
From: Roger Stancil
Sent: Tuesday, February 20, 2018 10:20 PM
To: Allen Buansi; Donna Bell; Hongbin Gu; Jeanne Brown; Jess Anderson; Karen Stegman; Town Council; Michael Parker; Nancy Oates; Pam Hemminger; Rachel Schaevitz; Roger Stancil; Ross Tompkins
Cc: Loryn Clark; Sarah Vinas; Ken Pennoyer; Amy Harvey; Beth Vazquez; Carolyn Worsley; Catherine Lazorko; Christina Strauch; Dwight Bassett; Flo Miller; Mary Jane Nirdlinger; Rae Buckley; Ralph Karpinos; Ran Northam; Roger Stancil; Sabrina Oliver
Subject: Council Question: Item 3: Tentative Plan for Bond Referendum

Council Question: For the consent agenda item on the bond, is this basically agreeing to go forward with the bond referendum?

Staff Response: *No. The approval of a tentative referendum plan provides the Town Manager formal Council guidance, consistent with your work session discussion, to take the necessary actions to begin the approval process. Council is not committing to a referendum with this action.*

The process as outlined includes Council consideration of a preliminary resolution on March 21st that marks the “official” start of the referendum approval process that, among other things, includes filing an application with the LGC, making a Legislative Committee filing and preparing a statement of debt. For practical purposes, that date is the go/no go decision. While Council will have opportunities to reconsider a November 2018 referendum after approval of the preliminary resolution on March 21st, that resolution will be a strong statement of intent to proceed with the referendum, if the resolution is adopted.

Discussion of a bond referendum to support affordable housing activities has always included the need for an increase in the debt management tax rate because the capacity in the Debt Management Fund has been planned for other activities.

A successful referendum will give the Town the authority to issue affordable housing bonds up to the amount specified in the bond order for a seven year period. The Town would not be compelled to issue all or any part of the authorized bonds if Council chooses not to approve issuance of the bonds. In other words, Council decides when to issue the bonds or not issue any bonds if the circumstances are not favorable during the 7 year authorization period (a three year extension is available with LGC approval). On the other hand, without a successful referendum the Town will have few, if any, viable options for long-term financing of affordable housing projects.

Council Question: Are there any costs associated with filing a LGC application or with other stages of the bond referendum? If so, what are they?

Staff Response: *There is no cost for making an application to the LGC for a referendum. If Council decides to move forward with a referendum, costs associated with the process include:*

- *Bond Counsel \$10,000**
- *Legal advertising and informational materials \$9,000**
- *County Elections Cost \$5,000***
- *Staff Time approx. 100-150 hours (various departments, mostly BMD)*

**Based on 2015 referendum costs*

*** Costs will be minimal due to concurrency with County-wide election per Orange County Board of Elections*