RESOLUTION 2026-29

A RESOLUTION OF THE CITY OF BROKEN BOW, NEBRASKA, WAIVING PAYMENT IN LIEU OF TAXES (PILOT) OBLIGATIONS OF THE BROKEN BOW HOUSING AUTHORITY FOR FISCAL YEARS 2024, 2025, AND 2026, AND ESTABLISHING AN AUTOMATIC WAIVER FOR THE SUBSEQUENT THREE FISCAL YEARS SUBJECT TO NOTICE.

WHEREAS, the Broken Bow Housing Authority (the "Housing Authority") is a local housing agency established under the Nebraska Housing Agency Act, Neb. Rev. Stat. § 71-1572 et seq., for the purpose of providing decent, safe, and sanitary housing affordable to persons of eligible income within the City of Broken Bow, Nebraska (the "City"), a city of the second class; and

WHEREAS, the real and personal property of the Housing Authority used solely for administrative offices, housing for persons of eligible income, and related appurtenances is exempt from ad valorem property taxes and special assessments pursuant to Neb. Rev. Stat. § 71-1590(1); and

WHEREAS, under Neb. Rev. Stat. § 71-1590(2), a housing agency may agree to make payments in lieu of taxes ("PILOT") to the county for improvements, services, and facilities furnished by the city, county, or other public agencies, which payments shall not exceed the amounts that would otherwise be payable as regular taxes and shall be distributed by the county to public agencies in proportion to their respective levies; and

WHEREAS, the City and the Housing Authority have historically operated under a cooperative arrangement or practice whereby the Housing Authority has remitted, or has been obligated to remit, PILOT amounts (commonly calculated as a percentage of shelter rent, often ten percent), and the City has, in prior fiscal years, waived all or portions of such PILOT obligations and returned or permitted retention of the corresponding funds by the Housing Authority to support maintenance, capital improvements, and operations; and

WHEREAS, the Housing Authority has requested that the City waive the PILOT amounts otherwise attributable to or payable in connection with fiscal years 2024, 2025, and 2026, and return or permit retention of such funds by the Housing Authority for the benefit of its facilities and residents; and

WHEREAS, the Mayor and City Council find that waiving the PILOT for fiscal years 2024, 2025, and 2026 is necessary, appropriate, and in the best interests of the City and its inhabitants, as it supports the continued provision of affordable housing, consistent with the practices of peer Nebraska communities such as the City of St. Edward and the City of Sargent, and does not materially impair the City's fiscal position; and

WHEREAS, the City Council further desires to establish a semi-permanent automatic waiver ("auto-waive") of the Housing Authority's PILOT obligation to the City for the next three fiscal years (2027, 2028, and 2029), while retaining the ability to change, modify, suspend, or rescind such automatic waiver upon written notice, thereby providing operational certainty to the Housing Authority while preserving the City's oversight and fiscal authority; and

WHEREAS, this action is limited to the City's portion or claim with respect to any PILOT calculation and does not purport to bind or waive the interests of any other taxing entity.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Broken Bow, Nebraska, as follows:

1. That the Payment in Lieu of Taxes (PILOT) otherwise payable by or attributable to the Broken Bow Housing Authority in connection with fiscal years 2024, 2025, and 2026, to the extent of the City of Broken Bow's share or claim, is hereby waived in full. The Housing Authority shall have no responsibility to remit said PILOT amounts to the City for the stated fiscal years, and any such funds calculated, collected, or held shall be retained by or returned to the Housing Authority for its lawful purposes, including but not limited to maintenance, capital improvements, and operations of its facilities.

2. That the City hereby establishes an automatic waiver of the Housing Authority's PILOT obligation to the City for fiscal years 2027, 2028, and 2029 (the "Auto-Waive Period"). During the Auto-Waive Period, the PILOT attributable to the City shall be deemed waived annually without further formal action by the City Council, unless the City provides written notice to the Housing Authority of its intent to terminate, modify, suspend, or discontinue the automatic waiver for any subsequent fiscal year within the period.

3. That written notice under paragraph 2 shall be directed to the Executive Director of the Broken Bow Housing Authority (or the Board of Commissioners) and shall be given at least ninety (90) days prior to the commencement of the fiscal year for which the waiver is to be changed or rescinded. The City Council retains the right, by subsequent resolution, to modify, suspend, or rescind this automatic waiver at any time upon providing reasonable notice to the Housing Authority.

4. That this resolution is limited to the City's portion of any PILOT and does not waive, release, or affect the interests of any other political subdivision or taxing entity. It is cumulative with and does not amend any existing Cooperation Agreement except as to the City's exercise of its discretion to waive receipt of funds for the periods stated.

5. That the City Administrator, City Clerk, and City Attorney are authorized and directed to take all actions necessary or appropriate to implement this resolution, including providing formal notice of the waiver and automatic waiver provisions to the Broken Bow Housing Authority, coordinating any required accounting or reporting with the Custer County Treasurer or other entities, and retaining a copy of this resolution in the official records of the City.

6. That this resolution shall be effective upon its passage and approval by the Mayor and City Council.

PASSED AND APPROVED this 27th day of October, 2026.

Rodney Sonnichsen, Mayor

ATTEST:

Jennifer A. Waterhouse

Jennifer A. Waterhouse, City Clerk

CITY OF BROKEN BOW CORPORATE SEAL NEBRASKA