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**North Carolina
Guilford County**

**Memorandum of Understanding
Payments in Lieu of Taxes**

This Memorandum of Understanding ("2016 MOU") is made and entered into this ____ day of ____, 2016 by and between the County of Guilford, North Carolina (the "County") and the Housing Authority of the City of Greensboro ("GHA").

Recitals:

Whereas, the Housing Authority of the City of Greensboro and Guilford County (County) entered into that certain Memorandum of Understanding (MOU) on June 25, 1987. The MOU is attached hereto as Exhibit A.

Whereas, GHA entered into that certain Cooperation Agreement between The City of Greensboro, North Carolina (the "City") and The Housing Authority of the City of Greensboro (GHA) on December 28, 1949, as amended on September 10, 1970 (the "Cooperation Agreement"). The Cooperation Agreement is attached hereto as Exhibit B.

Whereas, the Cooperation Agreement states that so long as (i) GHA housing projects are used for low income housing purposes or (ii) there is an annual contributions contract between GHA and HUD for such housing projects, the City agrees that it will not levy or impose any real or personal taxes upon such housing projects or upon GHA with respect to such housing projects.

Whereas, the Cooperation Agreement requires GHA to make annual payments in lieu of taxes ("PILOT") for public facilities and services furnished for or with respect to the housing projects. Each annual payment shall be made after the end of the fiscal year established for the housing project, and shall be in an amount equal to 10% of the aggregate shelter rent collected by GHA during the fiscal year.

Whereas, under the Cooperation Agreement, the City is obligated to distribute the payments among itself and the County in proportion to the amount of taxes that the projects would have been obligated to pay each municipality in the event that the housing projects were taxable.

Whereas, GHA and the City have entered into certain Memoranda of Understanding during the term of the Cooperation Agreement, pursuant to which they have agreed to use the PILOT payments for various purposes specified in the Memoranda of Understanding. Copies of the July 8, 1987 Memorandum of Understanding and September 30, 1998 Memorandum of Understanding are attached hereto as Exhibit C.

Whereas, pursuant to the July 8, 1987 MOU, the City agreed to refund PILOT payments to GHA to be used exclusively for non-routine maintenance, upgrading and modernization of the existing housing facilities.

Whereas, pursuant to the June 25, 1987 MOU, the County agreed to refund its portion of the PILOT to GHA to perform non-routine maintenance, upgrading and modernization of the existing housing facilities.

Whereas, GHA is the largest provider of affordable housing in Guilford County, providing housing to over 12,000 people through the public housing (1,066 units), project-based voucher (1,143 units), housing choice voucher (3,700) and mixed finance (191) programs. For 75 years, GHA has held true to its mission to provide safe, quality, affordable housing to low-income families, elderly and disabled individuals throughout the County.

Whereas, there continues to be a growing need for affordable housing as is evidenced by the 12,000-family waiting list.

Whereas, GHA wishes to continue preserving much needed affordable housing.

Whereas, on September 26, 2013, GHA approved a plan to convert GHA's entire public housing portfolio to the Rental Assistance Demonstration ("RAD") Program established by the United States Department of Housing and Urban Development ("HUD"). The RAD Program allows public housing agencies ("PHAs") to convert their public housing funding to long term, project-based Section 8 housing assistance payment contracts ("HAP Contracts"). The purpose of GHA's action was to leverage private funds to help pay for major renovations, capital needs and other long term improvements to its housing projects.

Whereas, on December 23, 2013, GHA received approval from HUD for a portfolio award under the RAD Program. The portfolio award will allow GHA to convert its entire public housing portfolio to project-based Section 8 HAP Contracts under the RAD Program.

Whereas, in order to take full advantage of the RAD Program, GHA and its subsidiaries and affiliates will utilize various financing strategies including, but not limited to, ground leases, deeds of improvements, low income housing tax credits, tax exempt bonds, and mortgage insurance.

Whereas, GHA and the County acknowledge that the housing projects described on Exhibit D are currently subject to the Cooperation Agreement. Whereas, GHA and the County desire to continue to operate the housing projects described on Exhibit D subject to the Cooperation Agreement following the conversion of said housing projects under the RAD Program.

Whereas, the County and GHA will enter into a long term MOU which includes an initial five-year term and three automatic five-year renewals.

Whereas, the County shall on a year-to-year basis and subject to approval by the Board and County Commissioners in each fiscal year budget, allocate the equivalent amount of funds paid from GHA to the County back to GHA and said funds shall be used exclusively for non-routine maintenance, upgrading and modernization of the existing housing facilities.

Whereas, GHA shall maintain a separate account for these funds. Once each year, GHA shall provide the County with an annual report of the progress it has made in the use of such funds and shall also provide the County with a copy of the annual audit of this account.

Whereas, this MOU shall be subject to termination by either party upon notice to the other party at least sixty (60) days prior to the adoption of the fiscal year budget by the County.

NOW THEREFORE, in consideration for the mutual covenants contained herein, the parties hereto agree that the housing projects described on Exhibit D shall continue to be subject to the Cooperation Agreement. All future PILOT payments to the County shall be refunded to GHA for non-routine maintenance, upgrading and modernization of its housing projects, including, but not limited to, the housing projects described in Exhibit D in accordance with the Cooperation Agreement.

(Signature Page for the 2016 MOU)

Attest:

County of Guilford

By: _____
County Clerk

By: _____
County Manager

Attest:

**Housing Authority of the City
of Greensboro**

By: _____
Nancy Thomas, CFO

By: _____
Tina Akers Brown, CEO

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

County Finance Director/Deputy Finance Officer

EXHIBIT H
20-YEAR CAPITAL IMPROVEMENT PLAN
(See Attached)

Physical Needs Distribution Over GHA Properties

Property	# of Projects Planned at This Property	Cost Estimate	# Units	Cost Per Unit
Abby Court	20	\$364,746.07	14	\$26,053.29
Applewood	31	\$1,892,436.40	50	\$37,848.73
Baylor Court*	28	\$789,637.04	11	\$71,785.19
Claremont	27	\$9,510,327.91	250	\$38,041.31
Foxworth	8	\$802,406.84	44	\$18,236.52
Gateway Plaza	26	\$2,965,417.93	221	\$13,418.18
Hall Towers	21	\$2,265,197.09	156	\$14,520.49
Hampton Homes	24	\$6,202,159.18	288	\$21,535.27
Hickory Trails	38	\$3,844,506.51	127	\$30,271.70
Hicone	16	\$515,750.00	6	\$85,958.33
Lakespring	16	\$1,396,699.90	60	\$23,278.33
Laurel Oaks	18	\$1,430,622.79	50	\$28,612.46
Pear Leaf	28	\$1,590,606.79	50	\$31,812.14
Ray Warren	27	\$9,126,305.88	236	\$38,670.79
River Birch	25	\$1,607,161.37	50	\$32,143.23
Silver Briar*	31	\$3,469,772.76	50	\$69,395.46
Smith Homes	48	\$13,319,407.11	430	\$30,975.37
Stoneridge	22	\$2,431,686.21	50	\$48,633.72
Woodberry Run	25	\$1,235,394.79	39	\$31,676.79
Woodland Village	19	\$703,649.00	27	\$26,061.07
ACC/HAP/ Mixed Finance Properties	12	\$46,935,000.00	1341	\$35,000.00
Total	510	\$112,398,891.57	3550	\$31,661.66

Physical Needs Distribution Over Time

Property	0-1 Year	2 - 5 Years	6 - 20 Years	6 - 10 Years	11 - 15 Years	16 - 20 Years	21+ Years
Abby Court	\$64,388.71	\$80,400.00	\$219,957.36	\$60,000.00	\$151,510.74	\$8,446.62	\$0.00
Applewood	\$1,087,665.40	\$352,200.00	\$452,571.00	\$452,571.00	\$0.00	\$0.00	\$0.00
Baylor Court*	\$571,031.04	\$137,606.00	\$30,000.00	\$30,000.00	\$0.00	\$0.00	\$51,000.00
Clarendon	\$4,715,164.01	\$2,617,096.00	\$2,178,067.90	\$186,562.00	\$1,991,505.90	\$0.00	\$0.00
Foxworth	\$35,875.84	\$0.00	\$663,960.00	\$292,424.00	\$0.00	\$371,536.00	\$102,571.00
Gateway Plaza	\$1,729,782.80	\$1,096,635.13	\$139,000.00	\$139,000.00	\$0.00	\$0.00	\$0.00
Hall Towers	\$1,284,134.09	\$470,964.00	\$510,099.00	\$280,438.00	\$229,661.00	\$6,059.20	\$0.00
Hampton Homes	\$1,013,303.17	\$4,217,646.00	\$971,210.01	\$953,505.62	\$11,645.19	\$30,000.00	\$285,824.00
Hickory Trails	\$1,765,044.51	\$1,121,638.00	\$672,000.00	\$642,000.00	\$0.00	\$30,000.00	\$285,824.00
Hicone	\$36,050.00	\$33,600.00	\$367,100.00	\$145,100.00	\$176,000.00	\$46,000.00	\$79,000.00
Lakespring	\$684,599.90	\$351,600.00	\$360,500.00	\$360,500.00	\$0.00	\$0.00	\$0.00
Laurel Oaks	\$1,122,051.79	\$0.00	\$169,000.00	\$0.00	\$169,000.00	\$0.00	\$139,571.00
Pear Leaf	\$928,306.79	\$362,300.00	\$300,000.00	\$300,000.00	\$0.00	\$0.00	\$0.00
Ray Warren	\$4,901,599.88	\$731,600.00	\$2,797,544.00	\$898,688.00	\$1,898,856.00	\$0.00	\$695,562.00
Silver Birch	\$1,504,861.37	\$0.00	\$102,300.00	\$0.00	\$102,300.00	\$0.00	\$0.00
Silver Briar*	\$2,983,822.76	\$185,950.00	\$300,000.00	\$300,000.00	\$0.00	\$0.00	\$0.00
Smith Homes	\$9,338,788.71	\$1,869,113.20	\$2,054,505.20	\$0.00	\$753,645.20	\$1,300,860.00	\$57,000.00
Stoneledge	\$1,662,315.21	\$295,250.00	\$371,550.00	\$71,550.00	\$300,000.00	\$0.00	\$102,571.00
Woodberry Run	\$621,776.10	\$525,846.69	\$0.00	\$0.00	\$0.00	\$0.00	\$87,772.00
Woodland Village	\$560,877.00	\$0.00	\$142,772.00	\$142,772.00	\$0.00	\$0.00	\$0.00
ACC/HAP/ Mixed Finance Properties	\$0.00	\$23,467,500.00	\$23,467,500.00	\$23,467,500.00	\$0.00	\$0.00	\$0.00

Total	\$36,611,439.08	\$37,916,945.02	\$36,269,636.47	\$28,722,610.62	\$5,784,124.03	\$1,762,901.82	\$1,600,871.00
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	Cost Per Unit						
Abby Court	\$4,599.19	\$5,742.86	\$15,711.24	\$4,285.71	\$10,822.20	\$603.33	\$0.00
Applewood	\$21,753.31	\$7,044.00	\$9,051.42	\$9,051.42	\$0.00	\$0.00	\$0.00
Baylor Court*	\$51,911.91	\$12,509.64	\$2,727.27	\$2,727.27	\$0.00	\$0.00	\$4,636.36
Foxworth	\$815.36	\$0.00	\$15,090.00	\$6,646.00	\$0.00	\$8,444.00	\$2,331.16
Gateway Plaza	\$7,827.07	\$4,962.15	\$628.96	\$628.96	\$0.00	\$0.00	\$0.00
Hall Towers	\$8,231.63	\$3,019.00	\$3,269.87	\$1,797.68	\$1,472.19	\$0.00	\$0.00
Hampton Homes	\$3,518.41	\$14,644.60	\$3,372.26	\$3,310.78	\$40.43	\$21.04	\$0.00
Hickory Trails	\$13,897.99	\$8,831.80	\$5,291.34	\$5,055.12	\$0.00	\$236.22	\$2,250.58
Lakespring	\$11,410.00	\$5,860.00	\$6,008.33	\$6,008.33	\$0.00	\$0.00	\$0.00
Laurel Oaks	\$22,441.04	\$0.00	\$3,380.00	\$0.00	\$3,380.00	\$0.00	\$2,791.42
Pear Leaf	\$18,566.14	\$7,246.00	\$6,000.00	\$6,000.00	\$0.00	\$0.00	\$0.00
Ray Warren	\$20,769.49	\$3,100.00	\$11,854.00	\$3,808.00	\$8,046.00	\$0.00	\$2,947.30
Silver Birch	\$30,097.23	\$0.00	\$2,046.00	\$0.00	\$2,046.00	\$0.00	\$0.00
Silver Briar*	\$59,676.46	\$3,719.00	\$6,000.00	\$6,000.00	\$0.00	\$0.00	\$0.00
Smith Homes	\$21,718.11	\$4,346.77	\$4,777.92	\$0.00	\$1,752.66	\$3,025.26	\$132.56
Stoneledge	\$33,246.30	\$5,905.00	\$7,431.00	\$1,431.00	\$6,000.00	\$0.00	\$2,051.42
Woodberry Run	\$15,942.98	\$13,483.25	\$0.00	\$0.00	\$0.00	\$0.00	\$2,250.56
Woodland Village	\$20,773.22	\$0.00	\$5,287.85	\$5,287.85	\$0.00	\$0.00	\$0.00
ACC/HAP/ Mixed Finance Properties	\$0.00	\$17,500.00	\$17,500.00	\$17,500.00	\$0.00	\$0.00	\$0.00

Cumulative Physical Needs Distribution Over Time

Property	0 - 5 Years	0 - 10 Years	0 - 15 Years	0 - 20 Years	Total Future Needs
Abby Court	\$144,788.71	\$204,788.71	\$356,299.45	\$364,746.07	\$364,746.07
Applewood	\$1,439,865.40	\$1,892,436.40	\$1,892,436.40	\$1,892,436.40	\$1,892,436.40
Baylor Court*	\$708,637.04	\$738,637.04	\$738,637.04	\$738,637.04	\$738,637.04
Clarendon	\$7,332,260.01	\$7,518,822.01	\$9,510,327.91	\$9,510,327.91	\$9,510,327.91
Foxworth	\$35,875.84	\$328,299.84	\$328,299.84	\$699,835.84	\$802,406.84
Gateway Plaza	\$2,826,417.93	\$2,965,417.93	\$2,965,417.93	\$2,965,417.93	\$2,965,417.93
Hall Towers	\$1,755,098.09	\$2,035,536.09	\$2,265,197.09	\$2,265,197.09	\$2,265,197.09
Hampton Homes	\$5,230,949.17	\$6,184,454.79	\$6,196,099.98	\$6,202,159.18	\$6,202,159.18
Hickory Trails	\$2,886,682.51	\$3,528,682.51	\$3,528,682.51	\$3,558,682.51	\$3,844,506.51
Hicone	\$69,650.00	\$214,750.00	\$390,750.00	\$436,750.00	\$515,750.00
Lakespring	\$1,036,199.90	\$1,396,699.90	\$1,396,699.90	\$1,396,699.90	\$1,396,699.90
Laurel Oaks	\$1,122,051.79	\$1,122,051.79	\$1,291,051.79	\$1,291,051.79	\$1,430,622.79
Pear Leaf	\$1,290,606.79	\$1,590,606.79	\$1,590,606.79	\$1,590,606.79	\$1,590,606.79
Ray Warren	\$5,633,199.88	\$6,531,887.88	\$8,430,743.88	\$8,430,743.88	\$9,126,305.88
River Birch	\$1,504,861.37	\$1,504,861.37	\$1,607,161.37	\$1,607,161.37	\$1,607,161.37
Silver Briar*	\$3,169,772.76	\$3,469,772.76	\$3,469,772.76	\$3,469,772.76	\$3,469,772.76
Smith Homes	\$11,207,901.91	\$11,207,901.91	\$11,961,547.11	\$13,262,407.11	\$13,319,407.11
Stoneridge	\$1,957,565.21	\$2,029,115.21	\$2,329,115.21	\$2,329,115.21	\$2,431,686.21
Woodberry Run	\$1,147,622.79	\$1,147,622.79	\$1,147,622.79	\$1,147,622.79	\$1,235,394.79
Woodland Village	\$560,877.00	\$703,649.00	\$703,649.00	\$703,649.00	\$703,649.00
ACC/HAP/ Mixed Finance Properties	\$23,467,500.00	\$46,935,000.00	\$46,935,000.00	\$46,935,000.00	\$46,935,000.00

Total	\$74,528,384.10	\$103,250,994.72	\$109,035,118.75	\$110,798,020.57	\$112,398,891.57
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	Cost Per Unit				
Abby Court	\$14,342.05	\$14,627.77	\$25,449.96	\$26,053.29	\$26,053.29
Applewood	\$28,797.31	\$37,848.73	\$37,848.73	\$37,848.73	\$37,848.73
Baylor Court*	\$64,421.55	\$67,148.82	\$67,148.82	\$67,148.82	\$71,785.19
Foxworth	\$815.36	\$7,461.36	\$7,461.36	\$15,905.36	\$18,236.52
Gateway Plaza	\$12,789.22	\$13,418.18	\$13,418.18	\$13,418.18	\$13,418.18
Hall Towers	\$11,250.63	\$13,048.31	\$14,520.49	\$14,520.49	\$14,520.49
Hampton Homes	\$18,163.02	\$21,473.80	\$22,514.24	\$21,535.27	\$21,535.27
Hickory Trails	\$22,729.78	\$27,784.90	\$27,784.90	\$28,021.12	\$30,271.70
Lakespring	\$17,270.00	\$23,278.33	\$23,278.33	\$23,278.33	\$23,278.33
Laurel Oaks	\$22,441.04	\$22,441.04	\$25,821.04	\$25,821.04	\$28,612.46
Pear Leaf	\$25,812.14	\$31,812.14	\$31,812.14	\$31,812.14	\$38,670.79
Ray Warren	\$23,869.49	\$27,677.49	\$35,723.49	\$35,723.49	\$32,143.23
River Birch	\$30,097.23	\$30,097.23	\$32,143.23	\$32,143.23	\$32,143.23
Silver Briar*	\$63,395.46	\$69,395.46	\$69,395.46	\$69,395.46	\$69,395.46
Smith Homes	\$26,064.89	\$26,064.89	\$27,817.55	\$30,842.81	\$30,975.37
Stoneridge	\$39,151.30	\$40,582.30	\$46,582.30	\$46,582.30	\$48,633.72
Woodberry Run	\$29,426.23	\$29,426.23	\$29,426.23	\$29,426.23	\$31,676.79
Woodland Village	\$20,773.22	\$26,061.07	\$26,061.07	\$26,061.07	\$26,061.07
ACC/HAP/ Mixed Finance Properties	\$17,500.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00