

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 18

DATE: August 19, 2003

STAFF: Alan Krcmarik

SUBJECT:

First Reading of Ordinance No. 110, 2003, Appropriating Unanticipated Revenue in the General Fund to Be Returned to the Fort Collins Housing Authority to Fund Affordable Housing Related Activities.

RECOMMENDATION:

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT:

The City received unanticipated revenue from the Fort Collins Housing Authority in the amount of \$11,113 as a 2003 payment 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-related activities.

EXECUTIVE SUMMARY:

The Fort Collins Housing Authority (the "Authority") made a payment to the City from its 2003 budget for the sum of \$11,113 as a "Payment in Lieu of Taxes" ("PILOT") for public services and facilities. The Authority annually requests that the City refund the money "...to again fund sorely needed affordable housing related activities, to attend the low-income housing needs of Fort Collins residents."

BACKGROUND:

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 for the Authority to pay the annual PILOT. The change was done to clarify that such a payment was due to the City and to avoid the possibility that HUD might require the PILOT be returned to the federal government.

Since that time, the City has refunded annual PILOT payments to the Authority. Staff recommends that the 2003 PILOT payment of \$11,113 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.

ORDINANCE NO. 110, 2003
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING UNANTICIPATED REVENUE IN THE GENERAL FUND
TO BE RETURNED TO THE FORT COLLINS HOUSING AUTHORITY
TO FUND AFFORDABLE HOUSING RELATED ACTIVITIES

WHEREAS, the City has received a payment from the Fort Collins Housing Authority (the "Authority") of \$11,113 as a payment in lieu of taxes for 2003 ("PILOT"); and

WHEREAS, the Authority has requested that the 2003 PILOT payment be appropriated by the 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 \$11,113 was not projected as a revenue source in the 2003 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 14 of the Charter of the City of Fort Collins 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 then 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 Housing Authority PILOT 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 ELEVEN THOUSAND ONE HUNDRED AND THIRTEEN DOLLARS (\$11,113) to be returned to the Authority to fund affordable housing related activities for Fort Collins residents consistent with the Federal Department of Housing and Urban Development guidelines.

Introduced and considered favorably on first reading and ordered published this 19th day of August, A.D. 2003, and to be presented for final passage on the 2nd day of September, A.D. 2003.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading the 2nd day of September, A.D. 2003.

Mayor

ATTEST:

City Clerk