

ADAPTIVE REUSE POLICY

Addendum #1

Applicability of the Adaptive Reuse Policy to an Adaptive Reuse Project consisting of or containing an element of, for rent residential housing

May __, 2024

Objective

Adaptive Reuse Projects consisting entirely of, or containing an element of, for-rent residential housing (hereinafter, collectively, an “Adaptive Reuse Housing Project”) continue to seek financial assistance from the Erie County Industrial Development Agency (the “Agency”). These project have successfully enabled the Agency to encourage the adaptive reuse of old and often abandoned and blighted structures, being one of the primary purposes of the Agency’s Adaptive Reuse Policy. To help address the growing housing affordability and accessibility challenges faced by many Erie County residents, the Agency will now require Adaptive Reuse Housing Projects to include a certain number of, and potentially a mix of configurations of, workforce/affordable housing units meeting that must be leased to a tenant(s) meeting certain income eligibility limits, subject to the criteria ~~as herein~~ described herein.

Key Definitions/Concepts

Adaptive Reuse Housing Project. An Adaptive Reuse Project consisting entirely of, or containing an element of, for-rent residential housing.

Area Median Income (“AMI”). AMI is the median household income for a particular geographic area. The New York State Affordable Housing Corporation (“AHC”) publishes annually the Statewide and regional AMI, ~~being a metric used to determine figures.~~ AMI serves as the benchmark for setting income thresholds that govern eligibility for ~~various~~ housing assistance programs in New York. ~~—AMI is a number showing the middle income level for a particular region. AMI is typically used to establish~~ These programs often define their income limits that are then used as specific percentages of AMI, such as 50% of 80%, to determine if a person or family can receive assistance withan individual or household qualifies for aid in covering housing eostsexpenses.

Workforce/Affordable Housing Rental Rate. For the purposes of this Addendum #1, the Agency defines a housing unit as “affordable” if the total housing costs do not exceed 30% of a household’s gross monthly income. The Workforce/Affordable Housing Rental Rate for a Workforce/Affordable Unit shall equal the product of (i) 30% and (ii) the 80% AMI figure (as identified in the AHC table for the year the application is submitted to the Agency, of initial occupancy for each such lease agreement lessee based on the number of occupants of a unit, where it is assumed a studio unit houses one person, a 1BR unit houses one person, a 2BR unit houses two people, and a 3 BR unit houses three people, and then dividing the product by 12.

Workforce/Affordable Unit. A residential unit within an Adaptive Reuse Housing Project that is subject to the terms and conditions of this Addendum #1.

Adaptive Reuse Housing Project Requirements

To qualify for Agency financial assistance, in addition to meeting the existing Adaptive Reuse Policy criteria, an Adaptive Reuse Housing Project must: ~~(i)~~

- (i) contain a certain number of ~~units~~ Workforce/Affordable Unit(s) having rental rates affordable to individuals and families at the Workforce/Affordable Housing Rental Rate; and ~~(ii)~~
- (ii) contain, if possible, a mix of configurations (studio, 1BR, 2BR, 3BR) of Workforce/Affordable Unit(s) to meet housing needs for households of varying size based on a building’s internal infrastructure and related financing considerations; and
- (iii) Require and restrict, via income verification, the occupancy of the Workforce/Affordable Unit(s) to the leasehold agreement lessee whose annual income is at or below the 80% AMI figure as identified in the AHC table for the initial year of occupancy of each such lease agreement lessee of a Workforce/Affordable Unit.

The required number of ~~workforce/affordable housing units~~ Workforce/Affordable Unit(s) for a project to qualify as an Adaptive Reuse Housing Project is as follows:

Total Number of Units	Number/Percentage of required Workforce/Affordable Units
1-10	At least one workforce/affordable unit
11 - 50	10%, with the required number to be determined by multiplying 10% by the total number of units and rounding the product up if the product contains a decimal of 0.5 or higher, and rounding the product down if the product contains a decimal of 0.4 or lower
51-100	15%, with the required number to be determined by multiplying 15% by the total number of units and rounding the product up if the product contains a decimal of 0.5 or higher, and rounding the product down if the product contains a decimal of 0.4 or lower
101 or more	20%, with the required number to be determined by multiplying 20% by the total number of units and rounding the product up if the product contains a decimal of 0.5 or higher, and rounding the product down if the product contains a decimal of 0.4 of lower

~~To determine the Workforce/Affordable Housing Rental Rate that must be charged for occupancy of each such workforce/affordable unit, the 80% AMI figure, based on the number of occupants of each such unit as herein described, must be identified using the AHC table for the year the application is submitted to the Agency. Then the Workforce/Affordable Housing Rental Rate must be calculated by multiplying the foregoing AMI figure by 30%. The product must then be divided by 12 to establish the per month Workforce/Affordable Housing Rental Rate for each required workforce/affordable unit.~~

Applicants will be required to certify and confirm, at the time of application and on an annual basis during the term of the Agency's monitoring and compliance period (not to exceed the applicable time period being two years following project completion (certificate of occupancy issuance) or the term of the PILOT Agreement benefit period, or such other term as required by the Agency) that the project will meet and continues to meet the Addendum #1 Adaptive Reuse Housing Project ~~criteria and that the project meets the Workforce/Affordable Housing Rental Rate based upon annual AMI updates by the AHC~~Requirements.

The goal of the Agency's Adaptive Reuse Policy is, ultimately, to encourage the adaptive reuse of existing but abandoned/blighted buildings. Notwithstanding anything contained within this Addendum #1 to the contrary, the Agency reserves the right to waive any or all the terms and conditions of this addendum on a case-by-case basis. This waiver can be granted if the Agency determines that strict adherence to Addendum #1 requirements would jeopardize the adaptive reuse of a building in alignment with the Agency's Adaptive Reuse Policy goals.