



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

November 25, 2016

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

**Re: Payment in Lieu of Taxes (PILOT) Agreement for the Ridge Road
Independent Living Project, City of Lackawanna – Affordable Housing
Development**

Dear Honorable Members:

Please find enclosed a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) Agreement for the Ridge Road Independent Living Project. The resolution authorizes the County Executive to execute an agreement with Community Service Fifth Housing Development Fund, Inc. and the City of Lackawanna.

Should your Honorable Body require further information, I encourage you to contact Thomas R. Hersey, Jr., Commissioner, at the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark Poloncarz".

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cw
Enclosure

Cc: Thomas R. Hersey, Jr., Commissioner

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Environment and Planning
Re: Payment in Lieu of Taxes (PILOT) Agreement for the Ridge Road Independent Living Project, City of Lackawanna – Affordable Housing Development
Date: November 25, 2016

SUMMARY

The resolution authorizes the County Executive to execute a PILOT agreement with Community Service Fifth Housing Development Fund, Inc. and the City of Lackawanna.

The owner is seeking a PILOT from the City of Lackawanna and Erie County consistent with the PILOT Policy adopted by the Erie County Legislature on December 16, 1999.

FISCAL IMPLICATIONS

In accordance with the PILOT policy, the proposed PILOT payment for the Ridge Road Independent Living Project shall be based on a payment of \$9,608.75 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 Lackawanna would receive seventy-five percent (75%) of each annual payment. The attached payment Schedule A lists the complete payments over the fifteen years of this Agreement.

REASONS FOR RECOMMENDATION

The City of Lackawanna supports the project and on October 31, 2016 the Common Council of the City of Lackawanna passed a resolution approving a PILOT for the Ridge Road Independent Living Project. The project conforms to the provisions of Article XI of the New York Private Finance Law.

BACKGROUND INFORMATION

The project site consists of 32 units of affordable housing located at 264 Ridge Road in the City of Lackawanna. All 32 units (100%) are targeted to households under 50% of Area Median Income. Eight units (25%) will be reserved for persons with developmental disabilities, 4 units will be fully accessible and move-in ready for persons with hearing and/or vision impairments.

The total development cost for the Ridge Road Independent Living Project is \$8,294,569. The sources for funding include First Niagara Bank, NYS DHCR federal Tax Credits, deferred developers fees and deferred Capitalized Reserves.

CONSEQUENCES OF NEGATIVE ACTION

Without the PILOT, it would not be economically feasible for Community Service Fifth Housing Development Fund, Inc. 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:
ENVIRONMENT AND PLANNING

RE: Payment in Lieu of Taxes (PILOT) Agreement for the Ridge Road Independent Living Project, City of Lackawanna – Affordable Housing Development

WHEREAS, the Ridge Road Independent Living Project consists of a 32-unit affordable housing development in the City of Lackawanna at 264 Ridge Road; and

WHEREAS, Community Service Fifth Housing Development Fund, Inc. is developing 32-units (100%) for households below 50% of the area median 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 Community Service Fifth Housing Development Fund, Inc. to operate the housing project it is necessary to obtain tax relief from the County of Erie and the City of Lackawanna.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is hereby authorized to execute a Payment in Lieu of Taxes (PILOT) Agreement with Community Service Fifth Housing Development Fund, Inc., the City of Lackawanna, 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 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

The Ridge Road Independent Living Project PILOT

Year	Total Pilot	City	County
1	\$9,608.75	\$7,206.56	\$2,402.19
2	\$9,897.01	\$7,422.76	\$2,474.25
3	\$10,193.92	\$7,645.44	\$2,548.48
4	\$10,499.74	\$7,874.81	\$2,624.94
5	\$10,814.73	\$8,111.05	\$2,703.68
6	\$11,139.17	\$8,354.38	\$2,784.79
7	\$11,473.35	\$8,605.01	\$2,868.34
8	\$11,817.55	\$8,863.16	\$2,954.39
9	\$12,172.08	\$9,129.06	\$3,043.02
10	\$12,537.24	\$9,402.93	\$3,134.31
11	\$12,913.36	\$9,685.02	\$3,228.34
12	\$13,300.76	\$9,975.57	\$3,325.19
13	\$13,699.78	\$10,274.83	\$3,424.94
14	\$14,110.77	\$10,583.08	\$3,527.69
15	\$14,534.10	\$10,900.57	\$3,633.52