

**CITY OF HUDSON
COMMON COUNCIL
RESOLUTION NO. _____**

DATED August 18, 2020

**A RESOLUTION AUTHORIZING THE EXECUTION OF A PAYMENT
IN-LIEU OF TAX ("PILOT") AGREEMENT BY AND AMONG THE
CITY OF HUDSON, 75 NORTH 7TH STREET HUDSON HOUSING
DEVELOPMENT FUND COMPANY, AND 75 NORTH 7TH STREET
HUDSON LIMITED PARTNERSHIP**

WHEREAS, pursuant to Article 11 of the NYS Private Housing Finance Law ("PHFL"), a Housing Development Fund Company may be organized to undertake a project which consists of the provision of dwelling accommodations, including the acquisition, construction and/or rehabilitation of lands, buildings and improvements, and such commercial, social, recreational, communal or other non-housing facilities as may be incidental or appurtenant thereto, for persons of low income; and

WHEREAS, pursuant to Section 577 of the PHFL, the City is authorized to exempt such a project from local and municipal taxes including school taxes, other than assessments for local improvements, to the extent of all or part of the value of the property included in the completed project for a period of not more than forty years commencing in each instance from the date on which the benefits of such exemption first became available and effective; and

WHEREAS, in 2018 the Common Council of the City of Hudson adopted the Hudson Strategic Housing Action Plan, one of the overarching goals of which is to "facilitate the support and development of mixed-income housing carried out by private and non-profit developers;" and

WHEREAS, the Hudson Strategic Housing Action Plan called for the City to establish a streamlined process for providing Payment in Lieu of Taxes (PILOT) agreements to support development of mixed-income housing; and

WHEREAS, Galvan Initiatives Foundation has proposed to create the 75 NORTH 7TH STREET HUDSON HOUSING DEVELOPMENT FUND COMPANY ("HDFC") as a "Housing Development Fund Company" as defined in Section 572 of the PHFL, organized under Article 11 of the PHFL and Section 402 of the Not-For-Profit Corporation Law, to acquire title to an approximately .56 acre parcel of property at 65-75 North 7th Street in the City, including existing improvements ("Property") for the benefit of 75 NORTH 7TH STREET HUDSON LIMITED PARTNERSHIP ("PARTNERSHIP"), a New York limited partnership, having its principal office located c/o Galvan Initiatives Foundation, 252 Columbia Street, Hudson, New York 12534, and both HDFC and the Partnership have been or will be formed for the purpose of providing mixed-income residential rental accommodations including residential rental housing for persons of low income; and

WHEREAS, Galvan Initiatives Foundation is a not-for-profit corporation with the mission to improve the quality of life in Columbia County; and

WHEREAS, the HDFC will form the Partnership and act as its co-general partner in order to develop, own, construct, maintain and operate a mixed-income residential building at the Property, including rental housing for persons of low income, anticipated to consist of eighty-one residential rental units consisting of 91,313 gross square feet (the "Housing Units") and 4,233 gross square feet of commercial rental on the ground floor of the proposed residential buildings (the "Commercial Space") (collectively the "Project"); and

WHEREAS, the Partnership is pursuing public financing from New York State Homes and Community Renewal which will include the execution of a regulatory agreement requiring that the tenants of the Housing Units in the Project be limited to persons of low income as required under the DHCR's LIHTC qualified plan for 50 years; and

WHEREAS, the HDFC has requested that the City support the application for financing based on a proposed PILOT agreement for the Property in the form on file with the City Clerk ("PILOT Agreement") providing for a 95.6% partial tax exemption and payment of an agreed upon amount in lieu of taxes, which amount has been computed based on a fixed amount of \$100,000 increased by 2% each year, representing a reduced portion of the estimated amount which would otherwise be due regarding the Housing Units, plus the approximate amount which would otherwise be due with respect to the Commercial Space; and

WHEREAS, the Partnership has provided pro forma operating estimates showing that a fixed payment PILOT in the amount proposed is necessary for the Project to be feasible; and

WHEREAS, the provision of the proposed PILOT Agreement is expected to result in a \$80,000 increase in revenue compared to the current assessment;

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

WHEREAS, the City acts on behalf of itself and the County of Columbia and the Hudson City School District in assessing real property for purposes of taxation within the meaning of Section 125(1) of Article V of the PHFL;

WHEREAS, the HDFC is a "housing development fund company" as the term is defined in Section 572 of the PHFL and Section 577 of the PHFL authorizes the Town Board to exempt the Project from real property taxes; and

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Hudson hereby supports the application for financial assistance for the Project including the proposal for a PILOT Agreement by and among the City of Hudson, the HDFC, and the Partnership, in substantially the form presented at this meeting, providing for exemption of the Project from real property taxes to the extent authorized by Section 577 of the PHFL and annual amounts payable in quarterly installments as further provided in such PILOT Agreement.

BE IT FURTHER RESOLVED, that final approval of the PILOT Agreement will be considered upon completion of review under the State Environmental Quality Review Act.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to provide a letter of support on behalf of the City of Hudson with respect to the Project described herein.

BE IT FURTHER RESOLVED, that the officers, employees and agents of the City are hereby authorized and directed for and in the name and on behalf of the City to do all acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this resolution.

Introduced by: _____

Seconded by: _____

Approved: _____

By: _____
Mayor Kamal Johnson