

**CITY OF HUDSON INDUSTRIAL DEVELOPMENT AGENCY
NOTICE OF SPECIAL MEETING**

Please take notice that there will be a Special meeting of the City of Hudson’s Industrial Development Agency to be held in person and via Zoom on December 20, 2022 at 4:00pm, at One Hudson City Centre, Suite 301, Hudson, NY 12534 in accordance with Public Officers Law Section 103-a. This meeting is being held to discuss the 708 Depot District project. The meeting is open to the public, who will have the opportunity to attend the meeting in person at the One Hudson City Centre address or via Zoom and provide live comments. One or more members of the Board may attend the meeting via Zoom in the event they are unable to be present due to extraordinary circumstances in accordance with the Agency’s Videoconferencing Policy, a copy of which is posted on the Agency’s website. Comments can also be provided via email before and during the meeting to mtucker@columbiaedc.com. Meeting packets are posted and available on the City of Hudson’s website: Please check the website for updated information. The IDA reserves the option of discussing any other business which comes before the Board. City of Hudson IDA website:

Join Zoom Meeting

<https://us06web.zoom.us/j/81287690132?pwd=T29sU1hyWmkxSIVNN0VxdHFRajU2UT09>

Meeting ID: 812 8769 0132, Passcode: 680669

Dial by your location: 1 646 558 8656

Find your local number: <https://us06web.zoom.us/j/81287690132?pwd=T29sU1hyWmkxSIVNN0VxdHFRajU2UT09>

Dated: December 8, 2022

Richard Wallace

Secretary City of Hudson IDA

HIDA Board of Members Agenda

Members:

Heather S. Campbell	Theresa Joyner	Dominic Merante	Ryan Wallace
Kamal Johnson	Cheryl Kaszuga	Richard Wallace	

1. 708 State Street – Depot District
2. Public Comments

Attachments:

Amending Resolution

Draft Regulatory Agreement

CITY OF HUDSON
INDUSTRIAL DEVELOPMENT AGENCY

AND

HUDSON DEPOT DISTRICT LLC

REGULATORY AGREEMENT

DATED AS OF DECEMBER __, 2022

RELATING TO FINANCIAL ASSISTANCE GRANTED BY THE
AGENCY WITH RESPECT TO A CERTAIN PROJECT LOCATED AT 708 STATE STREET IN THE
CITY OF HUDSON, NEW YORK.

Tax ID No. 110.9-1-[]
City of Hudson, Columbia County, NY

RECORD AND RETURN TO:
Rodenhausen Chale & Polidoro LLP
55 Chestnut Street
Rhinebeck, NY 12572

Regulatory Agreement

This Regulatory Agreement dated as of December __, 2022 (this "Agreement") by and between the CITY OF HUDSON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation organized and existing under the laws of the State of New York (the "State") having an office for the transaction of business located at 520 Warren Street, Hudson, New York, 12534 (the "Agency") and HUDSON DEPOT DISTRICT LLC, a limited liability company duly organized and validly existing under the laws of the State of New York having an office for the transaction of business located at 42 West 39th Street, Floor 14, New York, NY 10018 (the "Company");

WHEREAS, the Agency and the Company have entered into a Lease Agreement ("Lease Agreement"), a Uniform Agency Project Agreement ("Project Agreement"), a Payment in Lieu of Tax Agreement ("PILOT") and an Agency Agreement ("Agency Agreement"), each dated as of the date hereof, together with other documents referred to therein (collectively the "Project Documents") providing for certain "financial assistance" (within the meaning of Section 854 (14) of the Act, as defined herein, with respect to) the acquisition, construction and equipment of a mixed use building with multifamily and commercial space totaling approximately 80,000 square feet (the "Project") consisting of (1) the acquisition by the Agency of title to or a leasehold (or other) interest in an approximately 0.86 acre site with existing improvements at 708 State Street, Hudson, New York, further identified as Tax ID 110.9-1-[] (the "Land"); (2) the construction of an approximately 80,000 square foot five-story building with 63 multifamily residential units and approximately 5,197 square feet of commercial space (the "Improvements"); and (3) the acquisition of and installation in and around the Improvements of certain machinery, equipment and other items of tangible personal property (the "Equipment" and, collectively with the Land, and the Improvements, the "Project Facility"), with an estimated total cost of \$16,077,628 ("Total Project Cost"); and (B) the granting of certain "financial assistance" (within the meaning of Section 854 (14) of the Act) with respect to the foregoing, including potential exemptions from sales taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the "Financial Assistance"); and

WHEREAS, pursuant to the Project Documents, the Company has covenanted and agreed to construct and maintain the Project Facility subject to certain affordability conditions more specifically set forth therein; and

WHEREAS, the Land more fully described in Exhibit A attached hereto shall be subject to the terms and conditions of this Agreement; and

WHEREAS, as a condition of receiving the financial assistance the Company has agreed to enter into this Agreement which is to be recorded pursuant to State law as a restrictive covenant against the Land; and

Now, therefore, the parties agree that the Project will be operated in accordance with the following terms and conditions:

1. Definitions

The capitalized terms utilized herein shall have the meanings set forth in the LIHTC Regulations unless otherwise defined herein or in the Project Documents.

“Act”: The Enabling Act together with Chapter 677 of the Laws of 1975 of the State, as amended, codified as Section 902-b of the General Municipal Law of the State.

“Applicant”: a person or household, including all proposed occupants, that applies for a tenancy at the Project Facility who meets the criteria set forth in the Company’s Tenant Selection Plan.

“Enabling Act”: Title 1 of Article 18-A of the General Municipal Law of the State of New York duly enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended.

“LIHTC”: Low Income Housing Tax Credits.

“LIHTC Regulations”: Section 42 of the United States Internal Revenue Code, and the rules and regulations promulgated thereunder and applicable guidance documents.

“NYS HCR”: New York State Housing and Community Renewal or successor New York State Agency authorized to administer LIHTC program compliance.

“Preferred Applicant”: An Applicant (i) whose income does not exceed the income limit set forth in Exhibit B for the applicable unit, and (ii) will occupy such unit as their sole residence.

“Rent Limit”: the maximum rent permitted for a specified unit in order for the Project to comply with the affordability requirements of Exhibit B and this Agreement.

“State”: The State of New York.

“Tenant Selection Plan”: The written tenant selection plan on file with the Company, which plan shall include reasonable selection criteria, including financial and leasing history, subject to compliance with applicable laws and regulatory requirements and including an affirmative fair housing marketing plan.

2. Agreement to Run with the Land; Recording

This Agreement shall apply to the Land and the Project Facility. This Agreement and all of the promises, agreements and covenants herein contained shall be recorded by the Company as a restrictive covenant and shall be binding on the Company and all successors of the Company.

3. Term

a) The term of this Agreement (the “Term”) shall begin on the date of execution and delivery of the Lease Agreement and shall terminate upon the earlier to occur of the following:

(1) The date which is the last day of the twentieth (20th) year after the Base Year, as determined under the PILOT Agreement; or

(2) On the date the Project is acquired by foreclosure or an instrument in lieu of foreclosure by a lender of a Permitted Mortgage, as defined in the Lease Agreement.

b) In the event that this Agreement terminates pursuant to subsection 3(a)(2) hereof, no tenant which is a Preferred Applicant residing in any apartment in the Project Facility shall be evicted except for good cause, nor shall any such tenant be subject to an increase in the gross rent of such unit in excess of the Rent Limit set forth in Exhibit B before the close of the three (3) year period following a termination of this Agreement pursuant to subsection 3(a)(2) hereof.

c) Notwithstanding anything in subsection 3(a)(2) to the contrary, this Agreement shall not be terminated if ownership of the Project Facility is transferred by foreclosure or by a deed in lieu of foreclosure as a result of any action to collect debt which is owed to any entity which had any ownership interest in the Project Facility.

4. Annual Certification; Records and Reporting

a) One calendar month subsequent to the close of each calendar year, the Company shall certify to the Agency under penalty of perjury, in the form attached hereto as Exhibit D, that the Project Facility as owned and operated is in compliance with all provisions of the Act, and that all units are being rented in compliance with the Rent Limits, as set forth in Exhibit B hereof, and the tenant selection procedures set forth in Section 5 of this Agreement (including compliance with the Tenant Selection Plan). The annual certification shall include (i) total units of each unit type with Rent Limits and actual rents for each unit, specifying utility allowances, (ii) total occupied and vacant units of each unit type, as specified in Exhibit B; (iii) number of units of each unit type occupied by Preferred Applicants who qualified for income and residency preferences during the prior calendar year; (iv) units listed as meeting the income and residency preferences for the applicable category specified in Exhibit B; (v) list of aggregate number of Applicants and selected tenants from each zip code; and (vi) certifying that the rents conform to the Rent Limits set forth herein. Such report shall be in substantially the form attached hereto as Exhibit D, unless otherwise required by the Agency.

b) The Company shall obtain and maintain copies of all income certifications required by Section 7(d), including supporting documentation, for a period of not less than three (3) years. The Company shall maintain records of occupancy, tenant rents and required Rent Limits for each unit for a period of not less than seven (7) years. The Company shall make copies of the income records and any and all other records regarding tenant income, selection, rents, tenant agreements, and unit vacancies and shall make such copies available to the Agency or its designee for audit purposes upon request.

c) If the Company has been notified by any governmental authority having jurisdiction over the Company, the Project Facility or the construction thereon or the use and occupancy thereof

("Governmental Authority"), that the Project Facility, any construction thereon, or the use and occupancy thereof, is being conducted in violation of the provisions of any law, ordinance, rule, regulation or requirements of such Governmental Authority, the Company shall additionally certify that the Company has cured such violation within 90 days of receipt of such notification or if such violation could not with due diligence be cured within such period, that Company has commenced to cure within such period and, having so commenced, shall thereafter proceed and complete such cure with due diligence.

d) At the request of the Agency from time to time, not more than annually, the Company shall circulate a survey in the form provided by the Agency to tenants requesting a report of sole residency and income status and rents above or below the Rent Limits and preference criteria.

5. Rent Limits and Tenant Preference Procedures.

a) The Project Facility shall contain the number of dwelling units as set forth in Exhibit B, consisting of the unit sizes specified in Exhibit B.

b) Rent for all units in the Project Facility shall be limited to the Rent Limits, determined based on the affordability limits specified at Exhibit B. The determination of Rent Limits shall be based on the applicable unit size and applicable percentage of AMI, as further set forth in Exhibit B.

c) First preference for selection of a tenant shall be given to Preferred Applicants whose income, at the time of initial occupancy, does not exceed the income limit for the unit, as specified in Exhibit B. In order to give effect to the aforementioned preference requirement, the Company shall maintain a waiting list of Preferred Applicants, the application period for a unit shall be not less than fourteen (14) calendar days from the date of notice of the vacancy (the "Application Period"), and the Company shall provide notice to Preferred Applicants and to the public of the availability of a unit and the associated unit size and Rent Limit for such available unit.

d) The income determinations set forth this Agreement shall be computed in the same manner as set forth in the LIHTC Regulations except that the percentages indicated in Exhibit B shall be used in lieu of the LIHTC percentages otherwise applicable.

e) In the selection of tenants for the Project Facility, the Company will give preference to Applicants in the following priority: first preference will be given to Preferred Applicants, as set forth in Section 5(c) hereof; second preference will be given to Applicants that will occupy the unit as their sole residence. In the event that no Preferred Applicant has applied to rent a vacant unit during the Application Period, the Company may rent such unit to the next qualified Applicant. If no Preferred Applicant or Applicant that will occupy the unit as their sole residence have applied to rent a vacant unit during the Application Period, the Company may rent such unit to any Applicant. The Company's tenant selection procedure shall be conducted in accordance with all applicable state and federal laws including but not limited to fair housing laws, rules and regulations and the Tenant Selection Plan.

f) The Company shall not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

g) In the event that, despite the best efforts of Company, there is noncompliance with the tenant preference procedure as to a particular unit, the Company may remedy such noncompliance as to that unit by complying with the following remedial procedures: (i) the Company provides additional public notice and additional notice to the waiting list of the availability of a unit identifying unit size and Rent Limit; (ii) the next available unit is held open for and rented only to Preferred Applicants, and (iii) such noncompliance and remedial procedures shall be documented and notice provided to the Agency within thirty (30) days of discovery of the initial noncompliance. In the event there is noncompliance with the tenant preference procedures as to two (2) or more units in any calendar year, in addition to the remedial procedures set forth in clauses (i)-(iii) of this Section 5(g), for the calendar year following the year in which the remedial action was taken, the Company shall provide additional quarterly reports in the form required for annual reports. In no event will the foregoing remedial procedures excuse more than: two (2) events of noncompliance within any calendar year, nor will it excuse any noncompliance with Rent Limits set forth in this Agreement or fair housing violations.

6. Applicable Statutes, Rules, Regulations

The Project shall comply with all Federal and State fair housing laws, regulations and applicable policies.

7. Management

During the Term hereof, the Company shall:

a) conduct its business and maintain its books and records to assure that the development, construction, management, operation and maintenance and any sale of the Project Facility and the units are carried out in accordance with all applicable federal, State, and local laws, ordinances, rules, regulations and requirements including, but not limited to those listed in Section 6 above, and with applicable agreements relating to the Project executed by the Company;

b) complete and attach the summary of this agreement, attached hereto as Exhibit C, to the lease of each unit and shall provide a copy of this agreement, free of charge, to any person who requests a copy;

c) disclose the Restricted Rent for a dwelling to an Applicant prior to the execution of a lease for that dwelling unit;

d) require as a condition of initial occupancy, that each Applicant shall, prior to occupancy, submit to the Company a sworn statement regarding the income of the Applicant including any person(s) intending to occupy the dwelling unit ("Income Certification"). In addition, the Company shall require as a condition of occupancy that all such persons shall provide the Company with information or documentation necessary to verify the information contained in

the Income Certification;

e) not retaliate against any tenant or lawful occupant of the Project Facility who notifies the Agency or other Governmental Authority of alleged violations of this Agreement;

f) not transfer, to any person or entity, or otherwise dispose of any portion of any building to which this Agreement applies unless all of such building is transferred to such person or entity;

g) prohibit sublets unless the proposed occupants are selected in compliance with the tenant preference procedures in Section 5.

h) submit a copy of an independent audit of compliance to the Agency if an independent audit is required by any financing entity or NYS ABO or recommended by the Agency's independent auditor.

8. Incorporation in Mortgage and Termination of Agreement

In the event of foreclosure or deed-in-lieu of foreclosure, this Agreement and the restrictions hereunder shall automatically terminate, except that Rent Limits and tenant protections as set forth in Section 3(b) of this Agreement shall continue to apply for a three (3) year period following such date. However, if the obligor or mortgagor on the mortgage loan or a related person (within the meaning of §144(a)(3) of the Internal Revenue Code of 1986, as amended) thereafter obtains, during the stated Term of this agreement, an ownership interest in the Project Facility, this Agreement shall be revived in full force and effect to the extent of the restrictions hereunder. In addition, this Agreement and the restrictions hereunder shall, in the Agency's sole discretion, cease to apply partially or entirely in the event of involuntary noncompliance caused by unforeseen events such as fire, seizure, requisition, condemnation, change in federal law, or action of a federal agency after the date of issue, which prevents the Agency from enforcing any restriction hereunder.

9. Defaults and Remedies:

a) The following shall be "Events of Default" under this Agreement, and the terms "Event of Default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(1) A default in the performance or observance of any of the covenants, conditions or agreements on the part of the Company in this Agreement and the continuance thereof for a period of thirty (30) days after written notice thereof is given by the Agency to the Company, provided that, if such default is capable of cure but cannot be cured within such thirty (30) day period, the failure of the Company to commence to cure within such thirty (30) day period and to prosecute the same with due diligence.

(2) The occurrence of an "Event of Default" under any other Project Document.

(3) Any representation or warranty made by the Company herein or in any other Project Document proves to have been false in any material respect at the time it was made.

b) Whenever any Event of Default hereunder shall have occurred, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) Take any action at law or in equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due hereunder and to enforce the obligations, agreements, or covenants of the Company under this Agreement.

(2) The injury to the Agency arising from noncompliance with any of the terms of this Agreement would be great, and the effect of misrepresentations of fact and any violations by Company of warranties and covenants under this Agreement would be irreparable, and the amount of consequential damage would be difficult to ascertain and may not be compensable by money alone. Therefore, upon noncompliance with any of the material provisions of this Agreement, misrepresentation of any material fact, or violation of any material warranty or covenant under this Agreement by Company, the Agency at its option, may apply to any state or federal court, for specific performance of this Agreement, for an injunction against any noncompliance with or misrepresentation under this Agreement, or for such other relief as may be appropriate in addition to its right to foreclose or require foreclosure of any mortgage loan it holds, entirely or partially, pursuant to the terms of said mortgage and its respective components.

(3) For purposes of this Agreement, the date of noncompliance or misrepresentation shall be the date such noncompliance or misrepresentation was first discovered by Company or Agency or would have been first discovered by Company or Agency by the exercise of reasonable diligence.

10. Miscellaneous

a) All notices, claims, certificates and other communications under this Agreement shall be in writing and shall be deemed to be duly given if, addressed as follows or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section, when (1) delivered in person or by courier to the applicable address stated below, (2) when received by telecopy, (3) mailed by registered or certified U.S. Mail, return receipt requested, postage prepaid three (3) business days after mailed, or (4) when delivered by such other means as shall provide the sender with documentary evidence of such delivery, or when delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

<p><u>To the Agency:</u> City of Hudson Industrial Development Agency 520 Warren Street Hudson, New York 12534 Attn: Chair</p>	<p><u>With a Copy to:</u> City Treasurer City of Hudson 520 Warren Street Hudson, New York 12534</p>
<p><u>With a Copy To Agency Counsel:</u> Rodenhausen Chale & Polidoro LLP 55 Chestnut Street Rhinebeck, New York 12572 Attention: Christine Chale, Esq.</p>	<p><u>With a Copy to Agency Administrator:</u> Columbia Economic Development Corporation (CEDC) One Hudson City Centre, Suite 301 Hudson NY 12534 Attn: Michael Tucker, Executive Director</p>
<p><u>To the Company:</u> Hudson Depot District LLC 42 West 39th Street, Floor 14 New York, NY 10018</p>	<p><u>With a Copy to Company Counsel:</u> Whiteman Osterman & Hanna LLP One Commerce Plaza Albany NY 12260 Attn: Daniel Hubbell, Esq.</p>

b) The Company and any successor in interest shall inform the Agency of any change in Company's address, and of any change in ownership of the Project, and the full name(s), address(es), and Federal Tax I.D. Number(s) of the new owner(s), within 30 days of any such change. Any transfer occurring without compliance with the above requirements is hereby prohibited.

c) The Company shall also provide written notice to the Agency of any sale or transfer of an investor membership interest or limited partnership interest, upon any such sale or transfer.

11. Exhibits

The following exhibits are hereby incorporated into this Agreement and the Company, to the extent applicable, shall adhere to the provisions contained therein.

Exhibit A	Description of Property
Exhibit B	Special Project Conditions
Exhibit C	Summary of Regulatory Agreement
Exhibit D	Form of Annual Report

[Signature Page(s) Follow]

IN WITNESS WHEREOF, the Agency and the Company have caused this Regulatory Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

CITY OF HUDSON INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____

Name: Ryan Wallace
Title: Chair

STATE OF NEW YORK)
) SS.:
COUNTY OF COLUMBIA)

On this ___ day of _____, 2022, before me, the undersigned, a Notary Public in and for said State, personally appeared Ryan Wallace, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Execution Page for Regulatory Agreement
Between City of Hudson Industrial Development Agency, as Agency,
and Hudson Depot District LLC, as Company

Hudson Depot District LLC

By: Galvan Member, Hudson Depot District LLC,
its Managing Manager

By: _____

Name: T. Eric Galloway

Its: Authorized Signatory

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On this ___ day of _____, 2022, before me, the undersigned, a Notary Public in and for said State, personally appeared T. Eric Galloway, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Execution Page for Regulatory Agreement
Between City of Hudson Industrial Development Agency, as Agency,
and Hudson Depot District LLC, as Company

EXHIBIT A
LAND DESCRIPTION

EXHIBIT B
SPECIAL PROJECT CONDITIONS

1. Multifamily Unit Requirements: 63 residential units with rents limited to the following unit mix:
 - a. 36 One Bedroom, of which 4 are to have rents not to exceed rents affordable to Moderate Income Households, and the remaining 32 are to have rents not to exceed rents affordable to Middle Income Households.
 - b. 19 Two Bedroom, of which 4 are to have rents not to exceed rents affordable to Moderate Income Households, and the remaining 15 are to have rents not to exceed rents affordable to Middle Income Households.
 - c. 8 Three Bedroom, of which 4 are to have rents not to exceed rents affordable to Moderate Income Households, and the remaining 4 are to have rents not to exceed rents affordable to Middle Income Households.

2. Affordability Requirements: As to all 63 multifamily residential units:
 - a. 12 units shall have rents affordable to Moderate Income Households
 - b. 51 units shall have rents affordable to Middle Income Households
 - c. Preference for all units shall be given to persons who apply to occupy the unit in the Building as their sole residence
 - d. Definitions: For purposes of this section:
 - (i) Moderate Income Households: 80% of AMI
 - (ii) Middle Income Households: 130% of AMI
 - (iii) AMI is Area Median Gross Income as determined by the US Department of Housing and Urban Development for Columbia County
 - (iv) Affordable means gross rents, excluding Section 8 payments, utility allowance, and other amounts excluded under LIHTC Regulations, not to exceed 30% of the specified AMI, adjusted for unit size in the manner provided in the LIHTC Regulations.

3. Parking Requirements: The Project will be developed in conjunction with the 65-75 N. 7th Street Project as part of the Depot District development, with both properties having equivalent access to a 40 space parking facility to be located at 602 Washington Street.

EXHIBIT C
SUMMARY OF REGULATORY AGREEMENT

1. **TERM OF REGULATION**

The Building in which you live is a Project with respect to which financial assistance has been granted by the City of Hudson Industrial Development Agency ("Agency") pursuant to a Uniform Agency Project Agreement between the Agency and the owner of such property. Your apartment is rent restricted pursuant a Regulatory Agreement (the "Agreement") between Hudson Depot District LLC ("Landlord") and the City of Hudson Industrial Development Agency ("IDA"). The rent restriction will end on **[to be inserted based on Base Year under Lease]**, subject the terms and conditions contained in the Agreement.

2. **AVAILABILITY OF THE AGREEMENT/RENT DISCLOSURE**

Your landlord must attach a copy of this Summary to your lease and you may obtain a copy of the entire Agreement upon request. Your landlord must disclose the restricted rent to a prospective tenant prior to the signing of a lease.

3. **RETALIATION PROHIBITED**

Your landlord cannot retaliate against you or any lawful occupant of your unit who notifies the Agency or other governmental authority of alleged violations of this Summary or the Agreement.

4. **INCOME CERTIFICATION REQUIRED**

Prior to occupancy, you must submit a statement regarding your income and the income of all other persons occupying your apartment (or intending to occupy the apartment unit as the case may be) and any other information and/or documentation your landlord determines is reasonably necessary to verify the information contained in that statement.

5. **SECTION 8 TENANTS**

You cannot be refused an apartment because of your status as a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937.

6. **RENT INCREASES**

- a. If you are a Preferred Applicant (as such term is defined in the Agreement), you and the other lawful occupants of your apartment cannot be evicted or otherwise have your tenancy terminated for other than good cause, nor can the landlord increase the rent for your apartment to a level that exceeds that permitted by the Agreement.
- b. In the event that regulation of the Project is terminated as a result of foreclosure, no tenant that is a Preferred Applicant residing in any apartment in the Project can be evicted except for good cause, nor can the new landlord increase the rent of a Preferred Applicant's apartment before the close of the three (3) year period following a termination of the Agreement for foreclosure.
- c. Your Landlord may increase your rent, provided that such increase is not in violation of the rent restrictions set forth in the Agreement.

7. **AGREEMENT CONTROLS**

To the extent that this Summary is inconsistent with the Agreement, the terms and conditions of the Agreement shall control

EXHIBIT D
FORM OF SUPPLEMENTAL ANNUAL REPORT

The report of the Company as to compliance with this regulatory agreement substantially as set forth in the attached form D-1, or as may be otherwise approved by the Agency from time to time, shall be included as a supplement to the annual certification to the Agency required by the Uniform Project Agreement, including the certification signed of an Authorized Officer of the Company under penalty of perjury as follows.

I certify to the City of Hudson Industrial Development Agency that the Project Facility as owned and operated is in compliance with all provisions of the Act, and the units are being rented in compliance with the Regulatory Agreement, as set forth in Exhibit B of the Regulatory Agreement.

I have received an initial tenant income certification from each and every tenant and documentation to support such certification, and shall make such certifications and any and all other records regarding tenant income, selection, rents, tenant agreements, and unit vacancies available to the Agency or its designee for audit purposes upon request.

I certify to the City of Hudson Industrial Development Agency that to the best of my knowledge and belief all of the information on this form is correct. I also understand that failure to report completely and accurately may result in enforcement of provisions of the Uniform Agency Project Agreement dated as of _____, 20____ by and between the Company and the City of Hudson Industrial Development Agency (the "Project Agreement"), including but not limited to the suspension, discontinuance, and potential claw back of financial assistance provided for the project.

CITY OF HUDSON INDUSTRIAL DEVELOPMENT AGENCY

RESOLUTION

(Galvan Initiatives Foundation—708 State Street--Amendment)

A [special][regular] meeting of the City of Hudson Industrial Development Agency was convened in public session on December 20, 2022 at 4:00 p.m., local time at the conference room of the Columbia Economic Development Corporation at One Hudson City Centre, Suite 301, Hudson, NY 12534-2354. A live transmission was available to the public as described in the notice of meeting attached hereto.

The meeting was called to order by _____, and, upon roll being called, the following members were:

	Present	Absent
Chair Ryan Wallace		
Vice Chair Kamal Johnson		
Treasurer Heather Campbell		
Secretary: Richard Wallace		
Member Theresa Joyner		
Member Cheryl Kaszlug		
Member Dominic Merante		

THE FOLLOWING PERSONS WERE ALSO PRESENT:

- Michael Tucker, President/CEO CEDC
- Jessica
- Lisa Drahushuk, Administrative Supervisor
- Christine M. Chale, Agency Counsel

On a motion made by _____ and seconded by _____, the following resolution was placed before the members of the City of Hudson Industrial Development Agency:

RESOLUTION OF THE CITY OF HUDSON INDUSTRIAL DEVELOPMENT AGENCY AMENDING RESOLUTION ADOPTED SEPTEMBER 15, 2021 REGARDING A PROPOSED PROJECT LOCATED AT 708 STATE HUDSON, NEW YORK

WHEREAS pursuant to an application by Galvan Initiatives Foundation, 252 Columbia Street, Hudson, NY 12534 (“Sponsor”) for itself, and/or on behalf of Hudson Depot District LLC, or another taxable entity to be formed with Sponsor as a controlling member or partner (hereinafter and collectively, the “Company”) for financial assistance, the Agency previously adopted its approving resolution dated September 15, 2021(the “Approving Resolution”) with respect a project described therein to be located at 708 State Street in the City of Hudson (the “Project”) and

WHEREAS, the Project is proposed to have 12 units with rents affordable for households earning up to 80% of the Columbia County HUD Area Median Income (AMI) and 51 units with rents affordable for households earning up to 130% of the Columbia County HUD Area Median Income, and preference would be available for applicants who occupy a unit as their sole residence, as described at revised Exhibit I attached hereto; and

WHEREAS, a form of Regulatory Agreement providing for the foregoing requirements is on file with the Secretary;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF HUDSON INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Approving Resolution is amended as follows.

- a. The amended Exhibit I attached hereto is hereby approved.
- b. The Agency Documents shall include the Regulatory Agreement incorporating the conditions set forth at Exhibit I.

Section 2. The remaining provisions of the Approving Resolution are hereby ratified and confirmed.

Section 3. This Resolution shall take effect immediately.

EXHIBIT I (Revised 2022)

Special Project Conditions
708 State Street Project

- A. Use. The Project shall be used solely as a mixed use project with multifamily and commercial space as follows:
1. **Building:** Demolition of an approximately 14,000 sq. ft. warehouse and construction of an approximately 80,000 square foot building not exceeding five stories (“Building”).
 2. **Commercial Space Requirements:** Approximately 5197 square feet of the Building located on the first floor shall be offered for lease as 5 units of commercial space.
 - a. Preference for tenants of all commercial units shall be given to persons and business who would qualify as MBE or WBE.
 3. **Multifamily Unit Requirements:** 63 residential units with rents limited to the following unit mix:
 - a. 36 One Bedroom, of which 4 are to have rents not to exceed rents affordable to Moderate Income Households, and the remaining 32 are to have rents not to exceed rents affordable to Middle Income Households.
 - b. 19 Two Bedroom, of which 4 are to have rents not to exceed rents affordable to Moderate Income Households, and the remaining 15 are to have rents not to exceed rents affordable to Middle Income Households.
 - c. 8 Three Bedroom, of which 4 are to have rents not to exceed rents affordable to Moderate Income Households, and the remaining 4 are to have rents not to exceed rents affordable to Middle Income Households.
 4. **Affordability Requirements:** As to all 63 multifamily residential units:
 - a. 12 units shall have rents affordable to Moderate Income Households
 - b. 51 units shall have rents affordable to Middle Income Households
 - c. Preference for all units shall be given to persons who apply to occupy the unit in the Building as their sole residence
 - d. **Definitions:** For purposes of this section:
 - (i) Moderate Income Households: 80% of AMI
 - (ii) Middle Income Households: 130% of AMI
 - (iii) AMI is Area Median Gross Income as determined by the US Department of Housing and Urban Development for Columbia County
 - (iv) Affordable means gross rents, excluding Section 8 payments, utility allowance, and other amounts excluded under LIHTC Regulations, not to exceed 30% of the specified AMI, adjusted for unit size in the manner provided in the LIHTC Regulations.

5. Parking Requirements: The Project will be developed in conjunction with the 65-75 N. 7th Street Project as part of the Depot District development with both properties having equivalent access to a 40 space parking facility at 602 Washington Street.

B. PILOT Schedule

1. Residential portion of Building:
20-year PILOT agreement with PILOT payments based on the percentage of assessed value of the residential portion of the Project as follows:

Year 1 through Year 10, inclusive: 25%
Year 11: 30%
Year 12: 35%
Year 13: 40%
Year 14: 45%
Year 15: 50%
Year 16: 55%
Year 17: 65%
Year 18: 75%
Year 19: 85%
Year 20: 95%

2. Commercial portion of Building: To be separately assessed and an amount shall be payable equal to 100% of the proportionate share of the assessed value attributable to the commercial portion of the building.
3. Upper Hudson Train Depot: To be separately assessed and full taxes paid.
4. PILOT Term: Full taxes on the entire property to commence in year 21. Year 1 commences following the Base Period described below. For convenience the Agency may bill PILOT payments annually or semiannually on a date established by the Agency and may bill a first and last partial year PILOT payment for year 1 and year 21.
5. Base Period. Project Facility will not be entitled to tax exempt status on the rolls of any Taxing Jurisdiction until the first tax year of such Taxing Jurisdiction following the tax status date of such Taxing Jurisdiction occurring subsequent to the date upon which the Agency becomes the owner of record of such leasehold interest in the Facility and the required real property tax exemption forms are filed by the Company with the applicable assessors. The Company will be required to pay all taxes and assessments lawfully levied and/or assessed against the Project Facility until the Project Facility is entitled to exempt status on the tax rolls of the respective Taxing Jurisdictions. From the effective date of exemption until the earlier of the Completion Date or Completion Deadline, the Project will make payments to the Agency in the amount equal to full taxes which would otherwise be applicable in the absence of the PILOT Agreement.

6. Parking Lot: For the avoidance of doubt, the Parking Lot property at 602 Washington Street will be subject to full taxes.

C. Recapture

1. Completion Deadline: 42 months from date of Agency Project Agreement
2. Employment Level: 1.5 FTE within 6 months following Completion Date for term of PILOT.
3. Recapture Events: "Recapture Events" shall mean the following:

(1) failure to complete the acquisition, construction, and installation of the Project Facility by the Completion Deadline;

(2) failure by the Company to meet at least eighty percent (80%) of the Employment Level requirements contained in Section 3.02(E) of the Agency Project Agreement and in the Application;

(3) liquidation of substantially all of the Company's operating assets and/or cessation of substantially all of the Company's operations;

(4) relocation of all or substantially all of Company's operations at the Project Facility to another site, or the sale, lease or other disposition of all or substantially all of the Project Facility;

(5) transfer of jobs equal to at least fifteen percent (15%) of the Company's Employment Level out of City of Hudson, New York;

(6) failure by the Company to comply with the annual reporting requirements or to provide the Agency with requested information;

(7) sublease of all or part of the Project Facility in violation of the Basic Documents;

(8) a change in the use of the Project Facility, other than as a mixed use building with multifamily and commercial space meeting the conditions set forth at Exhibit I and other directly and indirectly related uses; or

(9) failure by the Company to make an actual investment in the Project by the Completion Deadline equal to or exceeding 80% of the Total Project Costs as set forth in the Application.

4. Recapture Schedule

Year	Amount of Recapture
Period from the Dated Date of the Agency Project Agreement until the earlier of the Completion Deadline or the Completion Date ("Base Period")	100% of the Project Financial Assistance
Base Period + 1 year	95% of the Project Financial Assistance
Base Period +2 years	90% of the Project Financial Assistance
Base Period + 3 years	85% of the Project Financial Assistance
Base Period + 4 years	80% of the Project Financial Assistance

Base Period + 5 years	75% of the Project Financial Assistance
[continue annual schedule reducing recapture percentage 5% each year]	[reduced by 5% each year]% of the Project Financial Assistance
Base Period + 19 years	10% of the Project Financial Assistance
Base Period + 20 years	5% of the Project Financial Assistance
Period following Base Period + 20 years	0% of the Project Financial Assistance

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	YES	NO	ABSTAIN	ABSENT
Chair Ryan Wallace				
Vice Chair Kamal Johnson				
Treasurer Heather Campbell				
Secretary: Richard Wallace				
Member Theresa Joyner				
Member Cheryl Kaszluga				
Member Dominic Merante				

The Resolution was thereupon duly adopted.

STATE OF NEW YORK)

) SS:

COUNTY OF COLUMBIA)

I, the undersigned Secretary of the City of Hudson Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 20, 2022, entitled

RESOLUTION OF THE CITY OF HUDSON INDUSTRIAL DEVELOPMENT AGENCY AMENDING RESOLUTION ADOPTED SEPTEMBER 15, 2021 REGARDING A PROPOSED PROJECT LOCATED AT 708 STATE HUDSON, NEW YORK

with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law, said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ___ day of _____, 2022.

Secretary