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**AGREEMENT FOR PAYMENT IN LIEU OF TAXES FOR  
AD VALOREM TAXES  
BETWEEN  
HOUSING AUTHORITY OF HOPKINSVILLE  
AND  
CITY OF HOPKINSVILLE, KENTUCKY**

**DATED MAY \_\_\_\_\_, 2020**

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## AMENDED AND RESTATED

### AGREEMENT FOR PAYMENT IN LIEU OF AD VALOREM TAXES

This **AMENDED AND RESTATED AGREEMENT FOR PAYMENT IN LIEU OF TAXES** for property subject to ad valorem taxes (this “*PILOT Agreement*”) is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between the **Housing Authority of Hopkinsville**, a municipal Housing Authority, (the “*Housing Authority*”) and the **City of Hopkinsville, Kentucky**, a Kentucky municipality, (the “*City*”).

**WHEREAS**, the Housing Authority owns and manages approximately 455 units of affordable housing and related facilities located in the City of Hopkinsville, Kentucky (the “*Affordable Units*”), which are currently operated and assisted as “public housing” pursuant to the U. S. Housing Act of 1937, 42 U.S.C. 1437-1437z-8 (the “*Housing Act*”); and

**WHEREAS**, the Affordable Units, being public property used for a public purpose, have been recognized as exempt from ad valorem taxes pursuant to Section 170 of the Kentucky Constitution; and

**WHEREAS**, the Housing Authority is converting the Affordable Units under the Rental Assistance Demonstration (“*RAD*”) Program operated by the U. S. Department of Housing and Urban Development (“*HUD*”) under Section 8 of the Housing Act. Under the RAD Program, the Affordable Units must be made available to all current tenants, and must continue to be made available to low-income families as defined by the Housing Act for so long as HUD continues to provide Section 8 assistance, such obligation being reflected in a use agreement recorded in the applicable land records with priority over all financing (“*RAD Use Agreement*”); and

**WHEREAS**, the Housing Authority proposes to renovate and recapitalize the Affordable Units using tax-exempt bonds and Low-Income Housing Tax Credits (“*LIHTCs*”) administered by the Kentucky Housing Corporation, so as to ensure the long-term availability of the Assisted Units as a resource for low-income residents of the City; requirements of the LIHTC program are evidenced by an extended use agreement recorded in the applicable land records (the “*LIHTC Covenants*”); and

**WHEREAS**, in order to utilize LIHTCs and raise additional capital, the Housing Authority will lease the Affordable Units under a long-term ground lease (the “*Lease*”) to a limited liability limited partnership, New Hope Properties, LLLP (“*New Hope*”), in which the Housing Authority through a related entity will serve as the 51% member of the general partner; and

**WHEREAS**, PILOT payments may be used by the City of Hopkinsville, as recipient, for any governmental purpose; and

**WHEREAS**, PILOT payments are designed to assist local units of government in carrying out vital services such as firefighting, police protection, and the maintenance of roads and bridges; and

**WHEREAS**, the parties hereto do wish to renew and update their previous agreements concerning all of the foregoing, including that certain PILOT Agreement approved by the Common Council of the City of Hopkinsville on April 7, 2020.

**NOW, THEREFORE**, the Housing Authority and the City do hereby agree as follows:

1. **Property subject to PILOT Agreement:** The properties subject to this agreement, all of which are owned in fee simple by the Housing Authority, are identified in Exhibit "A" attached hereto.

2. **Exemption:** The parties acknowledge that the operation of the Affordable Units as affordable housing in conformance with the RAD Use Agreement is a public purpose.

3. **PILOT Term:** This PILOT Agreement shall become effective upon the effective date of the Lease and shall continue for the longer of the term of such Lease or fifty (50) years; provided, however, that this PILOT Agreement may be sooner terminated at the City's election in the event of default and termination of the RAD Use Agreement, unless the Housing Authority then demonstrates the continues use of the subject property as affordable housing.

4. **Payment in Lieu of Ad Valorem Taxes:** The Housing Authority agrees to pay the City and the City agrees to accept from the Housing Authority annual payments in lieu of ad valorem property taxes an amount equal to \$102.00 per unit per year. The City and the Housing Authority agree to review the amount of the per unit per year payment every five (5) years in order to calculate a payment in lieu of ad valorem taxes consistent with the then existing HUD guidelines.

5. **Notices:** All notices, consents, request or other communication by and between the parties shall be reduced to writing and delivered as follows:

Housing Authority of Hopkinsville  
400 North Elm Street  
Hopkinsville, KY 42240

City of Hopkinsville, Kentucky  
715 South Virginia Street  
Hopkinsville, KY 42240

With a copy to:

New Hope Properties, LLLP  
c/o TCG Development Advisors, LLC  
348 Thompson Creek Mall, Suite 357  
Stevensville, MD 21666  
Attn: Peter Behringer

Any such addresses for the giving of notices may be changed by either Party by giving written notice as provided above to the other party.

6. **Applicable Law:** This Agreement shall be made and interpreted in accordance with the laws of the Commonwealth of Kentucky and applicable regulations adopted by the HUD, or any successor agency.

**APPROVED** by the Common Council of the City of Hopkinsville, Kentucky at a meeting held on \_\_\_\_\_, 2020, a quorum present and voting.

This Agreement was approved by the Board of Commissioners of the Housing Authority of Hopkinsville at a regular meeting held on \_\_\_\_\_, 2020, a quorum present and voting.

**Housing Authority of Hopkinsville**

**City of Hopkinsville, Kentucky**

BY: \_\_\_\_\_  
Tim Goodaker, Chairperson

BY: \_\_\_\_\_  
Wendell Lynch, Mayor

PREPARED BY:

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**J. Michael Foster**  
Foster, Soyars & Associates, PLLC  
209 East 14<sup>th</sup> Street  
PO Box 24  
Hopkinsville, Kentucky 42241-0024  
(270) 886-1272

**Exhibit "A"**  
**Covered Properties**

Pennyrile Homes  
Pennyrile Village  
Riverfront Village  
Waddell Village  
Brooks Village  
Eastside Terrace  
B.O. Moore Court  
Rozelle Village  
Ira Owens Homes  
1404 Honeysuckle Drive