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# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

May 6, 2022

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

**RE: Payment in Lieu of Taxes (PILOT) Agreement for Whitney Apartments Project,  
City of Buffalo – Affordable Housing Development**

Dear Honorable Members:

Please find an enclosed resolution from the Department of Environment and Planning regarding a Payment in Lieu of Taxes (PILOT) Agreement for Whitney Apartments Project. The resolution authorizes the County Executive to execute an agreement with Whitney Buffalo LLC, Whitney Buffalo Housing Development Fund Corporation, and the City of Buffalo.

Should your Honorable Body require further information, I encourage you to contact Deputy Commissioner Daniel Castle. Thank you for your consideration on this matter.

Sincerely yours,

Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/mw  
Enclosure

cc: Daniel R. Castle, Commissioner

## **MEMORANDUM**

**To:** Honorable Members of the Erie County Legislature  
**From:** Department of Environment and Planning  
**Re:** Payment in Lieu of Taxes (PILOT) Agreement Whitney Apartments Project, City of Buffalo – Affordable Housing Project  
**Date:** May 6, 2022

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### **SUMMARY**

The resolution authorizes the County Executive to execute a PILOT Agreement with Whitney Buffalo LLC, Whitney Buffalo Housing Development Fund Corporation, and the City of Buffalo.

The owner is seeking a PILOT from the City of Buffalo 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 Whitney Apartments Project shall be based on a payment of \$41,491 in year 1 and would escalate by 3% each year for an additional 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 payment Schedule A lists the payments for the 15 years of the Agreement.

### **REASONS FOR RECOMMENDATION**

The City of Buffalo supports the PILOT and on May 3, 2022, the Common Council of the City of Buffalo approved Whitney Apartments project PILOT Agreement. The project conforms to the provisions of Article XI of the New York Private Housing Finance Law.

### **BACKGROUND INFORMATION**

The residential project is in the West Village Historic District of Buffalo located at 126 Prospect Ave, 76 Johnson Park, 273 Georgia, 222 Carolina, 211 Carolina, 205 Carolina, 209 Carolina, 59 Whitney, 66 Whitney, 35 Whitney. The project consists of the historic renovation and rehab of 10 multi-family rental apartment buildings into one hundred and thirty-five (135) affordable multi-family rental units. 84% of the units will be affordable to households whose income range from 30% to 60% AMI. The remaining 16% of units will be for households with income is no more than 80% AMI. The total development cost is projected to be \$39,223,361.

### **CONSEQUENCES OF NEGATIVE ACTION**

Without the PILOT, it would not be economically feasible for Whitney Buffalo LLC and/or Whitney Buffalo Housing Development Fund Corporation 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 Whitney Apartments Project, City of Buffalo – Affordable Housing Project

WHEREAS, Whitney Apartments Project consists of the historic rehab and redevelopment of 10 multi-family apartment buildings into one hundred and thirty-five (135) affordable rental units for multi-family housing in the West Village Historic District of Buffalo located at 126 Prospect Ave, 76 Johnson Park, 273 Georgia, 222 Carolina, 211 Carolina, 205 Carolina, 209 Carolina, 59 Whitney, 66 Whitney, 35 Whitney; Buffalo, NY 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 Whitney Buffalo LLC, Whitney Buffalo Housing Development Fund Corporation to operate the housing project it is necessary to extend 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 Whitney Buffalo LLC, Whitney Buffalo Housing Development Fund Corporation, and 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 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 Payments**

<b>YEAR</b>	<b>PILOT</b>	<b>CITY</b>	<b>COUNTY</b>
1	\$ 41,491	\$ 31,118	\$ 10,373
2	\$ 42,735	\$ 32,052	\$ 10,684
3	\$ 44,017	\$ 33,013	\$ 11,004
4	\$ 45,338	\$ 34,003	\$ 11,334
5	\$ 46,698	\$ 35,024	\$ 11,675
6	\$ 48,099	\$ 36,074	\$ 12,025
7	\$ 49,542	\$ 37,157	\$ 12,386
8	\$ 51,028	\$ 38,271	\$ 12,757
9	\$ 52,559	\$ 39,419	\$ 13,140
10	\$ 54,136	\$ 40,602	\$ 13,534
11	\$ 55,760	\$ 41,820	\$ 13,940
12	\$ 57,433	\$ 43,075	\$ 14,358
13	\$ 59,156	\$ 44,367	\$ 14,789
14	\$ 60,930	\$ 45,698	\$ 15,233
15	\$ 62,758	\$ 47,069	\$ 15,690