

VIRTUAL PUBLIC HEARING SCRIPT

Related Affordable, LLC Project

Public Hearing to be held on September 18, 2020 at 9:00 a.m.
via Virtual Conference Software

ATTENDANCE

Deep Katdare – Related Affordable
Karen Fiala – ECIDA
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer: Welcome. This public hearing is now open; it is 9:02 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency’s website at www.ecidany.com. Pre-registration for anyone wishing to speak at today’s public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: Pursuant to and in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Issuer is conducting this public hearing in connection with a certain proposed project, as more fully described below (the “Project”), to be undertaken by the Issuer for the benefit of Related Affordable, LLC (the “Company”).

The Issuer published a Notice of Public Hearing with respect to the Project in The Buffalo News on September 5, 2020.

3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: The proposed Project shall consist of the financing of a certain project (the “Project”) to be undertaken by the Issuer for the benefit of Related Affordable, LLC consisting of: (A) (1) the acquisition of an interest in a portion of approximately 0.99 acres of land located at 501 Elmwood

Avenue in the City of Buffalo, Erie County, New York (the “Land”), (2) the acquisition, reconstruction and renovation of an existing 12-story tower consisting of 138 apartment units and containing approximately 107,000 square feet in the aggregate known as the Elmwood Square Apartments located on the Land (the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the “Equipment”) (the Land, the Facility and the Equipment being collectively referred to hereinafter as the “Project Facility”), all of the foregoing to constitute a low-income housing facility to be operated by the Company and leased to residential tenants, together with incidental and related commercial space leased to various commercial entities, and any other directly and indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, in an aggregate principal amount not to exceed \$9,000,000 (the “Obligations”); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (D) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes and mortgage recording taxes (collectively with the Obligations, the “Financial Assistance”); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Issuer with respect to the Project in the office of the County Clerk of Erie County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project and (3) exemption from sales taxes relating to the acquisition, reconstruction, renovation and installation of the Project Facility. If any portion of the Financial Assistance to be granted by the Issuer with respect to the Project is not consistent with the Issuer’s uniform tax exemption policy, the Issuer will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the issuance of the Obligations is approved, with respect to any portion of the Obligations intended to be issued as federally tax-exempt obligations (the “Tax-Exempt Obligations”), the interest on the Tax-Exempt Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder, the issuance of the Tax-Exempt Obligations is approved by the County Executive of Erie County, New York (the “County Executive”) after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Tax-Exempt Obligations; and (B) pursuant to Section 142(a)(7) of the Code, at least ninety-five percent (95%) of the net proceeds of the Tax-Exempt Obligations are used to provide a “qualified residential rental project” within the meaning of such quoted term in Section 142(d) of the Code.

If the Issuer determines to proceed with the Project and the issuance of the Obligations, (A) the Project Facility will be acquired, reconstructed, renovated and installed by the Issuer and will be leased (with an obligation to purchase) or sold by the Issuer to the Company or its designee pursuant to a project agreement (the “Agreement”) requiring that the Company or its designee make payments equal to debt service on the Obligations and make certain other payments and (B) the Obligations will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Obligations. **THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ERIE COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ERIE COUNTY, NEW YORK SHALL BE LIABLE THEREON.**

The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the “SEQR Act”) regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Project Facility, the financial assistance being contemplated by the Issuer in connection with the proposed Project or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the Application filed by the Company with the Issuer with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Issuer. A transcript or summary report of the hearing will be made available to the members of the board of directors of the Issuer and to the County Executive. If the Issuer determines to issue the Tax-Exempt Obligations, approval of the issuance of the Tax-Exempt Obligations by Erie County, New York, acting through its elected County Executive, is

necessary in order for the interest on the Tax-Exempt Obligations to qualify for exemption from federal income taxation.

Pursuant to the Code, interest on Tax-Exempt Obligations intended to be issued as federally tax-exempt obligation will not be excluded from gross income for Federal income tax purposes unless the issuance of the Tax-Exempt Obligations is approved by the Erie County Industrial Development Agency Board of Directors. It is anticipated that the Erie County Industrial Development Agency Board of Directors will approve of the issuance of the Tax-Exempt Obligations at its meeting on September 23, 2020.

4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: All those who have joined this conference call were required to pre-register through our website (www.ecidany.com). Everyone who has pre-registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes at 4:00 p.m. on September 22, 2020. There are no limitations on written statements or comments.

5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: Those interested in making a statement or comment will be called upon by Brian in the order that they registered for this meeting. Please begin by stating your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

The Hearing Moderator introduces each participant in the order they registered for this meeting.

My name is Deep Katdare. I am with Related Affordable, an affiliate of Related Companies. I am Senior Vice President and I work in the Portfolio Management Group. I will keep my comments brief. Elmwood Square Apartments is an apartment complex that is a 138-units of affordable necessary affordable housing in the City of Buffalo. The Related Companies and Steven Ross built the project in 1974 and has maintained it as an affordable housing community for almost 50 years now. In 2004 we rehabilitated the property; did a substantial rehabilitation using bonds that were issued by the ECIDA in fact at 4% low income housing tax credits. Since that time we have continued to maintain, manage and own the apartment complex and kept it affordable and it has been a very important affordable housing resource in Buffalo and the area around the property has only gotten better over the years. We think it is very important now that we eclipsed the 15-year time frame since the last rehabilitation that we endeavor to substantially rehabilitate the property again. The property as you probably know benefits from a PILOT with

the City of Buffalo and the County of Erie which was extended in 2019 as a result of the City of Buffalo and the County of Erie really feeling as though it is an important affordable housing resource and needs our assistance.

Our ask now is to get an issuance of tax-exempt bonds to once again aid in the rehabilitation and bring the property back to the ECIDA. Our proposal is to put in roughly \$36,000 per-unit in direct hard costs and \$45,000 per unit in total construction costs to rehabilitate the property. One final comment that I will make is that Related Companies and Related Affordable are long term housing preservationists and we really feel as though this property is a property we have cared for a long time and we would like to make the necessary changes and upgrades to the facilities for the benefit of the tenants and the community as well. Thank you and if you have any questions, I am available.

6. ADJOURNMENT.

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:15 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on September 18, 2020 at 9:00 a.m.
via Virtual Conference Software

Related Affordable, LLC

Project Location: 501 Elmwood Avenue, Buffalo, New York 14222

Name	Company and/or Address	X box to speak/ comment
Deep Katdare	Related Affordable 60 Columbus Circle, 18 th Floor New York, NY 10023	X
Karen Fiala	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	