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McKinney Housing Authority

July 25, 2013

City of McKinney
c/o Rodney Rhoades, CFO
PO Box 517
McKinney, Texas 75070

RE: Payment in Lieu of Taxes

The Housing Authority of the City of McKinney operates a Tax Exempt Quasi-Municipal Agency. HUD regulations require Housing Authorities to make Payment in Lieu of Taxes (PILOT) based upon a formula of gross income from rents less utilities. The results of those computations are calculated at 10% for the amount of PILOT.

The PILOT amt is \$16,845.42 for FY 2012.

The Housing Authority provides a public service to the community. We provide sanitary, safe and affordable housing for low to moderate income families and individuals.

The Housing Authority has in the past and currently provides services to its residents and property, including but not limited to sanitation and security services which if not provided, would be provided by the City at additional expense to the City.

Payments made for FY 2012

- Water - **\$54,071**
- Sewer - **\$52,592**
- Security (McKinney PD) - **\$22,120**

In addition, the Authority administers the Housing Choice Voucher program. MHA made Housing Assistance **Payments for FY2012 to Landlords/Property owners of approximately \$1,868,974.** Of which approximately seventy percent of the properties are in the City of McKinney.

As the McKinney Housing Authority continues to partner with the City of McKinney per our Cooperation Agreement to provide a public service we commit to provide the services mentioned above. And, in light of this commitment due hereby request a waiver of the Payment in Lieu of Taxes for FY2012.

Thank you for your consideration.

Respectfully submitted,

Executive Director

McKinney Housing Authority Board of Commissioners

Don Stockford – Chairman
Tom G. Johnson – Vice Chairman

Justin Beller - Commissioner
James DeCoste – Resident Commissioner

Juli Smith - Commissioner

U.S. Department of Housing and Urban Development
Low-Rent Public Housing
COMPUTATION OF PAYMENTS IN LIEU OF TAXES

For Fiscal Year Ended

6/30/2012

McKinney Housing Authority

(Name of Housing Authority)

McKinney, TX

(Location)

(Contract Number)

TX027

(Project Number)

PART I - COMPUTATION OF SHELTER RENT CHARGED

| | | | |
|---|----|-------------------|--------------------------|
| 1. Dwelling Rental (Account 3110) | \$ | <u>302,000.06</u> | |
| 2. Excess Utilities (Account 3120) | | <u>100.00</u> | |
| 3. Nondwelling Rental (Account 3190) | | <u>9,000.00</u> | |
| 4. Total Rental Charged (Lines 1, 2, & 3) | \$ | | <u>311,100.06</u> |
| 5. Utilities Expense (Accounts in 4300 group) | | | <u>142,645.87</u> |
| 6. Shelter Rent Charges (Line 4 Minus Line 5) | \$ | | <u>168,454.19</u> |

PART II - COMPUTATION OF SHELTER RENT COLLECTED

(To be completed only if Cooperation Agreement Provides for payment of PILOT on basis of Shelter Rent Collected)

| | | |
|--|----|-----------------------------|
| 1. Shelter Rent Charged (Line 6 of Part I above) | \$ | <u> </u> |
| 2. Add: Accounts Receivable (Account 1122) at Beginning of Fiscal Year | | <u> </u> |
| 3. Less: Collection Losses (Account 4570) During Current Fiscal Year | | <u> </u> |
| 4. Less: Accounts Receivable (Account 1122) at End of Fiscal Year | | <u> </u> |
| 5. Shelter Rent Collected (Line 1 Plus Line 2 Minus Lines 3 & 4) | \$ | <u> </u> |

Part III - COMPUTATION OF APPROXIMATE FULL REAL PROPERTY TAXES

| Taxing Districts (1) | Assessable Value (2) | Tax Rate | Approximately Full Real Property Taxes |
|-------------------------|-------------------------|----------|---|
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| Total | | | <u>0.00</u> |

PART IV - LIMITATION BASED ON ANNUAL CONTRIBUTION

(To be completed if Cooperation Agreement limits PILOT to an amount by which real property taxes exceed 20% of Annual Contribution)

| | | |
|--|----|-----------------------------|
| 1. Approximate Full Real Property Taxes | \$ | <u> </u> |
| 2. Accruing Annual Contribution for ALL Projects Under Contract | \$ | <u> </u> |
| 3. Prorata share of Accruing Annual Contribution (1) | | <u> </u> |
| 4. 20% of Accruing Annual Contribution (20% of Line 3) | | <u> </u> |
| 5. Approximate Full Real Property Taxes less 20% of Accruing Annual Contribution (Line 1 minus Line 4. If Line 4 exceeds Line 1, enter zero) | \$ | <u> </u> |

PART V - PAYMENTS IN LIEU OF TAXES

| | | |
|---|----|------------------|
| 1. 10% of Shelter Rent (10% of Line 6 of Part 1 or 10% of Line 5 of Part II, whichever is applicable)(2) | \$ | <u>16,845.42</u> |
| 2. Payments in Lieu of Taxes (If Part IV is not applicable, enter the amount shown on Line 1 above or the total on Part III, whichever is the lower. If Part IV is applicable, enter the amount shown on Line 1 above or the amount shown on Line 5 of Part IV, whichever is the lower) | \$ | <u>16,845.42</u> |

Were any expenses incurred for any project during the fiscal year for services or facilities which the local body should have furnished under the terms of the cooperation agreement? yes no X

If answer is "yes," please submit statement of expenses on Form HUD-52555

(1) Same as line 2 if the statement includes all projects under the Annual Contributions Contract. If this statement does not include all projects under the contract, enter prorata share based upon the development cost of each project.

(2) If the percentage specified in the Cooperation Agreement or the Contract with HUD is lower, such lower percentage shall be used.

Approved By:

Name _____

Title Executive Director Date _____

U.S. Department of Housing and Urban Development
Low-Rent Public Housing
COMPUTATION OF PAYMENTS IN LIEU OF TAXES

For Fiscal Year Ended

6/30/2013

McKinney Housing Authority

(Name of Housing Authority)

McKinney, TX

(Location)

(Contract Number)

TX027

(Project Number)

PART I - COMPUTATION OF SHELTER RENT CHARGED

| | | |
|---|----------------------|--|
| 1. Dwelling Rental (Account 3110) | \$ <u>318,024.68</u> | |
| 2. Excess Utilities (Account 3120) | <u>0.00</u> | |
| 3. Nondwelling Rental (Account 3190) | <u>9,000.00</u> | |
| 4. Total Rental Charged (Lines 1, 2, & 3) | \$ <u>327,024.68</u> | |
| 5. Utilities Expense (Accounts in 4300 group) | <u>105,171.79</u> | |
| 6. Shelter Rent Charges (Line 4 Minus Line 5) | \$ <u>221,852.89</u> | |

PART II - COMPUTATION OF SHELTER RENT COLLECTED

(To be completed only if Cooperation Agreement Provides for payment of PILOT on basis of Shelter Rent Collected)

| | |
|--|----------|
| 1. Shelter Rent Charged (Line 6 of Part I above) | \$ _____ |
| 2. Add: Accounts Receivable (Account 1122) at Beginning of Fiscal Year | _____ |
| 3. Less: Collection Losses (Account 4570) During Current Fiscal Year | _____ |
| 4. Less: Accounts Receivable (Account 1122) at End of Fiscal Year | _____ |
| 5. Shelter Rent Collected (Line 1 Plus Line 2 Minus Lines 3 & 4) | \$ _____ |

Part III - COMPUTATION OF APPROXIMATE FULL REAL PROPERTY TAXES

| Taxing Districts (1) | Assessable Value (2) | Tax Rate | Approximately Full Real Property Taxes |
|-------------------------|-------------------------|----------|---|
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| Total | | | <u>0.00</u> |

PART IV - LIMITATION BASED ON ANNUAL CONTRIBUTION

(To be completed if Cooperation Agreement limits PILOT to an amount by which real property taxes exceed 20% of Annual Contribution)

| | |
|--|----------|
| 1. Approximate Full Real Property Taxes | \$ _____ |
| 2. Accruing Annual Contribution for ALL Projects Under Contract | \$ _____ |
| 3. Prorata share of Accruing Annual Contribution (1) | _____ |
| 4. 20% pf Accruing Annual Contribution (20% of Line 3) | _____ |
| 5. Approximate Full Real Property Taxes less 20% of Accruing Annual Contribution (Line 1 minus Line 4. If Line 4 exceeds Line 1, enter zero) | \$ _____ |

PART V - PAYMENTS IN LIEU OF TAXES

| | |
|---|---------------------|
| 1. 10% of Shelter Rent (10% of Line 6 of Part 1 or 10% of Line 5 of Part II, whichever is applicable)(2) | \$ <u>22,185.29</u> |
| 2. Payments in Lieu of Taxes (If Part IV is not applicable, enter the amount shown on Line 1 above or the total on Part III, whichever is the lower. If Part IV is applicable, enter the amount shown on Line 1 above or the amount shown on Line 5 of Part IV, whichever is the lower) | \$ <u>22,185.29</u> |

Were any expenses incurred for any project during the fiscal year for services or facilities which the local body should have furnished under the terms of the cooperation agreement? yes no X

If answer is "yes," please submit statement of expenses on Form HUD-52555

(1) Same as line 2 if the statement includes all projects under the Annual Contributions Contract. If this statement does not include all projects under the contract, enter prorata share based upon the development cost of each project.

(2) If the percentage specified in the Cooperation Agreement of the Contract with HUD is lower, such lower percentage shall be used.

Approved By:

Name

Title Executive Director Date