



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Legislation Details (With Text)

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Title: Adopt a Resolution Certifying and Approving 2018 General Obligation (G.O.) Bond Referendum Results.

Sponsors:

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Attachments: 1. Statement of Results for Publication, 2. Council Questions with Staff Response, 3. A RESOLUTION CERTIFYING AND APPROVING RESULTS OF THE 2018 BOND REFERENDUM (2019-02-13/R-3)

Date	Ver.	Action By	Action	Result
2/13/2019	1	Town Council	adopted	Pass

Adopt a Resolution Certifying and Approving 2018 General Obligation (G.O.) Bond Referendum Results.

Staff:

Amy Oland, Director

Department:

Business Management Department

Overview: On November 6, 2018, a bond referendum was held to consider one bond order for Affordable Housing capital projects totaling \$10,000,000. The majority, 72%, of those voting approved the bond order. The next step in the referendum process is for the Council to adopt a resolution certifying the results and authorizing the publication of a statement of results.

☆ **Recommendation:**

That the Council adopt the resolution certifying and approving the results of the November 6, 2018 General Obligation Bond Referendum.

Key Issues:

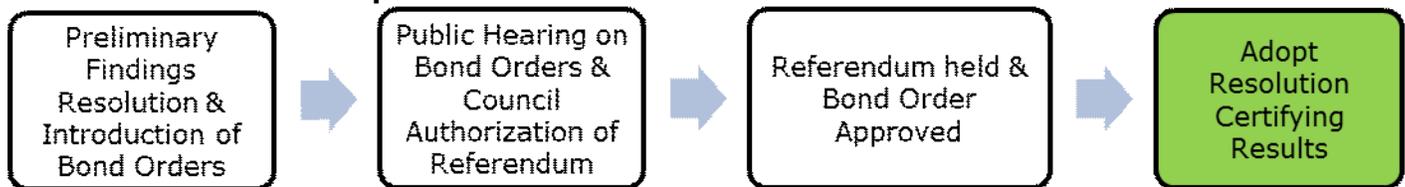
- In the State of North Carolina, public approval through a public vote or referendum is required for the issuance of most municipal general obligation (G.O.) bonds. Referendum questions for municipal G.O. debt must be broken out into bond orders that authorize issuance of bonds for a particular purpose, and each order requires a separate vote.
- The Town’s Affordable Housing Investment Plan established a goal of developing 400 new affordable housing units and preserving 275 existing affordable units in the next five years.
- The bond order that went to vote was for \$10,000,000 for affordable housing. The attached resolution includes the full text of the bond order.

Fiscal Impact/Resources:

- The Town’s Debt Management Fund, created by Council in 2009, provides a dedicated source of funding (8.2 cents of the current property tax rate) for governmental (non-enterprise) Town debt. The affordable housing bonds will be repaid from the Debt Management Fund; however, there is insufficient capacity in the fund to support debt payments for the Town’s existing capital program

and affordable housing bond projects without an increase in the dedicated tax. Based on our assumptions concerning timing of issuance of bonds and interest rates, a 1 cent increase in the Debt Fund tax will be sufficient to cover repayment of the bonds. The need for a one cent tax increase to support the repayment of the bonds was part of the public information campaign during the bond referendum. However, any decision related to increasing the tax rate would come before Council for discussion and a vote before the issuance of the bonds. Total interest and principal on the proposed bonds over the 20-year term is estimated to be \$14,516,050.

Where is this item in its process?



Council Goals:

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input checked="" type="checkbox"/>		Develop Good Places, New Spaces
<input checked="" type="checkbox"/>		Support Community Prosperity	<input checked="" type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration



Attachments:

- Resolution Certifying and Approving Results
- Statement of Results for Publication

**A RESOLUTION CERTIFYING AND APPROVING RESULTS OF THE 2018 BOND REFERENDUM
(2019-02-13/R-3)**

WHEREAS, the Orange & Durham County Boards of Elections has certified the following results of the bond referendum held in and for the Town of Chapel Hill on November 6, 2018, as follows:

On the question, "Shall the order authorizing Town of Chapel Hill general obligation bonds in the maximum amount of \$10,000,000 plus interest to pay capital costs of providing housing for persons of low and moderate income and paying related costs, and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the bonds, as adopted by the Town Council on May 23, 2018, be approved?"

YES	18,518
NO	7,285

and it therefore appearing that a majority of voters voting in the referendum called for such purpose have approved the issuance of these bonds.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill, that the Council certifies and approves these results and declares the issuance of the bonds to be authorized.

BE IT FURTHER RESOLVED that the Town Clerk is directed to publish promptly a statement of these results in the form prescribed by law.

This the 13th day of February, 2019.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council certifies and approves the bond results and declares the issuance of the bonds to be authorized.