

Ellicott Park Townhomes Community Partners, LP
\$ 54,664,295
INDUCEMENT RESOLUTION / TAX EXEMPT BOND
ANTICIPATED BOND AMOUNT UP TO 33,000,000

ELIGIBILITY

- NAICS Section – 53

COMPANY INCENTIVES

- Anticipated Bond Amount – up to \$ 33,000,000
- Approximately \$ 1,050,000 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$230,856

JOBS & ANNUAL PAYROLL

- Current Jobs: 2 FT, 1 PT
- Annual Payroll: \$ 322,000
- Projected new jobs: 2 FT, 2 PT
- Est. salary/yr. of FT jobs created: \$ 49,000
- Est. salary/yr. of jobs retained: \$ 51,000
- Total jobs after project completion: 5 FTE

PROJECTED COMMUNITY BENEFITS*

- NET Community Benefits: \$28,814,204
- Construction Jobs: 210
- Spillover Jobs: 161
- Total Payroll: \$ 27,102,625

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$ 1,280,856
 Community Benefit: \$ 28,746,716
 Cost Benefit Ratio
 • 1:22

Project Title: Ellicott Townhomes
 Project Address: 10 Durham Ct (a/k/a 221 & 291 William St), Buffalo, NY 14204
 (City of Buffalo School District)

Agency Request

Issuance of a federally tax-exempt bond, a sales tax and a mortgage recording tax exemption in connection with the acquisition, renovation and upgrading of the Ellicott Park Townhomes

Building Addition	\$ 15,157,500
Reconstruction / Renovations	\$ 24,490,336
Soft Costs/Other	\$ 15,016,459
Total Project Cost	\$ 54,664,295
85%	\$ 46,464,650

Company Description

Community Preservation Partners (CPP) is an affordable housing rehabilitation company that believes housing is a basic human need, no matter an individual's age, race or socio-economic background. CPP partners with local developers, nonprofits, service providers and housing authorities to transform the lives of the residents who live in the communities we serve. As a result, since 2005 CPP has preserved more than 10,000 units of affordable housing in 14 states.

Project Description

Ellicott Park Townhomes is a 220-unit family Section 8 (68% or 150 units) affordable housing community located in twenty-one two-story wood frame with brick façade townhouse style buildings on 2 noncontiguous parcels totaling 8.9 acres in downtown Buffalo. These Townhomes were built in 1967 and are located just a few blocks from the main business district.

Renovations will cost approximately \$ 75,000 per unit and will include ADA unit conversions, air sealing, door replacement, flooring throughout, paint throughout, kitchen upgrades (new cabinets, quartz counters, energy star appliances, plumbing fixtures), bathroom upgrades (new vanities, quartz countertops, plumbing fixtures accessories) lighting replacement. Building systems – waste line repairs/replacement, exterior window replacement brick masonry repairs, roof replacement. Site work – mill repave and restripe asphalt parking lot, new playground, new gazebo, new dog park, BBQ grills, bike racks, tree trimming, path and travel improvements. Due to the extensive scope of renovations, tenants may experience minor displacement during construction - details are currently being worked out. Tenant furniture will not need to be moved.

CPP East to acquire the property on an acquisition bridge loan in 2022 followed by a tax credit and tax-exempt bond closing in the first quarter of 2023. CPP East will submit an Option 1 Mark-Up-to-Market rent adjustment and 20-year renewal of the HAP contract from HUD and apply for as-of-right 4% LIHTC through the NYS Housing Finance Agency. CPP is pursuing a 15 Year Affordable Housing PILOT in accordance with the City and County PILOT policy.

* Cost Benefit Analysis Tool powered by MRB Group

Project Description (cont'd)

Unit Type	Square Footage	Rental Amount	
		HAP	LIHTC
One Bedroom (35 units)	750 sf	\$ 1,190	-
Two Bedroom (101 units)	962 sf	\$ 1,450	\$ 870
Three Bedroom (84 units)	1,200 sf	\$ 1,835	\$ 899

2 one-bedroom units being used as leasing office

The Section 8 Housing Choice Voucher program is a form of government rent assistance through housing assistance payment contracts known as a HAP. On average, each household covered by a HAP contract will pay somewhere between 30% and 40% of its income on rent. The remaining portion for the rent is paid by HUD. For Ellicott Townhomes, the HAP contract rents will be increasing however, because of the subsidy, tenants will never pay more than between 30% and 40% of their income

Low Income Housing Tax Credits (LIHTC) rents are set at 30% of the income of the AMI tied to the unit. Rents for the LIHTC units in the property will not be increased upon acquisition.

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property Tax	\$0
	Sales Tax	\$ 1,050,000
	Mortgage Recording	230,856
	Total	\$ 1,280,856
	Discounted at 2%	\$ 1,280,856

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 25,494,952
			Payroll Permanent	\$1,607,673
		Public	Property Taxes	\$0
			Sales Taxes	\$225,291
			Other Revenue (Muni)	\$76,952
	New York State	Public	Income Taxes	\$1,219,618
			Sales Taxes	\$189,719
			Total Benefits to EC + NYS***	\$28,814,204
			Discounted at 2%	\$28,746,716

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period *** may not sum to total due to rounding

Discounted Cost	\$ 1,280,856
Discounted Benefit	\$ 28,746,716
Ratio	1:22

Conclusion: The Cost Benefit for this project is: :1. For every \$1 in costs (incentives), this project provides \$22 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$42 in benefits to the community.**

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$54,664,295 85% = \$ 46,464,650
Employment	Coincides with Recapture Period	Maintain Base = 2 FT, 1 PT (2 FTE) Create 85% of Projected Projected = 2 FT, 2 PT (3 FTE) 85% = 2 FTE Recapture Employment = 4 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with Recapture Period	Adherence to Policy
Unpaid Tax	Coincides with Recapture Period	Adherence to Policy
<u>Recapture Period</u>	2 years after project completion	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Mortgage Recording Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 2 FTE jobs and created 2 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 10/11/22: Public hearing held.
- 10/26/22 Type II Action not subject to SEQRA review
- 10/26/22: Inducement and Bond Sale Resolution presented to Board of Directors