

**ORDINANCE AMENDING THE CHATHAM COUNTY COMPACT
COMMUNITIES ORDINANCE TO PROVIDE IMPROVED FLEXIBILITY
FOR MEETING THE MODERATELY PRICED DWELLING REQUIREMENTS
OF THE ORDINANCE**

WHEREAS, in 2004 the Chatham County Board of Commissioners adopted the Compact Communities Ordinance (the “Ordinance”) with an effective date of April 19th, 2004; and

WHEREAS, Section 12.3 “Housing” of the Ordinance provided options for developers to address the housing needs of low and moderate income households; and

WHEREAS, the conditional use permit issued to Newland Communities under the Ordinance on or about the 21st day of March, 2005 provided, in paragraph 20 thereof, a requirement that Newland contribute lots for ultimate sale by the County to persons of moderate income, and

WHEREAS, since the issuance of the conditional use permit Newland has contributed nineteen (19) lots to the County to be sold to person(s) of moderate income; and

WHEREAS, during the seven (7) years since the issuance of the conditional use permit only one (1) home for moderate income persons has been constructed in the compact community, and the other eighteen (18) lots remain vacant within neighborhoods that have homes located on either side of the vacant moderate income lots; and

WHEREAS, the Board of Commissioners has determined that the Ordinance should be amended to provide improved flexibility for developers to meet the housing and other needs of low and moderate income residents of the County and to avoid the existing situation in the Newland development with vacant, undeveloped lots remaining within developed neighborhoods;

NOW, THEREFORE, be it ordained by the Chatham County Board of Commissioners:

Section 1. The “Moderately Priced Dwellings” provisions of Section 12.3 of the Chatham County Compact Communities Ordinance is rewritten to read as follows:

~~Moderately Priced Dwellings~~

~~All compact communities shall provide housing for low and moderate income households. These shall be designated as “Moderately Priced Dwellings.”~~

Moderate Income Residents

All compact communities shall either (i) provide housing for low and moderate-income households as provided in Subsection A below, or (ii) enter into a contract with the County

which provides for payments to the County to be used to fund programs to address the needs of low and moderate income residents of Chatham County as provided in Subsection B below. A “low income person” is a person or family whose income is fifty percent (50%) or less of the Area Median Family Income and a “moderate income person” is a person or family whose income is eighty percent (80%) or less of the Area Median Family Income.

Each compact community shall ~~provide one~~ address the needs of ~~the following options for~~ low and moderate income persons by either the Moderately Priced ~~Dwellings~~ Dwelling Option or the Payment-in-lieu Option:

A. ~~Moderately Priced Dwellings Option~~

1. A minimum of five percent (5%) of the total residential units in the development shall be held by and be affordable to buyers whose household incomes are no greater than sixty percent (60%) of the Area Median Family Income by family size if title to the lots so designated is donated to a nonprofit community agency designated by the County whose mission is to expand and preserve housing for low-income households. The designated agency(ies) will hold title to the land in perpetuity and lease it to qualifying households. The agency(ies) have a right of first refusal to purchase any home constructed by the qualifying family at any time the owner decides to sell it; ~~or~~
2. A minimum of ten percent (10%) of the total dwellings in the development shall be sold and affordable to buyers whose household incomes are not greater than sixty percent (60%) of the Area Median Family Income by family size. The sale price and incomes of buyers shall remain limited according to the terms of this ordinance for at least thirty (30) years; ~~or~~
3. Upon approval of Chatham County, the developer may meet this provision through an alternative means, provided that it does both of the following at a minimum:
 - Ensure the development and sale of moderately priced dwellings in a manner equivalent to that in Option A or Option B above; and
 - Ensure that at least 5% of the total dwellings in the compact community are affordable housing.

Compliance with Moderately Priced Dwellings Option

The subdivision preliminary and final plats for each compact community shall designate the lots for Moderately Priced Dwellings, and the developer, builder(s), and purchaser(s) shall be bound by this restriction according to the terms of this ordinance.

Upon final plat approval, the applicant shall execute and record a deed restriction satisfactory to the County Attorney binding the applicant and all other parties that receive title to the property on all lots for dwellings designated as “Moderately Priced.”

Moderately Priced Dwelling unit lots shall be incorporated into the compact community in proportion to the development of dwelling unit lots without affordable housing restrictions. Subsequent final residential subdivision phase plats shall not be approved until such time as completion of at least 90% of the affordable units in preceding residential phases.

A.B. Payment-in-lieu Option

1. A compact community developer may provide assistance to low and moderate income residents of Chatham County by entering into a contract with the County that provides a payment-in-lieu of lots within the development to fund programs designed to address the needs of low and moderate income persons and families. The payment to be made shall be calculated on a per lot basis based on the market value of a buildable single family lot within the compact community. The per lot rate shall be based on the greater of an appraisal made by a North Carolina certified appraiser approved by the County, or the average primary building site value for the most recent tax valuation made by the County. Any appraisal cost shall be paid by the developer; or
2. A compact community developer may provide assistance to low and moderate income residents of Chatham County by entering into a contract with the County that provides payment to the County based on a formula mutually agreeable to the County and the developer.

Compliance with Payment- in-lieu Option

The compliance with the payment-in-lieu option shall be memorialized by a contract between the County and the applicant or any developer holding a conditional use permit previously issued under the Compact Communities Ordinance. A contract entered into under this provision shall not supersede the provisions of a previously issued conditional use permit unless the contract expressly so provides. No contract shall be entered into under this provision until the public hearing and procedural requirements for the issuance or amendment of a conditional use permit have been complied with.

Section 2. All ordinances and clauses of ordinances in conflict herewith are hereby repealed.

Section 3. This amendment is effective upon its adoption.

Adopted this ____ day of ____, 2012.

Brian Bock, Chairman

Sandra B. Sublett, Clerk of the Board
Chatham County Board of Commissioners