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COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

October 29, 2014

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

**RE: Payment in Lieu of Taxes (PILOT) Agreement for Bellamy Commons – 1490
Jefferson Avenue, City of Buffalo – Affordable Housing Development**

Dear Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum seeking authorization for the County Executive to execute a Payment in Lieu of Taxes (PILOT) agreement with Bellamy Commons, LLC, Attica Housing Development Fund Company, Inc. and the City of Buffalo.

Should your Honorable Body require any further information, I encourage you to contact Deputy Commissioner Thomas J. Dearing in the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely yours,



Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cw

Cc: Maria R. Whyte, Commissioner
Thomas J. Dearing, Deputy Commissioner

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Payment in Lieu of Taxes (PILOT) Agreement for Bellamy Commons – 1490 Jefferson Avenue, City of Buffalo – Affordable Housing Development
Date: October 29, 2014

SUMMARY

The Department of Environment and Planning is seeking authorization for the County Executive to execute a PILOT agreement with Attica Housing Development Fund Company, Inc., Bellamy Commons, LLC and the City of Buffalo.

The PILOT payments are based on the PILOT policy that was adopted by the Erie County Legislature on December 16, 1999.

FISCAL IMPLICATIONS

In accordance with the PILOT policy, the proposed PILOT payment for Bellamy Commons, LLC shall be based on a payment of \$10,263.10 and would escalate by 3% each year for a fifteen-year term. The County would receive twenty-five percent (25%) of each annual payment, and the City of Buffalo would receive seventy-five percent (75%) of each annual payment. The attached payment Schedule A lists the complete payments over the fifteen years of the Agreement.

REASON FOR RECOMMENDATION

The City of Buffalo supports the project and on October 15, 2014 the Common Council of the City of Buffalo passed a resolution approving a PILOT for Bellamy Commons, LLC. The project conforms to the provisions of Article XI of the New York Private Housing Finance Law.

BACKGROUND INFORMATION

Bellamy Commons, LLC consists of thirty (30) affordable apartment units for low income households and office space for two (2) not-for-profit organizations located at 1490 Jefferson Avenue in the City of Buffalo, New York.

CONSEQUENCES OF NEGATIVE ACTION

Without the PILOT, it would not be economically feasible for Bellamy Commons, LLC to operate the project.

STEPS FOLLOWING APPROVAL

The County Executive will enter into a PILOT agreement with the noted parties.

**A RESOLUTION SUBMITTED BY:
DEPARTMENT OF ENVIRONMENT AND PLANNING**

**RE: Payment in Lieu of Taxes (PILOT)
Agreement for Bellamy Commons –
1490 Jefferson Avenue, City of Buffalo
– Affordable Housing Development**

WHEREAS, Bellamy Commons, LLC is developing housing for low and very low income households pursuant to Article XI of the New York Private Housing Finance Law; and

WHEREAS, Bellamy Commons, LLC will consist of the development of thirty (30) rental residential units and two office spaces. The Project is located at 1490 Jefferson Avenue in the City of Buffalo with fifteen of the housing units being affordable to households with income between 51% to 60% of the area median income and fifteen of the units affordable to households with income below 50% of the area median income; and

WHEREAS, the project contains approximately 1,900 square feet of commercial space to be initially leased to non-profit organizations; and

WHEREAS, the office space will be used by two not-for-profit organizations; and

WHEREAS, the revenue from the commercial space has been factored into the calculation of Total Effective Income; and

WHEREAS, the Erie County Legislature adopted a policy on Payment in Lieu of Taxes (PILOT) on December 16, 1999, and the PILOT is consistent with said policy; and

WHEREAS, in order to make the Project economically feasible for Bellamy Commons, LLC to operate the housing project it is necessary to obtain tax relief from the County of Erie and the City of Buffalo.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is hereby authorized to execute a Payment in Lieu of Taxes (PILOT) Agreement with Bellamy Commons, LLC, Attica Housing Development Fund Company, Inc., and the City of Buffalo relating to Bellamy Commons, LLC and all other agreements necessary to conclude this housing project; and be it further

RESOLVED, that 50% of the units remain affordable to and occupied by households earning no greater than 50% of the area median income, adjusted for family size, and 50% of the units remain affordable to and occupied by households with income between 51% to 60% of the area median income, adjusted for family size, as determined by the U. S. Department of Housing and Urban Development for the period of the Agreement; and be it further

RESOLVED, that said Agreement shall include an annual PILOT in the amount of taxes due as set forth on Schedule A attached hereto, and payment under the Agreements will be for fifteen (15) years, with the County share of each annual payment being twenty-five (25) percent of the total amount; and be it further

RESOLVED, that certified copies of this resolution shall be forwarded to the County Executive; the Director of the Division of Budget and Management; the Director of Real Property Tax Services; the Commissioner of the Department of Environment and Planning; the County Comptroller; and the County Attorney.

Schedule A

**Payment in Lieu of Taxes (PILOT) Agreement
For Bellamy Commons – Affordable Housing Project**

Year	Total	City	County
1	10,263.10	7,697.33	2,565.78
2	10,570.99	7,928.24	2,642.75
3	10,888.12	8,166.09	2,722.03
4	11,214.77	8,411.07	2,803.69
5	11,551.21	8,663.41	2,887.80
6	11,897.75	8,923.31	2,974.44
7	12,254.68	9,191.01	3,063.67
8	12,622.32	9,466.74	3,155.58
9	13,000.99	9,750.74	3,250.25
10	13,391.02	10,043.26	3,347.75
11	13,792.75	10,344.56	3,448.19
12	14,206.53	10,654.90	3,551.63
13	14,632.73	10,974.54	3,658.18
14	15,071.71	11,303.78	3,767.93
15	15,523.86	11,642.89	3,880.96