

Legislation Text

File #: BILL NO. 18-74, **Version:** 1

An ordinance authorizing the waiver of Lee's Summit Housing Authority's payment in lieu of taxes for the authority's fiscal year ended September 30, 2017 in the amount of \$33,874.16. (F&BC 5/7/18)

Issue/Request:

The City is considering the recurring annual request of the Lee's Summit Housing Authority to waive its PILOT payment for its Fiscal Year ended September 30, 2017, in the amount of \$33,874.16.

Key Issues:

The Lee's Summit Housing Authority operates the Lee Haven and Duncan Estates housing developments. The agreement with the Lee's Summit Housing Authority requires the Housing Authority to make a Payment in Lieu of Taxes (PILOT) to the City each year equal to 10% of the lower of Shelter Rent Charges or Estimated County property taxes.

The City has waived the payment of the PILOT each year for more than 10 years to allow the Authority to use the money for maintenance and repair of the living units.

Proposed City Council Motion:

FIRST MOTION: I move for a second reading of an ordinance authorizing the waiver of Lee's Summit Housing Authority's payment in lieu of taxes for the authority's fiscal year ended September 30, 2017 in the amount of \$33,874.16.

SECOND MOTION: I move for adoption of an ordinance authorizing the waiver of Lee's Summit Housing Authority's payment in lieu of taxes for the authority's fiscal year ended September 30, 2017 in the amount of \$33,874.16.

Background:

The Lee's Summit Housing Authority is a tax-exempt agency that operates the 116 units at Lee Haven and Duncan Estates housing developments, to provide low income housing for the elderly residents of the City. The Housing Authority is primarily dependent on HUD operating funds. The contract with the City of Lee's Summit states the Housing Authority will make a PILOT payment to the City equal to the lesser of 10% of rental payments minus utility expenses or the estimated property taxes for the real estate.

For more than 10 years the Housing Authority has requested the City waive the PILOT payment in order to use the monies to maintain and improve the facilities and keep costs as low as possible for the residents of Lee Haven and Duncan Estates.

The Lee's Summit Housing Authority has requested the City waive the 2017 PILOT payment in the amount of \$33,874.16.

Impact/Analysis:

The PILOT amount of \$33,874.16 is the same amount as FY 2016. The City has not budgeted the receipt of the PILOT as revenue in anticipation of a waiver request from the Housing Authority.

Bette Wordelman, Deputy Director of Finance

Recommendation: Staff recommends approval of an ordinance authorizing the waiver of Lee's Summit Housing Authority's payment in lieu of taxes for the authority's fiscal year ended September 30, 2017 in the amount of \$33,874.16.

Committee Recommendation: Motion by Councilmember Edson, seconded by Councilmember Carlyle, this Ordinance was recommended for approval to the City Council - Regular Session due back on 5/17/2018. The vote was unanimous.