

CITY OF BEACON

CITY COUNCIL

**REAL PROPERTY TAX EXEMPTION AND PAYMENT IN LIEU OF TAXES (PILOT)
AGREEMENT UNDER SECTION 577 OF THE PRIVATE HOUSING FINANCE LAW -
WEST END LOFTS HOUSING DEVELOPMENT FUND COMPANY, INC. AND
WEST END LOFTS LIMITED PARTNERSHIP -**

WEST END LOFTS PROJECT

(Lot 1 of West End Lofts Subdivision - Tax Parcel ID To Be Assigned)

Resolution No. ____ of 2018

WHEREAS, the City of Beacon has been requested to consider the issuance of a tax exemption and corresponding Payment in Lieu of Taxes Agreement under the provisions of the Private Housing Finance Law of the State of New York (“PHFL”) with regard to a portion of a proposed housing development known as “West End Lofts,” and

WHEREAS, the West End Lofts development includes three (3) multi-story buildings containing a total of ninety-eight (98) apartments on property located on Wolcott Avenue, which encompasses portions of City-owned, tax exempt property presently designated as Parcel ID Nos. 5954-26-688931 and 5954-26-708967; and

WHEREAS, the West End Lofts development is the subject of a two-lot subdivision application; and

WHEREAS, two of the buildings within the West End Lofts project will contain housing subject to income-testing requirements, for which funding will be obtained under the provisions of the PHFL (to be located on one of the two lots created through the aforementioned subdivision), and the third building will contain market rate housing (which will be located on the remaining lot); and

WHEREAS, the buildings housing income-restricted housing will be sited on the parcel designated as “Proposed Lot 1” on the map entitled “Preliminary Plat for West End Lofts” dated January 30, 2017 and last revised January 30, 2018, a copy of which (in reduced size format) is attached hereto and incorporated herein as Exhibit A (the “Subject Parcel”); and

WHEREAS, the Subject Parcel (for which a Tax Lot ID Number has yet to be assigned) is described in the legal description attached hereto and incorporated herein as Exhibit B;

WHEREAS, West End Lofts Housing Development Fund Company, Inc., a to-be-formed Article XI New York private housing finance law corporation and a New York not-for-profit corporation (the “HDFC”), and West End Lofts Limited Partnership, a New York limited partnership (the “Partnership”), have identified the Subject Parcel for the purpose of constructing

a housing project for persons of low income, said project to consist of: (i) the acquisition of the Subject Parcel; (ii) the construction thereon of seventy-three (73) units of housing for persons of low income, including one superintendent's unit, to be known as West End Lofts (the "Improvements"); and (iii) the acquisition and installation therein and thereon of certain machinery, equipment, furniture, fixtures and other tangible personal property (the "Equipment", and collectively with the Land and the Improvements, the "Project"); and

WHEREAS, the HDFC will be formed for the purpose of providing residential rental accommodations for persons of low-income; and

WHEREAS, the HDFC will acquire fee title to the Subject Parcel, as nominee for the Partnership, and will convey its equitable and beneficial interests in the Subject Parcel to the Partnership in furtherance of the development of the Project; and

WHEREAS, the HDFC's and the Partnership's plan for the use of the Subject Parcel constitutes a "housing project" as that term is defined in the PHFL; and

WHEREAS, the HDFC is a "housing development fund company" as the term is defined in Section 572 of the PHFL; and

WHEREAS, Section 577 of the PHFL authorizes the City Council of the City of Beacon (the "City Council"), as the local legislative body of the City of Beacon, to exempt the Subject Parcel, as improved by the Project, from real property taxes; and

WHEREAS, the HDFC will be a co-general partner of the Partnership; and

WHEREAS, the Partnership and HDFC are willing to enter into a Payment In Lieu of Taxes Agreement ("PILOT Agreement"), whereby they will make annual payments in lieu of taxes to the City as set forth in the PILOT Agreement presented to the City Council; and

WHEREAS, the City of Beacon desires to encourage a sufficient supply of adequate, safe and sanitary dwelling accommodations properly planned for persons of limited income and to provide for affordable housing opportunities within the community; and

WHEREAS, the Project advances this objective, and does so through the acquisition and use of municipally owned property that is currently tax exempt;

NOW THEREFORE, BE IT RESOLVED that the City hereby exempts the Subject Parcel and Project from real property taxes to the extent authorized by Section 577 of the PHFL and approve a proposed PILOT Agreement between and among the City of Beacon, the Partnership and the HDFC, in substantially the form presented at this meeting, providing for annual payments as set forth in such agreement; and

BE IT FURTHER RESOLVED, that the Mayor of the City is hereby authorized to execute and deliver the foregoing PILOT Agreement on behalf of the City; and

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately.