



Legislation Details (With Text)

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File created: 5/4/2018 **In control:** Town Council
On agenda: 5/23/2018 **Final action:** 5/23/2018
Title: Consider a 2018 General Obligation (G.O.) Affordable Housing Bond Referendum Adoption of Bond Order, Ballot Question and Referendum Details.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Memorandum, 2. Bond Order for Adoption FINAL for May 23, 3. Description of Referendum projects, 4. Council Questions with Staff Response, 5. A RESOLUTION REGARDING PUBLICATION OF BOND ORDER AND DETAILS FOR BOND REFERENDUM

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|---------|--------|
| 5/23/2018 | 1 | Town Council | adopted | Pass |
| 5/23/2018 | 1 | Town Council | adopted | Pass |

Consider a 2018 General Obligation (G.O.) Affordable Housing Bond Referendum Adoption of Bond Order, Ballot Question and Referendum Details.

Staff:

Kenneth C. Pennoyer, Director
Amy Oland, Assistant Director
Loryn Clark, Executive Director

Department:

Business Management

Housing and Community

Overview: On April 25, 2018, Council introduced the bond order authorizing the issuance of affordable housing G.O. bonds. Council held a public hearing on the bond order for an affordable housing G.O. bond referendum on May 9, 2018. The final steps in the Council approval process for the referendum are adoption of the bond order and adoption of a resolution setting the ballot question and referendum date. Voter approval of the bond order in the November 6, 2018 referendum would authorize the issuance of up to \$10 million of affordable housing G.O. bonds.



Recommendation(s):

That the Council:

- Adopt the attached bond order.
- Adopt the resolution regarding publication of bond order and details of the bond referendum.

Decision Points:

- Adoption of the bond order and adoption of the resolution setting the ballot question and referendum date are the final steps in the Council approval process.
- The decision to issue bonds after a successful referendum will require a separate Council action.

Key Issues:

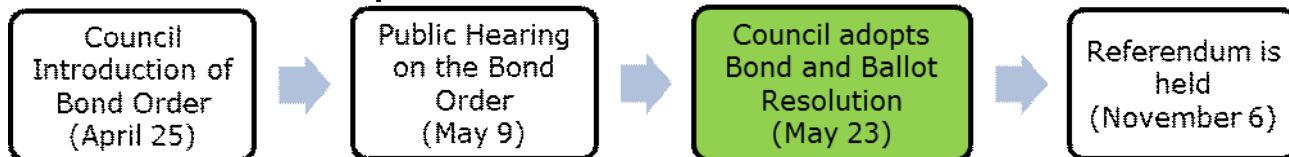
- After the Council takes final action on the bond order, the bond order will be published twice and

the referendum will be held November 6, 2018.







- A successful referendum will result in the Council having authority to issue up to \$10 million of affordable housing bonds for a period of seven years. A three-year extension can be granted by the Local Government Commission.
- Issuance of the bonds will require a separate action by Council.
- We will forward recommendations for project selection criteria to the Council for review and feedback in June.

Fiscal Impact/Resources: The affordable housing bonds will be repaid from the Debt Fund; however, there is insufficient capacity in the fund to support the proposed affordable housing bonds without an increase in the dedicated tax. Based on our assumptions concerning timing of issuance and interest rates, an total increase in the Debt Fund tax of 1 penny will be sufficient to cover repayment of the housing bonds. The timing of the tax rate increase would coincide with the date of issuance of these bonds. Total interest and principal on the full proposed amount of the 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:

- Staff Memorandum
- Bond Order for Adoption
- Description of Referendum Projects

A RESOLUTION REGARDING PUBLICATION OF BOND ORDER AND DETAILS FOR BOND REFERENDUM (2018-05-23/R-6)

WHEREAS, the Council has adopted at this meeting a Bond Order entitled as follows:

BOND ORDER AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR HOUSING FOR PERSONS OF LOW AND MODERATE INCOME IN THE MAXIMUM AMOUNT OF \$10,000,000, SUBJECT TO VOTER APPROVAL

AND WHEREAS, this Bond Order is to take effect when approved by the voters;

AND WHEREAS, the General Statutes require certain additional actions to complete the process of authorizing the bonds and the bond referendum;

BE IT THEREFORE RESOLVED by the Town Council of the Town of Chapel Hill, North Carolina, as follows:

1. The Town Clerk is directed to publish a notice of the adoption of the Bond Order, in the form provided for in Section 159-58 of the General Statutes, one time in a newspaper having general circulation in the Town.
2. The Bond Order will be subject to a bond referendum to be held within the Town on November 6, 2018.
3. The Council requests that the Orange County and Durham County Boards of Elections conduct the referendum in the manner provided for by law.
4. The ballot question will be in the following form:

TOWN OF CHAPEL HILL - AFFORDABLE HOUSING BONDS

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?

5. The Town Clerk is directed to transmit a certified copy of this resolution to the Orange County and Durham County Boards of Elections within three days after today.

6. The Town Clerk is directed to publish notice of the bond referendum as required by Section 159-61 of the General Statutes.

This the 23rd day of May, 2018.

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

PRESENTER: Kenneth C. Pennoyer, Business Management Director

RECOMMENDATION: That the Council

- Adopt the attached bond order.
- Adopt the resolution regarding publication of the bond order and details of the bond referendum.