



Legislation Text

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Ordinance in the Amount \$56,661 Amending FY 16-17 General Fund Budget

Department: Financial and Administrative Services
Council District: All

Public Hearing: N/A
Advertising Date/By: N/A

Contact 1 and Phone: Richard Lusk, 373-2077
Contact 2 and Phone: Marlene Druga, 373-2094

PURPOSE:

City Council is requested to approve a budget ordinance to appropriate funds received from GHA in FY 2017, to be distributed in accordance with the 2015 Memorandum of Understanding

BACKGROUND:

The City of Greensboro and 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 contribution 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 with respect to the housing projects and the City is obligated to distribute the payments among itself and Guilford County in proportion to the amount of taxes that the projects would have been obligated to pay to each jurisdiction in the event that the housing projects were taxable.

Under the 2015 Memorandum of Understanding, the City further agreed to refund its portion of the PILOT payments back to GHA, in order for GHA to make non-routine repairs and maintenance, and upgrades or modernization of their existing housing facilities.

BUDGET IMPACT:

The City's portion of the FY 2017 PILOT to be refunded to GHA is \$106,661, however, existing appropriations for funds received and refund payment to be made total \$50,000. Therefore, the GHA PILOT revenue and expenditure accounts in the General Fund need to be increased by \$56,661, respectively, to allow the appropriate refund to be made.

RECOMMENDATION / ACTION REQUESTED:

The Financial and Administrative Services Department recommends that City Council approve the attached budget ordinance increasing the General Fund revenue and expenditure accounts to allow refund to be made to

GHA for its portion of the FY 2017 PILOT payment.