

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: revolving loans for economic development or energy efficiency, business loan program, affordable housing, and grants administration.

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. The Town does not currently have any major grants to account for in the Grants Administration Fund.

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>	TOTAL APPROP.	PRIOR YEARS ACTUAL	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET	CHANGE
INVESTMENT EARNINGS	654,760	654,885	7,009	19,337	176%
GRANT REVENUES	912,901	815,137	162,237	-	-100%
OTHER REVENUES	850,128	962,945	429,522	545,464	27%
PAYMENT IN LIEU	-	96,501	-	-	N/A
FUND BALANCE	-	-	150,438	340,963	127%
TRANSFERS	326,246	435,240	26,300	533,600	1929%
TOTAL REVENUE	2,744,035	2,964,708	775,506	1,439,364	86%

EXPENDITURE

COMMUNITY DEVELOPMENT	-	158,193	-	187,900	N/A
GENERAL GOVERNMENT	30,386	26,679	-	-	N/A
OTHER APPROPRIATIONS (LOANS)	859,128	882,128	-	109,603	N/A
TRANSFERS TO OTHER FUNDS	69,200	-	-	-	N/A
GRANT EXPENDITURES	997,240	636,437	188,537	-	-100%
RESERVES	788,081	653,081	586,969	1,141,861	95%
TOTAL EXPENDITURES	2,744,035	2,356,518	775,506	1,439,364	86%

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

- 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.
- Implemented 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 by increasing the number of tools at its disposal.
- Allocated Affordable Housing Fund money for an emergency home repair
- 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 providing staffing and funding for the Northside Initiative land banking and emergency home repairs program, as well as other emergency repair programs.
- Created an inventory of publicly owned land to be analyzed for the possibility of creating affordable housing.
- Identified plots of land for potential Low-Income Housing Tax Credit developments.

- Created an inventory of abandoned properties to identify opportunities for the creation of affordable housing.

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.
- 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.
- Develop a parking plan that will incorporate affordable housing concerns.
- Review and make changes to the Town’s Land Use Regulations to better accommodate and promote affordable housing.

BUDGET SUMMARY

AFFORDABLE HOUSING FUND	TOTAL APPROP.	PRIOR YEARS ACTUAL	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET	CHANGE
<i>REVENUE</i>					
INVESTMENT EARNINGS	-	-	-	-	N/A
PAYMENT IN LIEU	-	96,501	-	-	N/A
FUND BALANCE	-	-	34,750	231,360	566%
TRANSFERS	47,707	408,940	-	533,600	N/A
<i>SUBTOTAL</i>	47,707	505,441	34,750	764,960	2101%
<i>EXPENDITURE</i>					
HILLSBOROUGH HOUSING CO-OPERATIVE COMMUNITY HOME TRUST	9,000	9,000	-	-	N/A
HOME CONSORTIUM MATCH	-	64,000	-	64,000	N/A
PARTNERSHIP TO END HOMELESSNESS	-	10,525	-	10,525	N/A
HUMAN SERVICES GRANTS	-	16,068	-	16,068	N/A
PEST CONTROL	-	33,600	-	33,600	N/A
RESERVES	3,707	-	-	3,707	N/A
RESERVES	35,000	25,000	34,750	637,060	1733%
<i>SUBTOTAL</i>	47,707	158,193	34,750	764,960	2101%

GRANT FUND

The Town does not currently have any major grants to account for in the Grants Administration Fund.

BUDGET SUMMARY

GRANT FUND	TOTAL APPROP.	PRIOR YEARS ACTUAL	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET	CHANGE
REVENUE					
INVESTMENT EARNINGS	-	-	-	-	N/A
CDBG - ROBERSON STREET SEWER	171,700	171,700	-	-	N/A
CDBG PRORAM/OTHER INCOME	7,000	7,000	-	-	N/A
ORANGE COUNTY CDBG MATCH	64,940	64,940	64,940	-	-100%
NC SOLAR CENTER - NCSU	97,297	97,297	97,297	-	-100%
TRANSFER	153,539	26,300	26,300	-	-100%
SUBTOTAL	1,066,440	815,137	188,537	-	-100%
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	64,940	64,940	-	-100%
CULTURAL A & E DISTRICT	26,300	26,300	26,300	-	-100%
HYBRID SOLID WASTE TRUCK	97,297	97,297	97,297	-	-100%
TRANSFERS	69,200	-	-	-	N/A
SUBTOTAL	1,066,440	636,437	188,537	-	-100%

REVOLVING LOAN FUND

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
Eden Food Group, LLC	\$36,239	2016

BUDGET SUMMARY

REVOLVING LOAN FUND	TOTAL APPROP.	PRIOR YEARS ACTUAL	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET	CHANGE
<i>REVENUE</i>					
INVESTMENT EARNINGS	654,760	654,760	4,536	9,193	103%
OTHER REVENUE - LOAN REPAYMENTS	743,000	743,000	45,308	136,121	200%
OTHER FINANCING SOURCES	-	-	324,579	306,545	-6%
<i>SUBTOTAL</i>	1,397,760	1,397,760	374,423	451,859	21%

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	374,423	451,859	21%
<i>SUBTOTAL</i>	1,397,760	1,397,760	374,423	451,859	21%

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

ENERGY EFFICIENCY REVOLVING LOAN FUND		PRIOR	2015-16	2016-17	
<i>REVENUE</i>	TOTAL APPROP.	YEARS ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	CHANGE
INVESTMENT EARNINGS	-	125	2,274	10,144	346%
OTHER REVENUE - LOAN REPAYMENTS	7,128	36,673	9,668	36,673	279%
OTHER FINANCING SOURCES	100,000	183,272	45,896	66,125	44%
SUBTOTAL	107,128	220,070	57,838	112,942	95%

EXPENDITURE

ECONOMIC AND PHYSICAL DEVELOPMENT LOANS	107,128	107,128	-	-	N/A
COMMUNITY SOLAR PROGRAM	-	-	-	60,000	N/A
RESERVES	-	-	57,838	52,942	-8%
SUBTOTAL	107,128	107,128	57,838	112,942	95%

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

BUSINESS LOAN FUND					
	TOTAL APPROP.	PRIOR YEARS ACTUAL	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET	CHANGE
<i>REVENUE</i>					
FUND BALANCE	-	32,000	115,688	109,603	-5%
INVESTMENT EARNINGS	-	-	199	-	-100%
OTHER REVENUE - LOAN REPAYMENTS	-	-	4,071	-	-100%
TRANSFERS	125,000	-	-	-	N/A
<i>SUBTOTAL</i>	125,000	32,000	119,958	109,603	-9%

EXPENDITURE

ECONOMIC AND PHYSICAL DEVELOPMENT LOANS	-	32,000	-	-	N/A
RESERVE FOR LOANS	125,000	-	119,958	109,603	-9%
<i>SUBTOTAL</i>	125,000	32,000	119,958	109,603	-9%

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

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