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COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

November 24, 2015

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

RE: Payment in Lieu of Taxes (PILOT) Agreement for 347 East Ferry – Affordable Housing Project

Dear Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) agreement for 347 East Ferry – Affordable Housing Project. The latter is located in the City of Buffalo. The resolution authorizes the County Executive to execute an agreement with Saving Grace Ministries, 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,

A handwritten signature in black ink that reads "Mark C. Poloncarz".

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 347 East Ferry – Affordable Housing Project
Date: November 24, 2015

SUMMARY

The resolution authorizes the County Executive to execute a PILOT agreement with Saving Grace Ministries, 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 347 East Ferry shall be based on a payment of \$1,885.61 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 15, 2015 the Common Council of the City of Buffalo passed a resolution approving a PILOT for 347 East Ferry. The project conforms to the provisions of Article XI of the New York Private Housing Finance Law.

BACKGROUND INFORMATION

The project will consist of renovating the existing three-story masonry building located at 347 East Ferry Street, between Jefferson and the Kensington Expressway. The building is currently occupied by Gateway-Longview, Inc. and is used as a community resource center. The building does not currently include residential housing (the second and third floors currently house empty offices, classroom space and a kitchen area). The project development will be coordinated by Saving Grace Ministries, Inc. with support from True Community Development Corporation and Gateway-Longview, Inc. The building plan calls for eight (8) units on the second floor and third floor (three efficiencies, two 1-bedroom units and three 2-bedroom units on each floor). The first floor will be restored as a community center and program services site, not only for 347 East Ferry residents, but for the surrounding community. The building renovation includes installation of an elevator and addition of a side entrance to be used by tenants. The target population is low-income individuals and families (with and without children), ages 18 and over. All occupants will be low-income.

CONSEQUENCES OF NEGATIVE ACTION

The City of Buffalo and Erie County would be unable to obtain the PILOT Payments factored into the financial pro forma submitted to the City by the project owner.

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 347 East Ferry – Affordable Housing Project

WHEREAS, Saving Grace Ministries, Inc. is developing an affordable housing project in the City of Buffalo, known as 347 East Ferry; and

WHEREAS, 347 East Ferry will consist of the development of sixteen (16) residential rental units; and

WHEREAS, said affordable housing consists of six efficiencies, four 1-bedroom units and six 2-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.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is hereby authorized to execute a Payment in Lieu of Taxes (PILOT) Agreement with Saving Grace Ministries, 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.

347 East Ferry in the City of Buffalo – Affordable Housing Project

Saving Grace Ministries, Inc.

Schedule A

Year	Total	City	County
1	1,885.61	1,414.21	471.40
2	1,942.18	1,456.63	485.54
3	2,000.44	1,500.33	500.11
4	2,060.46	1,545.34	515.11
5	2,122.27	1,591.70	530.57
6	2,185.94	1,639.45	546.48
7	2,251.52	1,688.64	562.88
8	2,319.06	1,739.30	579.77
9	2,388.63	1,791.48	597.16
10	2,460.29	1,845.22	615.07
11	2,534.10	1,900.58	633.53
12	2,610.13	1,957.59	652.53
13	2,688.43	2,016.32	672.11
14	2,769.08	2,076.81	692.27
15	2,852.15	2,139.12	713.04