

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: J.B. Culpepper, Planning Director
Ken Pennoyer, Director of Business Management
Loryn Clark, Housing and Neighborhood Services Manager

SUBJECT: Budget Ordinance Amendment for the Housing Loan Trust Fund

DATE: October 28, 2009

PURPOSE

The purpose of this memorandum is to request that the Council appropriate funds received as repayment of a loan issued by the Town to a Culbreth Park homeowner in the Housing Loan Trust Fund. Enactment of the attached budget ordinance would budget \$42,000 of program income to the grants/deferred loan activity of the Housing Loan Trust Fund.

BACKGROUND

The Town Council established the Housing Loan Trust Fund in 1973 to assist lower income households with the purchase of a new home or to renovate an existing home. The Housing Loan Trust Fund has since been used for a variety of Community Development projects including deferred second mortgage loans for Tandler and Culbreth Park programs, grants to First Baptist Church and Manley Estates, Habitat for Humanity and The Community Home Trust, and second mortgage assistance to homebuyers through EmPOWERment, Inc.

DISCUSSION

The Town has recently received program income from the sale of a Culbreth Park home. Enactment of the attached ordinance would recognize this second mortgage loan repayment as revenue and would appropriate the funds to the grants/deferred loans line item in the Housing Loan Trust Fund. According to the guidelines adopted by the Council, these funds would be available for homeownership projects that use a land trust model to create permanently affordable homeownership opportunities.

RECOMMENDATION

We recommend that Council enact the attached budget ordinance budgeting \$42,000 of revenue received to the grants/deferred loans activity in the Housing Loan Trust Fund.