

**DATE:** November 6, 2012  
**STAFF:** Darin Atteberry

**AGENDA ITEM SUMMARY**  
FORT COLLINS CITY COUNCIL

**13**

**SUBJECT**

First Reading of Ordinance No. 119, 2012, Appropriating Unanticipated Revenue in the General Fund to the Fort Collins Housing Authority to Fund Affordable Housing and Related Activities.

**EXECUTIVE SUMMARY**

The Fort Collins Housing Authority paid the City of Fort Collins \$15,457 as the 2010 and 2011 payments for public services and facilities. The Authority requests that the City refund the Payment in Lieu of Taxes (PILOT) to fund sorely needed affordable housing-related activities and to attend to the low-income housing needs of Fort Collins residents.

Resolution 1992-093 reinstated the requirement that the Authority make annual PILOT payments to the City. The City may spend the PILOT revenues as it deems appropriate in accordance with law, including remitting the funds to the Authority if the Council determines that such remittal serves a valid public purpose. The Council has remitted the PILOT payment to the Authority since 1992.

**BACKGROUND / DISCUSSION**

On December 16, 1971, the City and the Authority entered into a Cooperative Agreement which provided that the Authority must make annual PILOT payments to the City for the public services and facilities furnished by the City. In 1986, upon request of the Authority, the City Council adopted a resolution which relieved the Authority of its obligation to make the PILOT payments. Based on that resolution, the Authority did not make PILOT payments from 1987 through 1990. The Authority also received a refund from the City of PILOT payments for the years 1984, 1985 and 1986.

In 1992, the City Council approved a change in the Cooperative Agreement to reinstate the requirement that the Authority pay the annual PILOT payment. The change was done to clarify that PILOT payments are owed to the City and to avoid the possibility that the Department of Housing and Urban Development might require the Authority to return the PILOT payments to the federal government. Since that time, the City has refunded the annual PILOT payments to the Housing Authority.

Staff recommends that the 2010 and 2011 PILOT payments of \$15,457 be appropriated as unanticipated revenue in the General Fund and remitted to the Authority with the recommendation that the Authority use the funds in the manner consistent with HUD guidelines. The intended use for the funds is affordable housing and related activities.

**FINANCIAL / ECONOMIC IMPACTS**

The City received unanticipated revenue from the Fort Collins Housing Authority in the amount of \$15,457.00 as 2010 and 2011 payments for public services and facilities. The revenue was placed in the General Fund. This Ordinance will return the funds to the Housing Authority to be used for affordable housing and related activities.

2010 PILOT	\$ 7,966
2011 PILOT	\$ 7,491
	<u>\$15,457</u>

**STAFF RECOMMENDATION**

Staff recommends adoption of the Ordinance on First Reading.

**ATTACHMENTS**

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1. Letter from the Fort Collins Housing Authority, August 1, 2012.



RECEIVED

SEP 19 2012

City Manager's Office

August 1, 2012

Mayor Weitkunat and Honorable City Council  
City of Fort Collins  
300 LaPorte Avenue  
Fort Collins, Colorado 80521

Dear Honorable Mayor Weitkunat and City Council,

As you may know, the Fort Collins Housing Authority and the City of Fort Collins entered into a Cooperative Agreement when the Authority was formed in 1971. As a part of that agreement and in accordance with state and federal law, a Payment in Lieu of Taxes (PILOT) is accepted for the 154 federally funded Low Income Public Housing units owned and operated by the Authority. The PILOT is calculated using tenant rentals less utility expenses.

Historically, the Council has graciously returned this PILOT to FCHA in order to help support these properties which serve families and seniors typically earning between 0% and 30% of the Area Median Income. This program's operating subsidy is dependent upon Congressional appropriations which have fallen short of the operating needs for many years; accordingly, the refunded PILOT continues to be very important to the operation of this program.

We respectfully request the return of the PILOT balance due of \$15,457 for the years 2010 and 2011. On behalf of the 154 families residing in these properties, I would like to express sincere appreciation. Your commitment to supporting affordable housing for our community's lowest income families is very apparent and commendable.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary M. Davis", is written over a large, light-colored scribble or watermark.

Mary M. Davis, Chairperson  
FCHA Board of Commissioners

Enclosure

cc: Darin Atteberry, City Manager

DATE:08/29/2012 CK#:55452 TOTAL:\$15,457.00\*\* BANK:Revolving 6999(revolve)  
PAYEE:City Of Ft. Collins(f0001394)

Property	Account	Invoice - Date	Description	Amount
FC Public Housing	Accrued PI	PO# 8920 - 08/29/2012	2010 & 20111 PILOT	15,457.00
				<hr/> 15,457.00

TO VERIFY AUTHENTICITY, SEE REVERSE SIDE FOR DESCRIPTION OF THE 11 SECURITY FEATURES



**Fort Collins Housing Authority**  
Revolving Account  
1715 W. Mountain Ave.  
Fort Collins, CO 80521

1stBank  
Fort Collins, CO 80527  
82-630/1070

55452

VOID AFTER 90 DAYS

08/29/2012 \$15,457.00\*\*

PAY \*\*\*\*\* FIFTEEN THOUSAND FOUR HUNDRED FIFTY SEVEN AND 00/100 DOLLARS

TO THE  
ORDER OF  
City Of Ft. Collins  
P.o. Box 580  
Fort Collins, CO 80522

A handwritten signature in black ink, appearing to be "Julie J. [unclear]", is written over a horizontal dashed line.

⑈055452⑈ ⑆107006305⑆8145506999⑈

ORDINANCE NO. 119, 2012  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING UNANTICIPATED REVENUE IN THE GENERAL FUND  
TO THE FORT COLLINS HOUSING AUTHORITY TO FUND  
AFFORDABLE HOUSING AND RELATED ACTIVITIES

WHEREAS, the City has received a payment from the Fort Collins Housing Authority (the “Authority”) of \$15,457 in satisfaction of its 2010 and 2011 payments in lieu of taxes (“PILOTs”); and

WHEREAS, the Authority has requested that the 2010 and 2011 PILOT payments be appropriated by the City Council for expenditure by the Authority to fund affordable housing related activities and to attend to the housing needs of low-income Fort Collins residents; and

WHEREAS, said payment of \$15,457 was not projected as a revenue source in the 2012 City budget; and

WHEREAS, the City Council has determined that the provision of affordable housing serves an important public purpose and is an appropriate use of these funds; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, City staff has determined that the appropriation of the Authority PILOT payment as described herein will not cause the total amount appropriated in the General Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during any fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated from unanticipated revenue in the General Fund the sum of FIFTEEN THOUSAND FOUR HUNDRED FIFTY SEVEN DOLLARS (\$15,457) to the Fort Collins Housing Authority to fund affordable housing and related activities for Fort Collins residents consistent with the Federal Department of Housing and Urban Development guidelines.

Introduced, considered favorably on first reading, and ordered published this 6th day of November, A.D. 2012, and to be presented for final passage on the 20th day of November, A.D. 2012.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading on the 20th day of November, A.D. 2012.

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Mayor

ATTEST:

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City Clerk