

HOMEOWNERS' ASSOCIATIONS AND ENVIRONMENTALLY RESTRICTIVE COVENANTS

1

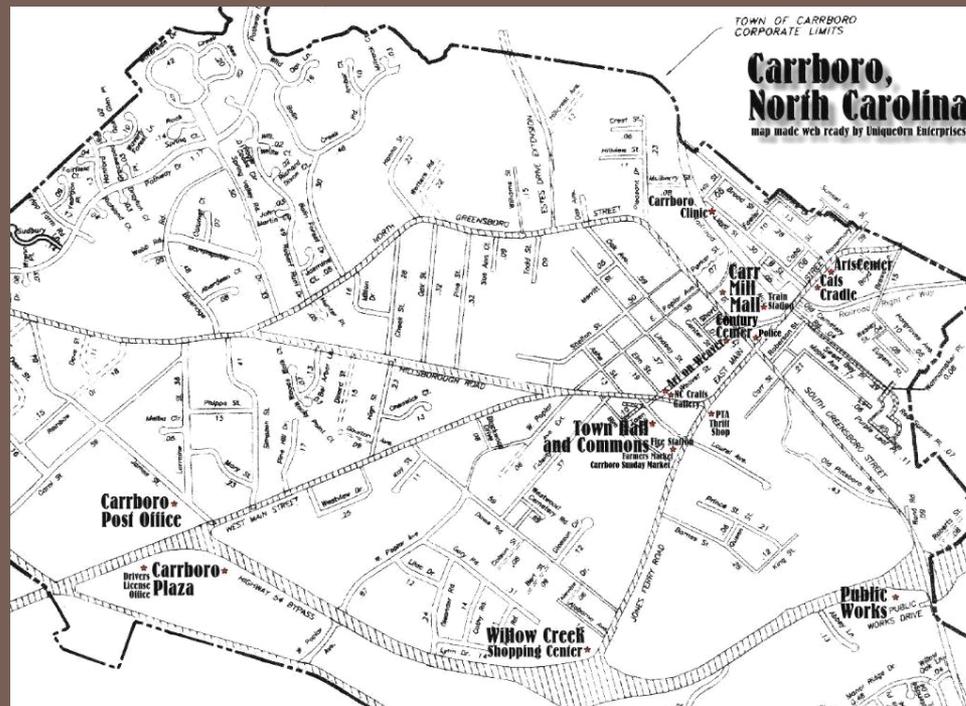
CLIENT: CARRBORO BOARD OF ALDERMEN



Image source: politics.mync.com

ENST 698: Capstone

HOA Background Information



What is an HOA?

3



Image source: samrainer.wordpress.com

- Homeowners Association
 - ▣ Maintain common areas and protect property values by regulating appearance
 - ▣ Mandatory membership, legally binding covenants
- There are over 200 HOA's in Carrboro

Introduction to HOA's

4

- Typically created by real estate developers who build and sell homes
- Transfer the legal and financial management of the community from the developers to the homeowners
- Covenants and bylaws must be approved by the State before the HOA can be officially established



Image source:
<http://media.photobucket.com/image/bel%20arbor%20carrboro/Jbakst/RobersonPlace.jpg>

HOA Introduction Cont.

5

- Considered legal entities
 - ▣ Subject to federal, state, and municipal statutes that govern non-profit corporations and organizations.



Image source: <http://www.teamjodi.com/Bel-Arbor-Carrboro-Real-Estate>

Client: Carrboro Board of Aldermen

6

- Project Goals:
 - Analyze Carrboro HOA covenants
 - Record the most frequent environmental restrictions and amendment processes
 - Create a public guidebook of environmentally restrictive HOA covenants
 - Craft a policy brief



Image source: carrboro.com

Environmental Issues and HOA's

8

- Restrictions may impede sustainable behaviors
 - Sustainability: equity, environment, and economy
 - Common restrictions: clotheslines, rain barrels, solar panels, vegetable gardens
- Property value concerns
- Longstanding restrictions are difficult to overturn:
 - Amendment processes



Covenant Language

9

“No clotheslines except for umbrella clotheslines shall be allowed or maintained on any Lot or in the common Area.” -Claremont



Image source: www.greenmatters.com



Image source: solar.calfinder.com/

“No building, fence, wall or other structure shall be commenced, erected or maintained until...approved in writing as to harmony of external design and location by the Board of Directors.” -Cates Farm

Vague Language

10



Image source: <http://www.indyweek.com/pdf/103107/ZanBell.jpg>

- “Section IV: Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be or become a nuisance or annoyance to the neighborhood.”-Highlands North

Homeowners Associations and You

A public guide for Carrboro citizens outlining HOA covenants, restrictions on environmentally beneficial practices, and how they might affect you.



**A UNC Capstone Project
Spring 2010**

With assistance from:

UNC Institute for the Environment Staff
The Town of Carrboro Planning Department
HOA representatives,
Local Law & Policy experts

Public Guide on Carrboro's HOAs

12

□ Guidebook:

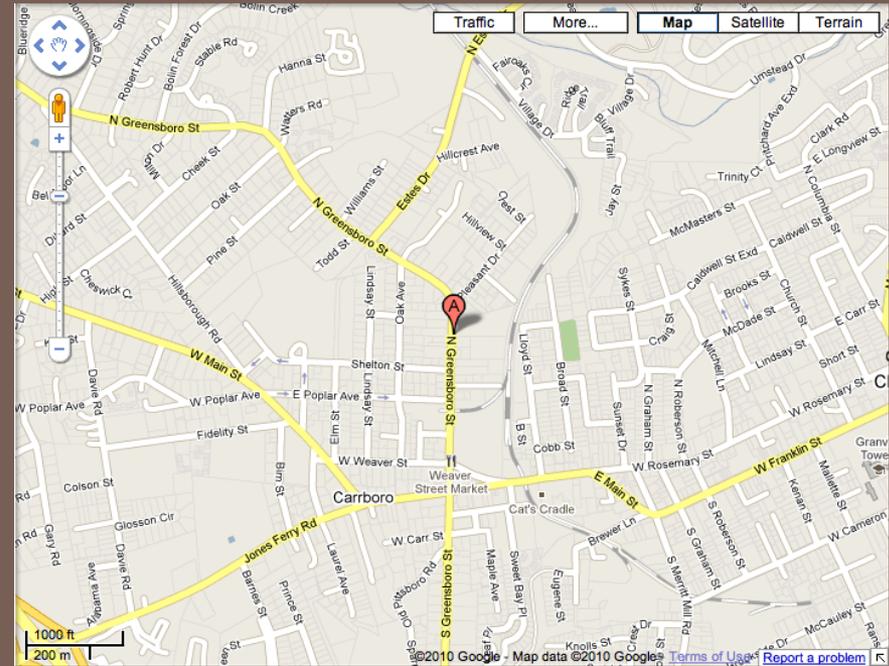
- A clear, easy-to-understand booklet on environmentally friendly HOA restrictions.
 - Tutorial on how to search for covenants
 - Individual slides for each HOA
 - Outline of covenants
 - Table displaying environmental restrictions

□ Disclaimer: guidebook is not intended to be a comprehensive document

Cedar Court

Neighborhood Description

- 50 unit townhouse-style condominium development.
- Boasts brick exteriors, hardwood floors, patios, a community pool, a community garden, and generous open space.



Covenant Type	Restricted	Permitted
Clothesline		X
Solar Panels		X
Fences	X	
Tank/Rain Barrels	X	
Non-household animals	X	

Policy Recommendations

Abstract: Our team recommends an ordinance that prohibits future HOA's in Carrboro from restricting sustainable practices.

Existing Policies

15

- HOA covenants cannot supersede local, state, or federal law
- Town of Carrboro's Land Use Ordinances governing HOA's:
 - ▣ Article IV "Maintenance of Common Areas, Improvements, and Facilities"
 - ▣ Article XIII "Homeowners' Association"



Image source:
<http://walkcarrboro.com/images/store-town-hall.jpg>

Amendment

16

- February 2009: NC General Assembly approved an amendment to Carrboro's town charter allowing the Board of Aldermen to *“prohibit restrictive covenants that prevent the installation of solar collectors or other devices designed to generate or conserve energy through the use of renewable energy or to capture, store or reuse water”*



Image source:
<http://www.lib.unc.edu/ncc/ref/nchistory/feb2008/csr-seal.jpg>

Proposed New Policy

17

- Many reasons to regulate restrictive covenants
 - ▣ Threats of resource depletion, climate change
 - ▣ Town's commitment to sustainability
 - ▣ Environmental practices can save money in the long run
- Town should enact an ordinance defining environmentally beneficial practices that cannot be prohibited by HOA's in the future



Image source:
<http://www.fashionbubbles.com/wp-content/uploads/2009/05/sustainability-3-es-600x600.jpg>

Proposed New Policy

18

- Ordinance should specify technologies, installations, and practices that are protected
 - ▣ Should mention most commonly restricted behaviors
- Opportunity to protect town citizens' right to improve efficiency, resource use, and conservation
 - must establish boundaries

Importance of Proposed Policy

19

- Sustainability and protecting property values are not mutually exclusive
- Better reflect Carrboro's progressive values
- Allow for more personal liberties
- Continue the momentum from last year's amendment
- Establish precedent for sustainable policies in Carrboro and elsewhere

Application of Capstone Project

- Increases transparency and accessibility of public records
- Improve public understanding of HOA covenants and amendment processes
- Assists Carrboro Board of Aldermen in drafting town ordinance regulating future HOA covenants

Questions?

Sara Rafalson

William Kumpf

Adam Sherwood

Betty Royster

Jack Lyman

Jin Lee

Mary Ellen Pearce

Jenny Di Martino

Acknowledgements

Alderman Dan Coleman

Dr. Spencer Cowan

Devin Ceartas

Bethany Windle

Dr. Elizabeth Shay