

## Amy Harvey

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**From:** Roger Stancil  
**Sent:** Monday, March 19, 2018 10:09 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:** Affordable Housing Bond Recommendation  
**Importance:** High

I am sorry I will miss your discussion Wednesday night about setting a referendum for the voters of Chapel Hill to consider authorizing the Town to issue \$10,000,000 in bonds for affordable housing. I want to make several key points:

- The staff and I recommend a \$10,000,000 bond referendum. While we acknowledge there are many needs, we believe this is a reasonably sized referendum and can be paid back with no more than a one cent tax increase over the years.
- I do not recommend that you consider a tax increase for this purpose in the 2018-19 Budget but wait until you have voter approval and sold bonds and then increase the tax based on actual debt service needs in future years.
- The best way to sell the next referendum is success with this one. We believe we can manage this amount of funding in a reasonable, prudent and successful manner.
- From the beginning of discussion about an affordable housing bond, we have always talked about the need for a one cent tax increase to pay it back. Currently approved projects consume our current debt capacity in the short term. One of those projects, the Municipal Services Center is a substantial project and has been a commitment of the Town for our police department for many years.
- The only projects the Town staff and I recommend at this time are the ones using Town land (Homestead Road and Public Housing Property Redevelopment). Projects submitted by our nonprofit partners help us determine the size of the referendum but need to be evaluated by staff, the public and the Council before becoming committed projects.

I apologize for any confusion by our presentation that included the most current thinking of our affordable housing partners of \$15,000,000 in needs. We wanted you to be aware of their thinking. We did not intend to reflect that as our recommendation for the referendum.

Your decision for the referendum on Wednesday is critical for being on the November ballot. This was a decision the Council made when deciding not to pursue a referendum for this coming May. The lead time is necessary to meet the requirements of the State through the Local Government Commission. Their approval is required for all borrowing by the Town.

Please let me know if you have questions.