

**MINUTES**  
**Board of Equalization and Review**  
**April 21, 2009**

Board Members Present: Jane Sparks, Chair  
Jerry Kruter  
Reginald Morgan  
Barbara Levine (Alternate)

Staff Members Present: John Smith, Assessor  
Judy Ryan, Deputy Assessor  
Ray Jordan, Appraiser  
Pam Bryant, Recording Secretary

Prior to the meeting being called to order, Jane Sparks, Jerry Kruter, Reginald Morgan, and Barbara Levine (Alternate) were sworn in to the Board of Equalization and Review. Ms. Sparks called the meeting to order at 2:00 p.m. on Tuesday, April 21, 2009.

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Robert Dowling, Director, along with two representatives of the Orange Community Housing and Land Trust appeared before the Board to request adoption of a new method of determining market value of all current and future land trust properties. He stated the request would potentially impact the 2009 valuation of 136 properties in Chapel Hill and Carrboro.

Mr. Dowling gave a brief overview of the Orange Community Housing and Land Trust and their purpose. The land trust was formed in 2001 as a charitable organization. The purpose of the organization is to provide affordable housing to individuals who make 80% or below of the median income for the area. The land trust builds homes, buys homes from developers, or buys and refurbishes existing homes. Once a home is acquired by the land trust, ownership of the land on which the home sits remains with the land trust using a 99 year land lease. The home itself is conveyed to a qualifying individual. Local and federal subsidies are provided to the purchaser to keep the home affordable. Each home is assigned a "floor value", which is the lowest price that can be paid for the home, but the actual sale's price of the home is based on the purchaser's income and ability to pay. Should the owner wish to sell the house in the future, a formula for doing so is written into the contract, which requires that the home be resold to the Orange Community Housing and Land Trust.

Because Orange Community Housing and Land Trust bases the effective cost of the home on the income of the individual purchasing the home, they feel that the tax valuation placed on these homes should be calculated differently than other homes in the county that sell on the open market. If Orange County values their homes at the actual

cost, the land trust is concerned that the owners will no longer be able to afford the homes because of the tax burden. They have proposed a methodology for placing a value on their homes they feel will meet the NC statutes, simplify valuation for the Assessor, and provide help to the individuals who purchase their homes. The land trust recommends that the tax value be set at mid-point between the "list price" and the "floor value" for each property. Examples of these values were provided to the Board. At each closing Orange Community Housing and Land Trust will provide the Assessor's office with a HUD statement showing the actual sales price of the property. They will also provide a spreadsheet of all their properties showing the "floor value" assigned to a property and the "list price".

During deliberation the Board considered all information presented. Reg Morgan made a motion that the County review all the properties owned by Orange Community Housing and Land Trust and report back to the Board with a recommendation at a later date. The motion was seconded by Jane Sparks.

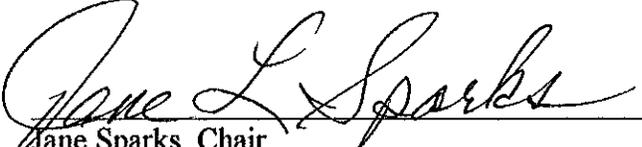
Ayes: 3

Noes: 0

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Having heard all the appeals scheduled on this date, Reg Morgan made a motion to adjourn this meeting. Jane Sparks seconded the motion and the meeting was adjourned at 4:00 pm.

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Jane Sparks, Chair

  
Pamela Bryant, Recording Secretary