



COURTROOM
1 MUNICIPAL PLAZA
BEACON, NY 12508
AND LIVE VIA ZOOM

Mayor Lee Kyriacou
Councilmember George Mansfield, At Large
Councilmember Paloma Wake, At Large
Councilmember Molly Rhodes, Ward 1
Councilmember Justice McCray, Ward 2
Councilmember Wren Longno, Ward 3
Councilmember Dan Aymar-Blair, Ward 4
City Administrator Chris White

**March 20, 2023
7:00 PM
City Council Agenda**

Call to Order

Pledge of Allegiance

Roll Call

Community Segment

Swearing in of Kevin Powell and Kevin Herbst to the Position of Firefighter

Public Comment

Public Hearings

Public Hearing on Proposed Renovations and PILOT Agreement for Tompkins Terrace Housing Development

Reports: Mayor, City Council, and City Administrator

Local Laws and Resolutions

1. Resolution No. 19 - Approving the Appointment of Samuel Dandrade to the Position of Water and Sewer Maintenance Helper
2. Resolution No. 20 - Approving the Reappointment of Richard Markwalter to the Tree Advisory Committee
3. Resolution No. 21 - Approving a Real Property Exemption and Payment in Lieu of Taxes (PILOT) Agreement for Tompkins Terrace
4. Resolution No. 22 - Approving DMS Consolidators, Ltd. 2021 Tax Certiorari Settlement
5. Resolution No. 23 - Approving 30 Beekman Street, LLC 2022 Tax Certiorari Settlement
6. Resolution No. 24 - Accepting Fire Hydrant Easement Agreements at 29 Riding Ridge Trail and 30 Riding Ridge Trail
7. Resolution No. 25 - Approving an Amendment to the 2023 General Fund Budget
8. Resolution No. 26 - Adopting Proposed Local Law No. 1 to Require the Electrification of Residential and Commercial Buildings

Approval of Minutes

1. [February 27, 2023 Minutes](#)

Public Comment - Second Opportunity

Adjournment

City of Beacon City Council Agenda
03/20/2023

Title:

Swearing in of Kevin Powell and Kevin Herbst to the Position of Firefighter

ATTACHMENTS

City of Beacon City Council Agenda
03/20/2023

Title:

Public Hearing on Proposed Renovations and PILOT Agreement for Tompkins Terrace Housing Development

ATTACHMENTS

[Related Affordable Presentation on Proposed Renovations and PILOT Agreement for Tompkins Terrace](#)

[Tompkins Terrace Housing Development PILOT Term Sheet](#)

[Keane & Beane, P.C. Memorandum Regarding Proposed Renovations and PILOT Agreement for Tompkins Terrace Housing Development](#)

[Tompkins Terrace PILOT Agreement](#)

Tompkins Terrace

Beacon, New York

PROPOSAL TO PRESERVE AFFORDABLE HOUSING IN BEACON

Related Affordable

Related Affordable (“RA”), a subsidiary of The Related Companies (“Related”), is a leading acquirer, developer, and preserver of affordable housing throughout the U.S. Founded in 1972, Related has its roots in affordable housing development and today stands as one of the world’s largest private real estate developers.

Related has maintained its commitment to developing quality affordable housing for low- and moderate-income households. RA’s primary focus is on **preserving America’s affordable housing stock through transactions in which RA acquires and/or rehabilitates aging affordable assets that are at risk of losing affordability**, thereby extending affordability at those properties with significant physical renovations and upgrades.

Related manages its large affordable housing portfolio through its affiliated management company, Related Management Company, a leader in the industry. In total, Related owns and manages **over 50,000 units of affordable housing** across the country.



Property Overview

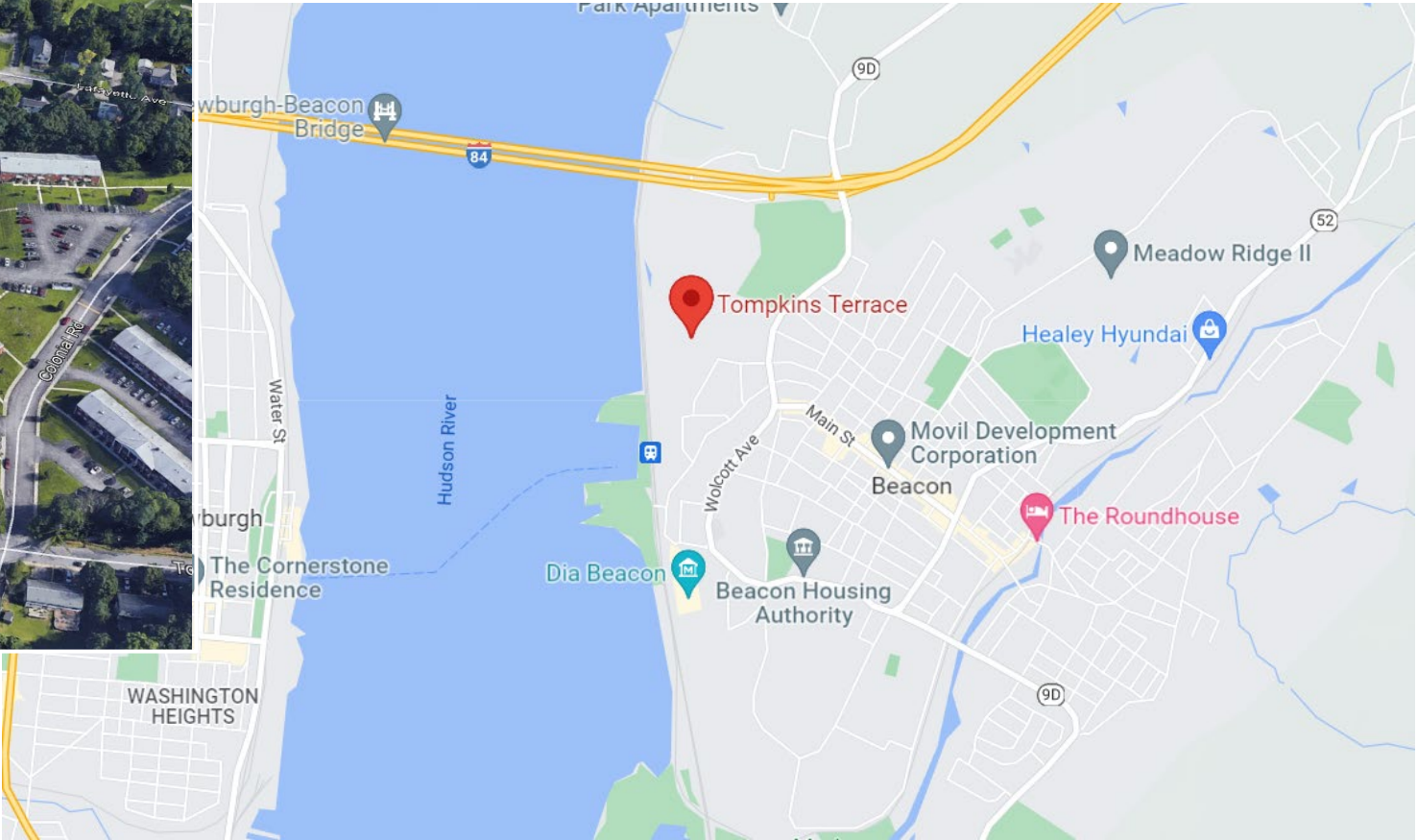
Tompkins Terrace is a 193-unit affordable multifamily rental property for families in Beacon. It lies on the west side of town directly adjacent to the Hudson River, offering quick access to downtown and a half mile trip to and from the train/ferry stop.

Built in 1973, the property consists of thirteen garden-style and townhome buildings with 22 studios, 74 one-bedrooms, 51 two-bedrooms, 34 three-bedrooms and 12 four-bedrooms. With the varied unit mix, the property caters to families and households of all sizes, as well as residents of all ages (including many seniors).

Tompkins Terrace offers two central laundry facilities, a community room with a kitchenette, and two playgrounds in addition to on-site management and common parking. Overall, the property is a quality place for families to live, but **it is in need of renovation to ensure its longevity as a critical affordable housing asset in the local community.**



Property Map



Affordability

Tompkins Terrace operates under a partial project-based Housing Assistance Payments (“HAP”) Contract with the Beacon Housing Authority, which covers 61 units and ensures these **tenants pay no more than 30% of their household incomes on rent**. Approximately 95 other families benefit from a mobile housing choice voucher.

The property is also encumbered by a regulatory agreement with Housing & Community Renewal (“HCR”) that restricts 38 units to households earning 50% of Area Median Income (“AMI”) or less and the balance of 155 units to households earning 60% of AMI or less. *In Beacon, this is equal to a **four-person** household earning a maximum of \$56,200 (50%) or \$67,440 (60%).*

The property’s initial 15-year compliance period under this regulatory agreement expires in 2022, meaning that its **long-term affordability is at risk if not preserved**.

RA intends to enter into new regulatory restrictions in order to **maintain the affordability of the property for current and future residents for at least another 40 years**.



Homelessness Worsens in Older Populations as Housing Costs Take Toll

A rising number of older people around the country are on the verge of homelessness or now living on the streets after falling on hard times.

By Dan Frosch / Photographs by Kyle Green for The Wall Street Journal December 11, 2022 10:00 am ET

“Homeless shelters and aging-service groups in numerous cities say they are seeing more elderly people in desperate need of housing than in years past. A confluence of factors are driving the increase...including soaring rents, a nationwide shortage of affordable housing and the winding down of pandemic-related aid programs.”

“In Boston, the group Hearth, Inc., which aids elderly homeless, said it had noticed a rise in newly homeless clients...Dawn Matchett, the group’s chief program officer, said **the first-time elderly homeless demographic struggled more with economic hardship than other problems like substance abuse or mental illness.**”



“Debbie Sholley, 62, is afraid of being evicted from her rented Boise, Idaho, home after experiencing financial difficulties following the death of her husband...”

*Cobbling together enough money for rent is never a sure thing...She drained her retirement savings years ago to help care for her sick husband. **She is on a waiting list for the Section 8 low-income federal housing program, but that could take well over a year.**”*

Proposed Rehabilitation Scope

RA intends to undertake an approximately 12-month renovation, which will improve various aspects of the property. The total renovation budget is projected to be about \$14.5 million, including contingency. Upgrades will include:

General Unit Interior: new vinyl plank flooring, energy efficient LED lighting, PTAC/HVAC equipment, entry and interior doors, window treatments, and painting

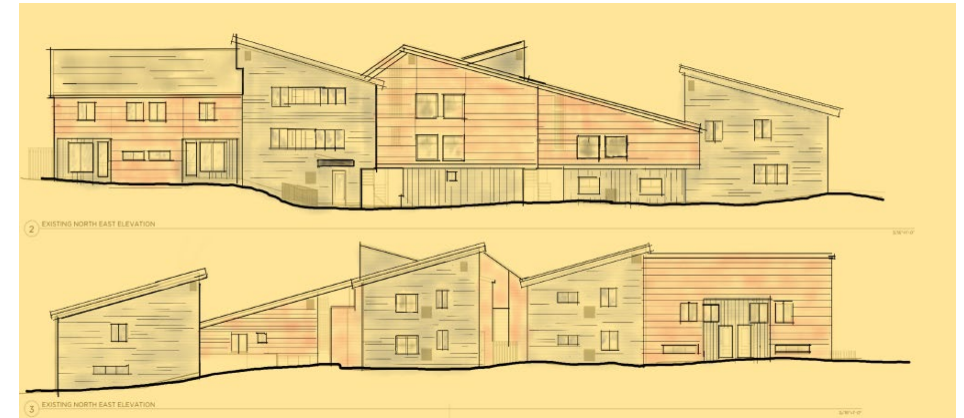
Kitchens: new cabinets, counters, stainless steel sinks, faucets, and appliances

Bathrooms: new vanities, full tub/showers, sinks, exhaust fans, and toilets

Common Areas & Amenities: addition of a business center, upgrade laundry rooms with new finishes, install all new water heaters, replace waste pump, erect two (2) new playgrounds, add free in-unit Wi-Fi throughout all apartments

Building Exterior & Site: new siding/façade (incl. soffits, gutters, leaders), roofs and windows, update all breezeways, convert exterior lighting to LED, landscaping work (incl. drainage/grading), fresh site signage, parking overlays and concrete repairs

ADA: make ten (10) units fully ADA accessible along with ADA site work and path/ramp improvements to meet all UFAS requirements



	\$ / UNIT	TOTAL \$
CONSTRUCTION COSTS	\$69,275	\$13,370,000
CONTINGENCY	\$6,078	\$1,173,000
TOTAL BUDGET	\$75,353	\$14,543,000

Benefits to Residents



Aging in Place: Senior households will be able to remain in place and age in their homes



Strong Financial Outcomes: Sustained housing affordability will promote residents' economic wellbeing and facilitate wealth-building



Strong Health Outcomes: Continued housing stability and enhanced apartment facilities will promote mental health



Access to Critical Local Community Amenities:

- Transportation (train / ferry)
- Pharmacies / supermarkets
- Dia Beacon
- Howland Public Library
- Downtown shops & stores
- Public parks and pools
- Food pantry (Fareground)
- Public school system

Benefits to the City & Region



Curb Appeal: Rehabilitation will significantly improve the exterior appearance of the property and promote neighborhood attractiveness



Job Creation: Project is estimated to create 40 fulltime jobs over 12 months and will recruit from local communities given DCIDA's requirement that 80% of workers must reside in specified counties in New York



Local Spending: Mitigated rent burden will facilitate local business patronage and spending



Regional Business Support: Project will incorporate products manufactured by New York-based companies

Proposed Rehabilitation Strategy

1. Affiliate of RA will acquire and recapitalize the property in Q2 2023.
2. RA will undertake a renovation of the property, **spending in excess of \$14.5 million (over \$75,000 per unit) over 12 months.**
3. The renovation will focus on enhancing amenities, adding energy efficiency upgrades, extending the property's useful life, and improving quality of life for residents.
4. In connection with new tax-exempt bonds and 4% Low Income Housing Tax Credits ("LIHTC"), RA will enter into new regulatory agreements with the Dutchess County Industrial Development Agency ("DCIDA") and HCR that will ensure the property continues to provide affordable housing to existing and future residents for at least the next 40 years.
5. To enable new long-term financing via DCIDA, RA is proposing to gain support from the City of Beacon to enter into a new, extended tax agreement in order for our lender and investor to underwrite a consistent stream of property tax expense.

TIMING OF CLOSING: Q2 2023

RENOVATION TIMING: Approx. 12 months

TARGET COMPLETION: July 31, 2024

FINANCING: Tax-Exempt Bonds & 4% LIHTCs

BOND ISSUER: DCIDA

LIHTC ALLOCATOR: HCR

Proposed PILOT

RA proposes to enter into a new fixed Payment in Lieu of Taxes (“PILOT”) increasing over the existing payment amount for the property. The first-year PILOT would be \$310,000 trended with a 40-year term.

Est. 2022 Amt.
\$290,000

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
\$310,000	\$316,975	\$324,107	\$331,399	\$338,856	\$346,480	\$354,276	\$362,247	\$370,398	\$378,732	\$387,253	\$395,966	\$404,875	\$413,985	\$423,300	\$432,824	\$442,563	\$452,520	\$462,702	\$473,113
Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
\$483,758	\$494,642	\$505,772	\$517,152	\$528,788	\$540,685	\$552,851	\$565,290	\$578,009	\$591,014	\$604,312	\$617,909	\$631,812	\$646,028	\$660,563	\$675,426	\$690,623	\$706,162	\$722,051	\$738,297

TOTAL TAX REVENUE OVER 40 YEARS = \$19.75 MILLION

This PILOT will provide the project with predictable future property tax payments that can be underwritten by our financing partners, thus making this preservation project feasible. Without a preservation project, the property tax payments to the City of Beacon would remain more stagnant and potentially even decline long-term as the property continues to age and value regresses.

Example: Biltmore Towers



Example: Park Club Apartments



Related Affordable Foundation



AFTER SCHOOL matters

Charitable, tax-exempt 501(c)3 private foundation that provides grant awards to nonprofit organizations that focus on the following impact areas



Education



Food Security



Health &
Wellness



Workforce
Development

Notable Grant Awards

- After School Matters Parkway Gardens art mural
- City Harvest monthly meal distribution at Ocean Park
- KABOOM! Bella Vista playground & City of Anderson multi-sport court
- YMCA of South Florida Path to Health Program



Fareground & CAP Dutchess County



City of Beacon, New York

Office of the Mayor

Lee Kyriacou, Mayor

FOR IMMEDIATE RELEASE

June 1, 2020

845.838.5011 | mayor@CityofBeacon.org

Fareground, Inc. Expands "Dinner To Go" Program with Support from the Related Affordable Foundation

Beacon, NY – May 27, 2020 – Fareground, Inc., a women-run anti-hunger and food justice non-profit focusing on food insecurity since 2012, has partnered with the Related Affordable Foundation to expand their 'Dinner To Go' program. The initiative delivers food to communities in need during the current pandemic on a weekly basis including at Tompkins Terrace.

"We are grateful for the support from our community and for Related Affordable Foundation to rise to the occasion during this pandemic. Hunger exists because of choices we, as a country, have collectively made. Attending to this problem requires an extraordinary commitment to our disadvantaged community members. Our plan is to distribute food to our neighbors because they need help today. But we need to think bigger, ask the difficult questions, and confront the larger issues of poverty, inequality, and inequity if we ever hope to end hunger once and for all," says Kara Dean-Assael and Karen George of Fareground.

"Thank you to the organizations and individuals that have donated needed funding and necessary volunteerism to help their fellow residents in this time of need. The City was happy to make a connection with these entities. I applaud your commitment to our community," says City of Beacon Mayor Lee Kyriacou.

Beacon summer lunch program to continue with foundation funding

July 18, 2019



Thank You

Property Tour



PROPERTY TOUR (PROPERTY TOUR.webm)

TOMPKINS TERRACE PILOT TERM SHEET

Purpose	To set forth the terms under which the City of Beacon, New York (the “ <u>City</u> ”) will grant a real property tax exemption pursuant to Section 577 of Article XI of the Private Housing Finance Law (“ <u>Article XI</u> ”) and enter into an agreement for payment in lieu of taxes (“ <u>PILOT Agreement</u> ”) with an affiliate of Related Affordable, LLC (the “ <u>Sponsor</u> ”). The tax exemption will enable the Sponsor to substantially rehabilitate that certain affordable housing property known as Tompkins Terrace, located in Beacon, New York (the “ <u>Project</u> ”).
Project Description	The Project is a 193-unit, partially project-based rental-subsidized garden-style property. Originally built in 1973, the Project has been owned and operated by an affiliate of Related Affordable since late 2018 and is currently managed by Related Management Company (“ <u>RMC</u> ”). The Sponsor will redevelop the property through the use of tax-exempt bonds and Low-Income Housing Tax Credits (“ <u>LIHTC</u> ”) in order to ensure its successful continuation as a safe and reliable community for low-income residents in Dutchess County, New York for the long-term. The Sponsor will cause the Project to be restricted by a new regulatory agreement which maintains the in-place affordability protections for the next 40 years.
Renovation Description	The planned rehabilitation budget for the Project is approximately \$14,500,000 in total, including contingency, or approximately \$75,000 per apartment on average. The Project will undergo construction that will result in improved comfort, security and convenience for all residents. The scope of work is focused on bettering site features, increasing resident quality of life and safety, enhancing curb appeal and aesthetics, and replacing aging building systems in order to extend the useful life of the overall property. Among other improvements, the proposed scope envisions renovation to 100% of the 193 units. Current tenants of Tompkins Terrace will be able to remain residents at the property and will not be displaced by the renovation (other than temporarily for in-unit work).
Ownership Structure	In order for the Project to avail itself of a tax exemption pursuant to Article XI, the Project must be owned by a Housing Development Fund Company formed pursuant to Article XI. The Sponsor has formed Tompkins Terrace Housing, L.P., a New York limited partnership (the “ <u>Beneficial Owner</u> ”). The Sponsor will also apply to the New York State Housing and Community and Renewal (“ <u>HCR</u> ”) for the formation of a housing development fund company formed pursuant to Article XI and Section 402 of the Not-For-Profit Corporations Law to act as the nominal fee owner (the “ <u>HDFC</u> ”) for and on behalf of the Beneficial Owner.

PILOT Payments	The PILOT under the structure described herein would be for a term of 40 years, with a payment schedule as follows:			
	Year 1	\$310,000	Year 21	\$483,758
	Year 2	\$316,975	Year 22	\$494,642
	Year 3	\$324,107	Year 23	\$505,772
	Year 4	\$331,399	Year 24	\$517,152
	Year 5	\$338,856	Year 25	\$528,788
	Year 6	\$346,480	Year 26	\$540,685
	Year 7	\$354,276	Year 27	\$552,851
	Year 8	\$362,247	Year 28	\$565,290
	Year 9	\$370,398	Year 29	\$578,009
	Year 10	\$378,732	Year 30	\$591,014
	Year 11	\$387,253	Year 31	\$604,312
	Year 12	\$395,966	Year 32	\$617,909
	Year 13	\$404,875	Year 33	\$631,812
	Year 14	\$413,985	Year 34	\$646,028
	Year 15	\$423,300	Year 35	\$660,563
	Year 16	\$432,824	Year 36	\$675,426
	Year 17	\$442,563	Year 37	\$690,623
	Year 18	\$452,520	Year 38	\$706,162
	Year 19	\$462,702	Year 39	\$722,051
	Year 20	\$473,113	Year 40	\$738,297
The PILOT payments would be allocated between the City of Beacon, Dutchess County, Beacon City School District, and Howland Library.				

■ **Main Office**
445 Hamilton Avenue
White Plains, NY 10601
Phone 914.946.4777
Fax 914.946.6868

■ **Mid-Hudson Office**
200 Westage Business Center
Fishkill, NY 12524
Phone 845.896.0120

■ **New York City Office**
505 Park Avenue
New York, NY 10022
Phone 646.794.5747

MEMORANDUM

TO: Honorable Lee Kyriacou, Mayor
Beacon City Council
Mr. Christopher White, City Administrator

FROM: Judson K. Siebert, Esq. 

RE: Tompkins Terrace –
PHFL Tax Exemption and
PILOT Agreement for Income-Restricted Housing

DATE: March 6, 2023 (Revised)

The City Council has been asked by Related Affordable (RA) to (1) grant a forty (40) year real property tax exemption and (2) enter into a corresponding Payment in Lieu of Taxes (PILOT) Agreement for purposes of facilitating the refurbishment of the Tompkins Terrace housing development. I submit this Memorandum to explain the basis for the exemption and summarize the proposed PILOT terms. I have also submitted a proposed Resolution for adoption by the City Council: (1) granting the requested real property tax exemption and (2) authorizing the Mayor, on behalf of the City, to execute a PILOT Agreement providing for the payment of monies, in lieu of taxes, for the duration of the forty (40) year exemption period.

The Tompkins Terrace Property

Tompkins Terrace is an affordable rental property comprised of one hundred ninety-three (193) housing units. It was constructed in 1973 and, since that time, has provided rental housing under legal restrictions imposing income limits upon its residents. Thirty-eight (38) of the units may be leased to residents with a household income that is no more than fifty (50%) percent of Area Median Income (AMI); the remaining one-hundred fifty-five (155) units may be leased to residents with household income of no more than sixty (60%) percent of AMI. Adherence to these restrictions is overseen by the New York State Department of Homes and Community Renewal, Division of Housing and Community Renewal (DHCR).

Tompkins Terrace is currently owned by an entity formed under Article II of the New York Private Housing Finance Law (PHFL). Article II of the PHFL authorizes the creation of limited profit housing companies that, in turn, provide housing for families and persons of low income. Notably, much of the housing constructed and operated by PHFL Article II companies has aged and, while well-intended, certain elements of Article II of the PHFL have limited the ability and readiness of owners of these properties to invest in capital improvements.

Article XI of the PHFL also provides for the creation of companies formed for the purpose of providing affordable housing. These entities – known as housing development fund companies (HDFC) – can obtain financing through bond issuance, as well as low-income housing tax credits (LIHTC's) that can be assigned to a project lender. Unlike PHFL Article II, Article XI opens the door to funding resources that enable deteriorating housing to be converted to habitable, well-managed housing affordable for households with incomes well below AMI. In this regard, PHFL Article XI is now a more accepted means of developing or rehabilitating income-restricted housing. Notably, the affordable component of the West Ends Loft project and the Highland Meadows Senior Housing project are owned by HDFC's formed for the purpose of maintaining affordable housing stock (both properties are exempt from real property taxes and subject to PILOT Agreements).

RA proposes to form an affiliated HDFC that will acquire the fee interest in Tompkins Terrace premises. This acquisition will allow for financing under Article XI of the PHFL, thereby enabling a significant renovation of the Tompkins Terrace development. As RA has related, this will include \$14,500,000 in exterior and interior (unit and common space) improvements. The financing will involve the issuance of tax-exempt bonds (through the Dutchess County Industrial Development Agency) and LIHTC's (to be assigned to the project investor, Key Bank).

In recognition of fiscal pressures inherent in these types of transactions (due to limits on rental receipts and operating expense obligations associated with income-restricted housing), Article XI of the PHFL authorizes the governing body of a municipality in which an HDFC project is located to grant a tax exemption of up to forty (40) years. This is a common element of an HDFC acquisition/financing (again, West End Lofts and Highland Meadows Senior Housing serve as examples). The grant of an exemption and establishment of a PILOT payment schedule lend long-term stability to these types of income-restricted housing developments.

The Exemption and Existing PILOT

The Tompkins Terrace property is tax-exempt on account of its ownership by a PHFL Article II corporation and subject to a PILOT Agreement that is in effect through 2034. As stated, current legal requirements limit occupancy within Tompkins Terrace to residents at 50% and 60% AMI thresholds.

The current PILOT Agreement provides for the annual payment of ten (10%) of so-called “shelter rent” derived from the operation of the Tompkins Terrace development. Shelter rent is a term defined in the PHFL and encompasses total rents received from the occupants of a project, less the cost of providing all housing with electricity, gas, heat and other utilities. Under the current PILOT Agreement, shelter rent computations are performed annually and 10% of this amount is remitted to the City of Beacon, which then distributes the PILOT proceeds to all affected taxing jurisdictions (the City, Beacon City School District, Howland Library and County of Dutchess) on an allocated basis. This annual allocation is based upon the proportionate share of real property taxes that would otherwise be levied by each taxing jurisdiction upon the Tompkins Terrace property for the year in which PILOT proceeds are paid.

As a result, shelter rent payments can vary significantly year-to-year. This is due to fluctuation in rental proceeds and utility costs. Over the past ten (10) years, the PILOT payments made under the current agreement have ranged from \$179,300 in 2013 to \$283,600 (in 2022). This shelter rent formula has led to years in which PILOT revenues have spiked (by as much as 21%) to years in which the payments have decreased (by as much as 8%).

Over the past two years, Tompkins Terrace has obtained higher rental revenue – not through direct rent charges to tenants, but by the implementation of a payment voucher program assisting the lowest income residents in the development. This program, administered through HUD and the Beacon Housing Authority, will remain in effect through 2040 and has (through voucher revenue) raised annual shelter rent proceeds.

The Exemption and Proposed PILOT Agreement

Because the Tompkins Terrace property is to be owned by a HFDC, RA requests that the City Council issue an exemption under §577 of the PHFL. This provision of the PHFL allows the City Council to do so as a means of promoting the creation and maintenance of affordable income housing. The authority to grant an exemption under PHFL §577 lies solely with the City Council.

The proposed duration of the exemption is 40 years, which is permitted under §577 of the PHFL.

RA further proposes that, while this exemption is in place, the Tompkins Terrace property be subject to a PILOT Agreement (this will replace the PILOT Agreement currently in place). The proposed PILOT Agreement requires that the Tompkins Terrace property be maintained by the HDLC for housing subject to the following rent restrictions: (1) for 155 of the 193 units, rent shall be no more than 30% of the then prevailing 60% of AMI and (2) for 38 of the units, rent shall be no more than 30% of the then prevailing 50% of AMI.

RA proposes a departure from the current 10% of shelter rent formula under the proposed PILOT Agreement. RA proposes a fixed schedule of PILOT payments over the 40-year term of the agreement (a working draft of which accompanies this Memorandum). The payments will begin at \$310,000 (in year 1) and thereafter increase at a rate of 2.25% per year (on a compound basis). This \$310,000 is based upon an approximate projection of 10% of shelter rent that will be generated after the Tompkins Terrace development is acquired and the project renovations are completed.

Although there are terms of the PILOT Agreement that have yet to be finalized (as noted in the working draft, these address implementation of the new PILOT payments and other technical details), the key substantive terms (duration, obligation to maintain affordability, the payment amounts, etc.) are stated in the working draft. Parenthetically, this working draft generally follows the PILOT Agreement governing the affordable component of West End Lofts, which the City Council approved in 2018.

Proposed Resolution

Again, I have provided a Resolution for the City Council's consideration, which will grant the exemption and authorize entry into a PILOT Agreement with the substantive terms proposed.

In evaluating whether to grant the exemption and authorize the PILOT Agreement, I offer the following observations:

- The exemption and PILOT Agreement are sought to allow for renovations to the Tompkins Terrace development and a continued commitment that this property will remain a housing resource for households of limited means. The PILOT Agreement and, in turn, the exemption is conditioned upon adherence to rent restrictions under which no resident will pay more than 30% of either 50% or 60% of household AMI. It thus

ensures the continued availability of Tompkins Terrace units for affordable housing needs.

- Beyond the safeguards concerning affordability standards in the PILOT Agreement, both DHCR oversight and protections sought by the project investor (Key Bank) will ensure adherence to these income-restriction requirements. Key Bank, for example, will obtain LIHTC's from RA as part of this transaction, the benefits of which are critical to its participation as an investor. The viability of these credits is dependent upon maintaining the Tompkins Terrace property as affordable housing (applying the rent restrictions specified above). Thus, Key Bank has a significant incentive (protecting the value of these LIHTC's) to ensure that the Tompkins Terrace housing development is operated in this manner.
- The PILOT payments are fixed, and while the 2.25% escalator may appear somewhat low, it nonetheless provides for annual increases in PILOT revenue. Notably, the 2.25% factor is a figure that will enable the underwriting of the HDFC acquisition/site improvements and any appreciable increase in this percentage could upset project financing.
- Moreover, the use of a fixed payment schedule eases provides predictability, which facilitates sound municipal budgeting processes and tax cap computations. Concerning the tax cap, annual projected PILOT revenues must be specified by taxing jurisdictions. When shelter rent or other project revenue methods prone to variance from year-to-year are employed, these projections can be difficult to make with accuracy.
- The issuance of the exemption will not remove a non-exempt, rateable property from City assessment and tax rolls. The property has long been tax-exempt, which exemption underlies the ability to provide housing in Tomkins Terrace on an affordable basis.
- The \$310,000 initial payment is, as stated, premised upon a projection of 10% of shelter rent to be generated upon property acquisition and improvements. This figure is above the shelter rent received in 2023. By way of comparison, the Highland Meadows Senior Housing PILOT Agreement (sixty-eight (68) units; effective in 2016) provided for an initial PILOT payment of \$53,095.

- The exemption to be granted will go into effect upon the acquisition of the Tompkins Terrace property by the RA-affiliated HFDC. As a result, the first PILOT payment is projected for 2024. Until that time, the property will remain subject to the current exemption and PILOT Agreement.
- The timing of payments to be made under the PILOT Agreement will align with those currently in place for West End Lofts and Highland Meadows Senior Housing.
- As with the current PILOT Agreement, the PILOT payments to be received will be allocated among all taxing jurisdictions (including the Beacon City School District) based upon the annual proportional share of taxes that would otherwise have been levied against this property. This annual computation will be performed by the City Finance Director based upon tax rates in effect over the term of the PILOT Agreement. In this regard, the City could potentially adopt the position that, under the PHFL (and unlike transactions in which an exemption is premised upon Dutchess County IDA ownership of a parcel), these PILOT proceeds need not be allocated and distributed in this manner. I do not recommend adopting this position insofar as Tompkins Terrace is concerned because (1) revenues received under the current PILOT Agreement are allocated, (2) the current PILOT revenue (and that to be paid under the proposed PILOT Agreement) is more substantial and (3) Tompkins Terrace residents include school-age children.
- The PILOT Agreement can be terminated if the Tompkins Terrace development is not utilized for affordable housing purposes. The agreement may be terminated if a PILOT payment is delinquent for more than thirty (30) days following the issuance of a written notice of default. In the event of a default (non-payment or other violation of the PILOT Agreement's terms), the City may pursue remedies to collect owed monies in the same manner as would be used to collect taxes and/or through a standard lawsuit. Late payments will be subject to the same interest and penalties that would be imposed upon delinquent taxes.

- Furthermore, in the event of a breach and consequent action by the City, the PILOT Agreement contains an attorneys' fees provision.
- The PILOT Agreement makes the County and Beacon City School District "third-party beneficiaries" of its terms. This means that they, too, could pursue legal action or remedies in the event of a breach of the agreement.

I am available to discuss the exemption and proposed PILOT Agreement.

cc: Nicholas M. Ward-Willis, Esq.
Ms. Susan Tucker
Ms. Kathy Martin

**AGREEMENT FOR PAYMENT IN LIEU OF TAXES
BETWEEN AND AMONG
THE CITY OF BEACON, NEW YORK, [TOMPKINS TERRACE
HOUSING DEVELOPMENT FUND COMPANY, INC.]¹ AND
TOMPKINS TERRACE HOUSING, L.P.**

THIS AGREEMENT FOR PAYMENT IN LIEU OF TAXES (the “PILOT Agreement” or “Agreement”), dated as of the ____ day of ____, 2023, between and among the **CITY OF BEACON, NEW YORK**, a municipal corporation organized and existing under the laws of the State of New York, having its principal office located at Beacon City Hall, 1 Municipal Plaza, Beacon, New York 12508 (the “City”), **[TOMPKINS TERRACE HOUSING DEVELOPMENT FUND COMPANY, INC.]**, a New York not-for-profit corporation and entity organized pursuant to Article XI of the Private Housing Finance Law of the State of New York, having its principal place of business at c/o Related Affordable, 30 Hudson Yards, 72nd Floor, New York, New York 10001 (the “HDFC”), which HDFC will hold title to the Property (as hereinafter defined) for the benefit of **TOMPKINS TERRACE HOUSING, L.P.**, a New York limited partnership, having its principal office located at c/o Related Affordable, 30 Hudson Yards, 72nd Floor, New York, New York 10001 (the “Partnership”).

WHEREAS, the HDFC is, or will become, the bare legal or record owner, and the Partnership is, or will become, the beneficial and equitable owner, of certain real property located at 194 Tompkins Terrace (aka 1-193 Tompkins Terrace), City of Beacon, County of Dutchess, and State of New York more particularly described in **Exhibit A** attached hereto and incorporated herein (the “Property”); and

WHEREAS, the HDFC is a corporation established pursuant to Section 402 of the Not-For-Profit Corporation Law and Article XI of the Private Housing Finance Law (“PHFL”); and

WHEREAS, the HDFC and the Partnership have each been formed for the purpose of providing residential rental accommodations for persons of low-income; and

WHEREAS, the Partnership will , own, rehabilitate, maintain and operate a housing project for persons of low income at the Property (the “Project”); and

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 HDFC is a “housing development fund company” as the term is defined in Section 572 of the PHFL; and

WHEREAS, pursuant to Section 577 of the PHFL, the local legislative body of a municipality may exempt the real property of a housing project of a housing development fund company from local and municipal taxes, including school taxes, other than assessments for local

¹ To be formed entity.

improvements, to the extent of all or a part of the value of the property included in a completed project; and

WHEREAS, the City Council of the City of Beacon, New York (the “City Council”), being the local legislative body of the City, by Resolution No. [] of 2023 duly adopted on [], 2023, exempted the Property from real property taxes, as authorized under Section 577 of the PHFL, and further approved and authorized the execution of this PILOT Agreement;

NOW, THEREFORE, it is agreed as follows:

1. Pursuant to Section 577 of the PHFL and Resolution No. [] of 2023 adopted by the City Council on [], 2023, the City exempts from local and municipal taxes, other than assessments for local improvements, one hundred percent (100%) of the value of the Property, including both land and improvements. “Local and Municipal Taxes” shall mean any and all real estate taxes that may be levied by the County of Dutchess (the “County”), the City, the Beacon City School District (the “School District”), the Howland Library (the “Library”) and/or any other taxing jurisdiction (collectively the “Taxing Jurisdictions”) upon the Property, other than as specified in Paragraph “2” below.

2. The tax exemption granted under Resolution No. [] of [] and under this PILOT Agreement shall remain in effect for a period of forty (40) years from date of the HDFC’s acquisition of the Property. This Agreement shall not limit or restrict the HDFC’s or Partnership’s right to apply for or obtain any other tax exemption to which it might be entitled upon the expiration of this Agreement. The parties understand that the exemption extended pursuant to Section 577 of the PHFL and this Agreement does not include an exemption from special assessments and/or special ad valorem levies. During the period of this Agreement, the Partnership shall pay any service charges, special ad valorem levies, special assessments and improvement district charges or similar tax equivalents which are or would be levied upon or with respect to the Property, as improved by the Project, by the Taxing Jurisdictions or any other taxing authority.

3. So long as the exemption remains in effect, the Partnership shall make annual payments in lieu of taxes (“PILOT”) in the amount specified and in accordance with the terms and provisions of this Agreement. The annual PILOT shall be applicable to a calendar year period (January 1st to December 31st), and shall be tendered in arrears in the following calendar year as specified in Paragraph “4” below. The first PILOT shall be due on April 1, 2024.

4. [The annual PILOT shall be tendered by the Partnership to the Director of Finance of the City of Beacon (the “Finance Director”), or his or her designee, within thirty (30) days of the Partnership’s receipt of a PILOT bill to be issued to the Partnership on an annual basis by the City. The annual PILOT bill shall be issued by the City on or after March 1st of each calendar year during the term of this Agreement in which a PILOT is due and owing. Payments shall be mailed via First Class mail through the United States Postal Service or personally delivered to the City of Beacon, Attention Director of Finance, 1 Municipal Plaza, Beacon, New York 12508, or such other address as the City may specify in writing.] ***[NTD: please confirm no changes to this paragraph]***

5. The Finance Director shall, within sixty (60) days of receipt of the PILOT proceeds, distribute the PILOT proceeds to the Taxing Jurisdictions that could otherwise levy real property taxes upon the Property, but for the exemption. The Finance Director shall distribute the PILOT proceeds in due proportion to the amount of real property taxes that would have been levied by each of the Taxing Jurisdictions upon the Property in the year the PILOT proceeds are tendered. As an example of this apportionment, if a PILOT is tendered on April 1, [2024, it shall be proportionally allocated among the Taxing Jurisdictions based upon the tax rate applied in the School District's levy of 2023-24 school taxes, the Library's levy of 2023-2024 taxes, and the City and County's levy of 2024 City and County taxes.] **[NTD: discuss mechanics of the end of the old PILOT and new commencement of the new PILOT]**

6. [The initial PILOT to be paid by the Partnership shall be in the amount of [Three Hundred Ten Thousand and 00/100 Dollars (\$310,000.00)]. The first PILOT tendered by the Partnership shall be prorated based upon the number of months in the prior calendar year in which the HDFC acquired the Project (as an example, if the HDFC acquires the Project in October, the first PILOT shall be prorated on a one-quarter basis to account for the three calendar months October, November and December in which the HDFC is the owner of the Project). The PILOT shall thereafter follow the schedule attached hereto as **Exhibit B.**] **[NTD: discuss mechanics]**

7. Intentionally Omitted.

8. Intentionally Omitted.

9. So long as the tax exemption remains in effect, tenant rental charges for the Project shall not exceed the maximum established or allowed by law, rule or regulation, and the Property and Project shall be operated in conformance with the provisions of Article XI of PHFL.

10. The tax exemption provided by this Agreement will continue for the term described above provided that (a) the Property and Project continue to be used as housing facilities for persons of low-income in accordance with the income and rent limitations attached hereto and incorporated herein as **Exhibit C.** and (b) any of the following occur (i) the HDFC and the Partnership operate the Property in conformance with Article XI of the PHFL; or (ii) the HDFC assumes sole legal and beneficial ownership of the Property and operates the Property in conformance with Article XI of the PHFL; or (iii) in the event an action is brought to foreclose a mortgage upon the HDFC, and the legal and beneficial interest in the Project shall be acquired at the foreclosure sale or from the mortgagee, or by a conveyance in lieu of such sale, by a housing development fund corporation organized pursuant to Article XI of the PHFL either as the sole legal and beneficial owner or as the legal owner for an on behalf of another beneficial owner, or by the Federal government or an instrumentality thereof, or by a corporation which is, or by agreement has become subject to the supervision of the superintendent of banks or the superintendent of insurance, such successor in interest, such successor in interest shall operate the property in conformance with Article XI of the PHFL.

11. The failure to make any PILOT in accordance with the terms of this Agreement shall be deemed a failure to make payment of real property taxes and will be governed by the same provisions of law as apply to the failure to make payment of such taxes, including but not

limited to the enforcement and collection of taxes to the extent permitted by law. This includes the imposition of any additional late payment charge(s) in the full amount permitted by law, as well as the imposition of interest on any unpaid PILOT that shall accrue at the interest rate authorized by law with regard to unpaid real property taxes levied within the City and County.

12.

- a) In addition to failure to pay any PILOT when due, HDFC and the Partnership shall be in default of this Agreement in the event of material failure to observe and perform any other covenant, condition of agreement on its part to be observed and performed hereunder, which breach or default is not cured within thirty (30) days of the HDFC and Partnership's receipt of written notice specifying the nature of such breach or default and requesting that it be remedied; provided, however, that if efforts to cure a non-monetary breach are commenced within such thirty (30) day period and are thereafter diligently prosecuted to completion, such period shall be extended for a period of time not to exceed three (3) months; or in the event any warranty, representation or other statement by or on behalf of HDFC or the Partnership contained in this Agreement shall prove to have been false or untrue in any material respect on the date when made or on the effective date of this Agreement. Any notice issued under this Paragraph "12" shall also be issued contemporaneously to KeyBank National Association (the "Lender"), and Key Community Development Corporation (the "Equity Investor"), their respective successors and/or assigns, in the manner and at the addresses specified in Paragraph "16" below. Whenever any event of default under this Agreement shall have occurred and be continuing, the City shall have the following remedies: (a) it may terminate this Agreement and exercise all of the rights and remedies available for failure to pay property taxes as and when due had this Agreement not been in effect and/or (b) it may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of HDFC and the Partnership under this Agreement, and the Partnership shall further pay the reasonable fees and disbursements of such attorneys as the City shall engage for the enforcement of performance or observance of any obligation, covenant or agreement on the part of HDFC and the Partnership and all other expenses, costs and disbursements so incurred.
- b) The cure of any default hereunder made or tendered by Lender or the Equity Investor shall be deemed to be cured by the Partnership, and shall be accepted or rejected by the City on the same basis as if made or tendered by the Partnership. For the avoidance of doubt, the Equity Investor and Lender shall not be obligated to cure any Event of Default.
- c) Notwithstanding anything to the contrary contained in this Section 12 or elsewhere in this agreement, during any period of time that a Lender owns the Project or if any subsequent owner acquires the Project from a Lender, neither the Lender, nor such subsequent owner will be liable or obligated for the breach or default of any obligation of any prior owner (including the Partnership and/or HDFC) under this Agreement, including, but not limited to, any payment or indemnification obligation, in which case the owner of the Project at the time the default occurred shall remain liable for any and all damages occasioned thereby even after such entity ceases to be the owner (and, in such event, any party seeking to collect such damages shall have no recourse and shall have no right to

levy against, or otherwise collect on, any judgment from the Project), provided that such defaulting owner shall bear no liability under this Agreement for any damages occasioned by any subsequent default under this Agreement occurring after such entity ceases to be the owner of the Project.

13. No remedy herein conferred reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

14. No delay or omission in exercising any remedy shall impair any such remedy or construed to be a waiver thereof. It shall not be necessary to give any notice other than as expressly required under this Agreement. In the event any provision contained in this Agreement should be breached and thereafter duly waived by the party or parties so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder.

15. It is acknowledged and agreed that the School District and County are third-party beneficiaries of this Agreement and thereby entitled to the rights and benefits of its terms and, accordingly, may enforce the provisions of this Agreement as if they are parties hereto, and obtain the same remedies against the Partnership and HDfC as afforded the City under the terms of this Agreement.

16. All notices and other communications hereunder, with the exception of the annual PILOT bill to be issued under Paragraph "4" above, shall be in writing and shall be sufficiently given when delivered by registered or certified mail, return receipt requested or by such other means as shall provide the sender with documentary evidence of such delivery, to the following:

To The City of Beacon, New York:

City Administrator
City of Beacon
Beacon City Hall
1 Municipal Plaza
Beacon, New York 12508

To the HDfC or the Partnership.:

c/o Related Affordable
30 Hudson Yards, 72nd Floor
New York, New York 10001

To Lender:

KeyBank National Association
11501 Outlook Street Suite 300,
Overland Park, KS 66211

To Equity Investor:

Key Community Development Corporation
Mailcode: OH-01-27-0761, 7th Floor
127 Public Square
Cleveland, Ohio 44114

Notices shall be issued to the successors and/or assigns of any of the above-listed entities, at addresses specified in writing to all parties to this Agreement pursuant to the notice provisions of this Paragraph “16.”

17. This Agreement shall inure to the benefit of and shall be binding upon the City, the Partnership and the HDFC and their respective successors and assigns, including the successors in interest of the Partnership and the HDFC. There shall be no assignment of this Agreement except with consent of the other party, which consent shall not be unreasonably withheld, provided that the assignee shall be a housing development fund company subject to Article XI of the PHFL, the assignee shall have assumed the obligations of this Agreement in writing reasonably satisfactory to the City, and the assignee shall have provided such financial and other information as shall be reasonably requested by the City in order to assure the proper completion and operation of the housing project and the compliance with the terms of this Agreement and all applicable laws, regulations and covenants.

18. If any provision of this Agreement or its application is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances shall be enforced to the greatest extent permitted by law.

19. It is acknowledged and agreed that this Agreement is a mutual undertaking of counsel for all parties and, accordingly, to the extent any ambiguity exists with respect to the terms and conditions stated herein, such terms and conditions shall not be automatically construed against any party hereto.

20. This Agreement may be executed in any number of counterparts with the same effect as if all the signing parties had signed the same document. All counterparts shall be construed together and shall constitute the same instrument.

21. This Agreement constitutes the entire agreement of the parties relating to payments in lieu of taxes with respect to the above-described property and supersedes all prior contracts, or agreements, whether oral or written, with respect thereto.

22. This Agreement may only be supplemented, amended or modified upon the mutual agreement of the parties hereto. No such supplement, amendment or modification shall take effect and be binding except in written form signed by the parties.

23. Each of the parties individually represents and warrants that the execution, delivery and performance of this Agreement, (i) has been duly authorized by proper action of its governing body and does not require any other consent or approval for the execution thereof by

such municipality, (ii) does not violate any law, rule, regulation, order, writ, judgment or decree by which it is bound, and (iii) will not result in or constitute a default under any agreement or instrument to which it is a party. Each such party represents that this Agreement shall constitute the legal, valid and binding agreement of such party enforceable in accordance with its terms.

24. The Partnership and HDFC jointly and severally make the following representations, warranties and covenants:

(i) Each of the HDFC, a “housing development fund company” under Article XI of the PHFL, and the Partnership is organized, validly existing and in good standing under the laws of the State of New York and is authorized under the laws of the State of New York to do business in the State, has the power to enter into this Agreement and to perform the transactions contemplated hereby and its obligations hereunder and by proper action has duly authorized the execution and delivery of this Agreement and the performance of its obligations hereunder, and the execution, delivery and performance of this Agreement does not require any other consent or approval. This Agreement shall constitute the legal, valid and binding agreement of HDFC and the Partnership enforceable in accordance with its terms.

(ii) Neither the Partnership nor HDFC is in default under, or in violation of, any indenture, mortgage, declaration, lien, lease, contract, note, order, judgment, decree or other instrument of any kind to which any of its assets are subject, and the execution, delivery and compliance by the Partnership or HDFC with the terms and conditions of this Agreement do not and will not conflict with or constitute or result in a default by the Partnership or HDFC in any material respect under or violation of, (1) the entity’s organizational documents, (2) any agreement or other instrument to which such entity is a party or by which, to such entity’s knowledge, it is bound, or (3) any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Partnership or HDFC or its property, and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(iii) The Partnership has provided to the City true and complete financial information with respect to the Property, including without limitation project costs, financing sources, rents and income limitations.

(iv) The Partnership covenants and agrees to operate the Property in accordance with all applicable rules and regulations of Article XI of the PFHL, including without limitation applicable rent limits and income limits and in accordance with the plan attached hereto as **Exhibit C**.

(v) The Partnership covenants and agrees to provide to the City any information or documents reasonably requested in writing by the City in order to provide any federal, state or local entity with information or reports required under any applicable law, rule or regulation.

25. [The City shall file a copy of the fully executed Agreement with the City Assessor. The Partnership shall be responsible for taking such actions as may be necessary to

ensure that the Property shall be assessed as exempt upon the assessment rolls of the respective Taxing Jurisdictions, including without limitation ensuring that any required exemption form shall be filed with the appropriate officer or officers of each respective Taxing Jurisdiction. Such exemption shall be effective as of the first taxable status date of the applicable Taxing Jurisdiction following the date of this Agreement, provided that the Partnership shall timely file any requisite exemption forms.] *[NTD: let's discuss requisite forms]*

26. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Remainder of page intentionally left blank.

IN WITNESS WHEREOF, the City, the HDFC and the Partnership have caused this Agreement to be executed in their respective names by their duly authorized representatives and their respective seals to be hereunder affixed, all as of the date above-written.

DATED: _____, 2023

CITY OF BEACON, NEW YORK

By: _____

Name:

Title:

DATED: _____, 2023

[TOMPKINS TERRACE HOUSING
DEVELOPMENT FUND COMPANY, INC.], a
New York not-for-profit corporation

By: _____

Name: Matthew Finkle

Title: President

DATED: _____, 2023

TOMPKINS TERRACE HOUSING, L.P., a New York
limited partnership

By: Tompkins Terrace Housing GP, LLC, a New
York limited liability company
its general partner

By: _____

Name: Matthew Finkle

Title: Vice President

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

On the ____ day of _____, in the year 2023, before me personally appeared Randy Casale, 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 person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

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

On the ____ day of _____, in the year 2023, before me personally appeared Matthew Finkle, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

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

On the ____ day of _____, in the year 2023, before me personally appeared Matthew Finkle, 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 person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT A

[Insert Meters/Bounds Legal Description]

EXHIBIT B

Year 1	\$310,000 ²	Year 21	\$483,758
Year 2	\$316,975	Year 22	\$494,642
Year 3	\$324,107	Year 23	\$505,772
Year 4	\$331,399	Year 24	\$517,152
Year 5	\$338,856	Year 25	\$528,788
Year 6	\$346,480	Year 26	\$540,685
Year 7	\$354,276	Year 27	\$552,851
Year 8	\$362,247	Year 28	\$565,290
Year 9	\$370,398	Year 29	\$578,009
Year 10	\$378,732	Year 30	\$591,014
Year 11	\$387,253	Year 31	\$604,312
Year 12	\$395,966	Year 32	\$617,909
Year 13	\$404,875	Year 33	\$631,812
Year 14	\$413,985	Year 34	\$646,028
Year 15	\$423,300	Year 35	\$660,563
Year 16	\$432,824	Year 36	\$675,426
Year 17	\$442,563	Year 37	\$690,623
Year 18	\$452,520	Year 38	\$706,162
Year 19	\$462,702	Year 39	\$722,051
Year 20	\$473,113	Year 40	\$738,297

² Year 1 amount to be prorated as set forth in the PILOT Agreement.

EXHIBIT C

Project Plan: Tompkins Terrace

Property: 194 Tompkins Terrace (aka 1-193 Tompkins Terrace)

Number of Units	AMI Restriction	Rent Restriction (Tenant's Portion)
155	60%	30% of 60% of AMI
38	50%	30% of 50% AMI

In each case the above set-asides are to satisfied in accordance with and subject to Section 42 and 142 of the Code and regulations of New York State Housing Finance Agency.

City of Beacon City Council Agenda
03/20/2023

Title:

Resolution No. 19 - Approving the Appointment of Samuel Dandrade to the Position of Water and Sewer Maintenance Helper

ATTACHMENTS

[Samuel Dandrade Resume](#)

[Water and Sewer Superintendent Memorandum in Support of the Appointment of Samuel Dandrade to the Position of Water and Sewer Maintenance Helper](#)

[Resolution Appointing Dandrade to the Position of Water and Sewer Maintenance Helper](#)

Samuel A. Dandrade

Objectives

To secure a position with advancement opportunities that will utilize my acquired skills and experience to contribute to the success of a progressive organization with in the job.

Strengths

- Motivated and responsible worker with ability to manage or work as part of a team
- Sound knowledge of safety procedures applied to work
- Reliable and punctual employee with commitment to company work standards and a positive work environment

Work Experience

Beacon Wastewater Treatment Plant

April 2015- Present

Maintenance Mechanic and Dewatering Operator

Duties: Repairing pumps, packing pumps, (dewatering) belt press machine, mowing lawns, reading numbers, ordering chemicals, repairing motors and doing all oil changes. All preventative maintenance, snow removal.

EarthCare Wastewater Management

Beacon, NY

February 2015 april 2015

Processor- dewatering operator

Duties: Daily processing of waste and running machines to ensure an effective separation cycle. Also to keep the facilities clean with a-round the clock maintenance.

Mountainside Landscaping L.L.C

Beacon, NY

September 2013-January 2015

Laborer

Duties: Mowing and grooming lawns, creating new lawns from scratch, pruning bushes, large tree services, construction, septic work (replacing old and new septic tanks), Replacing and repairing water lines and sewer lines and drainage for homes, digging trenches, repaired pavements and black top, patio work, skid steer running, pouring concrete slabs, forming foundations and pouring concrete, forming sidewalks and pouring concrete, performing spring and fall clean ups as well as snow removal during winter

Zott Construction

Stormville, NY

November 2012- April 2013

Laborer

Duties: Emergency Response, fire and smoke damage, water damage, contents restoration,

mold remediation, and construction services

O'Dell Landscaping

Beacon, NY

April 2010-September 2013

Landscaper

Duties: Mowing and grooming lawns, creating new lawns from scratch, pruning bushes, performing spring and fall clean ups as well as snow removal during winter

Family Dollar

Newburgh, NY / Beacon, NY

November 2009-March 2010

Assistant Manager

Duties: To greet and make sure customers are happy, inventory, counting and managing money

Education

Dutchess Community College

Fall 2008-Spring 2011

Beacon High School

Class of 2008

References and Career Portfolio Available Upon Request



CITY OF BEACON New York

WATER DEPARTMENT

845-831-3136

To: City of Beacon Administrator Christopher White
City of Beacon City Council

From: Edward Balicki

Re: Water and Sewer Maintenance Helper

Date: March 6, 2023

City Council approved the hiring of a new Water and Sewer Maintenance Helper position in the 2023 budget. This position was posted internally and interviews were conducted by a hiring committee, consisting of the Water Superintendent and the Director of Human Resources. Three applicants were interviewed; after further discussions about the interviews, qualifications and professional experience, I am recommending Samuel Dandrade for the position of Water and Sewer Maintenance Helper.

Samuel has been employed with the City of Beacon in the Wastewater Department since April 2015, performing duties such as repairing of motors, preventative maintenance, operating the belt press, installation and repair of equipment, snow removal, lawn maintenance and other duties as assigned. In addition, Mr. Dandrade has previous work experience in construction and landscaping. In totality, this best qualifies Mr. Dandrade to handle all tasks associated with the Water and Sewer Maintenance Helper position.

At this time, I am requesting that you appoint Mr. Dandrade to the position of Water and Sewer Maintenance Helper. Thank you for your consideration.

Sincerely,

Edward Balicki
Water & Sewer Superintendent
City of Beacon



**CITY OF BEACON
CITY COUNCIL**

RESOLUTION NO. 19 OF 2023

**APPOINTING SAMUEL DANDRADE TO THE POSITION
OF WATER AND SEWER MAINTENANCE HELPER**

WHEREAS, there is currently a vacancy for the position of Water and Sewer Maintenance Helper;
and

WHEREAS, Samuel Dandrade meets the qualifications for the position of Water and Sewer Maintenance Helper and is recommended for appointment to the position by the Water and Sewer Superintendent.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor hereby appoints and the City Council approves the appointment of Samuel Dandrade to the position of Water and Sewer Maintenance Helper.

Resolution No. 19 of 2023			Date: March 13, 2023				
☐ Amendments						☐ 2/3 Required	
☐ Not on roll call.			☐ On roll call			☐ 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Paloma Wake					
		Justice McCray					
		George Mansfield					
		Wren Longno					
		Molly Rhodes					
		Dan Aymar-Blair					
		Mayor Lee Kyriacou					
		Motion Carried					

City of Beacon City Council Agenda
03/20/2023

Title:

Resolution No. 20 - Approving the Reappointment of Richard Markwalter to the Tree Advisory Committee

ATTACHMENTS

[Richard Markwalter Committee Application](#)

[Secretary to the Mayor Memorandum Regarding the Proposed Reappointment of Richard Markwalter](#)

[Resolution Approving the Reappointment of Richard Markwalter to the Tree Advisory Committee](#)

Committee Application



Submit Forms:
One Municipal Plaza, Suite One
Beacon, NY 12508

Phone: (845) 838-5010
FAX: (845) 838-5012
Email: cityofbeacon@cityofbeacon.org

Name

Richard (Paul) Markwalter

Address

Phone Number

Alternate Phone

Email Address

Committee You are
Interested In

- ☐ Board of Assessment Review
- ☐ Board of Ethics
- ☐ Conservation Advisory Committee
- ☐ Emergency Management Committee
- ☐ Human Relations Commission
- ☐ Planning Board
- ☐ Recreation Committee
- ☐ Traffic Safety Committee
- ☐ Zoning Board of Appeals
- ☐ Any of the above
- ☒ Other

Available number of
Hours per week (for
Committee work)

Open

Occupation

Retired tree surgeon

Employer

Work Address

Work Phone

Education

- ☐ Some High School
☐ High School Diploma
☒ Some College
☐ Associates Degree
☐ Bachelor's Degree
☐ Master's Degree
☐ Doctorate Degree

Interest & Skills

Trees, Vacuum tube electronics, carpentry, photography.

Areas of Expertise
(business & civic)

See above

Reference

Reference Name

Address

Phone

Email Address

Relationship

Please include your resume along with this application.

I agree that by submitting this application, I am electronically signing the application. I solemnly declare that the information I have provided is true.

Applicant Signature: Richard (Paul) Markwalter

Date: 02/22/2023

CITY OF BEACON

Office of the Mayor

One Municipal Plaza
Beacon, New York 12508
845-838-5010 - Office
845-838-5012 - Fax



www.cityofbeacon.org

Date: March 1, 2023

To: Mayor Kyriacou and City Councilmembers

Re: Proposed Reappointment of Richard (Paul) Markwalter to the Tree Advisory Committee

Dear Mayor and Councilmembers:

In order to provide some background information on and context to Mr. Markwalter's application for reappointment to the Tree Advisory Committee, I solicited information from him regarding his background, qualifications, and experience for use during your consideration of such.

Mr. Markwalter is a resident of Beacon and has volunteered on the Tree Advisory Committee for the past four years. City Code requires an arborist to serve on the Committee, and Mr. Markwalter has served in that capacity during this time. Mr. Markwalter also served as Chair to this Committee until stepping down in 2022, but agreed to continue his service in other capacities since then.

Professionally, Mr. Markwalter has held numerous positions involving work with trees, beginning as far back as 1963 with a tree surgeon company. In the years since, he has worked in utility line clearance, pruning, deadwooding, and thinning and clearance from buildings. His work has spanned New Jersey, New York, and Florida and has given him familiarity in operating bucket trucks, tree cranes, backhoes, and related heavy machinery.

I hope that the above provides context for and otherwise aids in your discussion regarding the proposed Reappointment.

Sincerely,

Benjamin Swanson
Secretary to the City Mayor
Beacon, NY
845-838-5010



**CITY OF BEACON
CITY COUNCIL**

RESOLUTION NO. 20 OF 2023

**APPROVING THE REAPPOINTMENT OF
RICHARD MARKWALTER TO THE TREE ADVISORY COMMITTEE**

WHEREAS, Richard (Paul) Markwalter recently completed a term of service on the City of Beacon Conservation Advisory Committee; and

WHEREAS, Richard Markwalter wishes to serve a further term beginning in 2023 and is recommended for reappointment to such by Mayor Kyriacou.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor hereby reappoints, with the consent of the City Council, Richard Markwalter to the Tree Advisory Committee to a term set to expire on December 31, 2024.

Resolution No. 20 of 2023			Date: March 13, 2023				
☐ Amendments						☐ 2/3 Required	
☐ Not on roll call.			☐ On roll call			☐ 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Paloma Wake					
		Justice McCray					
		George Mansfield					
		Wren Longno					
		Molly Rhodes					
		Dan Aymar-Blair					
		Mayor Lee Kyriacou					
		Motion Carried					

City of Beacon City Council Agenda
03/20/2023

Title:

Resolution No. 21 - Approving a Real Property Exemption and Payment in Lieu of Taxes (PILOT) Agreement for Tompkins Terrace

ATTACHMENTS

Related Affordable Presentation on Proposed Renovations and PILOT Agreement for Tompkins Terrace

Tompkins Terrace Housing Development PILOT Term Sheet

Keane & Beane, P.C. Memorandum Regarding Proposed Renovations and PILOT Agreement for Tompkins Terrace Housing Development

Tompkins Terrace PILOT Agreement

Resolution Approving a Real Property Tax Exemption and Payment in Lieu of Taxes Agreement for Tompkins Terrace

Tompkins Terrace

Beacon, New York

PROPOSAL TO PRESERVE AFFORDABLE HOUSING IN BEACON

Related Affordable

Related Affordable (“RA”), a subsidiary of The Related Companies (“Related”), is a leading acquirer, developer, and preserver of affordable housing throughout the U.S. Founded in 1972, Related has its roots in affordable housing development and today stands as one of the world’s largest private real estate developers.

Related has maintained its commitment to developing quality affordable housing for low- and moderate-income households. RA’s primary focus is on **preserving America’s affordable housing stock through transactions in which RA acquires and/or rehabilitates aging affordable assets that are at risk of losing affordability**, thereby extending affordability at those properties with significant physical renovations and upgrades.

Related manages its large affordable housing portfolio through its affiliated management company, Related Management Company, a leader in the industry. In total, Related owns and manages **over 50,000 units of affordable housing** across the country.



Property Overview

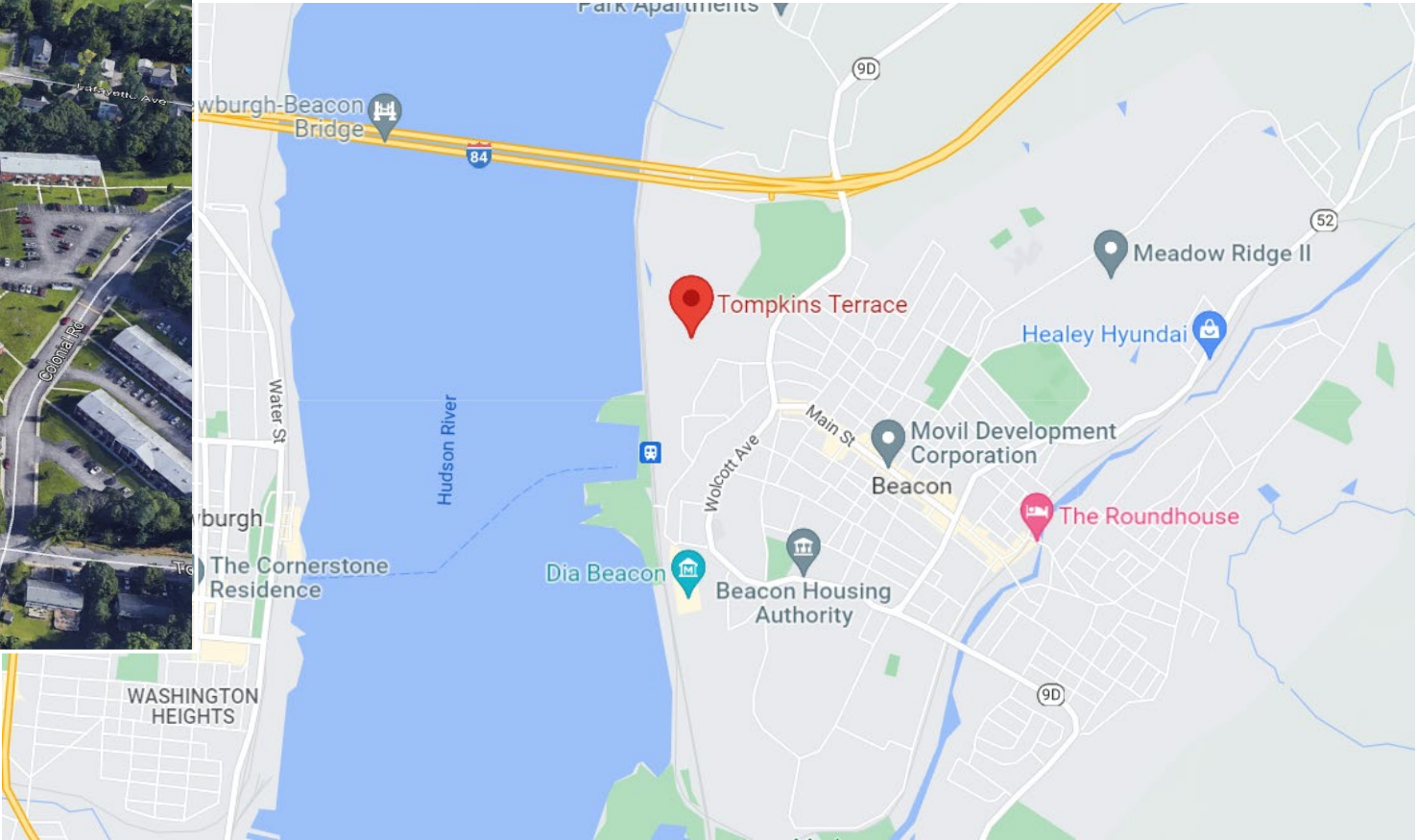
Tompkins Terrace is a 193-unit affordable multifamily rental property for families in Beacon. It lies on the west side of town directly adjacent to the Hudson River, offering quick access to downtown and a half mile trip to and from the train/ferry stop.

Built in 1973, the property consists of thirteen garden-style and townhome buildings with 22 studios, 74 one-bedrooms, 51 two-bedrooms, 34 three-bedrooms and 12 four-bedrooms. With the varied unit mix, the property caters to families and households of all sizes, as well as residents of all ages (including many seniors).

Tompkins Terrace offers two central laundry facilities, a community room with a kitchenette, and two playgrounds in addition to on-site management and common parking. Overall, the property is a quality place for families to live, but **it is in need of renovation to ensure its longevity as a critical affordable housing asset in the local community.**



Property Map



Affordability

Tompkins Terrace operates under a partial project-based Housing Assistance Payments (“HAP”) Contract with the Beacon Housing Authority, which covers 61 units and ensures these **tenants pay no more than 30% of their household incomes on rent**. Approximately 95 other families benefit from a mobile housing choice voucher.

The property is also encumbered by a regulatory agreement with Housing & Community Renewal (“HCR”) that restricts 38 units to households earning 50% of Area Median Income (“AMI”) or less and the balance of 155 units to households earning 60% of AMI or less. *In Beacon, this is equal to a **four-person** household earning a maximum of \$56,200 (50%) or \$67,440 (60%).*

The property’s initial 15-year compliance period under this regulatory agreement expires in 2022, meaning that its **long-term affordability is at risk if not preserved**.

RA intends to enter into new regulatory restrictions in order to **maintain the affordability of the property for current and future residents for at least another 40 years**.



Homelessness Worsens in Older Populations as Housing Costs Take Toll

A rising number of older people around the country are on the verge of homelessness or now living on the streets after falling on hard times.

By Dan Frosch / Photographs by Kyle Green for The Wall Street Journal December 11, 2022 10:00 am ET

“Homeless shelters and aging-service groups in numerous cities say they are seeing more elderly people in desperate need of housing than in years past. A confluence of factors are driving the increase...including soaring rents, a nationwide shortage of affordable housing and the winding down of pandemic-related aid programs.”

“In Boston, the group Hearth, Inc., which aids elderly homeless, said it had noticed a rise in newly homeless clients...Dawn Matchett, the group’s chief program officer, said **the first-time elderly homeless demographic struggled more with economic hardship than other problems like substance abuse or mental illness.**”



“Debbie Sholley, 62, is afraid of being evicted from her rented Boise, Idaho, home after experiencing financial difficulties following the death of her husband...”

*Cobbling together enough money for rent is never a sure thing...She drained her retirement savings years ago to help care for her sick husband. **She is on a waiting list for the Section 8 low-income federal housing program, but that could take well over a year.**”*

Proposed Rehabilitation Scope

RA intends to undertake an approximately 12-month renovation, which will improve various aspects of the property. The total renovation budget is projected to be about \$14.5 million, including contingency. Upgrades will include:

General Unit Interior: new vinyl plank flooring, energy efficient LED lighting, PTAC/HVAC equipment, entry and interior doors, window treatments, and painting

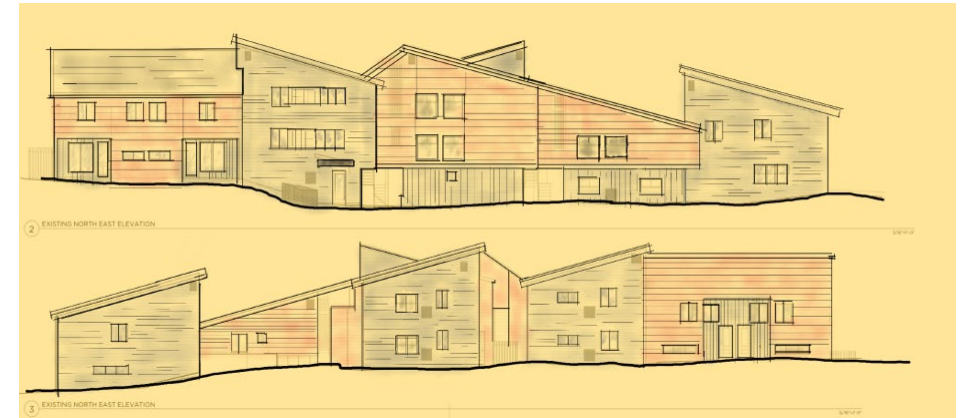
Kitchens: new cabinets, counters, stainless steel sinks, faucets, and appliances

Bathrooms: new vanities, full tub/showers, sinks, exhaust fans, and toilets

Common Areas & Amenities: addition of a business center, upgrade laundry rooms with new finishes, install all new water heaters, replace waste pump, erect two (2) new playgrounds, add free in-unit Wi-Fi throughout all apartments

Building Exterior & Site: new siding/façade (incl. soffits, gutters, leaders), roofs and windows, update all breezeways, convert exterior lighting to LED, landscaping work (incl. drainage/grading), fresh site signage, parking overlays and concrete repairs

ADA: make ten (10) units fully ADA accessible along with ADA site work and path/ramp improvements to meet all UFAS requirements



	\$ / UNIT	TOTAL \$
CONSTRUCTION COSTS	\$69,275	\$13,370,000
CONTINGENCY	\$6,078	\$1,173,000
TOTAL BUDGET	\$75,353	\$14,543,000

Benefits to Residents



Aging in Place: Senior households will be able to remain in place and age in their homes



Strong Financial Outcomes: Sustained housing affordability will promote residents' economic wellbeing and facilitate wealth-building



Strong Health Outcomes: Continued housing stability and enhanced apartment facilities will promote mental health



Access to Critical Local Community Amenities:

- Transportation (train / ferry)
- Pharmacies / supermarkets
- Dia Beacon
- Howland Public Library
- Downtown shops & stores
- Public parks and pools
- Food pantry (Fareground)
- Public school system

Benefits to the City & Region



Curb Appeal: Rehabilitation will significantly improve the exterior appearance of the property and promote neighborhood attractiveness



Job Creation: Project is estimated to create 40 fulltime jobs over 12 months and will recruit from local communities given DCIDA's requirement that 80% of workers must reside in specified counties in New York



Local Spending: Mitigated rent burden will facilitate local business patronage and spending



Regional Business Support: Project will incorporate products manufactured by New York-based companies

Proposed Rehabilitation Strategy

1. Affiliate of RA will acquire and recapitalize the property in Q2 2023.
2. RA will undertake a renovation of the property, **spending in excess of \$14.5 million (over \$75,000 per unit) over 12 months.**
3. The renovation will focus on enhancing amenities, adding energy efficiency upgrades, extending the property's useful life, and improving quality of life for residents.
4. In connection with new tax-exempt bonds and 4% Low Income Housing Tax Credits ("LIHTC"), RA will enter into new regulatory agreements with the Dutchess County Industrial Development Agency ("DCIDA") and HCR that will ensure the property continues to provide affordable housing to existing and future residents for at least the next 40 years.
5. To enable new long-term financing via DCIDA, RA is proposing to gain support from the City of Beacon to enter into a new, extended tax agreement in order for our lender and investor to underwrite a consistent stream of property tax expense.

TIMING OF CLOSING: Q2 2023

RENOVATION TIMING: Approx. 12 months

TARGET COMPLETION: July 31, 2024

FINANCING: Tax-Exempt Bonds & 4% LIHTCs

BOND ISSUER: DCIDA

LIHTC ALLOCATOR: HCR

Proposed PILOT

RA proposes to enter into a new fixed Payment in Lieu of Taxes (“PILOT”) increasing over the existing payment amount for the property. The first-year PILOT would be \$310,000 trended with a 40-year term.

Est. 2022 Amt.
\$290,000

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
\$310,000	\$316,975	\$324,107	\$331,399	\$338,856	\$346,480	\$354,276	\$362,247	\$370,398	\$378,732	\$387,253	\$395,966	\$404,875	\$413,985	\$423,300	\$432,824	\$442,563	\$452,520	\$462,702	\$473,113

Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
\$483,758	\$494,642	\$505,772	\$517,152	\$528,788	\$540,685	\$552,851	\$565,290	\$578,009	\$591,014	\$604,312	\$617,909	\$631,812	\$646,028	\$660,563	\$675,426	\$690,623	\$706,162	\$722,051	\$738,297

TOTAL TAX REVENUE OVER 40 YEARS = \$19.75 MILLION

This PILOT will provide the project with predictable future property tax payments that can be underwritten by our financing partners, thus making this preservation project feasible. Without a preservation project, the property tax payments to the City of Beacon would remain more stagnant and potentially even decline long-term as the property continues to age and value regresses.

Example: Biltmore Towers



Example: Park Club Apartments



Related Affordable Foundation



AFTER SCHOOL matters

Charitable, tax-exempt 501(c)3 private foundation that provides grant awards to nonprofit organizations that focus on the following impact areas



Education



Food Security



Health &
Wellness



Workforce
Development

Notable Grant Awards

- After School Matters Parkway Gardens art mural
- City Harvest monthly meal distribution at Ocean Park
- KABOOM! Bella Vista playground & City of Anderson multi-sport court
- YMCA of South Florida Path to Health Program



Fareground & CAP Dutchess County



City of Beacon, New York

Office of the Mayor

Lee Kyriacou, Mayor

FOR IMMEDIATE RELEASE

June 1, 2020

845.838.5011 | mayor@CityofBeacon.org

Fareground, Inc. Expands "Dinner To Go" Program with Support from the Related Affordable Foundation

Beacon, NY – May 27, 2020 – Fareground, Inc., a women-run anti-hunger and food justice non-profit focusing on food insecurity since 2012, has partnered with the Related Affordable Foundation to expand their 'Dinner To Go' program. The initiative delivers food to communities in need during the current pandemic on a weekly basis including at Tompkins Terrace.

"We are grateful for the support from our community and for Related Affordable Foundation to rise to the occasion during this pandemic. Hunger exists because of choices we, as a country, have collectively made. Attending to this problem requires an extraordinary commitment to our disadvantaged community members. Our plan is to distribute food to our neighbors because they need help today. But we need to think bigger, ask the difficult questions, and confront the larger issues of poverty, inequality, and inequity if we ever hope to end hunger once and for all," says Kara Dean-Assael and Karen George of Fareground.

"Thank you to the organizations and individuals that have donated needed funding and necessary volunteerism to help their fellow residents in this time of need. The City was happy to make a connection with these entities. I applaud your commitment to our community," says City of Beacon Mayor Lee Kyriacou.

Beacon summer lunch program to continue with foundation funding

July 18, 2019



Thank You

Property Tour



PROPERTY TOUR (PROPERTY TOUR.webm)

TOMPKINS TERRACE PILOT TERM SHEET

Purpose	To set forth the terms under which the City of Beacon, New York (the “ <u>City</u> ”) will grant a real property tax exemption pursuant to Section 577 of Article XI of the Private Housing Finance Law (“ <u>Article XI</u> ”) and enter into an agreement for payment in lieu of taxes (“ <u>PILOT Agreement</u> ”) with an affiliate of Related Affordable, LLC (the “ <u>Sponsor</u> ”). The tax exemption will enable the Sponsor to substantially rehabilitate that certain affordable housing property known as Tompkins Terrace, located in Beacon, New York (the “ <u>Project</u> ”).
Project Description	The Project is a 193-unit, partially project-based rental-subsidized garden-style property. Originally built in 1973, the Project has been owned and operated by an affiliate of Related Affordable since late 2018 and is currently managed by Related Management Company (“ <u>RMC</u> ”). The Sponsor will redevelop the property through the use of tax-exempt bonds and Low-Income Housing Tax Credits (“ <u>LIHTC</u> ”) in order to ensure its successful continuation as a safe and reliable community for low-income residents in Dutchess County, New York for the long-term. The Sponsor will cause the Project to be restricted by a new regulatory agreement which maintains the in-place affordability protections for the next 40 years.
Renovation Description	The planned rehabilitation budget for the Project is approximately \$14,500,000 in total, including contingency, or approximately \$75,000 per apartment on average. The Project will undergo construction that will result in improved comfort, security and convenience for all residents. The scope of work is focused on bettering site features, increasing resident quality of life and safety, enhancing curb appeal and aesthetics, and replacing aging building systems in order to extend the useful life of the overall property. Among other improvements, the proposed scope envisions renovation to 100% of the 193 units. Current tenants of Tompkins Terrace will be able to remain residents at the property and will not be displaced by the renovation (other than temporarily for in-unit work).
Ownership Structure	In order for the Project to avail itself of a tax exemption pursuant to Article XI, the Project must be owned by a Housing Development Fund Company formed pursuant to Article XI. The Sponsor has formed Tompkins Terrace Housing, L.P., a New York limited partnership (the “ <u>Beneficial Owner</u> ”). The Sponsor will also apply to the New York State Housing and Community and Renewal (“ <u>HCR</u> ”) for the formation of a housing development fund company formed pursuant to Article XI and Section 402 of the Not-For-Profit Corporations Law to act as the nominal fee owner (the “ <u>HDFC</u> ”) for and on behalf of the Beneficial Owner.

PILOT Payments	The PILOT under the structure described herein would be for a term of 40 years, with a payment schedule as follows:			
	Year 1	\$310,000	Year 21	\$483,758
	Year 2	\$316,975	Year 22	\$494,642
	Year 3	\$324,107	Year 23	\$505,772
	Year 4	\$331,399	Year 24	\$517,152
	Year 5	\$338,856	Year 25	\$528,788
	Year 6	\$346,480	Year 26	\$540,685
	Year 7	\$354,276	Year 27	\$552,851
	Year 8	\$362,247	Year 28	\$565,290
	Year 9	\$370,398	Year 29	\$578,009
	Year 10	\$378,732	Year 30	\$591,014
	Year 11	\$387,253	Year 31	\$604,312
	Year 12	\$395,966	Year 32	\$617,909
	Year 13	\$404,875	Year 33	\$631,812
	Year 14	\$413,985	Year 34	\$646,028
	Year 15	\$423,300	Year 35	\$660,563
	Year 16	\$432,824	Year 36	\$675,426
	Year 17	\$442,563	Year 37	\$690,623
	Year 18	\$452,520	Year 38	\$706,162
	Year 19	\$462,702	Year 39	\$722,051
	Year 20	\$473,113	Year 40	\$738,297
The PILOT payments would be allocated between the City of Beacon, Dutchess County, Beacon City School District, and Howland Library.				

■ **Main Office**
445 Hamilton Avenue
White Plains, NY 10601
Phone 914.946.4777
Fax 914.946.6868

■ **Mid-Hudson Office**
200 Westage Business Center
Fishkill, NY 12524
Phone 845.896.0120

■ **New York City Office**
505 Park Avenue
New York, NY 10022
Phone 646.794.5747

MEMORANDUM

TO: Honorable Lee Kyriacou, Mayor
Beacon City Council
Mr. Christopher White, City Administrator

FROM: Judson K. Siebert, Esq. 

RE: Tompkins Terrace –
PHFL Tax Exemption and
PILOT Agreement for Income-Restricted Housing

DATE: March 6, 2023 (Revised)

The City Council has been asked by Related Affordable (RA) to (1) grant a forty (40) year real property tax exemption and (2) enter into a corresponding Payment in Lieu of Taxes (PILOT) Agreement for purposes of facilitating the refurbishment of the Tompkins Terrace housing development. I submit this Memorandum to explain the basis for the exemption and summarize the proposed PILOT terms. I have also submitted a proposed Resolution for adoption by the City Council: (1) granting the requested real property tax exemption and (2) authorizing the Mayor, on behalf of the City, to execute a PILOT Agreement providing for the payment of monies, in lieu of taxes, for the duration of the forty (40) year exemption period.

The Tompkins Terrace Property

Tompkins Terrace is an affordable rental property comprised of one hundred ninety-three (193) housing units. It was constructed in 1973 and, since that time, has provided rental housing under legal restrictions imposing income limits upon its residents. Thirty-eight (38) of the units may be leased to residents with a household income that is no more than fifty (50%) percent of Area Median Income (AMI); the remaining one-hundred fifty-five (155) units may be leased to residents with household income of no more than sixty (60%) percent of AMI. Adherence to these restrictions is overseen by the New York State Department of Homes and Community Renewal, Division of Housing and Community Renewal (DHCR).

Tompkins Terrace is currently owned by an entity formed under Article II of the New York Private Housing Finance Law (PHFL). Article II of the PHFL authorizes the creation of limited profit housing companies that, in turn, provide housing for families and persons of low income. Notably, much of the housing constructed and operated by PHFL Article II companies has aged and, while well-intended, certain elements of Article II of the PHFL have limited the ability and readiness of owners of these properties to invest in capital improvements.

Article XI of the PHFL also provides for the creation of companies formed for the purpose of providing affordable housing. These entities – known as housing development fund companies (HDFC) – can obtain financing through bond issuance, as well as low-income housing tax credits (LIHTC's) that can be assigned to a project lender. Unlike PHFL Article II, Article XI opens the door to funding resources that enable deteriorating housing to be converted to habitable, well-managed housing affordable for households with incomes well below AMI. In this regard, PHFL Article XI is now a more accepted means of developing or rehabilitating income-restricted housing. Notably, the affordable component of the West Ends Loft project and the Highland Meadows Senior Housing project are owned by HDFC's formed for the purpose of maintaining affordable housing stock (both properties are exempt from real property taxes and subject to PILOT Agreements).

RA proposes to form an affiliated HDFC that will acquire the fee interest in Tompkins Terrace premises. This acquisition will allow for financing under Article XI of the PHFL, thereby enabling a significant renovation of the Tompkins Terrace development. As RA has related, this will include \$14,500,000 in exterior and interior (unit and common space) improvements. The financing will involve the issuance of tax-exempt bonds (through the Dutchess County Industrial Development Agency) and LIHTC's (to be assigned to the project investor, Key Bank).

In recognition of fiscal pressures inherent in these types of transactions (due to limits on rental receipts and operating expense obligations associated with income-restricted housing), Article XI of the PHFL authorizes the governing body of a municipality in which an HDFC project is located to grant a tax exemption of up to forty (40) years. This is a common element of an HDFC acquisition/financing (again, West End Lofts and Highland Meadows Senior Housing serve as examples). The grant of an exemption and establishment of a PILOT payment schedule lend long-term stability to these types of income-restricted housing developments.

The Exemption and Existing PILOT

The Tompkins Terrace property is tax-exempt on account of its ownership by a PHFL Article II corporation and subject to a PILOT Agreement that is in effect through 2034. As stated, current legal requirements limit occupancy within Tompkins Terrace to residents at 50% and 60% AMI thresholds.

The current PILOT Agreement provides for the annual payment of ten (10%) of so-called “shelter rent” derived from the operation of the Tompkins Terrace development. Shelter rent is a term defined in the PHFL and encompasses total rents received from the occupants of a project, less the cost of providing all housing with electricity, gas, heat and other utilities. Under the current PILOT Agreement, shelter rent computations are performed annually and 10% of this amount is remitted to the City of Beacon, which then distributes the PILOT proceeds to all affected taxing jurisdictions (the City, Beacon City School District, Howland Library and County of Dutchess) on an allocated basis. This annual allocation is based upon the proportionate share of real property taxes that would otherwise be levied by each taxing jurisdiction upon the Tompkins Terrace property for the year in which PILOT proceeds are paid.

As a result, shelter rent payments can vary significantly year-to-year. This is due to fluctuation in rental proceeds and utility costs. Over the past ten (10) years, the PILOT payments made under the current agreement have ranged from \$179,300 in 2013 to \$283,600 (in 2022). This shelter rent formula has led to years in which PILOT revenues have spiked (by as much as 21%) to years in which the payments have decreased (by as much as 8%).

Over the past two years, Tompkins Terrace has obtained higher rental revenue – not through direct rent charges to tenants, but by the implementation of a payment voucher program assisting the lowest income residents in the development. This program, administered through HUD and the Beacon Housing Authority, will remain in effect through 2040 and has (through voucher revenue) raised annual shelter rent proceeds.

The Exemption and Proposed PILOT Agreement

Because the Tompkins Terrace property is to be owned by a HFDC, RA requests that the City Council issue an exemption under §577 of the PHFL. This provision of the PHFL allows the City Council to do so as a means of promoting the creation and maintenance of affordable income housing. The authority to grant an exemption under PHFL §577 lies solely with the City Council.

The proposed duration of the exemption is 40 years, which is permitted under §577 of the PHFL.

RA further proposes that, while this exemption is in place, the Tompkins Terrace property be subject to a PILOT Agreement (this will replace the PILOT Agreement currently in place). The proposed PILOT Agreement requires that the Tompkins Terrace property be maintained by the HDLC for housing subject to the following rent restrictions: (1) for 155 of the 193 units, rent shall be no more than 30% of the then prevailing 60% of AMI and (2) for 38 of the units, rent shall be no more than 30% of the then prevailing 50% of AMI.

RA proposes a departure from the current 10% of shelter rent formula under the proposed PILOT Agreement. RA proposes a fixed schedule of PILOT payments over the 40-year term of the agreement (a working draft of which accompanies this Memorandum). The payments will begin at \$310,000 (in year 1) and thereafter increase at a rate of 2.25% per year (on a compound basis). This \$310,000 is based upon an approximate projection of 10% of shelter rent that will be generated after the Tompkins Terrace development is acquired and the project renovations are completed.

Although there are terms of the PILOT Agreement that have yet to be finalized (as noted in the working draft, these address implementation of the new PILOT payments and other technical details), the key substantive terms (duration, obligation to maintain affordability, the payment amounts, etc.) are stated in the working draft. Parenthetically, this working draft generally follows the PILOT Agreement governing the affordable component of West End Lofts, which the City Council approved in 2018.

Proposed Resolution

Again, I have provided a Resolution for the City Council's consideration, which will grant the exemption and authorize entry into a PILOT Agreement with the substantive terms proposed.

In evaluating whether to grant the exemption and authorize the PILOT Agreement, I offer the following observations:

- The exemption and PILOT Agreement are sought to allow for renovations to the Tompkins Terrace development and a continued commitment that this property will remain a housing resource for households of limited means. The PILOT Agreement and, in turn, the exemption is conditioned upon adherence to rent restrictions under which no resident will pay more than 30% of either 50% or 60% of household AMI. It thus

ensures the continued availability of Tompkins Terrace units for affordable housing needs.

- Beyond the safeguards concerning affordability standards in the PILOT Agreement, both DHCR oversight and protections sought by the project investor (Key Bank) will ensure adherence to these income-restriction requirements. Key Bank, for example, will obtain LIHTC's from RA as part of this transaction, the benefits of which are critical to its participation as an investor. The viability of these credits is dependent upon maintaining the Tompkins Terrace property as affordable housing (applying the rent restrictions specified above). Thus, Key Bank has a significant incentive (protecting the value of these LIHTC's) to ensure that the Tompkins Terrace housing development is operated in this manner.
- The PILOT payments are fixed, and while the 2.25% escalator may appear somewhat low, it nonetheless provides for annual increases in PILOT revenue. Notably, the 2.25% factor is a figure that will enable the underwriting of the HDFC acquisition/site improvements and any appreciable increase in this percentage could upset project financing.
- Moreover, the use of a fixed payment schedule eases provides predictability, which facilitates sound municipal budgeting processes and tax cap computations. Concerning the tax cap, annual projected PILOT revenues must be specified by taxing jurisdictions. When shelter rent or other project revenue methods prone to variance from year-to-year are employed, these projections can be difficult to make with accuracy.
- The issuance of the exemption will not remove a non-exempt, rateable property from City assessment and tax rolls. The property has long been tax-exempt, which exemption underlies the ability to provide housing in Tomkins Terrace on an affordable basis.
- The \$310,000 initial payment is, as stated, premised upon a projection of 10% of shelter rent to be generated upon property acquisition and improvements. This figure is above the shelter rent received in 2023. By way of comparison, the Highland Meadows Senior Housing PILOT Agreement (sixty-eight (68) units; effective in 2016) provided for an initial PILOT payment of \$53,095.

- The exemption to be granted will go into effect upon the acquisition of the Tompkins Terrace property by the RA-affiliated HFDC. As a result, the first PILOT payment is projected for 2024. Until that time, the property will remain subject to the current exemption and PILOT Agreement.
- The timing of payments to be made under the PILOT Agreement will align with those currently in place for West End Lofts and Highland Meadows Senior Housing.
- As with the current PILOT Agreement, the PILOT payments to be received will be allocated among all taxing jurisdictions (including the Beacon City School District) based upon the annual proportional share of taxes that would otherwise have been levied against this property. This annual computation will be performed by the City Finance Director based upon tax rates in effect over the term of the PILOT Agreement. In this regard, the City could potentially adopt the position that, under the PHFL (and unlike transactions in which an exemption is premised upon Dutchess County IDA ownership of a parcel), these PILOT proceeds need not be allocated and distributed in this manner. I do not recommend adopting this position insofar as Tompkins Terrace is concerned because (1) revenues received under the current PILOT Agreement are allocated, (2) the current PILOT revenue (and that to be paid under the proposed PILOT Agreement) is more substantial and (3) Tompkins Terrace residents include school-age children.
- The PILOT Agreement can be terminated if the Tompkins Terrace development is not utilized for affordable housing purposes. The agreement may be terminated if a PILOT payment is delinquent for more than thirty (30) days following the issuance of a written notice of default. In the event of a default (non-payment or other violation of the PILOT Agreement's terms), the City may pursue remedies to collect owed monies in the same manner as would be used to collect taxes and/or through a standard lawsuit. Late payments will be subject to the same interest and penalties that would be imposed upon delinquent taxes.

- Furthermore, in the event of a breach and consequent action by the City, the PILOT Agreement contains an attorneys' fees provision.
- The PILOT Agreement makes the County and Beacon City School District "third-party beneficiaries" of its terms. This means that they, too, could pursue legal action or remedies in the event of a breach of the agreement.

I am available to discuss the exemption and proposed PILOT Agreement.

cc: Nicholas M. Ward-Willis, Esq.
Ms. Susan Tucker
Ms. Kathy Martin

**AGREEMENT FOR PAYMENT IN LIEU OF TAXES
BETWEEN AND AMONG
THE CITY OF BEACON, NEW YORK, [TOMPKINS TERRACE
HOUSING DEVELOPMENT FUND COMPANY, INC.]¹ AND
TOMPKINS TERRACE HOUSING, L.P.**

THIS AGREEMENT FOR PAYMENT IN LIEU OF TAXES (the “PILOT Agreement” or “Agreement”), dated as of the ____ day of ____, 2023, between and among the **CITY OF BEACON, NEW YORK**, a municipal corporation organized and existing under the laws of the State of New York, having its principal office located at Beacon City Hall, 1 Municipal Plaza, Beacon, New York 12508 (the “City”), **[TOMPKINS TERRACE HOUSING DEVELOPMENT FUND COMPANY, INC.]**, a New York not-for-profit corporation and entity organized pursuant to Article XI of the Private Housing Finance Law of the State of New York, having its principal place of business at c/o Related Affordable, 30 Hudson Yards, 72nd Floor, New York, New York 10001 (the “HDFC”), which HDFC will hold title to the Property (as hereinafter defined) for the benefit of **TOMPKINS TERRACE HOUSING, L.P.**, a New York limited partnership, having its principal office located at c/o Related Affordable, 30 Hudson Yards, 72nd Floor, New York, New York 10001 (the “Partnership”).

WHEREAS, the HDFC is, or will become, the bare legal or record owner, and the Partnership is, or will become, the beneficial and equitable owner, of certain real property located at 194 Tompkins Terrace (aka 1-193 Tompkins Terrace), City of Beacon, County of Dutchess, and State of New York more particularly described in **Exhibit A** attached hereto and incorporated herein (the “Property”); and

WHEREAS, the HDFC is a corporation established pursuant to Section 402 of the Not-For-Profit Corporation Law and Article XI of the Private Housing Finance Law (“PHFL”); and

WHEREAS, the HDFC and the Partnership have each been formed for the purpose of providing residential rental accommodations for persons of low-income; and

WHEREAS, the Partnership will , own, rehabilitate, maintain and operate a housing project for persons of low income at the Property (the “Project”); and

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 HDFC is a “housing development fund company” as the term is defined in Section 572 of the PHFL; and

WHEREAS, pursuant to Section 577 of the PHFL, the local legislative body of a municipality may exempt the real property of a housing project of a housing development fund company from local and municipal taxes, including school taxes, other than assessments for local

¹ To be formed entity.

improvements, to the extent of all or a part of the value of the property included in a completed project; and

WHEREAS, the City Council of the City of Beacon, New York (the “City Council”), being the local legislative body of the City, by Resolution No. [] of 2023 duly adopted on [], 2023, exempted the Property from real property taxes, as authorized under Section 577 of the PHFL, and further approved and authorized the execution of this PILOT Agreement;

NOW, THEREFORE, it is agreed as follows:

1. Pursuant to Section 577 of the PHFL and Resolution No. [] of 2023 adopted by the City Council on [], 2023, the City exempts from local and municipal taxes, other than assessments for local improvements, one hundred percent (100%) of the value of the Property, including both land and improvements. “Local and Municipal Taxes” shall mean any and all real estate taxes that may be levied by the County of Dutchess (the “County”), the City, the Beacon City School District (the “School District”), the Howland Library (the “Library”) and/or any other taxing jurisdiction (collectively the “Taxing Jurisdictions”) upon the Property, other than as specified in Paragraph “2” below.

2. The tax exemption granted under Resolution No. [] of [] and under this PILOT Agreement shall remain in effect for a period of forty (40) years from date of the HDFC’s acquisition of the Property. This Agreement shall not limit or restrict the HDFC’s or Partnership’s right to apply for or obtain any other tax exemption to which it might be entitled upon the expiration of this Agreement. The parties understand that the exemption extended pursuant to Section 577 of the PHFL and this Agreement does not include an exemption from special assessments and/or special ad valorem levies. During the period of this Agreement, the Partnership shall pay any service charges, special ad valorem levies, special assessments and improvement district charges or similar tax equivalents which are or would be levied upon or with respect to the Property, as improved by the Project, by the Taxing Jurisdictions or any other taxing authority.

3. So long as the exemption remains in effect, the Partnership shall make annual payments in lieu of taxes (“PILOT”) in the amount specified and in accordance with the terms and provisions of this Agreement. The annual PILOT shall be applicable to a calendar year period (January 1st to December 31st), and shall be tendered in arrears in the following calendar year as specified in Paragraph “4” below. The first PILOT shall be due on April 1, 2024.

4. [The annual PILOT shall be tendered by the Partnership to the Director of Finance of the City of Beacon (the “Finance Director”), or his or her designee, within thirty (30) days of the Partnership’s receipt of a PILOT bill to be issued to the Partnership on an annual basis by the City. The annual PILOT bill shall be issued by the City on or after March 1st of each calendar year during the term of this Agreement in which a PILOT is due and owing. Payments shall be mailed via First Class mail through the United States Postal Service or personally delivered to the City of Beacon, Attention Director of Finance, 1 Municipal Plaza, Beacon, New York 12508, or such other address as the City may specify in writing.] ***[NTD: please confirm no changes to this paragraph]***

5. The Finance Director shall, within sixty (60) days of receipt of the PILOT proceeds, distribute the PILOT proceeds to the Taxing Jurisdictions that could otherwise levy real property taxes upon the Property, but for the exemption. The Finance Director shall distribute the PILOT proceeds in due proportion to the amount of real property taxes that would have been levied by each of the Taxing Jurisdictions upon the Property in the year the PILOT proceeds are tendered. As an example of this apportionment, if a PILOT is tendered on April 1, [2024, it shall be proportionally allocated among the Taxing Jurisdictions based upon the tax rate applied in the School District's levy of 2023-24 school taxes, the Library's levy of 2023-2024 taxes, and the City and County's levy of 2024 City and County taxes.] **[NTD: discuss mechanics of the end of the old PILOT and new commencement of the new PILOT]**

6. [The initial PILOT to be paid by the Partnership shall be in the amount of [Three Hundred Ten Thousand and 00/100 Dollars (\$310,000.00)]. The first PILOT tendered by the Partnership shall be prorated based upon the number of months in the prior calendar year in which the HDFC acquired the Project (as an example, if the HDFC acquires the Project in October, the first PILOT shall be prorated on a one-quarter basis to account for the three calendar months October, November and December in which the HDFC is the owner of the Project). The PILOT shall thereafter follow the schedule attached hereto as **Exhibit B.**] **[NTD: discuss mechanics]**

7. Intentionally Omitted.

8. Intentionally Omitted.

9. So long as the tax exemption remains in effect, tenant rental charges for the Project shall not exceed the maximum established or allowed by law, rule or regulation, and the Property and Project shall be operated in conformance with the provisions of Article XI of PHFL.

10. The tax exemption provided by this Agreement will continue for the term described above provided that (a) the Property and Project continue to be used as housing facilities for persons of low-income in accordance with the income and rent limitations attached hereto and incorporated herein as **Exhibit C.** and (b) any of the following occur (i) the HDFC and the Partnership operate the Property in conformance with Article XI of the PHFL; or (ii) the HDFC assumes sole legal and beneficial ownership of the Property and operates the Property in conformance with Article XI of the PHFL; or (iii) in the event an action is brought to foreclose a mortgage upon the HDFC, and the legal and beneficial interest in the Project shall be acquired at the foreclosure sale or from the mortgagee, or by a conveyance in lieu of such sale, by a housing development fund corporation organized pursuant to Article XI of the PHFL either as the sole legal and beneficial owner or as the legal owner for an on behalf of another beneficial owner, or by the Federal government or an instrumentality thereof, or by a corporation which is, or by agreement has become subject to the supervision of the superintendent of banks or the superintendent of insurance, such successor in interest, such successor in interest shall operate the property in conformance with Article XI of the PHFL.

11. The failure to make any PILOT in accordance with the terms of this Agreement shall be deemed a failure to make payment of real property taxes and will be governed by the same provisions of law as apply to the failure to make payment of such taxes, including but not

limited to the enforcement and collection of taxes to the extent permitted by law. This includes the imposition of any additional late payment charge(s) in the full amount permitted by law, as well as the imposition of interest on any unpaid PILOT that shall accrue at the interest rate authorized by law with regard to unpaid real property taxes levied within the City and County.

12.

- a) In addition to failure to pay any PILOT when due, HDFC and the Partnership shall be in default of this Agreement in the event of material failure to observe and perform any other covenant, condition of agreement on its part to be observed and performed hereunder, which breach or default is not cured within thirty (30) days of the HDFC and Partnership's receipt of written notice specifying the nature of such breach or default and requesting that it be remedied; provided, however, that if efforts to cure a non-monetary breach are commenced within such thirty (30) day period and are thereafter diligently prosecuted to completion, such period shall be extended for a period of time not to exceed three (3) months; or in the event any warranty, representation or other statement by or on behalf of HDFC or the Partnership contained in this Agreement shall prove to have been false or untrue in any material respect on the date when made or on the effective date of this Agreement. Any notice issued under this Paragraph "12" shall also be issued contemporaneously to KeyBank National Association (the "Lender"), and Key Community Development Corporation (the "Equity Investor"), their respective successors and/or assigns, in the manner and at the addresses specified in Paragraph "16" below. Whenever any event of default under this Agreement shall have occurred and be continuing, the City shall have the following remedies: (a) it may terminate this Agreement and exercise all of the rights and remedies available for failure to pay property taxes as and when due had this Agreement not been in effect and/or (b) it may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of HDFC and the Partnership under this Agreement, and the Partnership shall further pay the reasonable fees and disbursements of such attorneys as the City shall engage for the enforcement of performance or observance of any obligation, covenant or agreement on the part of HDFC and the Partnership and all other expenses, costs and disbursements so incurred.
- b) The cure of any default hereunder made or tendered by Lender or the Equity Investor shall be deemed to be cured by the Partnership, and shall be accepted or rejected by the City on the same basis as if made or tendered by the Partnership. For the avoidance of doubt, the Equity Investor and Lender shall not be obligated to cure any Event of Default.
- c) Notwithstanding anything to the contrary contained in this Section 12 or elsewhere in this agreement, during any period of time that a Lender owns the Project or if any subsequent owner acquires the Project from a Lender, neither the Lender, nor such subsequent owner will be liable or obligated for the breach or default of any obligation of any prior owner (including the Partnership and/or HDFC) under this Agreement, including, but not limited to, any payment or indemnification obligation, in which case the owner of the Project at the time the default occurred shall remain liable for any and all damages occasioned thereby even after such entity ceases to be the owner (and, in such event, any party seeking to collect such damages shall have no recourse and shall have no right to

levy against, or otherwise collect on, any judgment from the Project), provided that such defaulting owner shall bear no liability under this Agreement for any damages occasioned by any subsequent default under this Agreement occurring after such entity ceases to be the owner of the Project.

13. No remedy herein conferred reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

14. No delay or omission in exercising any remedy shall impair any such remedy or construed to be a waiver thereof. It shall not be necessary to give any notice other than as expressly required under this Agreement. In the event any provision contained in this Agreement should be breached and thereafter duly waived by the party or parties so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder.

15. It is acknowledged and agreed that the School District and County are third-party beneficiaries of this Agreement and thereby entitled to the rights and benefits of its terms and, accordingly, may enforce the provisions of this Agreement as if they are parties hereto, and obtain the same remedies against the Partnership and HDFC as afforded the City under the terms of this Agreement.

16. All notices and other communications hereunder, with the exception of the annual PILOT bill to be issued under Paragraph "4" above, shall be in writing and shall be sufficiently given when delivered by registered or certified mail, return receipt requested or by such other means as shall provide the sender with documentary evidence of such delivery, to the following:

To The City of Beacon, New York:

City Administrator
City of Beacon
Beacon City Hall
1 Municipal Plaza
Beacon, New York 12508

To the HDFC or the Partnership.:

c/o Related Affordable
30 Hudson Yards, 72nd Floor
New York, New York 10001

To Lender:

KeyBank National Association
11501 Outlook Street Suite 300,
Overland Park, KS 66211

To Equity Investor:

Key Community Development Corporation
Mailcode: OH-01-27-0761, 7th Floor
127 Public Square
Cleveland, Ohio 44114

Notices shall be issued to the successors and/or assigns of any of the above-listed entities, at addresses specified in writing to all parties to this Agreement pursuant to the notice provisions of this Paragraph “16.”

17. This Agreement shall inure to the benefit of and shall be binding upon the City, the Partnership and the HDFC and their respective successors and assigns, including the successors in interest of the Partnership and the HDFC. There shall be no assignment of this Agreement except with consent of the other party, which consent shall not be unreasonably withheld, provided that the assignee shall be a housing development fund company subject to Article XI of the PHFL, the assignee shall have assumed the obligations of this Agreement in writing reasonably satisfactory to the City, and the assignee shall have provided such financial and other information as shall be reasonably requested by the City in order to assure the proper completion and operation of the housing project and the compliance with the terms of this Agreement and all applicable laws, regulations and covenants.

18. If any provision of this Agreement or its application is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances shall be enforced to the greatest extent permitted by law.

19. It is acknowledged and agreed that this Agreement is a mutual undertaking of counsel for all parties and, accordingly, to the extent any ambiguity exists with respect to the terms and conditions stated herein, such terms and conditions shall not be automatically construed against any party hereto.

20. This Agreement may be executed in any number of counterparts with the same effect as if all the signing parties had signed the same document. All counterparts shall be construed together and shall constitute the same instrument.

21. This Agreement constitutes the entire agreement of the parties relating to payments in lieu of taxes with respect to the above-described property and supersedes all prior contracts, or agreements, whether oral or written, with respect thereto.

22. This Agreement may only be supplemented, amended or modified upon the mutual agreement of the parties hereto. No such supplement, amendment or modification shall take effect and be binding except in written form signed by the parties.

23. Each of the parties individually represents and warrants that the execution, delivery and performance of this Agreement, (i) has been duly authorized by proper action of its governing body and does not require any other consent or approval for the execution thereof by

such municipality, (ii) does not violate any law, rule, regulation, order, writ, judgment or decree by which it is bound, and (iii) will not result in or constitute a default under any agreement or instrument to which it is a party. Each such party represents that this Agreement shall constitute the legal, valid and binding agreement of such party enforceable in accordance with its terms.

24. The Partnership and HDFC jointly and severally make the following representations, warranties and covenants:

(i) Each of the HDFC, a “housing development fund company” under Article XI of the PHFL, and the Partnership is organized, validly existing and in good standing under the laws of the State of New York and is authorized under the laws of the State of New York to do business in the State, has the power to enter into this Agreement and to perform the transactions contemplated hereby and its obligations hereunder and by proper action has duly authorized the execution and delivery of this Agreement and the performance of its obligations hereunder, and the execution, delivery and performance of this Agreement does not require any other consent or approval. This Agreement shall constitute the legal, valid and binding agreement of HDFC and the Partnership enforceable in accordance with its terms.

(ii) Neither the Partnership nor HDFC is in default under, or in violation of, any indenture, mortgage, declaration, lien, lease, contract, note, order, judgment, decree or other instrument of any kind to which any of its assets are subject, and the execution, delivery and compliance by the Partnership or HDFC with the terms and conditions of this Agreement do not and will not conflict with or constitute or result in a default by the Partnership or HDFC in any material respect under or violation of, (1) the entity’s organizational documents, (2) any agreement or other instrument to which such entity is a party or by which, to such entity’s knowledge, it is bound, or (3) any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Partnership or HDFC or its property, and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(iii) The Partnership has provided to the City true and complete financial information with respect to the Property, including without limitation project costs, financing sources, rents and income limitations.

(iv) The Partnership covenants and agrees to operate the Property in accordance with all applicable rules and regulations of Article XI of the PFHL, including without limitation applicable rent limits and income limits and in accordance with the plan attached hereto as **Exhibit C**.

(v) The Partnership covenants and agrees to provide to the City any information or documents reasonably requested in writing by the City in order to provide any federal, state or local entity with information or reports required under any applicable law, rule or regulation.

25. [The City shall file a copy of the fully executed Agreement with the City Assessor. The Partnership shall be responsible for taking such actions as may be necessary to

ensure that the Property shall be assessed as exempt upon the assessment rolls of the respective Taxing Jurisdictions, including without limitation ensuring that any required exemption form shall be filed with the appropriate officer or officers of each respective Taxing Jurisdiction. Such exemption shall be effective as of the first taxable status date of the applicable Taxing Jurisdiction following the date of this Agreement, provided that the Partnership shall timely file any requisite exemption forms.] *[NTD: let's discuss requisite forms]*

26. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Remainder of page intentionally left blank.

IN WITNESS WHEREOF, the City, the HDFC and the Partnership have caused this Agreement to be executed in their respective names by their duly authorized representatives and their respective seals to be hereunder affixed, all as of the date above-written.

DATED: _____, 2023

CITY OF BEACON, NEW YORK

By: _____

Name:

Title:

DATED: _____, 2023

[TOMPKINS TERRACE HOUSING
DEVELOPMENT FUND COMPANY, INC.], a
New York not-for-profit corporation

By: _____

Name: Matthew Finkle

Title: President

DATED: _____, 2023

TOMPKINS TERRACE HOUSING, L.P., a New York
limited partnership

By: Tompkins Terrace Housing GP, LLC, a New
York limited liability company
its general partner

By: _____

Name: Matthew Finkle

Title: Vice President

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

On the ____ day of _____, in the year 2023, before me personally appeared Randy Casale, 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 person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

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

On the ____ day of _____, in the year 2023, before me personally appeared Matthew Finkle, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

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

On the ____ day of _____, in the year 2023, before me personally appeared Matthew Finkle, 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 person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT A

[Insert Meters/Bounds Legal Description]

EXHIBIT B

Year 1	\$310,000 ²	Year 21	\$483,758
Year 2	\$316,975	Year 22	\$494,642
Year 3	\$324,107	Year 23	\$505,772
Year 4	\$331,399	Year 24	\$517,152
Year 5	\$338,856	Year 25	\$528,788
Year 6	\$346,480	Year 26	\$540,685
Year 7	\$354,276	Year 27	\$552,851
Year 8	\$362,247	Year 28	\$565,290
Year 9	\$370,398	Year 29	\$578,009
Year 10	\$378,732	Year 30	\$591,014
Year 11	\$387,253	Year 31	\$604,312
Year 12	\$395,966	Year 32	\$617,909
Year 13	\$404,875	Year 33	\$631,812
Year 14	\$413,985	Year 34	\$646,028
Year 15	\$423,300	Year 35	\$660,563
Year 16	\$432,824	Year 36	\$675,426
Year 17	\$442,563	Year 37	\$690,623
Year 18	\$452,520	Year 38	\$706,162
Year 19	\$462,702	Year 39	\$722,051
Year 20	\$473,113	Year 40	\$738,297

² Year 1 amount to be prorated as set forth in the PILOT Agreement.

EXHIBIT C

Project Plan: Tompkins Terrace

Property: 194 Tompkins Terrace (aka 1-193 Tompkins Terrace)

Number of Units	AMI Restriction	Rent Restriction (Tenant's Portion)
155	60%	30% of 60% of AMI
38	50%	30% of 50% AMI

In each case the above set-asides are to satisfied in accordance with and subject to Section 42 and 142 of the Code and regulations of New York State Housing Finance Agency.



**CITY OF BEACON
CITY COUNCIL**

RESOLUTION NO. 21 OF 2023

**REAL PROPERTY TAX EXEMPTION AND PAYMENT IN LIEU OF TAXES (PILOT)
AGREEMENT UNDER SECTION 577 OF THE PRIVATE HOUSING FINANCE LAW**

**TOMPKINS TERRACE
194 TOMPKINS TERRACE (AKA 1 - 193 TOMPKINS TERRACE)
(City of Beacon Tax Parcel No. 5955-588084)**

WHEREAS, the City of Beacon has been requested to issue a tax exemption and corresponding Payment in Lieu of Taxes Agreement under the provisions of the Private Housing Finance Law of the State of New York (“PHFL”) for the premises located at 194 Tompkins Terrace (aka 1-193 Tompkins Terrace), which is identified as City of Beacon Parcel ID No. 5955-19-588084 (the “Tompkins Terrace Parcel”); and

WHEREAS, the Tompkins Terrace Parcel is the site of a 193-unit housing development constructed in 1973 (the “Tompkins Terrace Housing Development”); and

WHEREAS, since 1973, the Tompkins Terrace Housing Development has operated on an affordable, rent- and income-restricted basis; and

WHEREAS, the Tompkins Terrace Parcel is presently tax exempt and subject to a Payment in Lieu of Taxes Agreement; and

WHEREAS, it is proposed that the Tompkins Terrace Parcel will be conveyed to Tompkins Terrace Housing Development Fund Company, Inc., a to-be-formed corporation under Article XI of the PHFL (the “HDFC”) for the benefit of Tompkins Terrace Housing, L.P. (“Tompkins Terrace LP”); and

WHEREAS, upon the acquisition of the Tompkins Terrace Parcel, the HDFC/Tompkins Terrace LP will undertake renovations to the Tompkins Terrace Housing Development, which will continue to be operated on an affordable basis for persons of restricted income; and

WHEREAS, the renovations to be undertaken will entail approximately \$14,500,000 in exterior and interior (individual unit and common space) improvements; and

WHEREAS, upon the acquisition of Tompkins Terrace Parcel by the HDFC/Tompkins Terrace LP, occupancy within the Tompkins Terrace Housing Development will, for a forty (40) year period, adhere to the following rent restrictions: (1) for 155 of the 193 units, rent shall be no more than 30% of the then prevailing 60% of Area Median Income (“AMI”) in accordance with the requirements of Section 42 of the Internal Revenue Code of 1986 (the “Code”) and (2) for 38 of the units, rent shall be no more

than 30% of the then prevailing 50% of AMI in accordance with the requirements of Section 42 of the Code; and

WHEREAS, the HDFC/Tompkins Terrace LP's plan for the use of Tompkins Terrace Parcel constitutes a "housing project," as defined in the PHFL; and

WHEREAS, Tompkins Terrace Housing Development Fund Company, Inc. will be a "housing development fund company" as the term is defined in §572 of the PHFL; and

WHEREAS, §577 of the PHFL authorizes the City Council of the City of Beacon (the "City Council"), as the local legislative body of the City of Beacon, to exempt the Tompkins Terrace Parcel from real property taxes; and

WHEREAS, the HDFC/Tompkins Terrace LP will enter into a new Payment In Lieu of Taxes Agreement ("PILOT Agreement"), whereby annual payments in lieu of taxes will be made to the City as set forth in a proposed PILOT Agreement presented to the City Council (which payments are specified on Schedule A attached hereto and made a part hereof); and

WHEREAS, the City of Beacon desires to maintain and promote a sufficient supply of adequate, safe and sanitary dwelling accommodations properly planned for persons of limited income and to provide for affordable housing opportunities within the community; and

WHEREAS, the Tompkins Terrace Housing Development has served this need for fifty (50) years and its acquisition by the HDFC/Tompkins Terrace LP, coupled with the improvements to be made, will allow this valuable affordable housing resource to remain viable and intact on a prospective basis.

NOW THEREFORE, BE IT RESOLVED that the City hereby exempts the Tompkins Terrace Parcel (194 Tompkins Terrace aka 1 -193 Tompkins Terrace)/Parcel ID No. 5955-19-588084) from real property taxes for a forty (40) year term, to the extent authorized by §577 of the PHFL, and approves a proposed PILOT Agreement by and between the City of Beacon and the HDFC/Tompkins Terrace LP in substantially the same form as presented at this meeting, subject to further review and approval by the City Attorney and City Administrator, providing for annual payments in lieu of taxes as set forth on Schedule A and recited in such agreement; and

BE IT FURTHER RESOLVED, that this real property tax exemption is premised upon adherence to the income restrictions contained in the foregoing PILOT Agreement, to-wit: (1) for 155 of the 193 units, rent shall be no more than 30% of the then prevailing 60% of AMI in accordance with the Code and (2) for 38 of the units, rent shall be no more than 30% of the then prevailing 50% of AMI in accordance with the Code; and

BE IT FURTHER RESOLVED, that the Mayor of the City of Beacon is hereby authorized to execute and deliver the foregoing PILOT Agreement, in final form in accordance with this Resolution, on behalf of the City of Beacon; and

BE IT FURTHER RESOLVED, that the exemption authorized under this Resolution shall take effect upon acquisition of the Tompkins Terrace Parcel by the HDFC/Tompkins Terrace LP and execution of the PILOT Agreement and, until such time, this Tompkins Terrace Parcel shall remain tax-exempt and subject to the Payment in Lieu of Taxes Agreement currently in effect.

SCHEDULE A

Year 1	\$310,000 ¹	Year 21	\$483,758
Year 2	\$316,975	Year 22	\$494,642
Year 3	\$324,107	Year 23	\$505,772
Year 4	\$331,399	Year 24	\$517,152
Year 5	\$338,856	Year 25	\$528,788
Year 6	\$346,480	Year 26	\$540,685
Year 7	\$354,276	Year 27	\$552,851
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Year 18	\$452,520	Year 38	\$706,162
Year 19	\$462,702	Year 39	\$722,051
Year 20	\$473,113	Year 40	\$738,297

Resolution No. 21 of 2023			Date: March 13, 2023				
☐ Amendments						☐ 2/3 Required	
☐ Not on roll call.			☐ On roll call			☐ 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Paloma Wake					
		Justice McCray					
		George Mansfield					
		Wren Longno					
		Molly Rhodes					
		Dan Aymar-Blair					
		Mayor Lee Kyriacou					
		Motion Carried					

¹ Year 1 may be prorated depending on effective date of the PILOT Agreement.

City of Beacon City Council Agenda
03/20/2023

Title:

Resolution No. 22 - Approving DMS Consolidators, Ltd. 2021 Tax Certiorari Settlement

ATTACHMENTS

[Resolution Approving DMS Consolidators, Ltd. 2021 Tax Certiorari Settlement](#)



**CITY OF BEACON
CITY COUNCIL**

RESOLUTION NO. 22 OF 2023

**RESOLUTION RE: CERTIORARI SETTLEMENT –
MTR. OF DMS CONSOLIDATORS, LTD. v. BOARD OF ASSESSMENT REVIEW OF THE
CITY OF BEACON, ET ANO. (SUP. CT DUTCHESS CO. INDEX NOS. 53246/21, ET SEQ.) –
SETTLEMENT OF 2021 TAX CERTIORARI PROCEEDINGS**

WHEREAS, tax certiorari proceedings, titled *Mtr. of DMS Consolidators, Inc. v. Board of Assessment Review of the City of Beacon, et al.* (Sup. Ct. Dutchess Co. Index Nos. 53246/21, *et seq.*), are pending before the Supreme Court, Dutchess County (Hon. James V. Brands, J.S.C., presiding); and

WHEREAS, these proceedings challenge the 2021 assessments of property identified as Parcel Nos. 5954-26-665932, 5954-26-665931, 5954-26-665935, 5954-26-664933, 5954-26-664939, 5954-26-664938 and 5954-26-664935 on the City of Beacon 2021 Assessment Roll; and

WHEREAS, a proposed settlement of these proceedings has been reached by and between Petitioner DMS Consolidators, Ltd. and the City of Beacon; and

WHEREAS, the City of Beacon has obtained the advice and assistance of its counsel, Keane & Beane, P.C., with respect to the proposed settlement terms and has duly considered same; and

WHEREAS, under the settlement terms, the City will be liable for a City tax refund in the amount of Two Thousand Three Hundred Sixty-Six and 80/100 (\$2,366.80) Dollars;

NOW, THEREFORE, BE IT RESOLVED that the City Council accepts the settlement of this proceeding so that the following adjustment is made to the real property tax assessment of the above-described tax parcels:

<u>Tax Parcel</u>	<u>Assessment</u>	<u>Revised Assessment</u>	<u>Reduction</u>
5954-26-665932	\$465,000	\$425,000	\$40,000
5954-26-665931	\$575,000	\$480,000	\$95,000
5954-26-665935	\$485,000	\$450,000	\$35,000
5954-26-664933	\$525,000	\$490,000	\$35,000
5954-26-664939	\$525,000	\$495,000	\$30,000
5954-26-664938	\$440,000	\$405,000	\$35,000
5954-26-664935	\$505,000	\$470,000	\$35,000

BE IT FURTHER RESOLVED, that counsel for the City of Beacon, Keane & Beane, P.C., together with the City Administration, is hereby authorized to undertake such actions as are necessary to confirm and effectuate this settlement, including execution of the Consent Order and Judgment incorporating the settlement terms.

Resolution No. 22 of 2023			Date: March 13, 2023				
☐ Amendments						☐ 2/3 Required	
☐ Not on roll call.			☐ On roll call			☐ 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Paloma Wake					
		Justice McCray					
		George Mansfield					
		Wren Longno					
		Molly Rhodes					
		Dan Aymar-Blair					
		Mayor Lee Kyriacou					
		Motion Carried					

City of Beacon City Council Agenda
03/20/2023

Title:

Resolution No. 23 - Approving 30 Beekman Street, LLC 2022 Tax Certiorari Settlement

ATTACHMENTS

[Resolution Approving 30 Beekman Street, LLC 2022 Tax Certiorari Settlement](#)



**CITY OF BEACON
CITY COUNCIL**

RESOLUTION NO. 23 OF 2023

**RESOLUTION RE: CERTIORARI SETTLEMENT –
MTR. OF 30 BEEKMAN STREET, LCC. v. BOARD OF ASSESSMENT REVIEW OF THE CITY
OF BEACON, ET ANO. (SUP. CT DUTCHESS CO. INDEX NOS. 52538/22, ET SEQ.) –
SETTLEMENT OF 2022 TAX CERTIORARI PROCEEDINGS**

WHEREAS, tax certiorari proceedings, titled Mtr. of 30 Beekman Street, LLC v. Board of Assessment Review of the City of Beacon, et al. (Sup. Ct. Dutchess Co. Index Nos. 52538/22), are pending before the Supreme Court, Dutchess County (Hon. James V. Brands, J.S.C., presiding); and

WHEREAS, these proceedings challenge the 2022 assessments of property identified as Parcel Nos. 5954-26-666931, 5954-26-666932, 5954-26-666933, 5954-26-666934, 5954-26-666934, 5954-26-666936, 5954-26-666937 and 5954-26-666938 on the City of Beacon 2022 Assessment Roll; and

WHEREAS, a proposed settlement of these proceedings has been reached by and between ENEL and the City of Beacon; and

WHEREAS, the City of Beacon has obtained the advice and assistance of its counsel, Keane & Beane, P.C., with respect to the proposed settlement terms and has duly considered same; and

WHEREAS, under the settlement terms, the City will be liable for a City tax refund in the amount of Thirteen Thousand One Hundred Forty Three and 75/100 (\$13,143.75) Dollars;

NOW, THEREFORE, BE IT RESOLVED that the City Council accepts the settlement of this proceeding so that the following adjustment is made to the real property tax assessment of the above-described tax parcel:

<u>Tax Parcel</u>	<u>Assessment</u>	<u>Revised Assessment</u>	<u>Reduction</u>
5954-26-666931	\$900,000	\$612,500	\$287,500
5954-26-666932	\$900,000	\$612,500	\$287,500
5954-26-666933	\$900,000	\$612,500	\$287,500
5954-26-666934	\$900,000	\$612,500	\$287,500
5954-26-666936	\$900,000	\$612,500	\$287,500
5954-26-666937	\$900,000	\$612,500	\$287,500
5954-26-666938	\$950,000	\$800,000	\$150,000

BE IT FURTHER RESOLVED, that counsel for the City of Beacon, Keane & Beane, P.C., together with the City Administration, is hereby authorized to undertake such actions as are necessary to confirm and effectuate this settlement, including execution of the Consent Order and Judgment incorporating the settlement terms.

Resolution No. 23 of 2023			Date: March 13, 2023				
☐ Amendments			☐ 2/3 Required				
☐ Not on roll call.			☐ On roll call			☐ 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Paloma Wake					
		Justice McCray					
		George Mansfield					
		Wren Longno					
		Molly Rhodes					
		Dan Aymar-Blair					
		Mayor Lee Kyriacou					
		Motion Carried					

City of Beacon City Council Agenda
03/20/2023

Title:

Resolution No. 24 - Accepting Fire Hydrant Easement Agreements at 29 Riding Ridge Trail and 30 Riding Ridge Trail

ATTACHMENTS

[Resolution Accepting Fire Hydrant Easement Agreements at 29 Riding Ridge Trail and 30 Riding Ridge Trail](#)



**CITY OF BEACON
CITY COUNCIL**

RESOLUTION NO. 24 OF 2023

**ACCEPTING FIRE HYDRANT EASEMENT AGREEMENTS AT 29 RIDING RIDGE TRAIL
AND 30 RIDING RIDGE TRAIL**

WHEREAS, Peter Powers is the owner of property located at 29 Riding Ridge Trail, known and designated on the Tax Map of the City of Beacon as Parcel No. 5954-20-933090; and

WHEREAS, Judith F. Torre and Mark A. Torre are the owners of property located at 30 Riding Ridge Trail, known and designated on the Tax Map of the City of Beacon as Parcel No. 5954-20-946077; and

WHEREAS, there is a fire hydrant located on 29 Riding Ridge Trail and 30 Riding Ridge Trail which is or is to be owned and maintained by the City of Beacon, together with all lines and appurtenances; and

WHEREAS, the property owners submitted to the City of Beacon Fire Hydrant Easement Agreements which grants the City of Beacon an easement with the right to enter the easement area on 29 Riding Ridge Rail and 30 Riding Ridge Trail for the purpose of installing, operating, servicing, repairing and/or replacing the fire hydrant and all lines and appurtenances thereto.

NOW THEREFORE, BE IT RESOLVED THAT, the City Council hereby authorizes the Mayor and/or City Administrator to sign the Fire Hydrant Easement Agreements for said purpose, along with all documents as may be necessary for the recording of such documents, subject to review and approval by the City Attorney as to form and substance.

Resolution No. 24 of 2023			Date: March 13, 2023				
☐ Amendments						☐ 2/3 Required	
☐ Not on roll call.			☐ On roll call			☐ 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Paloma Wake					
		Justice McCray					
		George Mansfield					
		Wren Longno					
		Molly Rhodes					
		Dan Aymar-Blair					
		Mayor Lee Kyriacou					
Motion Carried							

City of Beacon City Council Agenda
03/20/2023

Title:

Resolution No. 25 - Approving an Amendment to the 2023 General Fund Budget

ATTACHMENTS

[Proposed Amendment to the 2023 General Fund Budget](#)

[Resolution Authorizing an Amendment to the City of Beacon 2023 General Fund Budget](#)

City of Beacon
Council Budget Amendments
March 13, 2023 Meeting

1. Amend the 2023 General Fund Budget for slip lining on West Main St. and repairing storm lines. Below is the proposed budget amendment:

TRANSFER TO:

A -8-8540-419800-	STORM DRAIN REPAIR	<u>\$ 40,615</u>
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TRANSFER FROM:

A -01-1990-400001-	CONTINGENCY FUND	<u>\$ 40,615</u>
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Respectfully submitted,
Susan K. Tucker CPA



**CITY OF BEACON
CITY COUNCIL**

RESOLUTION NO. 25 OF 2023

**APPROVING AN AMENDMENT TO THE
2023 CITY OF BEACON GENERAL FUND BUDGET**

BE IT RESOLVED, that the City of Beacon City Council hereby authorizes the attached amendment to the 2023 General Fund Budget.

Resolution No. 25 of 2022			Date: March 13, 2022				
☐ Amendments						☐ 2/3 Required	
☐ Not on roll call.			On roll call			☐ 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Paloma Wake					
		Justice McCray					
		George Mansfield					
		Wren Longno					
		Molly Rhodes					
		Dan Aymar-Blair					
		Mayor Lee Kyriacou					
		Motion Carried					

City of Beacon
Council Budget Amendments
March 13, 2023 Meeting

1. Amend the 2023 General Fund Budget for slip lining on West Main St. and repairing storm lines. Below is the proposed budget amendment:

TRANSFER TO:

A -8-8540-419800-	STORM DRAIN REPAIR	<u>\$ 40,615</u>
-------------------	--------------------	------------------

TRANSFER FROM:

A -01-1990-400001-	CONTINGENCY FUND	<u>\$ 40,615</u>
--------------------	------------------	------------------

Respectfully submitted,
Susan K. Tucker CPA

City of Beacon City Council Agenda
03/20/2023

Title:

Resolution No. 26 - Adopting Proposed Local Law No. 1 to Require the Electrification of Residential and Commercial Buildings

ATTACHMENTS

Proposed Local Law No. 1 to Require the Electrification of Residential and Commercial Buildings

Proposed Local Law No. 1 Environmental Assessment Form - Project Information

Proposed Local Law No. 1 Environmental Assessment Form - Impact Assessment and Determination of Significance

Resolution Adopting a Local Law Require the Electrification of Residential and Commercial Buildings

LOCAL LAW NO. 1 OF 2023

**CITY COUNCIL
CITY OF BEACON**

**LOCAL LAW TO CREATE CHAPTER 106, ARTICLE V OF THE ENERGY
CONSERVATION CODE
OF THE CITY OF BEACON**

A LOCAL LAW to create Chapter 106, Article V of the Energy Conservation Code of the City of Beacon to require the electrification of new residential and commercial buildings.

BE IT ENACTED by the City Council of the City of Beacon as follows:

Section 1. Chapter 106, Article V of the Energy Conservation Code of the City of Beacon entitled “All-Electric Buildings” is hereby created as follows:

Chapter 106 Energy Conservation

...

Article V All-Electric Buildings

§ 106-30 Intent and purpose; findings; authority.

- A. Intent and purpose. It is the policy of City of Beacon and State of New York to achieve energy efficiency and renewable energy goals, reduce greenhouse gas emissions, mitigate the effect of global climate change, and advance a clean energy economy. This article establishes a local energy conservation code supplement for all new construction and major renovations of residential and commercial buildings to further these policy goals, promote the public health, safety, and general welfare and protects, secures and guarantees an individual’s right to a healthy environment as required under the New York State Environmental Rights Amendment (the “Green Amendment”) implemented as Article I, §19 of the New York State Constitution’s Bill of Rights. The Green Amendment creates a constitutionally protected right that “Each person shall have a right to clean air and water, and to a healthful environment.” This article furthers that protection by removing greenhouse gas emissions that adversely affect indoor air, outdoor air and the environment in general. It is the intent of this article to deliver measurable and long-lasting reduction in greenhouse gas emissions from all new construction and major renovations to support the goal of zero on-site greenhouse gas emissions and the State’s clean energy and climate agenda, including but not limited to greenhouse gas reduction requirements set forth within the New York State Climate Leadership

and Community Protection Act (“CLCPA”). The purpose of this article is to eliminate greenhouse gas emissions in new buildings where all-electric infrastructure can be most practicably integrated, thereby reducing the environmental and health hazards produced by the consumption and transportation of natural gas.

B. Findings. The City Council of the City of Beacon finds the following:

- (1) Climate change is causing an increase in extreme weather events, such as storms, flooding, and heat waves that threaten human life, health communities, and critical infrastructure to the City, New York State, and across the world.
- (2) There is a clear emerging international consensus that to avoid the most severe impacts of a changing climate, global warming should be limited to 1.5 degrees Celsius.
- (3) Greenhouse gas emissions related to human activity are the main cause of global warming. Buildings within the City of Beacon are a significant contributor to local greenhouse gas emissions.
- (4) New York State, through its CLCPA, adopted on July 18, 2019, has set ambitious goals to combat climate change through greenhouse gas reduction. The CLCPA mandates significant reductions in greenhouse gas emissions and requires that all electricity be derived from emissions-free sources by 2040. State goals are in line with the objectives of this article, including reducing emissions in buildings, electrifying space heating, water heating, and cooking systems, increasing the use of renewable energy and reducing the use of fossil fuels.
- (5) On November 2, 2021, New York voters approved the Green Amendment to the New York State Constitution. The Green Amendment secures each person’s “right to clean air and water, and a healthful environment.” N.Y. Const., Art. 1, Sec. 19. The goal of the Green Amendment is to ensure government officials seek to avoid and prevent environmental harm.
- (6) On December 19, 2022, the New York State Climate Action Council adopted its Final Scoping Plan to reduce New York’s greenhouse gas emissions 40 percent by 2030 and no less than 85 percent by 2050. The Final Scoping Plan recommends that by 2050, 85 percent of homes and commercial building space statewide should be electrified with energy-efficient heat pumps and thermal energy networks, and encourages the state and municipalities to adopt zero-emission codes and standards and require energy benchmarking for buildings.
- (7) The combustion of fossil fuels in homes and other buildings decreases internal air quality and has adverse impacts on human health.
- (8) Electrification has been proven to be a vital and cost-effective tool in reducing greenhouse gas emissions. According to the U.S. Energy Information Administration, buildings account for 28 percent of the United States' energy use and greenhouse gas emissions.
- (9) Corporations seeking approval for infrastructure to transport and distribute natural gas in New York have emphasized that the rationale for creating such infrastructure is based in part on projected increased demand for natural gas from customers in new buildings. Prohibiting the use of fossil fuels in new construction will eliminate this rationale and help achieve the

greenhouse gas emission reduction goals established in the CLCPA and further New York's record as a leader in combating climate change.

- (10) The most cost-effective time to integrate electrical infrastructure is in the design phase of a building project because building systems and spaces can be designed to optimize the performance of electrical systems and the project can take full advantage of avoided costs and space requirements from the elimination of natural gas piping and venting for combustion air safety.
- (11) All-electric buildings will be more durable, have lower maintenance costs, will last longer, and have eliminated risk of gas explosions and carbon monoxide poisoning.
- (12) All-electric building design benefits the health, welfare and resiliency of the City and its residents.

C. Authority: Pursuant to § 11-109 of the New York State Energy Law, and subject to the provisions and requirements of that section, the City of Beacon has the power to promulgate a local energy conservation construction code that is more stringent than the Energy Conservation Construction Code of New York State (the “Energy Code”). The City also has the authority to enact this law based upon Article 1, Section 19 of the New York State Constitution which guarantees each person’s “right to clean air and water, and a healthful environment.”

§ 106-31 Applicability.

- A. This article provides requirements and standards that are in addition to, and shall supplement, the requirements and standards set forth in the Energy Code and in Chapter 119, Uniform Fire Prevention and Building Code, of the Code of the City of Beacon. If a requirement of this article is less stringent than that of the Energy Code in effect at the time of application for a building permit, then the more stringent Energy Code requirement shall take precedence.
- B. The City shall enforce this article in addition to the City's enforcement of the Energy Code. Chapter 119, Uniform Fire Prevention and Building Code, of the Code of the City of Beacon sets forth the method for administration and enforcement of this article and establishes powers, duties and responsibilities in connection therewith, including penalties and other remedies for violations of this article.

§ 106-32 Exemptions.

A. The requirements of this article shall not apply to the following:

- (1) Systems for emergency back-up power.
- (2) Manufactured homes.
- (3) Buildings specifically designated for occupancy by a manufacturing facility, commercial food establishment, laboratory, laundromat, crematorium, hospital, or other medical facility.
- (4) Municipal water and sewer facilities.

- (5) Any project that received site plan approval from the Planning Board prior to June 30, 2023.
- B. Where an exemption is permitted, such exemption shall limit or require, to the fullest extent feasible, as determined in the sole discretion of the Building Inspector as follows:
- (1) Limit the use of fossil-fuel equipment and building systems to the system and area of the building for which a prohibition on fossil-fuel equipment and building systems is infeasible; and
 - (2) Require the area or service within a new building where fossil-fuel equipment and building systems are installed be all-electric ready.

§ 106-33 Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

ALL-ELECTRIC READY

A building, project, or portion thereof that contains electrical systems and designs that provide sufficient capacity for the future retrofit of a mixed-fuel building to an all-electric building, including but not limited to, sufficient space, drainage, electrical conductors or raceways, bus bar capacity, and overcurrent protective devices for such retrofit.

COMMERCIAL BUILDING

Any building that is not included in the definition of "residential building" or "mixed use building."

ENERGY CODE

The State Energy Conservation Construction Code, as currently in effect and as hereafter amended from time to time.

FOSSIL FUELS

An energy source formed in the Earth's crust from decayed organic material. The common fossil fuels are petroleum, coal, and natural gas. For purposes of this article, fossil fuels shall also include common extracts, derivatives, and products of fossil fuels, including but not limited to propane, kerosene, and gasoline.

GREENHOUSE GAS (GHG)

Any of several gases, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and fluorinated gases, that trap heat in the atmosphere.

HEATED FLOOR AREA

An area or room that is enclosed within the building thermal envelope and is directly or indirectly heated using fossil fuel, electricity, or biomass as the energy source. Spaces are indirectly heated where they connect through openings with heated spaces, where they are separated from heated spaces by uninsulated walls, floors or ceilings, or where they contain uninsulated ducts, piping or other sources of heating using fossil fuel, electricity, or biomass.

MAJOR RENOVATION

Any construction or renovation to an existing structure, other than a repair or addition, where the work area exceeds 75% of the heated floor area and involves the replacement or new installation of a heating or hot water system (e.g., boiler, furnace, or other major system). Changes to ventilation and air conditioning systems are not considered renovations of the heating system.

MANUFACTURED HOME

A structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. Such term shall not include any self-propelled recreational vehicle.

MANUFACTURING FACILITY

An establishment engaged in the mechanical or chemical transformation of materials or substances into new products, including the assembling of component parts, the creation of products, and the blending of materials, such as oils, plastics, resins, or liquors.

MIXED-USE BUILDING

Any building in which a portion of the use is residential, and a portion of the use is commercial.

NATURAL GAS INFRASTRUCTURE

Fuel gas piping, other than service pipe, in or in connection with a building, structure or within the property lines of premises, extending from the point of delivery at the gas meter.

NEW CONSTRUCTION

Site preparation for, and construction of, entirely new structures, excluding additions and renovations.

RESIDENTIAL BUILDING

Any building covered by the Residential Code of New York State, as well as any building that is classified in accordance with Chapter 3 of the Building Code of New York State in Group R-2, R-3, or R-4, including accessory dwelling units.

§ 106-34 All-electric building requirements.

- A. Effective on January 1, 2024, no building permit application shall be accepted by the Building Department and no building permit issued for new construction of or major renovations to residential, commercial or mixed-use buildings which requires the use of fossil fuels to power any equipment or building systems therein, including space heating, water heating, cooking, and clothes drying.

- B. Effective on January 1, 2024, any heating or hot water system (e.g. boiler, furnace, or other major system) replaced or installed any time after the issuance of a building permit to construct or renovate an existing structure involving 75% or more of the heated floor area, other than a repair or addition, shall be electric.
- C. All plans submitted in connection with new construction subject to the provisions of this article shall, as applicable, include notes and drawings to show the removal of petroleum tanks and demonstrate that any tank removed was appropriately closed in accordance with state regulations. All plans submitted in connection with new construction subject to the provisions of this article shall, as applicable, include notes and drawings to show the removal of natural gas infrastructure and demonstrate that such natural gas infrastructure was capped, and appropriate details shall be noted on the plan if such natural gas infrastructure is required to support an emergency back-up generator.

§ 106-35 Hardship exemption.

- A. An applicant whose building permit application has been denied may apply to the Zoning Board of Appeals for a hardship exemption to obtain relief from the requirements of this article. Upon receipt of an application for relief, the Zoning Board of Appeals shall, within 45 days thereafter, hold a public hearing. Notice of the public hearing shall be provided by the applicant in the same manner as required in § 223-61.2B.
- B. At the public hearing, the Zoning Board of Appeals may hear testimony and entertain the submission of written evidence from the applicant and/or the public.
- C. To obtain a certificate of hardship, the applicant must prove the existence of a hardship by establishing that compliance with this article is financially, technically or physically infeasible.
- D. The Zoning Board of Appeals shall make a decision within 30 days of the conclusion of the hearing on the application. The Board's decision shall be in writing and shall state the reasons for granting or denying the hardship application.
- E. Notwithstanding any granted hardship exemption, all new construction and major renovations shall be required to be All-Electric Ready.

Section 2. Numbering for Codification

It is the intention of the City of Beacon and it is hereby enacted that the provisions of this Local Law shall be included in the Code of the City of Beacon; that the sections and subsections of this Local Law may be re-numbered or re-lettered by the Codifier to accomplish such intention; that the Codifier shall make no substantive changes to this Local Law; that the word “Local Law” shall be changed to “Chapter,” “Section” or other appropriate word as required for codification; and that any such rearranging of the numbering and editing shall not affect the validity of this Local Law or the provisions of the Code affected thereby.

Section 3. Severability

The provisions of this Local Law are separable and if any provision, clause, sentence, subsection, word or part thereof is held illegal, invalid or unconstitutional, or inapplicable to any person or circumstance,

such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, subsections, words or parts of this Local Law or their petition to other persons or circumstances. It is hereby declared to be the legislative intent that this Local law would have been adopted if such illegal, invalid or unconstitutional provision, clause, sentence, subsection, word or part had not been included therein, and if such person or circumstance to which the Local Law or part hereof is held inapplicable had been specifically exempt therefrom.

Section 4. Effective Date

This Local Law shall take effect immediately upon filing with the Office of the Secretary of State. The City shall file a copy of this local law with the State Fire Prevention and Building Code Council within thirty (30) days after adoption of this Local Law. The City may enforce this Local Law until and unless the State Fire Prevention and Building Code Council denies the more stringent local energy code standards set forth in this Local Law.

Short Environmental Assessment Form

Part 1 - Project Information

Instructions for Completing

Part 1 – Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 – Project and Sponsor Information			
Name of Action or Project: Local Law to require the electrification of new residential, commercial and mixed-use buildings.			
Project Location (describe, and attach a location map): City of Beacon			
Brief Description of Proposed Action: The City of Beacon is considering a proposed local law to create Chapter 106, Article V of the Code of the City of Beacon to require the electrification of new residential, commercial and mixed-use buildings. Effective on January 1, 2024, no building permit application shall be accepted by the Building Department and no building permit issued for new construction of or major renovations to residential, commercial or mixed-use buildings which requires the use of fossil fuels to power any equipment or building systems therein, including space heating, water heating, cooking, and clothes drying.			
Name of Applicant or Sponsor: City of Beacon		Telephone: 845-838-5000	
		E-Mail: cityofbeacon@beaconny.gov	
Address: 1 Municipal Plaza			
City/PO: Beacon		State: NY	Zip Code: 12508
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.		NO ☐	YES ☒
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval:		NO ☐	YES ☐
3. a. Total acreage of the site of the proposed action? _____ acres b. Total acreage to be physically disturbed? _____ acres c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? _____ acres			
4. Check all land uses that occur on, are adjoining or near the proposed action: ☐ Urban ☐ Rural (non-agriculture) ☐ Industrial ☐ Commercial ☐ Residential (suburban) ☐ Forest ☐ Agriculture ☐ Aquatic ☐ Other(Specify): ☐ Parkland			

5. Is the proposed action,	NO	YES	N/A
a. A permitted use under the zoning regulations?	☐	☐	☐
b. Consistent with the adopted comprehensive plan?	☐	☐	☐
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
	☐	☐	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area?	NO	YES	
If Yes, identify: _____	☐	☐	
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES	
b. Are public transportation services available at or near the site of the proposed action?	☐	☐	
c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	☐	☐	
9. Does the proposed action meet or exceed the state energy code requirements?	NO	YES	
If the proposed action will exceed requirements, describe design features and technologies: _____ _____	☐	☐	
10. Will the proposed action connect to an existing public/private water supply?	NO	YES	
If No, describe method for providing potable water: _____ _____	☐	☐	
11. Will the proposed action connect to existing wastewater utilities?	NO	YES	
If No, describe method for providing wastewater treatment: _____ _____	☐	☐	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places?	NO	YES	
b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	☐	☐	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO	YES	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody?	☐	☐	
If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ _____ _____			

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: ☐ Shoreline ☐ Forest ☐ Agricultural/grasslands ☐ Early mid-successional ☐ Wetland ☐ Urban ☐ Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
	☐	☐
16. Is the project site located in the 100-year flood plan?	NO	YES
	☐	☐
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes,	NO	YES
a. Will storm water discharges flow to adjacent properties?	☐	☐
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?	☐	☐
If Yes, briefly describe: _____ _____		
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)? If Yes, explain the purpose and size of the impoundment: _____ _____	NO	YES
	☐	☐
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____	NO	YES
	☐	☐
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____	NO	YES
	☐	☐
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor/name: <u>City of Beacon City Code</u> Date: <u>February 23, 2023</u> Signature: <u><i>Drew Jamils</i></u> Title: <u>City Attorney</u>		

City of Beacon
Short Environmental Assessment Form
Part 1 - Project Information

Project Narrative

The City Council is considering adopting a local law to create Chapter 106, Article V of the Code of the City of Beacon to require the electrification of new residential, commercial and mixed use-buildings. The purpose of the proposed local law is to establish a local energy code supplement for all new construction and major renovations to promote the public health, safety, and general welfare and protect, secure and guarantee an individual's right to a healthy environment as required under the New York State Environmental Rights Amendment (the "Green Amendment") implemented as Article I, §19 of the New York State Constitution's Bill of Rights. The Green Amendment creates a constitutionally protected right that "Each person shall have a right to clean air and water, and to a healthful environment." This proposed local law furthers that protection by removing greenhouse gas emissions that adversely affect indoor air, outdoor air and the environment in general. The City believes the proposed local law will result in a measurable and long-lasting reduction in greenhouse gas emissions from all new construction and major renovations to support the goal of zero on-site greenhouse gas emissions and the state's clean energy and climate agenda, including but not limited to greenhouse gas reduction requirements set forth within the New York State Climate Leadership and Community Protection Act ("CLCPA"). The proposed local law will eliminate obsolete natural gas infrastructure and associated greenhouse gas emissions in new buildings where all-electric infrastructure can be most practicably integrated, thereby reducing the environmental and health hazards produced by the consumption and transportation of natural gas.

Under the proposed local law, effective on January 1, 2024, no building permit application shall be accepted by the Building Department and no building permit issued for new construction of or major renovations to residential, commercial or mixed-use buildings which requires the use of fossil fuels to power any equipment or building systems therein, including space heating, water heating, cooking, and clothes drying. In addition, any heating or hot water system (e.g. boiler, furnace, or other major system) replaced or installed within five years after the issuance of any building permit to construct or renovate an existing structure involving 75% or more of the heated floor area, other than a repair or addition, shall be electric. All plans submitted in connection with new construction subject to the all-electric requirements of the proposed local law shall, as applicable, include notes and drawings to show the removal of petroleum tanks and demonstrate that any tank removed was appropriately closed in accordance with state regulations.

All plans submitted in connection with new construction subject to the requirements of the proposed local law shall, as applicable, include notes and drawings to show the removal of natural gas infrastructure and demonstrate that such natural gas infrastructure was capped, and appropriate details shall be noted on the plan if such natural gas infrastructure is required to support an emergency back-up generator.

The proposed local law exempts the following from the all-electric requirements of the proposed local law:

- (1) Systems for emergency back-up power.
- (2) In a manufactured home.
- (3) Buildings specifically designated for occupancy by a manufacturing facility, commercial food establishment, laboratory, laundromat, crematorium, hospital, or other medical facility.
- (4) Municipal water and sewer facilities.
- (5) Any project that received site plan approval from the Planning Board prior to June 30, 2023.

Where an exemption is permitted, such exemption shall limit or require, to the fullest extent feasible, as determined in the sole discretion of the Building Inspector (1) limit the use of fossil-fuel equipment and building systems to the system and area of the building for which a prohibition on fossil-fuel equipment and building systems is infeasible; and (2) require the area or service within a new building where fossil-fuel equipment and building systems are installed be all-electric ready.

The proposed local law also includes a hardship exemption. An applicant whose building permit application has been denied may apply to the Zoning Board of Appeals for a hardship exemption to obtain relief from the all-electric requirements of the proposed local law. To obtain a certificate of hardship, the applicant must prove the existence of a hardship by establishing that compliance with this article is financially, technically or physically infeasible.

Project: All-Electric Local Law

Date: March 13, 2023

Short Environmental Assessment Form

Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.

Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept “Have my responses been reasonable considering the scale and context of the proposed action?”

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	☒	☐
2. Will the proposed action result in a change in the use or intensity of use of land?	☒	☐
3. Will the proposed action impair the character or quality of the existing community?	☒	☐
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	☒	☐
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	☒	☐
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	☒	☐
7. Will the proposed action impact existing:	☒	☐
a. public / private water supplies?	☒	☐
b. public / private wastewater treatment utilities?	☒	☐
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	☒	☐
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	☒	☐
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	☒	☐
11. Will the proposed action create a hazard to environmental resources or human health?	☒	☐

Short Environmental Assessment Form

Part 3 Determination of Significance

For every question in Part 2 that was answered “moderate to large impact may occur”, or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

The proposed local law establishes a local energy conservation code supplement for the City of Beacon that requires all new construction and major renovations be all-electric. Starting on January 1, 2024, no building permit application shall be accepted by the Building Department and no building permit shall be issued for new construction or major renovations to residential, commercial or mixed-use buildings which require the use of fossil fuels to power any equipment or building systems therein, including space heating, water heating, cooking, and clothes drying. The law applies to all new construction and major renovations with limited exceptions.

The proposed local law promotes energy efficiency and renewable energy objectives, mitigates the effect of global climate change and advances a clean energy economy. The proposed local law will significantly reduce greenhouse gas emissions in new buildings, thereby reducing the environmental and health hazards produced by the consumption and transportation of natural gas. The proposed local law will further the City's sustainability goals and help create a measurable and long-lasting reduction in greenhouse gas emissions to support the goal of zero on-site greenhouse gas emissions and the State's clean energy and climate agenda, including but not limited to, greenhouse gas reduction requirements set forth within the New York State Climate Leadership and Community Protection Act ("CLCPA").

There will be no anticipated change in the intensity of the use of land, no negative environmental effects on traffic, environmental resources (natural areas, wetlands, streams, plant or wildlife habitat, etc), or historic or aesthetic resources, and no negative impacts on drainage, flooding or erosion, as a result of enacting the proposed local law. The proposed local law will lead to positive community impacts through the reduction of greenhouse gas emissions that adversely affect indoor air, outdoor air and the environment in general. For the reasons set forth herein, the City's adoption of the proposed local law will not result in any significant adverse environmental impacts and will have an overall positive impact on the environment.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.
 ☒ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

City of Beacon

March 13, 2023

Name of Lead Agency

Date

Christopher White

City Administrator

Print or Type Name of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (if different from Responsible Officer)



**CITY OF BEACON
CITY COUNCIL**

RESOLUTION NO. 26 OF 2023

**ADOPTION OF LOCAL LAW NO. 1 OF 2023 TO CREATE CHAPTER 106, ARTICLE V OF
THE CODE OF THE CITY OF BEACON TO REQUIRE THE ELECTRIFICATION OF
RESIDENTIAL AND COMMERCIAL BUILDINGS**

WHEREAS, the City Council of the City of Beacon (the “City Council”) desires to achieve energy efficiency, promote renewable energy goals, reduce greenhouse gas emissions, mitigate the effect of global climate change, and advance a clean energy economy; and

WHEREAS, proposed Local Law No. 1 of 2023 was introduced at the February 14, 2023 meeting of the City Council to create Chapter 106, Article V of the Energy Conservation Code of the City of Beacon to require the electrification of new residential and commercial buildings (the “All-Electric Building Local Law”); and

WHEREAS, the All-Electric Building Local Law establishes a local energy conservation construction code supplement to prohibit the use of fossil fuels in all new construction and major renovations concerning residential and commercial buildings to further the City’s policy goals, promote the public health, safety, and general welfare and protect, secure and guarantee an individual’s right to a healthy environment as required under the New York State Environmental Rights Amendment (the “Green Amendment”) implemented as Article I, §19 of the New York State Constitution’s Bill of Rights; and

WHEREAS, it is the intent of the All-Electric Building Local Law to deliver measurable and long-lasting reductions in greenhouse gas emissions from all new construction and major renovations to support the goal of zero on-site greenhouse gas emissions and the State’s clean energy and climate agenda including, but not limited, to greenhouse gas reduction requirements set forth within the New York State Climate Leadership and Community Protection Act (“CLCPA”); and

WHEREAS, the City of Beacon has the power to promulgate a local energy conservation construction code that is more stringent than the Energy Conservation Construction Code of New York State (the “Energy Code”) pursuant to § 11-109 of the New York State Energy Law; and

WHEREAS, the City also has the authority to enact the All-Electric Building Local Law to further an individual’s “right to clean air and water, and a healthful environment” as required by the Green Amendment; and

WHEREAS, the City’s All-Electric Building Local Law is similar to legislation proposed in Governor Hochul’s FY 2024 New York State Executive Budget, Transportation, Economic Development and Environmental Conservation Article VII Legislation, Part WW; and

WHEREAS, the All-Electric Building Local Law includes the same exemptions set forth in the Governor’s budget legislation to allow the installation and use of fossil-fuel equipment and building systems where such are installed and used (i) for generation of emergency back-up power; (ii) in a manufactured home; or (iii) in a building or part of a building that is used as a manufacturing facility, commercial food establishment, laboratory, laundromat, hospital, other medical facility, crematorium, or wastewater treatment facilities; and

WHEREAS, compared to the Governor’s proposed budget legislation, the City has expedited the timeline to prohibit the installation of fossil-fuel equipment and building systems in new residential and commercial buildings; and

WHEREAS, the Governor’s proposed budget legislation prohibits the installation of fossil-fuel equipment and building systems in new residential buildings on December 31, 2025 and in new commercial buildings on December 31, 2028; and

WHEREAS, under the City’s All-Electric Building Local Law all new residential and commercial construction would be required to be all-electric as of January 1, 2024; and

WHEREAS, during the course of examination of the All-Electric Building Local Law, the City reviewed the All-Electric Building Local Law with the City Building Inspector, NYSERDA, and various construction professionals, including architects, engineers and developers, to discuss the feasibility and implementation of the all-electric building requirements set forth in the All-Electric Building Local Law; and

WHEREAS, the Planning Board of the City of Beacon reviewed the All-Electric Building Local Law at its February 15, 2023 meeting and had no objections to requirements of the All-Electric Building Local Law; and

WHEREAS, a duly noticed public hearing on the All-Electric Building Local Law was held on February 27, 2023, at which time all those interested had an opportunity to be heard and the public hearing was closed on February 27, 2023; and

WHEREAS, the proposed action is an Unlisted Action pursuant to the New York State Environmental Quality Review Act (“SEQRA”).

NOW, THEREFORE, BE IT RESOLVED, that the City Council in accordance with the State Environmental Quality Review Act (“SEQRA”) and upon review of the Short Environmental Assessment Form and all other materials prepared, hereby adopts the attached Negative Declaration for the All-Electric Building Local Law finding that the adoption of the All-Electric Building Local Law will not result in any significant adverse environmental impacts; and

BE IT FURTHER RESOLVED, that the City of Beacon City Council hereby adopts Local Law No. 1 of 2023 which creates Chapter 106, Article V of the Code of the City of Beacon to require the electrification of residential and commercial buildings; and

BE IT FURTHER RESOLVED, that the Mayor of the City of Beacon is hereby requested to send a copy of this resolution and Local Law No. 1 of 2023 to Governor Hochul, State Assemblymember Jonathan Jacobson, State Senator Robert Rolison and to the New York State Conference of Mayors (“NYCOM”); and

BE IT FURTHER RESOLVED, that the City Council hereby directs the City Attorney to file a copy of Local Law No. 1 of 2023, and all necessary forms and exhibits, with the State Fire Prevention & Building Code Council of More Stringent Local Energy Conservation Construction Code; and

BE IT FURTHER RESOLVED, that the Secretary of the City of Beacon Planning Board and Zoning Board of Appeals is hereby directed to provide a copy of Local Law No. 1 of 2023 to all members of the Planning Board and Zoning Board of Appeals; and

BE IT FURTHER RESOLVED, that the City Council hereby requests the Planning Board advise all applicants of the adoption of this law.

Resolution No. 26 of 2023			Date: March 13, 2023				
☐ Amendments						☐ 2/3 Required	
☐ Not on roll call.			☐ On roll call			☐ 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Paloma Wake					
		Justice McCray					
		George Mansfield					
		Wren Longno					
		Molly Rhodes					
		Dan Aymar-Blair					
		Mayor Lee Kyriacou					
		Motion Carried					

City of Beacon City Council Agenda
03/20/2023

Title:

February 27, 2023 Minutes

ATTACHMENTS

[February 27, 2023 Minutes](#)



**COURTROOM
1 MUNICIPAL PLAZA
BEACON, NY 12508
AND LIVE VIA ZOOM**

Mayor Lee Kyriacou
Councilmember George Mansfield, At Large
Councilmember Paloma Wake, At Large
Councilmember Molly Rhodes, Ward 1
Councilmember Justice McCray, Ward 2
Councilmember Wren Longno, Ward 3
Councilmember Dan Aymar-Blair, Ward 4
City Administrator Chris White

**February 27, 2023
7:00 PM
City Council
Draft
Minutes**

Regular Meeting

These minutes are for the regular meeting of the Beacon City Council. The City Council Meeting was held through video conference and in the Courtroom at 1 Municipal Plaza, Beacon NY 12508. A video recording of the meeting is available at

<https://vimeo.com/user1296488>. The public was able to attend in-person or through video or telephone and were made aware via the City of Beacon website, beaconny.gov. Please take notice that the full transcript of this meeting is available upon request at City Hall Suite 1, 1 Municipal Plaza, Beacon NY 12508, or by calling (845) 838 – 5010, or by emailing cityofbeacon@beaconny.gov.

Councilmembers Present

Mayor Lee Kyriacou

Councilmember Paloma Wake, At Large

Councilmember George Mansfield, At Large

Councilmember Molly Rhodes, Ward One

Councilmember Justice McCray, Ward Two

Councilmember Wren Longno, Ward Three

Councilmember Dan Aymar-Blair, Ward Four

Also Present

Chris White, City Administrator

Drew Victoria Gamils, City Attorney

Call to Order

Pledge of Allegiance

Roll Call

Community Segment

[Main Street Access Committee Report Presentation](#)

Public Comment

Public Hearings

[Public Hearing on Proposed Renovations and PILOT Agreement for Tompkins Terrace Housing Development \(TO BE ADJOURNED TO MARCH 13, 2023\)](#)

Motion to adjourn the Public Hearing to March 13, 2023 by Councilmember Rhodes.

Second by Councilmember Longno.

Motion passes 7 – 0.

[Public Hearing on Proposed Local Law No. 1 to Require the Electrification of Residential and Commercial Buildings](#)

Motion to open the Public Hearing by Councilmember Aymar-Blair.

Second by Councilmember Longno.

Motion passes 7 – 0.

Motion to close the Public Hearing by Councilmember Mansfield.

Second by Councilmember Aymar-Blair

Motion passes 7 – 0.

Reports: Mayor, City Council, and City

Administrator Local Laws and Resolutions

1. [Resolution No. 17 - Appointing Kevin Powell to the Position of Firefighter](#)

Motion to pass the resolution by Councilmember Longno.

Second by Councilmember Aymar-Blair.

Motion passes 7 – 0.

2. [Resolution No. 18 - Appointing Kevin Herbst to the Position of Firefighter](#)

Motion to pass the resolution by Councilmember Aymar-Blair.

Second by Councilmember Rhodes.

Motion passes 7 – 0.

Approval of Minutes

1. [February 14, 2023 Minutes](#)

Motion to approve the minutes by Councilmember Aymar-Blair.

Second by Councilmember Wake.

Motion passes 7 – 0.

Public Comment - Second Opportunity

Adjournment

Motion to adjourn by Councilmember Rhodes.

Second by Councilmember Aymar-Blair.

Motion passes 7 – 0.