



**COMMON COUNCIL MEETING
FINANCE, ASSESSMENT AND TAXATION COMMITTEE
Ginnie Farrell, Chair**

DATE: Monday, June 15, 2020

TIME: 5:30 p.m. (Prior to Caucus)

TOPIC(S) OF DISCUSSION/CONSIDERATION:

Resolution Number 45.61.20R

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ALBANY
AUTHORIZING THE EXECUTION OF A PAYMENT IN LIEU OF TAXES (“PILOT”)
AGREEMENT BY AND BETWEEN THE CITY OF ALBANY, AND 25 DELAWARE
HOUSING DEVELOPMENT FUND COMPANY, INC. AND 25 DELAWARE, LLC**

PUBLIC COMMENT PERIOD: YES

The meeting is being held in accordance to Executive Order 202.15 which prohibits in-person attendance at public meetings, if executive order 202.15 expires before June 15, 2020, this will be an in-person meeting in City Hall, please check our website and Facebook for updates. Please submit your public comment via email commoncouncil@albanyny.gov or on our website <https://www.albanyny.gov/Government/CityOfficials/CommonCouncil.aspx> by Monday, June 15, 2020 12pm which will be read for the record at the meeting.

Meeting will be held using Zoom and streamed through the Albany Common Council’s Facebook. To stream this video please visit: <https://www.facebook.com/albany.commoncouncil>

If any technical problems, the video will then be streamed to YouTube:
https://www.youtube.com/channel/UC-rQHplfBLPcdk_4N6J4XbQ

Councilmember Conti introduced the following:

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AUTHORIZING THE EXECUTION OF A PAYMENT IN LIEU OF TAXES (“PILOT”)
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HOUSING DEVELOPMENT FUND COMPANY, INC. AND 25 DELAWARE, LLC**

WHEREAS, the City of Albany (the “City”) desires to encourage a sufficient supply of adequate, safe and sanitary housing accommodations to persons and families of low income; and

WHEREAS, 25 Delaware Housing Development Fund Corp. (the “HDFC”) is a not-for-profit corporation established pursuant to Section 402 of the New York State Not-For-Profit Corporation Law and Article XI of the New York State Private Housing Finance Law (“PHFL”); and

WHEREAS, the HDFC has been organized exclusively for the charitable purpose of providing housing accommodations to persons and families of low income; and

WHEREAS, 25 Delaware, LLC (the “Company”) is a limited liability company founded under the laws of the State of New York, of which Company the HDFC is or will be the “HDFC Member”; and

WHEREAS, the Company’s and the HDFC’s plan for the use of the property consists of the construction of forty (40) one bedroom units and eleven (11) two bedroom units of new, affordable housing, with parking, for families earning between 50% and 90% of the Area Median Income in a five story elevator building that will preserve the historic edifice currently occupying the property; and

WHEREAS, the HDFC will be the nominal fee owner of the Property; and

WHEREAS, the HDFC has acquired or will acquire fee title to the Property as nominee for the Company, and has conveyed or will convey its equitable and beneficial interest in the Property to the Company in furtherance of the development of the Project; 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 Common Council of the City of Albany to exempt the Project from real property taxes; and

WHEREAS, the Company and the HDFC will be willing to enter into a PILOT Agreement whereby they will make annual payments in lieu of taxes to the City as set forth in the PILOT Agreement presented to this Common Council for its approval, a copy of which is annexed hereto as Exhibit “A”;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City Of Albany hereby exempts the Project and the property more particularly identified in Exhibit A attached hereto and made part hereof from real property taxes to the extent authorized by Section 577 of the PHFL and approves the proposed PILOT Agreement between the City of Albany, the Company and the HDFC, in substantially the form attached hereto as Exhibit B, providing for annual payments as set forth in such agreement; and

BE IT FURTHER RESOLVED, that a fully executed copy of the PILOT Agreement will be filed immediately in the Office of the Assessor of the City of Albany and the Office of the Treasurer of the City of Albany; and

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

To: Danielle Gillespie, City Clerk
From: Brett Williams, Esq., Senior Assistant Corporation Counsel
Re: Request for Common Council Legislation
Supporting Memorandum
Date: May 22, 2020

SPONSOR: Councilmember Conti

RESOLUTION NUMBER 45.61.20R

TITLE

RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ALBANY AUTHORIZING THE EXECUTION OF A PAYMENT IN LIEU OF TAXES (“PILOT”) AGREEMENT BY AND BETWEEN THE CITY OF ALBANY, AND 25 DELAWARE HOUSING DEVELOPMENT FUND COMPANY, INC. AND 25 DELAWARE, LLC

GENERAL PURPOSE OF LEGISLATION

This resolution will authorize the City to enter into a Payment in Lieu of Taxes (“PILOT”) Agreement with 25 Delaware Housing Development Fund Company, Inc., and 25 Delaware, LLC, whereby the applicants will pay to the City ten percent of “shelter rent” – i.e. the amount of rent collected less the cost of utilities – instead of the property taxes that would otherwise be due on the property, for a term of thirty years.

The applicants intend to redevelop 25 Delaware Avenue into an affordable housing facility, with forty one-bedroom and eleven two-bedroom units of new, affordable housing, which will only be rented out to individuals and families who make between fifty and ninety percent of the Area Median Income. The building will be five stories and have an elevator, but will preserve the historic edifice currently occupying 25 Delaware Avenue.

NECESSITY FOR LEGISLATION AND ANY CHANGE TO EXISTING LAW

Under Public Housing Finance Law § 577(1)(a), “The local legislative body of any municipality in which a project of a housing development fund company ... is to be located may exempt the real property in such project from local and municipal taxes.” 25 Delaware Housing Development Fund Company, Inc., the fee owner of the subject property, seeks to enter into such a PILOT Agreement in exchange for being exempted from property taxes under this provision; this requires Council approval.

FISCAL IMPACT(S)

Under the proposed PILOT agreement, the applicants will pay 10% of their “shelter rent,” which is the amount of rent collected, less the cost of utilities, for a term of 30 years. This amount could be different from the amount that the property’s owners would otherwise have to pay in property taxes.