agreement that homes could be sold out of the Community Home Trust inventory upon approval of the Town Manager (Section III.D.5.c).

Benefits of an Interlocal Agreement:

- Reconfirms the county-wide affordable housing goals for homeownership;
- Provides understanding among the jurisdictions and reduces uncertainties by establishing an agreed upon set of shared expectations and responsibilities for the governments and the Community Home Trust; and
- Maintains a formula to determine funding of the organization's operational budget.

FISCAL & STAFF IMPACT: Based on the funding formula in the Interlocal Agreement, Carrboro's allocation to the Community Home Trust would be \$75,052 for FY 2016-17.

RECOMMENDATION: Town staff recommends the Board consider approving the Interlocal Agreement for FY 2016-17.