



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

April 2, 2014

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

RE: Payment In Lieu Of Taxes (PILOT) Agreement for Mass Ave Community Homes

Dear Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) agreement for Mass Ave Community Homes (Project). The resolution authorizes the County Executive to execute an agreement with Mass Ave Community Homes Housing Development Fund Corporation and Mass Ave Community Homes, LLC.

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

Sincerely,

Mark C. Poloncarz
Erie County Executive

MCP/cw
Enclosure

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 Mass Ave Community Homes
Date: April 2, 2014

SUMMARY

The Department of Environment and Planning is seeking authorization for the County Executive to enter into a PILOT Agreement with Mass Ave Community Homes Housing Development Fund Corporation and Mass Ave Community Homes, LLC. The PILOT payments are based on the PILOT policy that was adopted by the Erie County Legislature on December 16, 1999.

The Mass Ave Community Homes project consists of the substantial rehabilitation and new construction of 16 buildings providing 46 affordable rental housing units and 800 square feet of leasable commercial space in a neighborhood in the City of Buffalo, New York. The Project will include a neighborhood along Sherwood Street, Hampshire Street, Massachusetts Avenue, 14th Street, 19th Street, Chenango Street, West Utica Street, Vermont Street and Normal Street. The project will serve low and very low income persons.

FISCAL IMPLICATIONS

In accordance with the PILOT policy, the proposed PILOT payments would be based on a payment of \$13,922.25 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 lists the complete payments over the fifteen years of the Agreement.

REASONS FOR RECOMMENDATION

The Project conforms to the provisions of Article XI of the New York Private Housing Finance Law.

BACKGROUND INFORMATION

The project will bring to the west side of Buffalo, New York neighborhood quality affordable rental housing through substantial rehabilitation and new construction of 16 buildings, providing 46 units of affordable rental housing. Eighty-five percent of the units will be for households with income at or below 60% of the area median income. The balance of the units will be for households with income between 61% and 80% of the area median income.

CONSEQUENCES OF NEGATIVE ACTION

Without the PILOT, it would not be economically feasible for Mass Ave Community Homes Housing Development Fund Corporation to operate the project.

STEPS FOLLOWING APPROVAL

The County Executive will enter into a PILOT agreement with Mass Ave Community Homes Housing Development Fund Corporation and Mass Ave Community Homes, LLC.

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

**RE: Payment in Lieu of Taxes (PILOT)
Agreement for Mass Ave
Community Homes**

WHEREAS, Mass Ave Community Homes Housing Development Fund Corporation and Mass Ave Community Homes, LLC are developing housing for low and very low income households (Project), pursuant to Article XI of the New York Private Housing Finance Law; and

WHEREAS, the Project is located in the City of Buffalo, New York along Sherwood Street, Hampshire Street, Massachusetts Avenue, 14th Street, 19th Street, Chenango Street, West Utica Street, Vermont Street and Normal Street; and

WHEREAS, the Project will serve low and very low income households and will include 16 buildings providing 46 rental housing units and 800 square feet of leasable commercial space; and

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

WHEREAS, in order to make the Project economically feasible for Mass Ave Community Homes Housing Development Fund Corporation and Mass Ave Community Homes, LLC to operate the housing complex 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 Mass Ave Community Homes Housing Development Fund Corporation, Mass Ave Community Homes, LLC, and appropriate other organizations necessary to carry out the Agreement relating to Mass Ave Community Homes and all other contracts necessary to conclude this Project; 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. Payment under the Agreement 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

MASS AVE COMMUNITY HOMES PROJECT

Year	Total	City	County
1	14,031.50	10,523.63	3,507.88
2	14,452.45	10,839.33	3,613.11
3	14,886.02	11,164.51	3,721.50
4	15,332.60	11,499.45	3,833.15
5	15,792.58	11,844.43	3,948.14
6	16,266.35	12,199.77	4,066.59
7	16,754.34	12,565.76	4,188.59
8	17,256.98	12,942.73	4,314.24
9	17,774.68	13,331.01	4,443.67
10	18,307.92	13,730.94	4,576.98
11	18,857.16	14,142.87	4,714.29
12	19,422.88	14,567.16	4,855.72
13	20,005.56	15,004.17	5,001.39
14	20,605.73	15,454.30	5,151.43
15	21,223.90	15,917.93	5,305.98