



Legislation Text

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Resolution Approving Memorandum of Understanding with Housing Authority of the City of Greensboro - Payments in Lieu of Taxes

Department: Neighborhood Development
Council District: All

Public Hearing: No
Advertising Date/By:

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PURPOSE:

City Council is requested to consider a Memorandum of Understanding with the Housing Authority of the City of Greensboro which returns payments made to the City under a Cooperation Agreement and outlines their uses.

BACKGROUND:

The City of Greensboro and the Housing Authority of the City of Greensboro (GHA) entered into a Cooperation Agreement on December 28, 1949, (amended on October 18, 1961 and September 10, 1970 stating that so long as (i) GHA housing projects are used for low income housing purposes or (ii) there is an annual contributions contract between GHA and HUD for such housing projects, the City agrees that it will not levy or impose any real or personal taxes upon such housing projects or upon GHA with respect to such housing projects.

Under the terms of the Cooperation Agreement, GHA is required to make annual payments in lieu of taxes ("PILOT") for public facilities and services furnished for or with respect to the housing projects and the City is obligated to distribute the payments among itself and the County of Guilford in proportion to the amount of taxes that the projects would have been obligated to pay each municipality in the event that the housing projects were taxable.

Under a Memorandum of Understanding from 1987, the City agreed to refund the PILOT payments to GHA for non-routine maintenance, upgrading and modernization of their existing housing facilities. Under a Memorandum of Understanding from 1998, the PILOT payments to the City have been directed to repayment of debt on housing bonds issued in 1998 for GHA properties. Any excess was to be returned to GHA, at their request, for the uses outlined in the 1987 Memorandum of Understanding.

GHA requests the funds as part of its Rental Assistance Demonstration Program, which will convert public housing projects to long-term project based Section 8 housing assistance payment contracts and makes them eligible for public and private financing sources for rehabilitation and redevelopment.

Under the proposed 2015 Memorandum of Understanding, accumulated excess funds related to the repayment

of debt on housing bonds issued in 1998 for GHA properties, and future PILOT payments, shall be disbursed in accordance with the Cooperation Agreement and 1987 and 1998 MOU's. This item was referred to Council by the General Government and Community Services Committees.

BUDGET IMPACT:

The GHA is requesting a disbursement of the PILOT funds accumulated in excess of the amount needed for debt service on the 1998 Housing Bonds issued on behalf of GHA, in accordance with the 1998 MOU. As of September 30, 2015 the excess accumulated amount is approximately \$65,000, of which about 55% (\$35,650) will be remitted to Guilford County and 45% (\$29,350) will be remitted to GHA.

The projected annual PILOT payment in FY15-16 is approximately \$170,000 of which about 55% will be remitted to the County and 45% will be remitted to GHA in accordance with the terms of the proposed 2015 MOU.

RECOMMENDATION / ACTION REQUESTED:

The City Council is requested to approve of the terms of the Memorandum of Agreement and authorize the City Manager to execute the agreement.