

COUNTY OF CHAUTAUQUA
INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

APPLICATION OF:

Housing Preservation, Inc.

APPLICANT NAME

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule H, Item # 1", etc.); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule I to the Application. If an estimate is given, enter "EST" after the figure. One signed original and one photocopy of the Application (including all attachments) must be submitted.

The following amounts are payable to the County of Chautauqua Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); and (ii) a \$1,000 expense deposit for the Agency's Transaction/Bond Counsel fees and expenses (the "Counsel Fee Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, to defray the cost of Transaction/Bond Counsel fees and expenses with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any financial

assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

2/14/2018
DATE

PART I. APPLICANT

A. APPLICANT FOR FINANCIAL ASSISTANCE:

Name: Housing Preservation, Inc.

Address: 6060 Poplar Avenue, Memphis, TN 38119

Fax: 866-947-0993

NY State Dept. of
Labor Reg #: N/A Federal Employer ID #: 56-2409519

NAICS Code #: 623312 & 531110

Website: www.housingpreservationinc.com

Name of CEO or
Authorized Representative Certifying Application: James Carmichael
Title of Officer: Authorized Representative

Phone Number: 415-572-4511

E-Mail: james.carmichael@housingpreservationinc.com

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Sole Proprietorship General Partnership Limited Partnership

Limited Liability Company Privately Held Corporation

Publicly Held Corporation Exchange listed on _____

Not-for-Profit Corporation

Income taxed as: Subchapter S Subchapter C
501(c)(3) Corporation Partnership

State and Year of Incorporation/Organization: 2003; Texas

Qualified to do Business in New York: Yes No N/A

YES

NO

- H. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors? If YES, attach details at Schedule I.

YES

NO

- I. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, ever been convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation that has been convicted of a felony or misdemeanor (other than minor traffic offenses), or are any of the foregoing the subject of a pending criminal proceeding or investigation? If YES, attach details at Schedule I.

YES

NO

- J. Has the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there a pending proceeding or investigation with respect to) a civil violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details at Schedule I.

YES

NO

- K. Is the Applicant (or any parent company, subsidiary, affiliate or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details at Schedule I.

YES

NO

- L. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations</u>
Matthew Osborne	President	N/A

<u>Mark Segal</u>	<u>Director</u>	<u>N/A</u>
<u>Patrick Shea</u>	<u>Director</u>	<u>N/A</u>
<u>Josh Hammond</u>	<u>Director</u>	<u>N/A</u>
<u>Paul Ponte</u>	<u>Director</u>	<u>N/A</u>
<u>Robert Baldacci</u>	<u>Director</u>	<u>N/A</u>

Do any of the foregoing principals hold elected or appointive positions with New York State, any political division of New York State or any other governmental agency? If YES, attach details at Schedule I.

YES ___ NO X

Are any of the foregoing principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES ___ NO X

M. Current operations at project location (if applicable):

1. (a) Location: Multiple locations see Schedule I
- (b) Number of Employees: Full-Time: 8 Part-Time: 0
- (c) Annual Payroll, excluding benefits: \$257,000 EST
- (d) Type of operation (e.g. manufacturing, wholesale, distribution, retail, etc.) and products or services: low-income apartments for elderly and disabled
- (e) Size of existing facility real property (i.e., acreage of land): See Schedule I
- (f) Buildings (number and square footage of each): See Schedule I
- (g) Applicant's interest in the facility
FEE TITLE: ___ LEASE: ___ OTHER (describe below): X
Contract vendee

N. Will the completion of the proposed Project result in the removal of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the Project, or a relocation of any employee of the Applicant, or any employee of a proposed user, occupant or tenant of the Project, from one area of the State of New York (but outside of Chautauqua County) to a location in Chautauqua County or in the abandonment of such a plant or facility located in an area of the State of New York outside of Chautauqua County? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES ___ NO X

O. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES ___ NO X

P. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES ___ NO X

Q. Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Chautauqua? If YES, attach details at Schedule I.

YES ___ NO X

R. Nature of Applicant's business (e.g., description of goods to be sold, products manufactured, assembled or processed, services rendered):

See Schedule I

S. ANY RELATED PARTY PROPOSED TO BE A USER OF THE PROJECT:

Name: Not Applicable

Relationship to Applicant: _____

Provide the information requested in Questions A through S above with respect to each such party by attachment at Schedule I.

PART II. PROPOSED PROJECT

A. Types of Financial Assistance Requested:

- Tax-Exempt Bonds
- Taxable Bonds
- Refunding Bonds
- Sales/Use Tax Exemption
- Mortgage Recording Tax Exemption
- Real Property Tax Exemption
- Other (specify): _____

B. Type of Proposed Project (check all that apply and provide requested information):

- New Construction of a Facility
Square footage: _____
- Addition to Existing Facility
Square footage of existing facility: _____
Square footage of addition: _____
- Renovation of Existing Facility
Square footage of area renovated: See Schedule I
Square footage of existing facility: See Schedule I
- Acquisition of Land/Building
Acreage/square footage of land: See Schedule I
Square footage of building: See Schedule I
- Acquisition of Furniture/Machinery/Equipment
List principal items or categories:

- Other (specify): _____

C. Briefly describe the purpose of the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations:

See Schedule I

D. Is there a likelihood that the proposed Project would not be undertaken by the Applicant but for the granting of the financial assistance by the Agency? (If yes, explain; if no, explain why the Agency should grant the financial assistance with respect to the proposed Project)

YES X NO

See Schedule I

E. If the Applicant is unable to arrange Agency financing or other Agency financial assistance for the Project, what will be the impact on the Applicant and the County of Chautauqua? Would the Applicant proceed with the Project without Agency financing or other Agency financial assistance? Describe.

See Schedule I

F. Location of Project:

Street Address: See Schedule I

Tax Map Section: See Schedule I Block: See Schedule I Lot: See Schedule I

Census Tract Number: See Schedule I

G. Present use of the Project site: Low income elderly and disabled apartment communities.

H. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each):

General: \$ N/A

School: \$ N/A

(b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details at Schedule I including copies of pleadings, decisions, etc.

YES

NO X

I. Describe proposed Project site ownership structure (*i.e.*, Applicant or other entity):

See Schedule I

J. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

See Schedule I

K. If any space in the Project is to be leased to or occupied by third parties (*i.e.*, parties not related to the Applicant), or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant:

Not Applicable

L. Provide, to the extent available, the information requested, in Part I, Questions A, B, D and O, with respect to any party described in the preceding response.

Not Applicable

M. Does the proposed Project meet zoning/land use requirements at proposed location?

YES X

NO

1. Describe present zoning/land use: Pre-existing use

2. Describe required zoning/land use, if different: Not Applicable

3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

There will be no change in land use and therefore no zoning approvals are required.

N. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES _____ NO X

O. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES _____ NO X

If YES, indicate:

- (a) Date of purchase: _____
- (b) Purchase price: \$_____
- (c) Balance of existing mortgage, if any: \$_____
- (d) Name of mortgage holder: _____
- (e) Special conditions: _____

If NO, indicate name of present owner of Project site: Affiliates of Luther Housing Administrative Services Group, Inc. – See Schedule I

P. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site?

YES X NO _____

If YES, attach copy of contract or option at Schedule I and indicate:

- (a) Date signed: January 29, 2018 and December 28, 2017
- (b) Purchase price: N/A*
- (c) Closing date: EST. July 1, 2018

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the Project (and/or its principals)?

If YES, describe:

YES _____ NO X

* The terms and conditions of the purchase and sale agreement are subject to a confidentiality agreement and will be made available subject to the IDA entering into a commercially reasonable non-disclosure agreement.

V. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES X

NO ____

There are currently a limited number of high quality affordable housing units for elderly and disabled individuals in the Jamestown area.

W. Is the proposed Project site currently subject to an IDA transaction (whether through the Agency or otherwise)? If yes, explain.

YES ____

NO X

PART III. CAPITAL COSTS OF THE PROJECT

A. Provide an estimate of cost of all items listed below:

<u>Item</u>	<u>Cost</u>
1. Land and/or Building Acquisition	_____
2. Building Demolition	
3. Construction/Reconstruction/Renovation	\$ 500,000 EST
4. Site Work	
5. Infrastructure Work	_____
6. Architectural/Engineering Fees	
7. Applicant's Legal Fees	\$ 50,000 EST
8. Financial Fees	\$ 60,000 EST
9. Other Professional Fees	\$ 130,125 EST
10. Furniture, Equipment & Machinery Acquisition (not included in 3. above)	
11. Other Soft Costs (describe)	
12. Other (Title and Recording fees)	\$ 29,000 EST
Total	\$ 769,125

B. Estimated Sources of Funds for Project Costs:

a. Tax-Exempt IDA Bonds:	
b. Taxable IDA Bonds:	
c. Conventional Mortgage Loans:	
d. SBA or other Governmental Financing: Identify: _____	
e. Other Public Sources (e.g., grants, tax credits): Identify: _____	
f. Other Public Agency Loans:	
g. Other Private Loans:	
h. Equity Investment: (excluding equity attributable to grants/tax credits)	\$ 769,125 EST
TOTAL	\$ 769,125

What percentage of the total project costs are funded/financed from public sector sources: 0 %

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? If YES, describe particulars on a separate sheet.

Schedule I

Housing Preservation, Inc.

Housing Preservation, Inc. (HPI) is a 501(c)(3) not-for-profit organization that serves a wide range of low-income populations with affordable family and senior housing projects.

HPI was founded with the mission to provide the best quality housing with clean, quiet, and safe communities. HPI serves the housing needs of low-income seniors, families, adults, and persons with disabilities. HPI has built a broad portfolio of over 24 successful communities in furtherance of this mission.

HPI has numerous senior and family apartment communities, both large and small, throughout the country, ranging from 82 units to 278 units in size, cumulatively accounting for nearly 3,600 individual apartment homes.

HPI's senior and family buildings are designated with Project Based Section 8 Rental Assistance from the United States Department of Housing and Urban Development (HUD). The not-for-profit company is experienced in handling the complexities of federal, state, and local regulatory compliance.

HPI utilizes an exhaustive tenant screening process to ensure the success of each community. These communities have received high scores from HUD Management and Occupancy Reviews and from the Real Estate Assessment Center.

The Project

HPI is under contract to purchase six apartment communities in Chautauqua County – four in the City of Jamestown, and one each in the Towns of Ellicott and Falconer. Each apartment community has between 12 and 46 units, with a total of approximately 200 units among the properties. Property addresses and other information regarding each apartment community are noted in the table below:

<u>Property Information</u>		<u>Property Taxes</u>			
<u>Address</u>	<u>Tax Parcel ID</u>	<u>City</u>	<u>County</u>	<u>School</u>	<u>Total</u>
✓ 145 Chandler St.	387.34-3-15	Exempt	Exempt	Exempt	Exempt
✓ 830 North Main St.	387.6-7-36	Exempt	Exempt	Exempt	Exempt
✓ 8 Crane Street	387.42-1-10	Exempt	Exempt	Exempt	Exempt
✓ 9 Crane Street	387.42-1-9	Exempt	Exempt	Exempt	Exempt
55-79 Grace Circle	371.6-4-2	Exempt	Exempt	Exempt	Exempt
430 East Avenue	354.19-1-49	Exempt	Exempt	Exempt	Exempt
Totals					

Jobs

The properties currently employ eight full time staff, including Service Coordinators, Housekeeping Assistants, Maintenance Mechanics, a Painter, and a Site Coordinator. The maintenance and housekeeping staff cover all six properties. HPI intends to hire three additional full-time staff for the project. Average annual wages for staff range from approximately \$23,000 to \$65,000. Staff also receive a generous benefits package including vacation (15-20 days per year), holidays (10 per year), personal time (4 days per year), sick time (4 days per year), Company paid life insurance benefit, health insurance, dental insurance, vision care, and a 401K plan.

Economic Development

Housing for elderly and disabled residents supports ancillary service businesses in the community. The projects' current approximate 180 residents (which the Applicant intends to increase by improving the low occupancy rates) shop in Chautauqua County and will continue to utilize the County's medical and other services, as well as retail and personal care services, all of which contribute to the local economy and provide sales tax revenue. All six buildings will use local vendors, supplies, and contractors to service and maintain the housing communities.

PILOT Request

All of the parcels are currently fully tax exempt and as used for low income elderly individuals and the disabled, pursuant to Section 422 of the Real Property Tax Law. However, Lutheran Housing Services has made voluntary payments to the City of Jamestown over the last several years for certain senior communities (2015 \$15,727; 2016 \$15,503; and 2017 \$ 12,250). All parcels will continue to serve the same individuals in need and will continue to be managed by a charitable organization (HPI), with nominal ownership residing in the newly formed Not-for-Profit Housing Development Fund Companies.

While we believe the existing tax exemptions should continue given the change in ownership and multiple taxing jurisdictions in which the communities reside, the Applicant requires the certainty and predictability of the requested PILOT as a condition to undertaking the Project. The requested PILOT ensures continued payments to the City of Jamestown at current contribution levels, with predictable and scheduled increases for all taxing jurisdictions over the life of the PILOT. (See proposed Schedule below).

Exhibit A

Upon acceptance of the Application by the Agency and completion of the Cost/Benefit Analysis, the Agency will attach the proposed PILOT Schedule hereto, together with an estimate of the net tax benefit/cost of the proposed PILOT Schedule.

Building Information

<u>Existing Square Footage</u>	<u>Units</u>	<u>Year Built</u>	<u>Census Tract</u>
33540 sq. feet	46	1990	305
28596 sq. feet	37	1991	302
29112 sq. feet	30	1970	305
33170 sq. feet	40	1970	305
20228 sq. feet	12	1991	373
28896 sq. feet	33	1983	373
179,542 sq. feet	198		

HPI intends to invest approximately \$500,000 in renovations for the project. In addition, the applicant will undertake additional capital investments and renovations as needed after purchasing the properties.

HPI intends to sponsor the formation of six not-for-profit Housing Development Fund Corporations (HDFC) pursuant to Article 11 of the New York Private Housing Finance Law and New York Not-for-Profit Law. HPI will be the sole member of each HDFC, and each HDFC will hold title to each property as nominee of a partnership that will be managed by HPI.

Benefits to the Community

The project will ensure the preservation of high quality affordable senior and family housing units in the Jamestown area. As with many areas of the county, the senior demographics (62 years and older) is expected to experience increased population growth. Occupancy in the buildings under current ownership is somewhat challenged (the current range of occupancy rates ranges between 48% to fully occupied), a growing elderly population suggests there will be increasing demand for quality housing options, especially for the elderly and disabled. The proposed investment in each of these apartment communities will ensure continued financial viability of the properties and that the existing residents will have clean, quiet, and safe communities. The financial assistance offered by the Chautauqua County Industrial Development Agency (IDA) will support both the capital investment in the properties, and ongoing maintenance and management, which is critical to long term success, and financial feasibility of these important low-income housing communities.

The project will improve the lives of the residents by providing clean, safe, quiet affordable housing communities. The investment will also benefit adjacent properties and the surrounding neighborhood by improving the property and ensuring the continued viability of the existing operation. The residents will continue to shop in their neighborhoods and contribute to the economic vitality of the area. Moreover, the project will support eight existing full-time jobs and result in the addition of three new employees.

YES

NO

- D. Are items of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of the bond proceeds (if applicable)? If YES, provide details:

YES

NO

NOT APPLICABLE

- E. Will any of the funds to be borrowed through the Agency's issuance of bonds, if applicable, be used to repay or refinance an existing mortgage, outstanding loan or an outstanding bond issue? If YES, provide details:

YES

NO

NOT APPLICABLE

- F. Has the Applicant made any arrangement for the marketing or the purchase of the bonds or the provision of other third party financing (if applicable)? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

YES

NO

NOT APPLICABLE

G. Construction Cost Breakdown:

Total Cost of Construction: \$ EST 500,000 (sum of 2-5 and 10 in Question A above)

Cost for materials: \$ N/A

Cost for labor: \$ N/A

Cost for "other": \$ 269,125

The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to undertake and document the total amount of capital investment as set forth in this Application.

PART IV. COST/BENEFIT ANALYSIS

- A. If the Applicant presently operates in Chautauqua County, provide the current annual payroll. Estimate projected payroll at the Project site in First Year, Second Year and Third Year after completion of the Project:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Full-time:	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
Part-time: ¹	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

List the average salaries or provide ranges of salaries for the following categories of jobs (on a full-time equivalency basis) projected to be retained/created in Chautauqua County as a result of the proposed Project:

<u>Category of Jobs to be Retained:</u>	<u>Average Salary or Range of Salary:</u>	<u>Average Fringe Benefits or Range of Fringe Benefits</u>
Management	EST. \$26,000-\$41,000	See Schedule I
Professional		
Administrative		
Production		
Supervisor		
Laborer	EST. \$23,000-\$38,000	See Schedule I
Independent Contractor ²		
Other		

<u>Category of Jobs to be Created:</u>	<u>Average Salary or Range of Salary:</u>	<u>Average Fringe Benefits or Range of Fringe Benefits</u>
Management	EST. \$26,000-\$41,000	See Schedule I
Professional		
Administrative		
Production		
Supervisor		
Laborer	EST. \$23,000-\$38,000	See Schedule I
Independent Contractor ³		
Other		

¹ NOTE: The Agency converts part-time jobs into FTE's for evaluation and reporting purposes by dividing the number of part-time jobs by two (2).

² As used in this chart, this category includes employees of independent contractors.

³ As used in this chart, this category includes employees of independent contractors.

The Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

- B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES _____ NO X

- (ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any:

N/A

- C. What, if any, is the anticipated increase in the dollar amount of production, sales or services following completion of the Project?

\$ N/A

What percentage of the foregoing amount is subject to New York sales and use tax?

N/A %

What percentage of the Applicant's total dollar amount of production, sales or services (including production, sales or services rendered following completion of the Project) are made to customers outside the economic development region (i.e., Western New York)?

N/A %

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments):

See Schedule I.

D. What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project and what portion will be sourced from businesses located in Chautauqua County and the State:

	<u>Amount</u>	<u>% Sourced in Chautauqua County</u>	<u>% Sourced in State</u>
Year 1	<u>\$+/-375,000*</u>	<u>80%</u>	<u>80%</u>
Year 2	<u>\$+/-375,000*</u>	<u>80%</u>	<u>80%</u>
Year 3	<u>\$+/-375,000*</u>	<u>80%</u>	<u>80%</u>

*Excludes Utilities, employee/payroll, legal and accounting/audit.

E. Describe, if applicable, other benefits to the Chautauqua County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

See Schedule I.

F. Estimated Value of Requested Financial Assistance:

Estimated Value of Sales Tax Benefit: \$ N/A – Applicant is not seeking any sales tax benefit.

(i.e., gross amount of cost of goods and services that are subject to state and local sales and use taxes multiplied by [8.0%])

Estimated Value of Mortgage Tax Benefit: \$ N/A – Applicant is not seeking any sales tax benefit.

(i.e., principal amount of mortgage loans loans multiplied by [1.25%])

Estimated Property Tax Benefit: \$0 – All parcels are currently tax fully exempt.

Will the proposed Project utilize a property tax exemption benefit other than from the Agency: No. See Schedule I.
(if so, please describe)

Term of PILOT Requested: ²⁹17 years, See Schedule I

Existing Property Taxes on Land and Building: All properties are currently fully tax exempt.

Estimated Property Taxes on completed Project: N/A See Schedule I
(without Agency financial assistance)

NOTE: Upon acceptance of this Application by the Agency, the Agency's staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit/Cost utilizing anticipated tax rates and assessed valuation, make an estimate of the allocation of PILOT payments among the affected tax jurisdictions, and attach such information as Exhibit A hereto.

- G. Describe and estimate any other one-time municipal revenues (not including fees payable to the Agency) that the Project will create:

Not Applicable

PART V. PROJECT SCHEDULE

- A. If applicable, has construction/reconstruction/renovation work on the Project begun? If YES, indicate the percentage of completion:

- | | | | | |
|----|-------------------------------|--------------|-------------|---------------------|
| 1. | (a) Site clearance | YES ___ | NO <u>X</u> | ___% complete |
| | (b) Environmental Remediation | YES ___ | NO <u>X</u> | ___% complete |
| | (c) Foundation | YES ___ | NO <u>X</u> | ___% complete |
| | (d) Footings | YES ___ | NO <u>X</u> | ___% complete |
| | (e) Steel | YES ___ | NO <u>X</u> | ___% complete |
| | (f) Masonry | YES ___ | NO <u>X</u> | ___% complete |
| | (g) Interior | YES <u>X</u> | NO ___ | <u>0</u> % complete |
| | (h) Other (describe below): | YES ___ | NO <u>X</u> | ___% complete |

2. If NO to all of the above categories, what is the proposed date of commencement of construction, reconstruction, renovation, installation or equipping of the Project?

Not Applicable.

- B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur:

The properties will continue to be occupied throughout the renovation. The project is estimated to be completed within four to six months.

PART VI. ENVIRONMENTAL IMPACT

A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule G)).

No significant adverse environmental impacts are anticipated.

B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

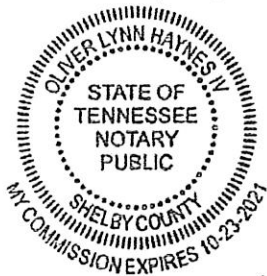
YES

NO X

C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.

D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES, under penalties of perjury, that the answers and information provided above and in any schedule, exhibit or statement attached hereto are true, accurate and complete, to the best of the knowledge of the undersigned.



Sworn to before me this 14th
day of February, 2018

[Signature]

Notary Public

Name of Applicant: Housing Preservation, Inc.

Signature: [Signature]

Name: Matthew Osborne

Title: President

Date: Feb 14, 2018

**CERTIFICATIONS AND ACKNOWLEDGMENTS
OF THE APPLICANT**

FIRST:

The Applicant hereby certifies that, if financial assistance is provided by the Agency for the proposed project, no funds of the Agency (i) shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, (ii) be given to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State

SECOND:

The Applicant hereby certifies that no member, manager, principal, officer or director of the Applicant or any affiliate thereof has any blood, marital or business relationship with any member of the Agency (or any member of the family of any member of the Agency).

THIRD:

The Applicant hereby certifies that neither the Applicant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners (other than equity owners of publicly-traded companies), nor any of their respective employees, officers, directors, or representatives (i) is a person or entity with whom United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury, including those named on OFAC's Specially Designated and Blocked Persons List, or under any statute, executive order or other governmental action, or (ii) has engaged in any dealings or transactions or is otherwise associated with such persons or entities.

FOURTH:

The Applicant hereby acknowledges that the Agency shall obtain and hereby authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

FIFTH:

The Applicant hereby certifies, under penalty of perjury, that each owner, occupant or operator that would receive financial assistance with respect to the proposed Project is in substantial compliance with applicable federal, state and local tax, worker protection and environmental laws, rules and regulations.

SIXTH:

The Applicant hereby acknowledges that the submission to the Agency of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the recapture from the Applicant of an amount equal to all or any part of any tax exemption claimed by reason of the Agency's involvement in the Project.

SEVENTH:

The Applicant hereby certifies that, as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the General Municipal Law, including, but not limited to, the provisions of Section 859-a and Section 862(1) thereof.

Name of

Applicant: Housing Preservation, Inc.

By: _____

Name: Matthew Osborne

Title: President

**CERTIFICATION AND AGREEMENT
WITH RESPECT TO FEES AND COSTS**

Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The undersigned, being duly sworn, deposes and says, under penalties of perjury, as follows: that I am the chief executive officer or other representative authorized to bind the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules, exhibits and attachments thereto), and that said contents are true, accurate and complete to the best of my knowledge and belief.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the County of Chautauqua Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction, reconstruction, renovation, installation and/or equipping of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, bond counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or if the Applicant is unable to find buyers willing to purchase the total bond issue required or is unable to secure other third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, bond counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the required bond issue or other form of financing or Agency assistance, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

- (A) All Initial Transactions - One-Hundred basis points (1.00%) of total project costs
 - a. This fee applies to all Initial Transactions except for certain small solar or wind energy systems or farm waste energy systems under RPTL §487, for which the Agency collects no fee (other than Counsel fees).
- (B) Refundings – The Agency fee shall be determined on a case-by-case basis.
- (C) Assumptions – The Agency fee shall be determined on a case-by-case basis.
- (D) Modifications – The Agency fee shall be determined on a case-by-case basis.

The Agency's bond counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.


The Agency's bond counsel's fees, general counsel fee and the administrative fees may be considered as a cost of the Project and included as part of any resultant financing, subject to compliance with applicable law.

Upon the termination of the financing of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, bond counsel, and all applicable recording, filing or other related fees, taxes and charges.

I further acknowledge and agree on behalf of the Applicant that, in the event the Agency shall have used all of its available tax-exempt bond financing allocation from the State of New York, if applicable, and shall accordingly be unable to obtain an additional allocation for the benefit of the Applicant, the Agency shall have no liability or responsibility as a result of the inability of the Agency to issue and deliver tax-exempt bonds for the benefit of the Applicant.



Housing Preservation, Inc.


 Name: Matthew Osborne
 Title: President

Subscribed and affirmed to me this 14th
 day of February, 2021



 Notary Public

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Tax-Exempt Bond Manufacturing Questionnaire	If Applicant checked "YES" in Part I, Question F of Application, if applicable
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question N of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question Q of Application
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's financial statements for the last two fiscal years (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
G.	Environmental Assessment Form	All applicants
H.	Form NYS-45-MN	All applicants
I.	Other Attachments	As required

This section is Not Applicable.

Schedule A

TAX-EXEMPT BOND MANUFACTURING QUESTIONNAIRE

N/A

(To be completed by the Applicant if the Applicant checked "YES" in Part I, Question F of the Application for Financial Assistance, if applicable).

Please complete the following questions for each facility to be financed. Use additional pages as necessary.

1. Describe the production process which occurs at the facility to be financed.

2. Allocate the facility to be financed by function (expressed in square footage) (e.g., production line, employee lunchroom, offices, restrooms, storage, warehouse, loading dock, repair shop, parking, research, sales, etc.) and location in relation to production (e.g., same building, adjacent land or building, off-site, etc.). Please attach blueprints of the facility to be financed.

<u>FUNCTION</u>	<u>LOCATION</u>	<u>SQ. FOOTAGE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL

3. Of the space allocated to offices above, identify by function (e.g., executive offices, payroll, production, etc.) and location in relation to production (e.g., same building, adjacent land or building, off-site, etc.).

<u>FUNCTION</u>	<u>LOCATION</u>	<u>SQ. FOOTAGE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL

4. Of the space allocated to storage or warehousing above, identify the square footage and location of the areas devoted to storage of the following:

SQ. FOOTAGE

LOCATION

Raw Materials used
for production of
manufactured goods

Finished product storage

Component parts of
goods manufactured at
the facility

Purchased component
parts

Other (specify)

TOTAL

N/A

5. List raw materials used at the facility to be financed in the processing of the finished product(s).

6. List finished product(s) which are produced at the facility to be financed.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true and correct.

Name of
Applicant:

Signature:

Name:

Title:

Date:

GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIES

INITIAL EMPLOYMENT PLAN

Prior to the expenditure of bond proceeds or the granting of other financial assistance, the Applicant shall complete the following initial employment plan:

Applicant Name: Housing Preservation, Inc.
 Address: 6060 Poplar Avenue, Memphis, TN 38119
 Type of Business: Affordable residential housing for low-income individuals
 Contact Person: James Carmichael Tel. No.: 415-572-0993

Please complete the following table describing the projected full-time equivalent employment plan for the proposed Project following receipt of financial assistance:

<u>Current and Planned Occupations</u>	<u>Present Jobs Per Occupation</u>	<u>Estimated Number of Full Time Equivalent Jobs After Completion of the Project:⁴</u>			<u>Estimate of Number of Residents of the Chautauqua County that would fill such jobs by the third year</u>
		<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	
<u>Management</u>	<u>4</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
<u>Professional</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Administrative</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Production</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Supervisor</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Laborer</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>Independent Contractor</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Other (describe)</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

⁴ NOTE: Convert part-time jobs into FTE's for evaluation and reporting purposes by dividing the number of part-time jobs by two (2).

**NEW YORK STATE FINANCIAL AND EMPLOYMENT REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the County of Chautauqua Industrial Development Agency (the "Agency") with the New York State Department of Economic Development. The Project documents will require the Applicant to provide such report to the Agency on or before March 1 of the succeeding year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.

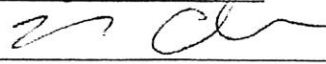
- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.
- C. The following information must be provided for all bonds issued, outstanding or retired during the year:

Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

Date of issue; interest rate at end of year; bonds outstanding at beginning of year; bonds issued during year; principal payments made during year; bonds outstanding at end of year; federal tax status; and maturity date(s).

Failure to provide any of the aforesaid information will be constitute a DEFAULT under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

Name of Applicant: Housing Preservation, Inc.
Signature: 
Name: Matthew Osborne
Title: President
Date: 2-14-18

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project: N/A

Please indicate the estimated hiring dates for the new jobs shown above and any special recruitment or training that will be required:

Recruiting for new full time employees estimated to begin subsequent to completion of project.

Are the Applicant's employees currently covered by a collective bargaining agreement?

YES

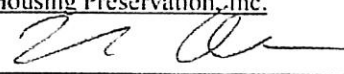
NO

IF YES, Union Name and Local: _____

Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction/bond documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto as Schedule H is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: Housing Preservation, Inc.
Signature: 
Name: Matthew Osborne
Title: President
Date: 2-14-16

This section is Not Applicable.

ANTI-RAIDING QUESTIONNAIRE

(To be completed by Applicant if Applicant checked "YES" in Part I, Question N of the Application for Financial Assistance)

A. Will the completion of the Project result in the removal of a plant or facility of the Applicant, or of a proposed user, occupant or tenant of the Project, or a relocation of any employee of the Applicant or of a proposed user, occupant or tenant of the Project, from an area in New York State (but outside of Chautauqua County) to an area within Chautauqua County?

YES _____

NO X

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility or the plants or facilities from which employees are relocated: _____

Names of all current users, occupants or tenants of the to-be-removed plant or facility: _____

B. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed user, occupant or tenant of the Project, located in an area of the State of New York other than in Chautauqua County?

YES _____

NO _____

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: _____

Names of all current occupants of the to-be-abandoned plants or facilities:

C. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities?

YES _____ NO _____

N/A

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed user, occupant or tenant of the Project, in its industry?

YES _____ NO _____

E. Is the Project reasonably necessary to discourage the Applicant, or a proposed user, occupant or tenant of the Project, from removing such plant or facility to a location outside of the State of New York?

YES _____ NO _____

IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

Accordingly, the Applicant certifies that the provisions of Section 862(1) of the General Municipal Law will not be violated if financial assistance is provided by the Agency for the proposed Project.

NOTE: If the proposed Project involves the removal or abandonment of a plant or facility of the Applicant, or a proposed user, occupant or tenant of the Project, within the State of New York, notification will be made by the Agency to the chief executive officer(s) of the municipality or municipalities in which such plant or facility was located.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: _____

Signature: _____

Name: _____

Title: _____

Date: _____