HOMEOWNERS’ ASSOCIATIONS AND ENVIRONMENTALLY RESTRICTIVE COVENANTS

CLIENT: CARRBORO BOARD OF ALDERMEN

Image source: politics.mync.com
HOA Background Information

Image Source: http://carrboro.com/carrboromap.html
What is an HOA?

- 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

Image source: samrainer.wordpress.com
Introduction to HOA’s

- 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
Considered legal entities

Subject to federal, state, and municipal statutes that govern non-profit corporations and organizations.
Client: Carrboro Board of Aldermen

• 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
Analysis of Restrictive HOA Covenants

Bolin Forest Bylaws
Environmental Issues and HOA’s

- 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

Image source: http://herokids.files.wordpress.com/2008/04/earth.jpg
“No clotheslines except for umbrella clotheslines shall be allowed or maintained on any Lot or in the common Area.” -Claremont

“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
“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
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.

<table>
<thead>
<tr>
<th>Covenant Type</th>
<th>Restricted</th>
<th>Permitted</th>
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<tbody>
<tr>
<td>Clothesline</td>
<td></td>
<td>X</td>
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<tr>
<td>Solar Panels</td>
<td></td>
<td>X</td>
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<tr>
<td>Fences</td>
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<tr>
<td>Tank/Rain Barrels</td>
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<td></td>
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<tr>
<td>Non-household animals</td>
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<td></td>
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</tbody>
</table>
Abstract: Our team recommends an ordinance that prohibits future HOA’s in Carrboro from restricting sustainable practices.
Existing Policies

- 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”
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”
Proposed New Policy

- 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

Proposed New Policy

- 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

- 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?

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