

Item Title: Amend the Fiscal Year 2022 Budget to Appropriate Revenues and One-Time Expenditures for Affordable Housing

Specific Action Requested:

That the Board of Commissioners approves a budget revision to the FY 2022 General Fund and Housing Affordability and Community Revitalization Capital Fund

Item Summary:

Purpose: In compliance with the North Carolina Local Government Budget and Fiscal Control Act (NCGS 159, Article 3), Wake County is required to maintain a balanced budget. Revisions to the budget, including increased revenues and transfers to other funds, must be approved by the Board of Commissioners.

Background: During the development of the FY 2021 budget, the County projected an economic downturn associated with COVID-19's impact on the national and local economy, including the receipt of sales tax revenues. The COVID-19 pandemic temporarily disrupted business activity; however, the duration of the highest impact was shorter than anticipated, resulting in higher than anticipated revenues. After FY21 financial reports were completed, the County saw a positive variance in revenues exceeding expenditures that can be reinvested in one-time projects and County needs. The June 6, 2022 Amend the Fiscal Year 2022 Budget to Appropriate Revenues Item appropriated \$47,781,368 for one-time, non-recurring projects. This agenda item appropriates an additional \$2,000,000 as a one-time contribution to the Housing Affordability and Community Revitalization Capital Fund.

Board Goal: This action supports Community and Health Vitality Goal 5: Create and preserve affordable housing.

Fiscal Impact: Funding to support this contribution to the Housing Affordability and Community Revitalization Capital Fund is from General Fund fund balance. This one-time use of fund balance will not cause the fund balance to drop below the General Fund fund balance policy minimum of 30% of combined general fund and debt service fund revenues stated in the County's financial policies.

Additional Information

This item appropriates \$2,000,000 in Fund Balance as a result of FY21 revenues, primarily sales tax, performing better than projected in the Adopted Budget. The appropriation will be transferred to the Housing Affordability and Community Revitalization Capital Fund.

The Affordable Housing Development Program uses recurring capital to sustain the development capacity of affordable housing and expand focus areas from traditional multifamily new construction to acquisition for preservation, public housing redevelopment, and refinancing of previous developments. An additional \$2,000,000 would develop at least an additional 100 units preventing displacement, strengthening economic competitiveness, and ensuring a diverse and equitable community.

HOUSING AFFORDABILITY AND COMMUNITY REVITALIZATION CAPITAL FUND

The allocation described in the above section includes a transfer to the Housing Affordability and Community Revitalization Fund. The table below shows the corresponding change to the Affordable Housing Development Program budget in this fund.

Project	Current Appropriation	Proposed Appropriation	Revised Appropriation
Affordable Housing Development Program	\$30,950,974	\$2,000,000	\$32,950,974

Attachments:

1. Budget Memo – FY 2022 Non-Departmental
2. CIP Budget Memo – FY 2022 Housing Affordability and Community Revitalization Fund