



ECLEG NOV02'15 AM 9:54

# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

October 28, 2015

Erie County Legislature  
92 Franklin Street – 4<sup>th</sup> Floor  
Buffalo, New York 14202

RE: Payment in Lieu of Taxes (PILOT) Agreement for Evergreen Lofts – 125 Cherry Street in the City of Buffalo – Affordable Housing

Dear Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) agreement for Evergreen Lofts at 125 Cherry Street in the City of Buffalo. The resolution authorizes the County Executive to execute an agreement with Evergreen Lofts Supportive Residence, L.P. and ELA Housing Development Fund Company, Inc. and the City of Buffalo.

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

Sincerely,

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/cw

cc: Thomas J. Dearing, 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 Evergreen Lofts – 125 Cherry Street in the City of Buffalo – Affordable Housing  
**Date:** October 28, 2015

---

### **SUMMARY**

The resolution seeks authorization for the County Executive to execute a PILOT agreement with Evergreen Lofts Supportive Residence, L.P. and ELA Housing Development Fund Company, Inc. 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 Evergreen Lofts shall be based on a payment of \$11,183.01 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 September 1, 2015 the Common Council of the City of Buffalo passed a resolution approving a PILOT for Evergreen Lofts. The project conforms to the provisions of Article XI of the New York Private Housing Finance Law.

### **BACKGROUND INFORMATION**

The project is located at 125 Cherry Street and certain adjacent parcels including 392 Genesee Street, in the City of Buffalo. The project site consists of a loft/ warehouse building and parking lot which spans across several parcels of land. The project will re-adapt the Buffalo Trunk Manufacturing Company Building, originally built in 1890, into apartments. The proposed loft projects will provide fifty-six (56) units of housing to individuals and families who are marginally housed or struggling with homelessness. It is anticipated that many of the tenants will be clients of Evergreen Health Services. The total development cost is projected to be approximately \$16,001,771. Of the 56 total units, twenty-eight (28) will be supportive housing units and will house formerly homeless persons with a chronic medical condition. The 28 supportive units will come fully furnished as the residents of these units will be those who were previously homeless and will not be able to provide home furnishings.

The remaining units will be affordable for households with income at or below 60% of the Area Median Income as defined by the United States Department of Housing and Urban Development.

**CONSEQUENCES OF NEGATIVE ACTION**

Without the PILOT, it would not be economically feasible for Evergreen Lofts Supportive Residence, L.P. to operate the project as it is currently structured.

**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 Evergreen Lofts – 125 Cherry Street in the City of Buffalo – Affordable Housing

WHEREAS, Evergreen Lofts Supportive Housing is developing housing for individuals and families who are marginally housed, and struggling with homelessness; and

WHEREAS, Evergreen Lofts will consist of the development of fifty-six (56) rental residential units inclusive of twenty-eight (28) supportive housing units; and

WHEREAS, twenty eight of the units shall house formerly homeless persons with a chronic medical condition; and

WHEREAS, said affordable housing consists of 50 one-bedroom units, four two-bedroom units, and two three-bedroom units; and

WHEREAS, all units shall be occupied by households having an annual income at or below 60% of the area median income, adjusted for family size, as said income figures are so defined by the United States Department of Housing and Urban Development; 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 Evergreen Lofts Supportive Housing, 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 Evergreen Lofts Supportive Residence, L.P., ELA Housing Development Fund Company, Inc., the City of Buffalo, and any other organizations necessary to conclude this PILOT 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

Evergreen Lofts PILOT

Schedule of Payments

Year	City	County	Total
1	8,387.26	2,795.75	11,183.01
2	8,638.88	2,879.63	11,518.50
3	8,898.04	2,966.01	11,864.06
4	9,164.98	3,054.99	12,219.98
5	9,439.93	3,146.64	12,586.58
6	9,723.13	3,241.04	12,964.17
7	10,014.82	3,338.27	13,353.10
8	10,315.27	3,438.42	13,753.69
9	10,624.73	3,541.58	14,166.30
10	10,943.47	3,647.82	14,591.29
11	11,271.77	3,757.26	15,029.03
12	11,609.93	3,869.98	15,479.90
13	11,958.22	3,986.07	15,944.30
14	12,316.97	4,105.66	16,422.63
15	12,686.48	4,228.83	16,915.31