

SPECIAL REVENUE FUNDS

The Special Revenue Fund accounts for revenues and expenditures legally restricted or designated by the Board of Aldermen for specific program activities or services. The Special Revenue Fund was restructured in 2011 to comply with GASB 54. Included in the Special Revenue Fund are the following funds:

- Affordable Housing,
- Revolving Loans for economic development,
- Revolving Loans for energy efficiency,
- Business Loan Program, and
- Grants Administration.

BUDGET SUMMARY

| | TOTAL | PRIOR | 2016-17 | 2017-18 | PCT |
|------------------------------|------------------|------------------|------------------|------------------|------------|
| <i>REVENUE</i> | APPROP. | YEARS | ADOPTED | ADOPTED | CHANGE |
| | | ACTUAL | BUDGET | BUDGET | |
| INVESTMENT EARNINGS | 654,760 | 654,885 | 19,337 | - | -100% |
| GRANT REVENUES | 938,096 | - | - | 938,096 | N/A |
| OTHER REVENUES | 850,128 | 962,945 | 545,464 | 650,253 | 19% |
| PAYMENT IN LIEU | - | 96,501 | - | - | N/A |
| FUND BALANCE | - | - | 340,963 | 633,685 | 86% |
| TRANSFERS | 172,707 | 408,940 | 533,600 | 65,750 | -88% |
| TOTAL REVENUE | 2,615,691 | 2,123,271 | 1,439,364 | 2,287,784 | 59% |
| <i>EXPENDITURE</i> | | | | | |
| COMMUNITY DEVELOPMENT | - | 149,193 | 187,900 | 160,505 | -15% |
| GENERAL GOVERNMENT | 30,386 | 26,679 | - | - | N/A |
| OTHER APPROPRIATIONS (LOANS) | 850,128 | 882,128 | 109,603 | 118,499 | 8% |
| TRANSFERS TO OTHER FUNDS | - | - | - | - | N/A |
| GRANT EXPENDITURES | 938,096 | - | - | 938,096 | N/A |
| RESERVES | 797,081 | 653,081 | 1,141,861 | 1,070,684 | -6% |
| TOTAL EXPENDITURES | 2,615,691 | 1,711,081 | 1,439,364 | 2,287,784 | 59% |

AFFORDABLE HOUSING FUND

This fund was created in 2007 with the goal of increasing the stock of affordable, safe and decent housing within the Town and its planning jurisdiction. Funding for the fund is from developers that make a cash payment, in lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance, and other revenues such as grants, donations, loans, interest payments, or other contributions that are received.

GOALS

- Increase number of homeownership and rental units that are permanently affordable in Carrboro.
- Evaluate and reduce housing density restrictions to slow the climb of housing prices and diversify housing stock, particularly in high transit areas.
- Decrease barriers to first-time homeownership and to homeownership retention, particularly among seniors.
- Reduce negative effects of parking requirements on rental prices.
- Slow the pressure on rental prices by increasing rental housing stock, particularly in high-transit areas.
- Reduce erosion of rental housing quality and affordability.
- Improve opportunities for developers and potential partners to identify affordability in a project.
- Ensure implementation of the Affordable Housing Strategy.
- Acquisition of land/property for the creation of affordable housing.

SERVICES PROVIDED & ACTIVITIES

- Provide staffing for the Affordable Housing Task Force.
- Town liaison with the Orange County Partnership to End Homelessness.
- Town liaison with the Orange County Affordable Housing Coalition.
- Coordinate housing efforts and implement housing plans as an Orange County HOME Consortium member.
- Market Carrboro's Affordable Housing Fund.
- Review applications to the Affordable Housing Fund and ensure proper use of funds.

PREVIOUS YEAR ACCOMPLISHMENTS

- Approved funding to support seven affordable housing projects, by far the most of any year since the creation of the Affordable Housing Fund.
- Approved funding for the first time for projects related to deposit assistance, housing acquisition, and land banking.
- Approved almost \$85,000 in funding support for affordable housing projects, more than three times what had been approved in any previous year.
- Provided over \$200,000 of total affordable housing support for local affordable housing partners.
- Added \$500,000 to the Affordable Housing Fund.
- Implemented quarterly Affordable Housing Task Force meeting schedule.

- Better positioned the Town for future affordable housing opportunities by cultivating relationships with experienced nonprofit affordable housing professionals and developers.
- Increased the usefulness of the Affordable Housing Fund as a tool for achieving the Town's affordable housing goals by increasing the number of tools at its disposal.
- Played a leadership role at regional transit tables to ensure affordable housing goals are priorities.
- Decreased the barrier to first time homeownership and to homeownership retention by creating the Buyer Identified Housing Program and by providing staffing and funding for the Northside Neighborhood Initiative.
- Analyzed the inventory of publicly owned land for the possibility of creating affordable housing, and presented strategies for moving forwards.
- Analyzed plots of land for potential Low-Income Housing Tax Credit developments.
- Analyzed the inventory of abandoned properties to identify opportunities for the creation of affordable housing.

UPCOMING FISCAL YEAR OBJECTIVES

- Review and make changes to the Town's Land Use Regulations to better accommodate and promote affordable housing.
- Create opportunities for developing affordable housing on town-owned land.
- Work with nonprofit affordable housing providers to identify opportunities for developing affordable housing and/or transitioning market rate units to affordable units.
- Work with Low-Income Housing Tax Credit developers to identify potential projects.
- Analyze and, if appropriate, create opportunities for affordable housing on abandoned properties.
- Continue the trend of increased financial support for the creation and maintenance of affordable housing.

BUDGET SUMMARY

| | TOTAL | PRIOR | 2016-17 | 2017-18 | |
|---------------------------------|----------------|----------------|----------------|----------------|---------------|
| REVENUE | APPROP. | YEARS | ADOPTED | ADOPTED | PCT |
| | | ACTUAL | BUDGET | BUDGET | CHANGE |
| INVESTMENT EARNINGS | - | - | - | - | N/A |
| PAYMENT IN LIEU | - | 96,501 | - | - | N/A |
| FUND BALANCE | - | - | 231,360 | 519,812 | 125% |
| TRANSFERS | 47,707 | 408,940 | 533,600 | 65,750 | -88% |
| <i>SUBTOTAL</i> | 47,707 | 505,441 | 764,960 | 585,562 | -23% |
| <i>EXPENDITURE</i> | | | | | |
| COMMUNITY HOME TRUST | - | 64,000 | 64,000 | 74,597 | 17% |
| HOME CONSORTIUM MATCH | - | 10,525 | 10,525 | 9,716 | -8% |
| PARTNERSHIP TO END HOMELESSNESS | - | 16,068 | 16,068 | 15,068 | -6% |
| HUMAN SERVICES GRANTS | - | 33,600 | 33,600 | 65,750 | 96% |
| PEST CONTROL | 3,707 | - | 3,707 | - | -100% |
| RESERVES | 44,000 | 25,000 | 637,060 | 420,431 | -34% |
| <i>SUBTOTAL</i> | 47,707 | 149,193 | 764,960 | 585,562 | -23% |

GRANT FUND

This fund accounts for grant awards made to the Town that are legally restricted to expenditures for specific programs, activities, and purposes. Recent grant awards include FEMA and North Carolina Hazard Mitigation Program for flooding remediation; and charging station grant from Duke Energy.

BUDGET SUMMARY

| | TOTAL APPROP. | PRIOR YEARS ACTUAL | 2016-17 ADOPTED BUDGET | 2017-18 ADOPTED BUDGET | PCT CHANGE |
|--------------------------------|------------------|--------------------------|------------------------------|------------------------------|---------------|
| REVENUE | | | | | |
| INVESTMENT EARNINGS | - | - | - | - | N/A |
| NC HAZARD MITIGATION PROGRAM | 185,619 | - | - | 185,619 | N/A |
| FEMA HAZARD MITIGATION PROGRAM | 742,477 | - | - | 742,477 | N/A |
| DUKE ENERGY TRANSFER | 10,000 | - | - | 10,000 | N/A |
| | - | - | - | - | N/A |
| SUBTOTAL | 938,096 | - | - | 938,096 | N/A |
| EXPENDITURE | | | | | |
| FLOODING MITIGATION | 928,096 | - | - | 928,096 | N/A |
| CHARGING STATIONS | 10,000 | - | - | 10,000 | N/A |
| TRANSFERS | - | - | - | - | N/A |
| SUBTOTAL | 938,096 | - | - | 938,096 | N/A |

REVOLVING LOAN FUND

The Revolving Loan Fund is used to encourage economic and community development in Carrboro by offering loans to new businesses and encouraging businesses to locate in Carrboro. The Fund sustains itself with the interest earned on loans and repayment of the principal provided to businesses. With this interest, a reserve is created that enables the Town to continue loaning funds to businesses. As loans are paid off, the Town closes the loans and removes them from financial records.

The Revolving Loan Fund contains the following active loans to businesses:

| Business | Amount Borrowed | Date of Original Loan |
|--------------------------------|-----------------|-----------------------|
| Alphabet Soup | \$48,000 | 2001 |
| Bryan's Guitar and Music, Inc. | \$90,000 | 2004 |
| Art in a Pickle | \$105,000 | 2007 |
| Carrboro Co-Working | \$90,000 | 2008 |
| Beehive | \$56,000 | 2009 |
| Carrboro Citizen | \$50,000 | 2009 |
| The Kind Coffee | \$57,000 | 2009 |
| Second Wind, LLC | \$45,000 | 2012 |
| PTA Thrift Store | \$24,000 | 2013 |
| Cameron's | \$50,000 | 2014 |
| Eden Food Group, LLC | \$36,239 | 2016 |

BUDGET SUMMARY

| | TOTAL APPROP. | PRIOR YEARS ACTUAL | 2016-17 ADOPTED BUDGET | 2017-18 ADOPTED BUDGET | PCT CHANGE |
|--|------------------|--------------------------|------------------------------|------------------------------|---------------|
| REVENUE | | | | | |
| INVESTMENT EARNINGS | 654,760 | 654,760 | 9,193 | - | -100% |
| OTHER REVENUE - LOAN REPAYMENTS | 743,000 | 743,000 | 136,121 | 57,182 | -58% |
| OTHER FINANCING SOURCES | - | - | 306,545 | 509,169 | 66% |
| SUBTOTAL | 1,397,760 | 1,397,760 | 451,859 | 566,351 | 25% |
| EXPENDITURE | | | | | |
| GENERAL GOVERNMENT EXPENSE | 26,679 | 26,679 | - | - | N/A |
| ECONOMIC AND PHYSICAL DEVELOPMENT LOANS | 743,000 | 743,000 | - | - | N/A |
| RESERVES FOR LOANS | 628,081 | 628,081 | 451,859 | 566,351 | 25% |
| SUBTOTAL | 1,397,760 | 1,397,760 | 451,859 | 566,351 | 25% |

ENERGY EFFICIENCY REVOLVING LOAN FUND

The Energy Efficiency Revolving Loan was started in 2010 with US Department of Energy funds through a grant to Southeastern Energy Efficiency Alliance (SEEA) for the Town to implement a small business energy efficiency revolving loan fund with the goal of increasing energy efficiency in commercial buildings.

BUDGET SUMMARY

| | TOTAL | PRIOR | 2016-17 | 2017-18 | |
|---|----------------|----------------|----------------|----------------|---------------|
| <i>REVENUE</i> | APPROP. | YEARS | ADOPTED | ADOPTED | PCT |
| | | ACTUAL | BUDGET | BUDGET | CHANGE |
| INVESTMENT EARNINGS | - | 125 | 10,144 | | -100% |
| OTHER REVENUE - LOAN REPAYMENTS | 7,128 | 36,673 | 36,673 | 3,004 | -92% |
| OTHER FINANCING SOURCES | 100,000 | 183,272 | 66,125 | 80,898 | 22% |
| <i>SUBTOTAL</i> | 107,128 | 220,070 | 112,942 | 83,902 | -26% |
| | | | | | |
| <i>EXPENDITURE</i> | | | | | |
| ECONOMIC AND PHYSICAL DEVELOPMENT LOANS | 107,128 | 107,128 | - | - | N/A |
| COMMUNITY SOLAR PROGRAM RESERVES | - | - | 60,000 | | -100% |
| | - | - | 52,942 | 83,902 | 58% |
| <i>SUBTOTAL</i> | 107,128 | 107,128 | 112,942 | 83,902 | -26% |

Below is a list of active Energy Efficiency Revolving Loan Fund loans:

| Business | Amount Borrowed |
|---------------------------|------------------------|
| Surplus Sids | \$ 30,000.00 |
| Sophie Piesse | \$ 7,000.00 |
| LB Bradley | \$ 7,000.00 |
| Dispute Settlement Center | \$ 35,000.00 |
| The Arts Center | \$ 28,128.00 |

BUSINESS LOAN FUND

The Business Loan Fund was created to provide loans to supplement other financing where a project may not meet the requirement for job creation, but the Board believes the business would contribute to the Towns commercial growth.

BUDGET SUMMARY

| | TOTAL | PRIOR | 2015-16 | 2016-17 | PCT |
|------------------------------------|----------------|---------------|----------------|----------------|---------------|
| <i>REVENUE</i> | APPROP. | YEARS | ADOPTED | ADOPTED | CHANGE |
| | | ACTUAL | BUDGET | BUDGET | |
| FUND BALANCE | - | 32,000 | 109,603 | 113,873 | 4% |
| INVESTMENT EARNINGS | - | - | - | - | N/A |
| OTHER REVENUE - LOAN REPAYMENTS | - | - | - | 4,626 | N/A |
| TRANSFERS | 125,000 | - | - | - | N/A |
| <i>SUBTOTAL</i> | 125,000 | 32,000 | 109,603 | 118,499 | 8% |
| | | | | | |
| <i>EXPENDITURE</i> | | | | | |
| ECONOMIC AND PHYSICAL | | | | | |
| DEVELOPMENT LOANS | - | 32,000 | - | - | N/A |
| RESERVE FOR LOANS | 125,000 | - | 109,603 | 118,499 | 8% |
| <i>SUBTOTAL</i> | 125,000 | 32,000 | 109,603 | 118,499 | 8% |

Below is a list of active loans for the Business Loan Fund:

| Business | Amount Borrowed |
|-----------------|------------------------|
| Surplus Sids | \$12,000 |
| Eden Food Group | \$20,000 |