



# COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

FM

January 20, 2012

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

RE: Payment in Lieu of Taxes (PILOT) Agreement for White's Livery  
Apartments – Affordable Housing Development

Honorable Members:

Enclosed please find a proposed resolution and accompanying memorandum regarding a Payment in Lieu of Taxes (PILOT) agreement for White's Livery Apartments. The resolution authorizes the County Executive to execute an agreement with White's Livery Housing Development Fund Company, Inc., West Side Neighborhood Housing Services, Inc., and the City of Buffalo.

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

Sincerely,

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

MARK C. POLONCARZ  
Erie County Executive

2E-17

# MEMORANDUM

To: Honorable Members of the Erie County Legislature  
From: Department of Environment and Planning  
Re: Payment In Lieu Of Taxes (PILOT) Agreement for  
White's Livery Apartments – Affordable Housing Development  
Date: January 6, 2012

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## **SUMMARY**

It is recommended that the Erie County Legislature approve the attached resolution authorizing the County Executive to enter into a PILOT Agreement with White's Livery Housing Development Fund Company, Inc., West Side Neighborhood Housing Services, 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 payments would be based on a payment of \$2,495 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.

## **REASON FOR RECOMMENDATION**

The City of Buffalo supports the project and on September 6, 2011 the Common Council of the City passed a resolution approving a PILOT for White's Livery Apartments. The project conforms with the provisions of Article XI of the New York Private Housing Finance Law.

## **BACKGROUND INFORMATION**

White's Livery Apartments will be an adaptive reuse of 428 Jersey Street, Buffalo, New York a significant existing building once used as a livery stable. The project will consist of 14 units, twelve (12) one bedroom units and two (2) two bedroom units. The housing will be affordable for households with incomes at or below 60% of the area median income.

## **CONSEQUENCES OF NEGATIVE ACTION**

Without the PILOT, it would not be economically feasible for White's Livery Housing Development Fund Company, Inc. 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 White's Livery Apartments –  
Affordable Housing Development

WHEREAS, White's Livery Housing Development Fund Company, Inc. is developing housing for low and very low income households (Project), pursuant to Article XI of the New York Private Housing Finance; and

WHEREAS, the Project will be a substantial rehabilitated building, formerly a livery stable at 428 Jersey Street in the City of Buffalo, New York, and will contain 14 rehabilitated housing units, twelve (12) one-bedroom apartments and two (2) two-bedroom apartments for households with income at or below 60% of the median income for Erie County; 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 White's Livery Housing Development Fund Company, Inc. to operate the apartment 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 White's Livery Housing Development Fund Company, Inc., West Side Neighborhood Housing Services, Inc. and the City of Buffalo relating to the White's Livery Apartments and all other agreements 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 White's Livery Housing Development Fund Company, Inc. and West Side Neighborhood Housing Services, Inc. shall provide affordable housing at White's Livery in accordance with all applicable federal HOME Investment Partnership, Federal Home Loan Bank of New York, and other state program affordable housing requirements; 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  
PILOT Payment Schedule

Year	City	County	Total
1	1,871	624	2,495
2	1,927	642	2,570
3	1,985	662	2,647
4	2,045	682	2,726
5	2,106	702	2,808
6	2,169	723	2,892
7	2,234	745	2,979
8	2,301	767	3,068
9	2,370	790	3,161
10	2,442	814	3,255
11	2,515	838	3,353
12	2,590	863	3,454
13	2,668	889	3,557
14	2,748	916	3,664
15	2,830	943	3,774