

## **SPECIAL REVENUE FUNDS**

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The Special Revenue Fund was restructured in 2011 to comply with GASB 54. The Capital Reserve Fund and Payment In Lieu Fund previously presented as part of the Special Revenue Fund are now part of the Capital Projects Fund. The Special Revenue Fund includes: Affordable Housing Fund, Grant Fund, Revolving Loan Fund, Energy Efficiency Revolving Loan Fund and Business Loan Fund.

**Affordable Housing Fund** – This fund was created to advance the Town’s goal of increasing the stock of affordable, safe and decent housing within the Town and its’ planning jurisdiction. The fund was established by a resolution on June 26, 2007 and guidelines for allowable activities were revised March 3, 2015. Payments to the fund, made by developers, in lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance, are deposited into the fund in addition to any other revenues such as grants, donations, loans, interest payments, or other contributions.

**Grant Fund** – This fund accounts for grant awards made to the Town that are legally restricted to expenditures for specific programs, activities, and purposes.

**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.

**Energy Efficiency Revolving Loan Fund** – The Energy Efficiency Revolving Loan Fund was initially funded with grant funds from the US Department of Energy through a sub-grant from the Southeast Energy Efficiency Alliance to offer loans to businesses with the goal of increasing energy efficiency in commercial buildings.

**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

<i>REVENUE</i>	<b>TOTAL APPROP.</b>	<b>PRIOR YEARS ACTUAL</b>	<b>FY 2014-15 ADOPTED BUDGET</b>	<b>FY 2015-16 ADOPTED BUDGET</b>	<b>CHANGE</b>
INVESTMENT EARNINGS	654,760	654,760	88,854	7,009	-92%
GRANT REVENUES	815,604	637,900	211,523	162,237	-23%
OTHER REVENUES	850,128	871,128	380,048	429,522	13%
FUND BALANCE				150,438	
TRANSFERS	317,246	38,707	179,987	26,300	-85%
<b>TOTAL</b>	<b>2,637,738</b>	<b>2,202,495</b>	<b>860,412</b>	<b>775,506</b>	<b>-10%</b>

### *EXPENDITURE*

COMMUNITY DEVELOPMENT	-	25,000	-	-	N/A
GENERAL GOVERNMENT	30,386	26,679	3,707	-	-100%
OTHER APPROPRIATIONS (LOANS)	850,128	850,128	303,132	-	-100%
TRANSFERS TO OTHER FUNDS	69,200	-	-	-	N/A
GRANT EXPENDITURES	899,943	451,464	237,803	188,537	-21%
RESERVES	663,081	653,081	315,770	586,969	86%
<b>TOTAL</b>	<b>2,512,738</b>	<b>2,006,352</b>	<b>860,412</b>	<b>775,506</b>	<b>-10%</b>

# **AFFORDABLE HOUSING FUND**

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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.
- Fully 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.
- Develop a dedicated funding source.
- 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 create 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**

- Created and adopted the Affordable Housing Goals and Strategies document.
- Set a ten year stretch goal for the number of permanently affordable rental and homeownership units in Carrboro.
- Hired a dedicated staff person.
- Established bi-monthly 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.
- Have played a leadership role at regional transit tables to ensure affordable housing goals are priorities.
- Decreased the barrier to first time homeownership by approving Community Home Trust’s ability to provide unrestricted fee simple interest to lenders.
- Established an Interlocal agreement with the Community Home Trust through a partnership with Orange County, Chapel Hill and Hillsborough that will improve the sustainability of the Home Trust.

**UPCOMING FISCAL YEAR OBJECTIVES**

- Develop guidelines that will better incentivize developers to create affordable housing.
- Increasing the usefulness of that Affordable Housing Fund as a tool for achieving the Town’s affordable housing goals.
- Develop a parking plan that will incorporate affordable housing concerns.
- Identify plots of land for potential Low-Income Housing Tax Credit developments.
- Create an inventory of publicly owned land to be analyzed for the possibility of creating affordable housing.
- Assist in the creation of a five year Affordable Housing Consolidated Plan for the County.
- Create an inventory of abandoned properties to identify opportunities for the creation of affordable housing.
- Review and make changes to the Town’s Land Use Regulations to better accommodate and promote affordable housing.

**BUDGET SUMMARY**

	<b>TOTAL APPROPRIATED</b>	<b>PRIOR YEARS ACTUAL</b>	<b>FY 2014-15 ADOPTED BUDGET</b>	<b>FY 2015-16 ADOPTED BUDGET</b>	<b>CHANGE</b>
<i>REVENUE</i>					
INVESTMENT EARNINGS			560	-	-100%
FUND BALANCE				34,750	
TRANSFERS	47,707	47,707	28,707	-	-100%
<b><i>SUBTOTAL</i></b>	<b>47,707</b>	<b>47,707</b>	<b>29,267</b>	<b>34,750</b>	19%

***EXPENDITURE***

HILLSBOROUGH HOUSING CO-OPERATIVE	9,000	9,000	-	-	N/A
PEST CONTROL	3,707	-	3,707	-	-100%
RESERVES	35,000	25,000	25,560	34,750	36%
<b><i>SUBTOTAL</i></b>	<b>47,707</b>	<b>34,000</b>	<b>29,267</b>	<b>34,750</b>	19%

# GRANT FUND

The Grant Fund accounts for grant awards made to the Town by other public or private funding sources.

Below is a summary of the grants currently in the Grant Fund:

- Cultural Arts and Entertainment District. Several funding sources have been secured for planning a Cultural Arts and Entertainment District. These include the Orange County Arts Commission (\$1,500), Strowd Rose Foundation (\$9,800) and the Town of Carrboro (\$15,000).
- NC Solar Center through NC State University awarded a grant of \$97,297 towards the purchase of a hybrid solid waste vehicle. Delivery is expected in FY 2014-15.

In FY 2014-15 the Small Business and Entrepreneurial Assistance Community Development Block Grant was closed out.

## BUDGET SUMMARY

<i>REVENUE</i>	<b>TOTAL APPROPRIATED</b>	<b>PRIOR YEARS ACTUAL</b>	<b>FY 2014-15 ADOPTED BUDGET</b>	<b>FY 2015-16 ADOPTED BUDGET</b>	<b>CHANGE</b>
INVESTMENT EARNINGS	-		20	-	-100%
CDBG - ROBERSON STREET SEWER	171,700	171,700	146,563	-	-100%
CDBG PRORAM/OTHER INCOME	7,000	7,000	-	-	N/A
ORANGE COUNTY CDBG MATCH	64,940		64,940	64,940	0%
NC SOLAR CENTER - NCSU				97,297	0%
TRANSFER	153,539		26,280	26,300	0%
<b><i>SUBTOTAL</i></b>	<b>969,143</b>	<b>637,900</b>	<b>237,803</b>	<b>188,537</b>	<b>-21%</b>

### *EXPENDITURE*

WATER RESTORATION - CLEAN WATER	205,000	205,000	-	-	N/A
ENERGY EFFICIENCY PROGRAM	242,900	242,900	-	-	N/A
CDBG - ROBERSON STREET SEWER	312,979		211,503	64,940	-69%
CULTURAL A & E DISTRICT	26,300	3,564	26,300	26,300	0%
HYBRID SOLID WASTE TRUCK				97,297	0%
TRANSFERS	69,200				N/A
<b><i>SUBTOTAL</i></b>	<b>969,143</b>	<b>451,464</b>	<b>237,803</b>	<b>188,537</b>	<b>-21%</b>

# REVOLVING LOAN FUND

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The Revolving Loan Fund sustains itself with the interest earned on loans 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

## BUDGET SUMMARY

	TOTAL APPROPRIATED	PRIOR YEARS ACTUAL	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	CHANGE
<i>REVENUE</i>					
INVESTMENT EARNINGS	654,760	654,760	81,070	4,536	-94%
OTHER REVENUE - LOAN REPAYMENTS	743,000	743,000	60,000	45,308	-24%
OTHER FINANCING SOURCES	-	-	299,140	324,579	9%
<b><i>SUBTOTAL</i></b>	<b>1,397,760</b>	<b>1,397,760</b>	<b>440,210</b>	<b>374,423</b>	<b>-15%</b>

<i>EXPENDITURE</i>					
GENERAL GOVERNMENT EXPENSE	26,679	26,679			N/A
ECONOMIC AND PHYSICAL DEVELOPMENT LOANS	743,000	743,000	150,000	-	-100%
RESERVES FOR LOANS	628,081	628,081	290,210	374,423	29%
<b><i>SUBTOTAL</i></b>	<b>1,397,760</b>	<b>1,397,760</b>	<b>440,210</b>	<b>374,423</b>	<b>-15%</b>

# 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

	<b>TOTAL APPROPRIATED</b>	<b>PRIOR YEARS ACTUAL</b>	<b>FY 2014-15 ADOPTED BUDGET</b>	<b>FY 2015-16 ADOPTED BUDGET</b>	<b>CHANGE</b>
<i>REVENUE</i>					
INVESTMENT EARNINGS	-		7,764	2,274	-71%
OTHER REVENUE - LOAN REPAYMENTS	7,128		20,908	9,668	-54%
OTHER FINANCING SOURCES	100,000	128,128	-	45,896	N/A
<b>SUBTOTAL</b>	<b>107,128</b>	<b>128,128</b>	<b>28,672</b>	<b>57,838</b>	<b>102%</b>

### *EXPENDITURE*

GENERAL GOVERNMENT EXPENSE					N/A
ECONOMIC AND PHYSICAL DEVELOPMENT LOANS	107,128	107,128	28,672	-	-100%
RESERVES	-			57,838	N/A
<b>SUBTOTAL</b>	<b>107,128</b>	<b>107,128</b>	<b>28,672</b>	<b>57,838</b>	<b>102%</b>

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

<b>Business</b>	<b>Amount Borrowed</b>
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

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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.

	<b>TOTAL APPROPRIATED</b>	<b>PRIOR YEARS ACTUAL</b>	<b>FY 2014-15 ADOPTED BUDGET</b>	<b>FY 2015-16 ADOPTED BUDGET</b>	<b>CHANGE</b>
<b><i>REVENUE</i></b>					
FUND BALANCE				115,688	
INVESTMENT EARNINGS				199	
OTHER REVENUE - LOAN REPAYMENTS				4,071	
TRANSFERS	125,000		125,000	-	-100%
<b><i>SUBTOTAL</i></b>	<b>125,000</b>	<b>-</b>	<b>125,000</b>	<b>119,958</b>	<b>-4%</b>

***EXPENDITURE***

ECONOMIC AND PHYSICAL DEVELOPMENT LOANS	-	-	125,000	-	0%
RESERVE FOR LOANS	125,000	-	-	119,958	N/A
TRANSFERS	-	-	-	-	N/A
<b><i>SUBTOTAL</i></b>	<b>125,000</b>	<b>-</b>	<b>125,000</b>	<b>119,958</b>	<b>-4%</b>

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

Business	Amount Borrowed
Surplus Sids	\$12,000