



Use of PILOT Funds by the Housing Authority Legislative Review Committee Presentation

June 9, 2011

Prepared by: Carmen Arrieta-Candelaria, CFO
Financial Services



Background

- 1972 Agreement between the City of El Paso (“City”) and the Housing Authority of the City of El Paso (“Housing Authority”)
 - Established parameters related to projects developed and administered by the Housing Authority
 - All projects are exempt from all real and personal property taxes and special assessments
 - However, payments in lieu of such taxes (PILOT) were to be made by the Housing Authority
 - Definitions outlined for amount of PILOT funds



Background

- 1978 Amendment to the Cooperation Agreement
 - City may waive all or part of the PILOT at any time for the purpose of permitting the Housing Authority to use such payment for activities which are approved by the City Council and which directly relate to the projects of the Housing Authority



Background

- Resolution of April 12, 1988
 - Waiver of \$141,248.69 of PILOT funds and directed the Housing Authority to designate the monies to assist in funding the YWCA for childcare services in public housing complexes
- Resolution of September 26, 1989
 - Waiver of \$117,265.27 of 1988-89 PILOT funds and directed the Housing Authority to designate the monies to assist in funding the YWCA for childcare services in public housing complexes
- Resolution of October 16, 1990
 - Waiver of PILOT funds continued and directed the Housing Authority to designate the monies to assist in funding the YWCA for childcare services in public housing complexes



Background

- Resolution of June 22, 2004
 - Waiver of PILOT funds from 2004 until November 1, 2013, and directed the Housing Authority to designate the monies to assist in funding the YWCA for childcare services in public housing complexes and/or for the benefit of public housing residents



Request from Housing Authority

- Initial request that the City extend the waiver of PILOT funds for an additional twenty (20) years for the following:
 - First five (5) years, PILOT funds will be directed to the YWCA as per the 2004 Resolution
 - Next fifteen (15) years, PILOT funds would be directed to the construction and acquisition of properties to meet El Paso's housing needs



Request from Housing Authority

- Resolution to Council on May 10, 2011
 - A ten (10) year extension for the Housing Authority until November 1, 2023
 - First five (5) years, PILOT funds will be directed to the YWCA as per the 2004 Resolution
 - Next five (5) years, PILOT funds would be designated for the use of capital projects that provide safe and sanitary housing for persons of low income or other capital projects that provide recreational, community or other public facilities for the benefit of such low income residents and/or the public, as designated by the Housing Authority governing board.

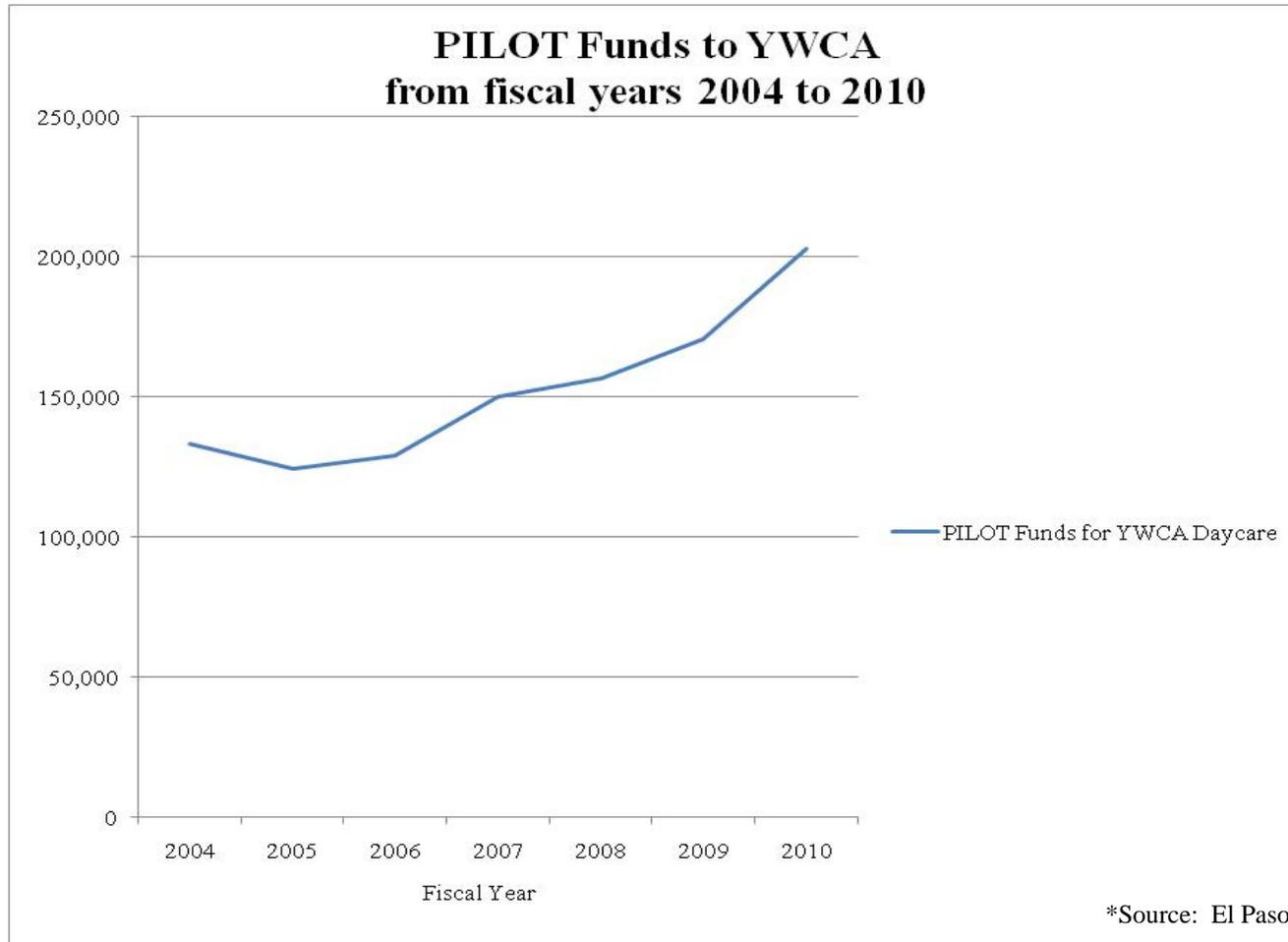


City Council Direction

- As a result of the May 10, 2011 City Council meeting, the following was requested:
 - Postponement of eight (8) weeks of resolution
 - LRC to discuss the particulars of the waiver of the PILOT funds
 - Further, the City Council requested a Capital Improvement Plan from the Housing Authority be required as part of the waiver. This plan would outline the plans for the Housing Authority's Plan regarding their "aging stock" (i.e. rebuild, rehab or reconstruct)



Amount of PILOT Funds*





Staff Recommendation

- Based on City Council direction, staff proposes a ten (10) year waiver with the following conditions:
 - First five (5) years, PILOT funds will be directed to the YWCA as per the 2004 Resolution
 - For the five (5) remaining years of the ten year waiver, PILOT funds would be designated for the use of those **capital projects** that provide safe and sanitary housing for persons of low income or other capital projects that provide recreational, community or other public facilities for the benefit of such low income residents and/or the public, as designated by the Housing Authority governing board.
 - In addition, the Housing Authority needs to provide an updated Capital Improvement Plan of no less than five (5) years in duration which includes those **capital projects** designated by the Housing Authority governing board and the proposed funding sources for these **capital projects** which may include tax credit initiatives to be used in conjunction with this long-term housing plan



Staff Recommendation

- Based on City Council direction, staff proposes a ten (10) year waiver with the following conditions (continued):
 - That the PILOT funds be allocated to those **capital projects** in the City's traditional core as detailed in **Exhibit A***. Funds should be allocated specifically to rehabilitation, reconstruction, or energy-efficiency capital projects. All projects, including those in **Exhibit A**, shall meet one of the following development standards:
 - LEED
 - Smart Code
 - » Upon a finding by City Planning Commission that the unique characteristics of a specific lot do not allow for such development, all construction of buildings shall meet or exceed LEED Silver for building standards.

*Exhibit A on next page.



Exhibit A

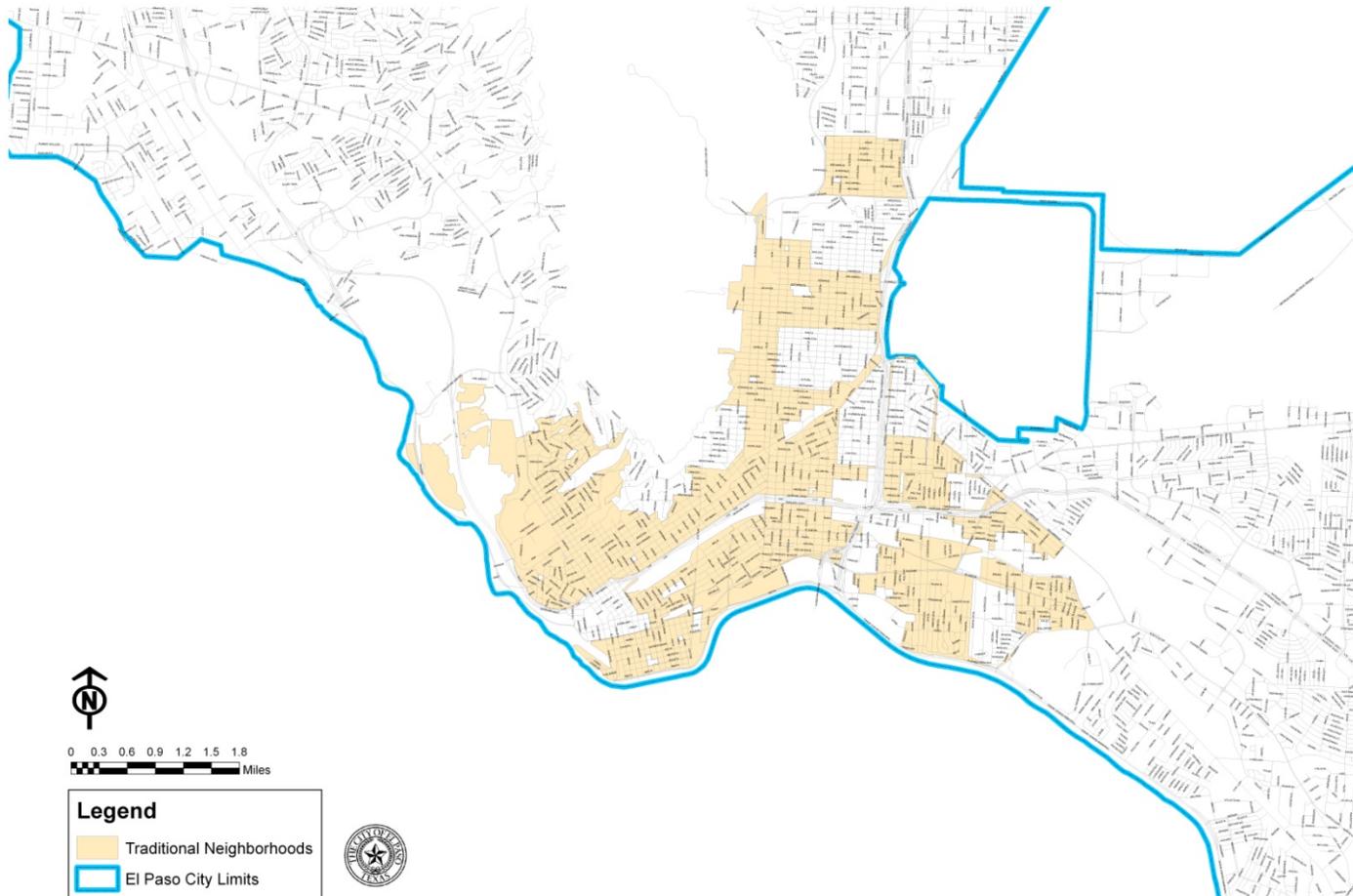
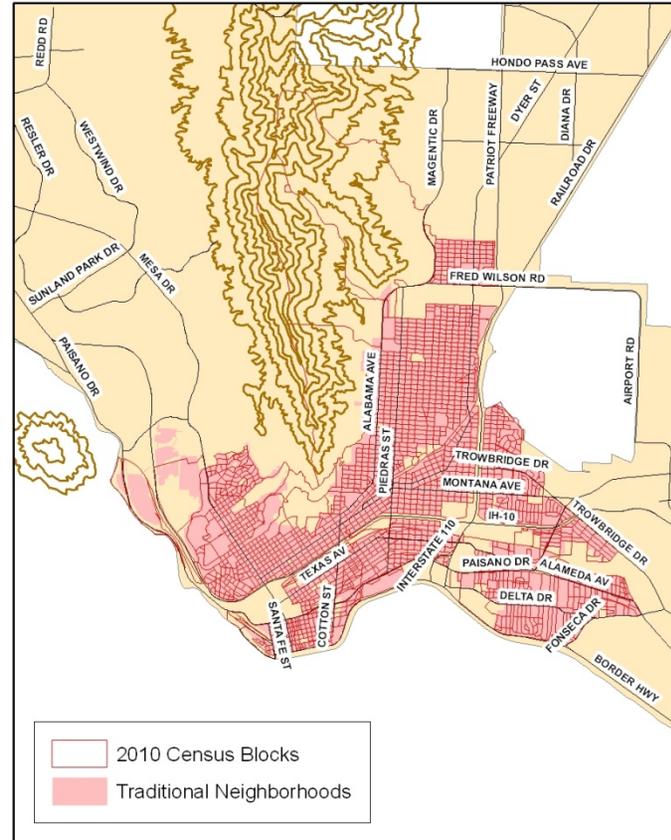
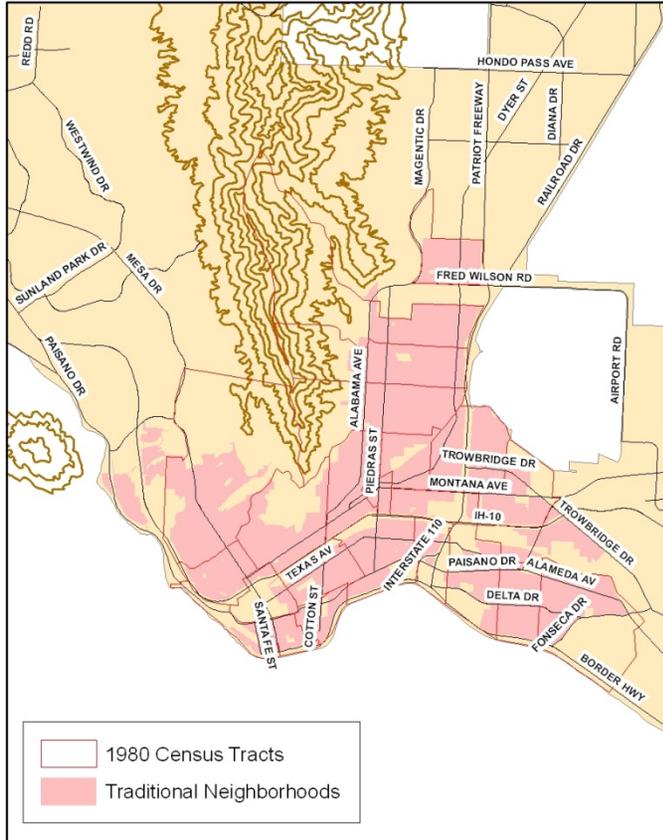




Exhibit A: Why the Core Matters

1980 to 2010 Population Comparison in Traditional Neighborhoods (per Census Tracts & Blocks)



Population Loss: 32,536 or 24.9%

Year 1980: 130,598

Year 2010: 98,062

Source: National Historical GIS website, 1980 Census Data

Source: 2010 Redistricting Data SF (PL 94-171), P1 Race



Questions?