



Robert P. Astorino  
County Executive

Kevin J. Plunkett  
Deputy County Executive

**FUNDING ADVISORY TO MONITOR, NO. 5**

**MARCH 24, 2011**

Proposed Development:	22 Old Route 22 (Cockren Site)
Eligible Municipality:	Village of Armonk Town of North Castle
Section/Block/Lot:	Section 2, Block 15, Lot 1
Local Land Use Approvals:	Zoning and Site Plan Approved; SHPO is pending
Funding Approvals:	In Progress
Executive Summary:	Attached
Time Frame for Review	30 Days

**DISCUSSION:**

On this 0.7 acre development site, ten (10) new two-bedroom townhouse units will be built for homeownership. The Development will front on the south side of Old Route 22 at the west end of the hamlet of Armonk, Town of North Castle. Each two-bedroom unit will be 1,000 square feet, with one and one-half baths. It is anticipated that all ten AFFH units will be eligible under the Stipulation. The Developer, Lou Larizza, has extensive experience in developing fair and affordable housing, for both rental and sale, throughout Westchester County.

This site had been previously approved for "Middle Income Units" as defined by the Town of North Castle. However, the Town's middle income pricing and income restrictions did not conform to the County's definition of affordability. Moreover, the middle income units were tied to local preferences. At the County's request, the Town Board took affirmative action on March 9, 2011 to allow the units to be priced according to the County's affordability levels, without local preferences. A letter from William Weaver, Supervisor of the Town of North Castle, confirming the Town's support is attached hereto. The development will be marketed pursuant to the Westchester County Fair and Affordable Housing Affirmative Marketing Plan.

Office of the County Executive

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White Plains, New York 10601

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The site development includes parking spaces for 37 vehicles and provision of a sidewalk along the site's frontage along Old Route 22.

The property is in the Byram Hills Central School District. It is conveniently located along the Westchester County Bee-Line bus route which provides easy access to nearby White Plains and the Metro-North Railroad stations. The bus route also runs into the Armonk downtown center.

The site is in close proximity to the following:

- Tudor Time daycare center and the Armonk Center for Dance, which are both less than a quarter mile from the site;
- Houses of worship, retail stores, the public library, restaurants and the business district, all of which are located in the heart of the Hamlet of Armonk which is approximately one half mile north on Route 22;
- The Town recreation center which offers a wide range of programs for pre-school, grade school and young adults, as well as athletic fields (the Town maintains 350 acres of parkland);
- A wide variety of employment opportunities including—
  - The IBM campus located opposite the site along Route 22
  - Manpower Services employment center at 1 North Castle Drive, also opposite the site
  - A wide array of small and medium size businesses and retail stores within a one mile radius of the site.

It should be noted that the site is located in a Census Block that has been identified by the County as being among those having the lowest concentrations of African Americans and Hispanics. According to the 2000 Census, there were 0% African Americans and 0% Hispanic residents in this Block.

The County anticipates bringing this proposed development to the County's Planning Board on March 29, 2011, for consideration and referral to the Board of Legislators for consideration at their April 29, 2011 meeting.

**SUBMITTED BY:**



Kevin J. Plunkett  
Deputy County Executive

**Executive Summary**

22 Old Route 22  
Armonk, NY 10504



<b>Development:</b>	22 Old Route 22			
<b>Applicant:</b>	Lazz Development, its assign or designee 211 South Ridge Street Rye Brook, New York 10573			
<b>Type of Project Proposed:</b>	Fair and Affordable Ownership 10 Units, (10AFFH Units)			
<b>County Funds Requested:</b>	<b>Program</b>	<b>Amount</b>	<b>Per AFFH Unit</b>	
	FAH (Acquisition)	\$400,000	\$40,000	
	FAH (Site Work)	\$450,000	\$45,000	
	HOME	\$425,000	\$42,500	
	<b>TOTAL</b>	<b>\$1,275,000</b>	<b>\$127,500</b>	
<b>Total Funding:</b>	<b>FUNDING SOURCES SUMMARY</b>	<b>Amount</b>	<b>Percent</b>	<b>Per/Owner Unit</b>
	Sales Revenue plus downpayment	\$2,100,000	56%	\$ 210,000
	NYS Affordable Housing Corporation	\$ 400,000	11%	\$ 40,000
	FAH (Acquisition Funds)	\$ 400,000	11%	\$ 40,000
	FAH (Site Work)	\$ 450,000	12%	\$ 45,000
	HOME (County)	\$ 425,000	11%	\$ 42,500
	<b>Total (1)</b>	<b>\$ 3,775,000</b>	<b>100%</b>	<b>\$ 377,500</b>
	<b>Affordable DEVELOPMENT USES SUMMARY</b>			
	Acquisition Costs	\$ 400,000	11%	\$ 40,000
	Hard Costs	\$ 2,645,000	70%	\$ 264,500
	Soft Costs	\$ 350,000	9%	\$ 35,000
	Initial Project Reserves and contingency	\$ 90,000	2%	\$ 9,000
	Developer's Fee	\$ 290,000	8%	\$ 29,000
	<b>Total (2)</b>	<b>\$ 3,775,000</b>	<b>100%</b>	<b>\$ 377,500</b>
<b>Development Overview:</b>	<p>The Development will provide ten (10) new fair and affordable, for sale, two bedroom townhouse units. Each townhome will be a 1050 SF duplex and have 1&amp;1/2 baths. All of the units will Affirmatively Further Fair Housing. The 0.7 acre site is located along Old Route 22 in the Hamlet of Armonk, Town of North Castle. Pursuant to the Stipulation and Order of Settlement of Dismissal entered into in connection with a lawsuit entitled U.S. ex rel. Anti-Discrimination Center vs. Westchester (the "Settlement Agreement"), the County is required to develop 750 units of fair and affordable housing. It is anticipated that the proposed AFFH Units constitute eligible units under Section 7(a) of the Settlement Agreement. The Developer, Lou Larizza, has extensive experience in developing both for sale and rental fair and affordable housing throughout Westchester.</p> <p>The site had been approved for 10 Middle Income Units as defined by the Town of North Castle. The Middle Income Units are to satisfy the MIU requirement of the market rate Cider Mill development being constructed by the current property owner. However, the Town MIU pricing and income restrictions do not conform with the County's definition of affordability. Also, the MIU restrictions were also tied to local preferences with a strong emphasis on local residents and local municipal workers. At the County's request, on</p>			

**Executive Summary**

22 Old Route 22  
Armonk, NY 10504



	<p>for the project by acknowledging that:</p> <ol style="list-style-type: none"> <li>1. The units will be priced according to the affordability levels established by the County <u>without local preferences</u>, and</li> <li>2. That the units will be built and marketed pursuant to the Stipulation.</li> </ol>																										
<p><b>Target Market:</b></p>	<p>Households at or below 80% AMI</p>																										
<p><b>Proposed Sale Prices</b></p>	<p>The final sales price after all subsidies will be approximately \$210,000 and will be affordable to a family of 3 whose income is at 68% of the Westchester County Area Median Income (AMI). The calculation is as follows:</p> <table border="1" data-bbox="456 716 1585 856"> <thead> <tr> <th>Sale Price</th> <th>Less Down Payment</th> <th>Less AHC Subsidy</th> <th>Mortgage Amount</th> <th>Monthly Mtg Payment</th> <th>Taxes</th> <th>Insurance (if not in common charge)</th> <th>Common/maintenance charge/month</th> <th>Total Monthly Expense</th> <th>Monthly Income needed</th> <th>Minimum AMI level 2 person household</th> <th>Minimum AMI level 3 person household</th> <th>Minimum AMI level 4 person household</th> </tr> </thead> <tbody> <tr> <td>\$250,000</td> <td>\$12,500</td> <td>\$40,000</td> <td>\$197,500</td> <td>\$ 1,184</td> <td>\$350</td> <td>\$125</td> <td>\$100</td> <td>\$ 1,759</td> <td>\$5,331</td> <td>76%</td> <td>68%</td> <td>61%</td> </tr> </tbody> </table>	Sale Price	Less Down Payment	Less AHC Subsidy	Mortgage Amount	Monthly Mtg Payment	Taxes	Insurance (if not in common charge)	Common/maintenance charge/month	Total Monthly Expense	Monthly Income needed	Minimum AMI level 2 person household	Minimum AMI level 3 person household	Minimum AMI level 4 person household	\$250,000	\$12,500	\$40,000	\$197,500	\$ 1,184	\$350	\$125	\$100	\$ 1,759	\$5,331	76%	68%	61%
Sale Price	Less Down Payment	Less AHC Subsidy	Mortgage Amount	Monthly Mtg Payment	Taxes	Insurance (if not in common charge)	Common/maintenance charge/month	Total Monthly Expense	Monthly Income needed	Minimum AMI level 2 person household	Minimum AMI level 3 person household	Minimum AMI level 4 person household															
\$250,000	\$12,500	\$40,000	\$197,500	\$ 1,184	\$350	\$125	\$100	\$ 1,759	\$5,331	76%	68%	61%															

Executive Summary

22 Old Route 22  
Armonk, NY 10504

**Development  
Budget:**

Hard Costs	Total Amount	Total cost per SF	Cost per affordable Unit
Land Acquisition	\$ 400,000	\$ 26	\$ 40,000
<b>Total Acquisition Cost</b>	<b>\$ 400,000</b>	<b>\$ 26</b>	<b>\$ 40,000</b>
Site Work (grading, soil removal, topsoil etc.):	\$ 450,000	\$ 29	\$ 45,000
<b>Building Construction:</b>			
Modular Homes	\$820,000	\$ 53	\$ 82,000
Excavation, Backfill	\$93,500	\$ 6	\$ 9,350
Footings & Foundation	\$150,000	\$ 10	\$ 15,000
Sil Plate, sil seal and constrctuin entrances	\$7,000	\$ 0	\$ 700
Footing Drains	\$14,000	\$ 1	\$ 1,400
Crane Service	\$35,000	\$ 2	\$ 3,500
Steel Beams	\$28,000	\$ 2	\$ 2,800
Foundation Windows	\$10,000	\$ 1	\$ 1,000
Garbage Container	\$14,000	\$ 1	\$ 1,400
Plumbing, washer/dryer hook- ups	\$85,000	\$ 5	\$ 8,500
Electrical	\$65,000	\$ 4	\$ 6,500
HVAC	\$90,000	\$ 6	\$ 9,000
Roofing, siding, exterior finish	\$105,000	\$ 7	\$ 10,500
Interior – finish all carp, sheet rock, int Stairs	\$70,000	\$ 5	\$ 7,000
Interior/Exterior painting	\$47,000	\$ 3	\$ 4,700
Install Carpet, pad, tile floor hardwood	\$80,000	\$ 5	\$ 8,000
Rear Concrete Patio	\$40,000	\$ 3	\$ 4,000
Leader & Gutters	\$13,500	\$ 1	\$ 1,350
Insulation in Basement	\$10,000	\$ 1	\$ 1,000
Exterior Front Door (Non-modular)	\$8,000	\$ 1	\$ 800
Finish Utility Room in Basement	\$25,000	\$ 2	\$ 2,500
Site Super and General Laborers	\$145,000	\$ 9	\$ 14,500
Front Ent Stairs & Landing, Stucco Found	\$65,000	\$ 4	\$ 6,500
Appliances, Range/Refrigerator/Dishwasher	\$25,000	\$ 2	\$ 2,500
Builder's Overhead	\$ 150,000	\$ 10	\$ 15,000
<b>Total Hard Costs:</b>	<b>\$ 2,645,000</b>	<b>\$ 171</b>	<b>\$ 264,500</b>
Housing Consultant:	\$ 45,000	\$ 2.90	\$ 4,500
Survey:	\$ 10,000	\$ 0.65	\$ 1,000
Environmental Testing and Reports	\$ 5,000	\$ 0.32	\$ 500
Architecture/Engineering Fee:	\$ 20,000	\$ 1.29	\$ 2,000
Construction Manager Fee:	\$ 30,000	\$ 1.94	\$ 3,000
Developer Legal Fees:	\$ 30,000	\$ 1.94	\$ 3,000
Lender Legal Fees:	\$ 15,000	\$ 0.97	\$ 1,500
Commitment Fees:	\$ 10,000	\$ 0.65	\$ 1,000
Interim Interest : \$	\$ 173,300	\$ 11.18	\$ 17,330
Closing Costs, Recording Fees:	\$ 9,200	\$ 0.59	\$ 920
Soft Cost Contingency	\$ 2,500	\$ 0.16	\$ 250
<b>24. TOTAL Soft Costs :</b>	<b>\$ 350,000</b>	<b>\$ 23</b>	<b>\$ 35,000</b>
Project Contingency:	\$ 90,000	\$ 5.81	\$ 9,000
<b>Total Other Costs and Reserves</b>	<b>\$ 90,000</b>	<b>\$ 5.81</b>	<b>\$ 9,000</b>
<b>Developer's Fee</b>	<b>\$ 290,000</b>	<b>\$ 18.71</b>	<b>\$29,000</b>
<b>Total Development Costs : (excluding land)</b>	<b>\$ 3,375,000</b>	<b>\$ 218</b>	<b>\$337,500</b>
<b>Total Development Costs : (including land)</b>	<b>\$ 3,775,000</b>	<b>\$ 244</b>	<b>\$377,500</b>

**Executive Summary**

**22 Old Route 22  
Armonk, NY 10504**



<p><b>Site Description:</b></p>	<p>The site is a 31,237 square foot property located at 22 Old Route 22 in the Town's RMF-A (Residential, Multifamily) zoning district. The applicant will build ten AFFH units, which will be constructed in two sets of five attached townhouse buildings. Two surface parking lots will provide 25 parking on site spaces. Each parking lot is accessed via a curb cut onto Old Route 22. There will also be an additional 12 spaces in front of site. A four-foot wide sidewalk will provide access to the units from the parking lots. An "open space recreation area" is proposed at the southwest corner of the site, with a storm water mitigation area between this area and one of the parking lots</p> <p>It should be noted that the site is located in a Census Block that has been identified by the County as being among those having the lowest concentrations of African Americans and Hispanics. According to the 2000 Census, there were 0% African Americans and 0% Hispanic residents in this Block. It is in the Byram Hill School District.</p> <p>The site is conveniently located along the County Bee-Line bus route which provides quick access to nearby White Plains and the Metro North Commuter train. The bus also runs into the Armonk downtown center.</p> <p>The site is in close proximity to the following:</p> <ul style="list-style-type: none"> <li>• Tudor Time daycare center and the Armonk Center for Dance which are both less than a ¼ mile from the site;</li> <li>• Retail stores, Houses of Worship, the public library, restaurants and the business district all of which are located in the heart of the Hamlet of Armonk which is approximately ½ mile north on Rt. 22;</li> <li>• A wide variety of employment opportunities including:             <ul style="list-style-type: none"> <li>- The IBM campus located opposite the site along Rt. 22.</li> <li>- Manpower Services employment center at 1 North Castle Dr also opposite the site;</li> <li>- A wide array of small and medium size businesses and retail stores within a 1 mile radius of the site</li> </ul> </li> <li>• The Town recreation center which offers a wide range of programs for pre-school, grade school and young adults. The town also has athletic fields and maintains 350 acres of parkland.</li> </ul>
<p><b>Tax Map ID:</b></p>	<p>Section: 2 Block 15, Lot: 1</p>
<p><b>Zoning:</b></p>	<p>RMF-A-Multi Family</p>
<p><b>Variance/Zoning Change:</b></p>	<p>approved</p>
<p><b>Site Plan Approval:</b></p>	<p>approved</p>
<p><b>SEQRA:</b></p>	<p>Type: Unlisted Town Planning Board conducted a coordinated review and declared a Negative Declaration on June 28, 2010</p>
<p><b>SHPO:</b></p>	<p>Determination in process</p>

**Executive Summary**

22 Old Route 22  
Armonk, NY 10504



<b>Report(s):</b>	Phase II: N/A  Other Reports/Actions:
<b>Flood Plain:</b>	Property is/is not located in a Flood Plain
<b>Site Control:</b>	Contract of sale
<b>Property Owner:</b>	Crabapple Properties, LLC 60 Morrow Ave Scarsdale, NY 10583
<b>Appraised Value:</b>	As-is \$400,000
<b>Purchase Price:</b>	\$400,000

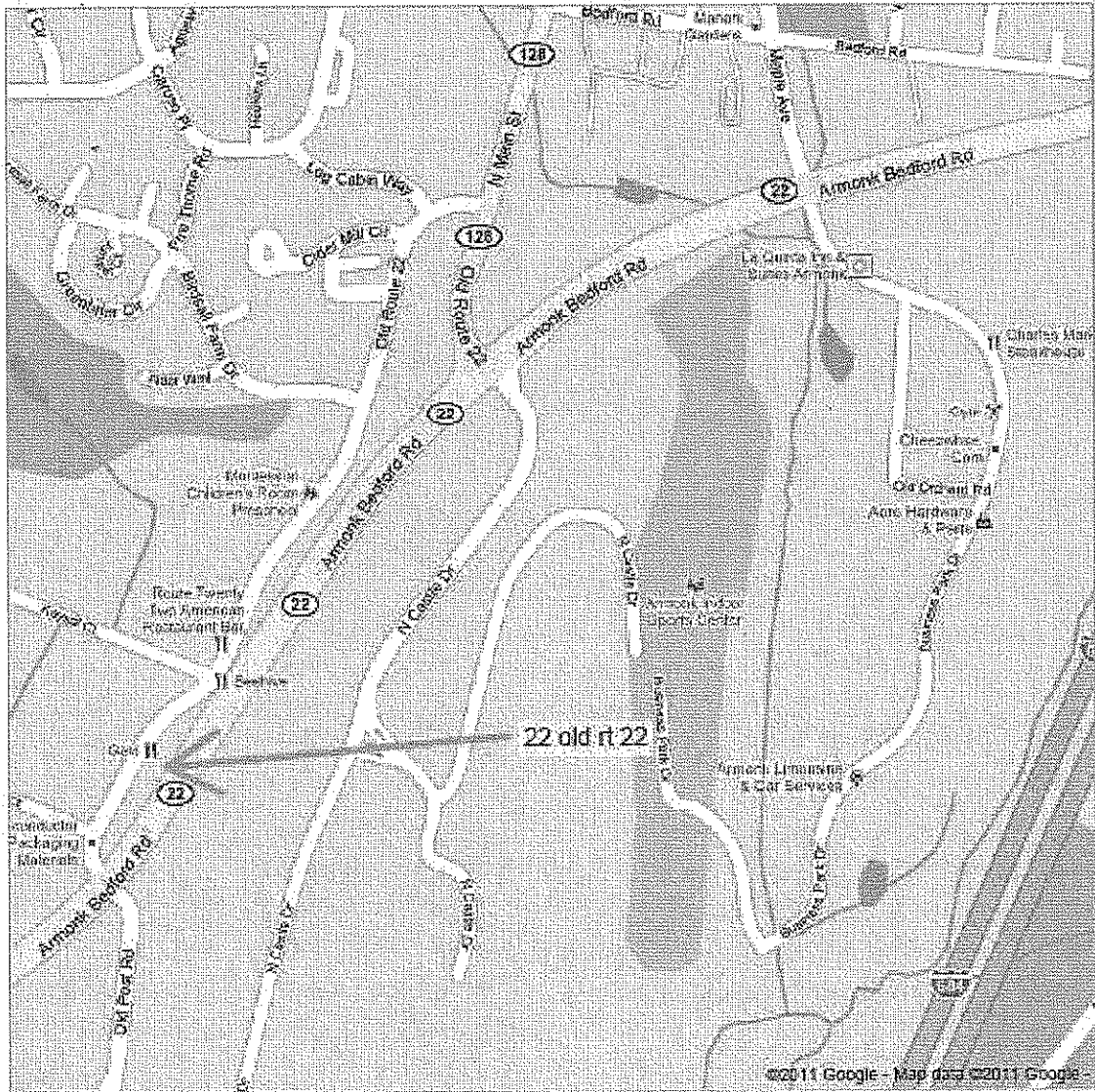
<b>Development Team:</b>	<b>Developer:</b> Lazz Development, its assign or designee 211 South Ridge Street Rye Brook, New York 10573	<b>Developer Contact:</b> Lou Larizza, President Tele: 914-937-9415 E-mail:
	<b>Architect:</b> Clark Neuringer Architect 622 Stiles Avenue Mamaroneck, NY 10543	<b>Architect Contact:</b> Clark H. Neuringer, R.A., Tele: 914 698 8207
	<b>Contractor:</b> Lazz Development Co., LLC c/o 8 Hilltop Drive Port Chester New York 10573	<b>Contractor Contact:</b> Lou Larizza, President Tele: 914-937-9415
	Affordable Housing Consultant: Martino Real Estate LLC 17 Lake Avenue Tuckahoe, NY 10707	Michael J. Martino, Tel: (914) 961- 7556 Email: Housing@mjmrealtyllc.com

Executive Summary

22 Old Route 22  
Armonk, NY 10504



Location



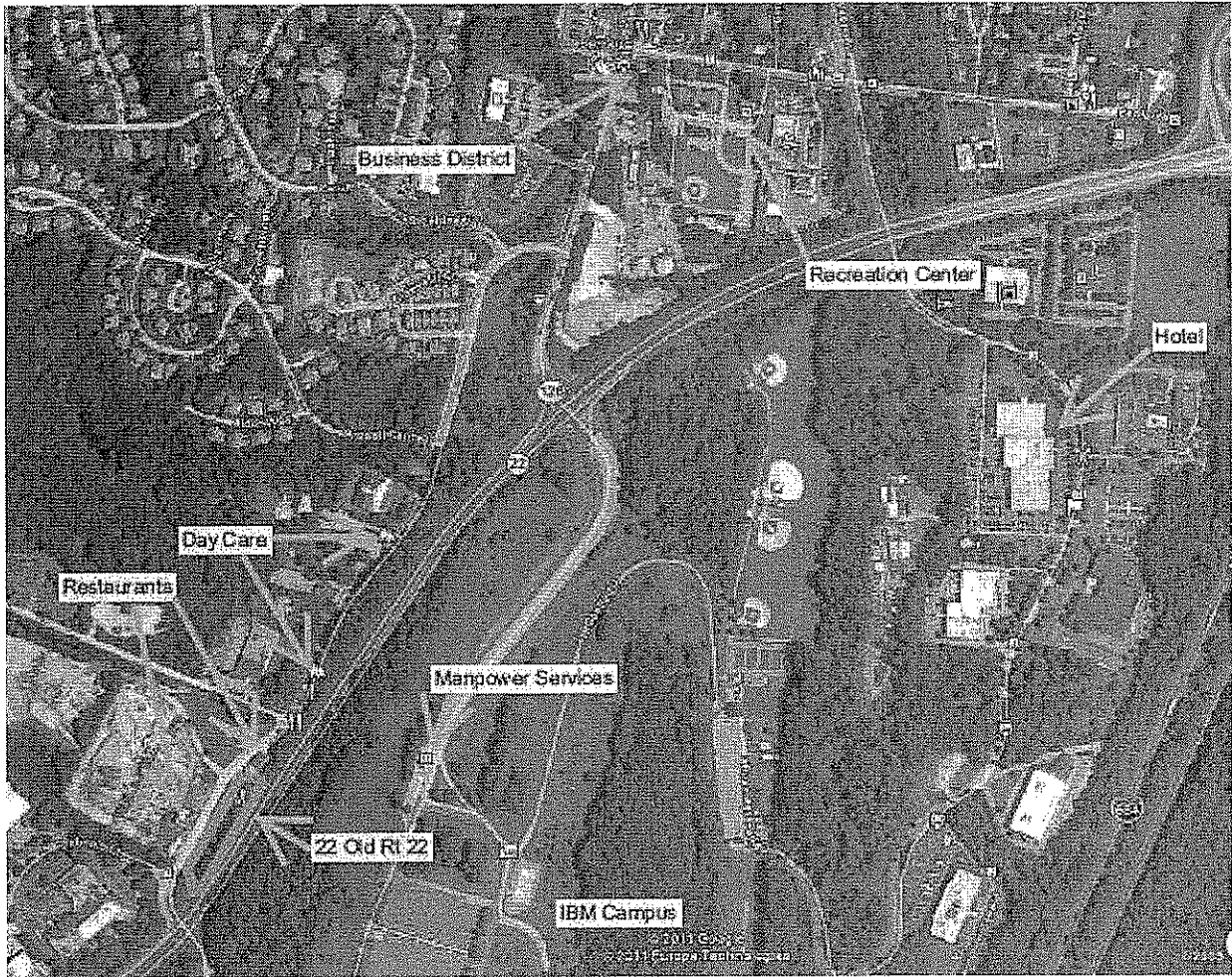


Executive Summary

22 Old Route 22  
Armonk, NY 10504



Area View



Executive Summary

22 Old Route 22  
Armonk, NY 10504



Site View

(Boundaries are approximations for discussion only)



Executive Summary

22 Old Route 22  
Armonk, NY 10504



**Site Photos**  
**Facing north on Old Rt. 22**  
**(Site on right)**



**Facing across Old Rt. 22**



Executive Summary

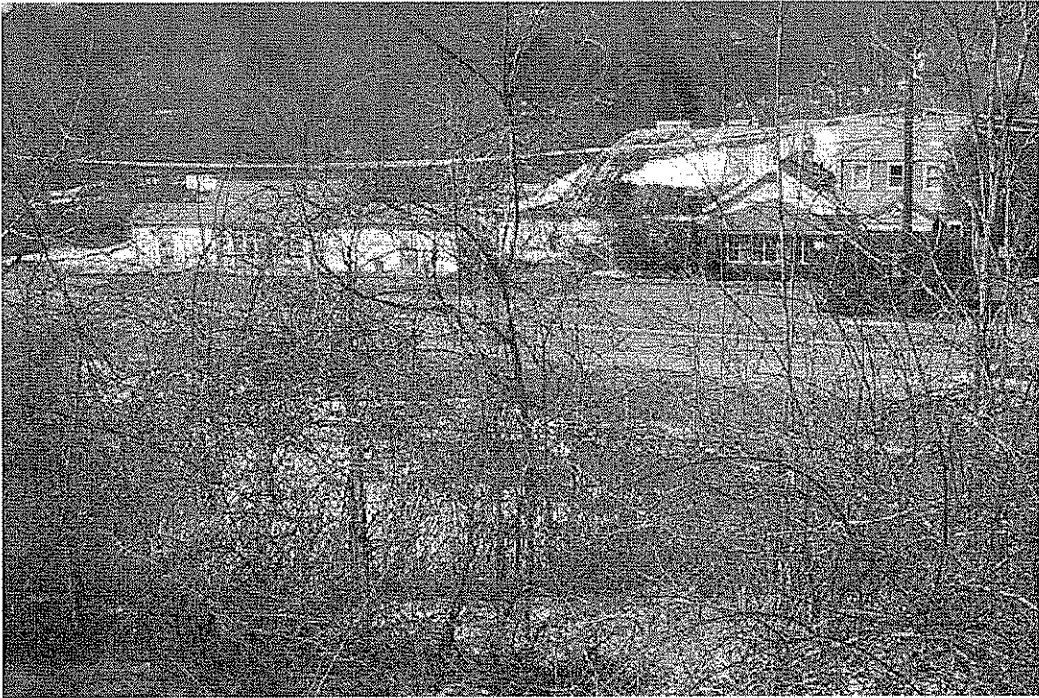
22 Old Route 22  
Armonk, NY 10504



Facing south across Old Rt. 22



Looking from above on Rt. 22



**RESOLUTION 11-\_\_\_\_\_**  
**WESTCHESTER COUNTY PLANNING BOARD**

**Affirmatively Furthering Fair Housing Funding Request**  
**22 Old Route 22, Town of North Castle**

**WHEREAS**, Act No. 155-2009 (as amended) required the County Budget Office to establish a capital project, which capital project would be financed by \$21.6 million in CDBG monies in the County's federal HUD account and \$30 million which would be financed by County funds, as required pursuant to the Stipulation and Order of Settlement and Dismissal entered into in connection with the settlement of the lawsuit titled, *U.S. ex rel. Anti-Discrimination Center of Metro New York v. Westchester County* ("Settlement Agreement"); and

**WHEREAS**, in furtherance of the foregoing the Fair and Affordable Housing capital project BPL50 ("FAH") was created; and

**WHEREAS**, pursuant to the Settlement Agreement, \$30 million of the FAH funds may be used for the development of new affordable housing units that will affirmatively further fair housing ("AFFH"); and

**WHEREAS**, FAH funds may be used to finance projects that AFFH as set forth in 42 U.S.C. Section 5304(b)(2) and as required pursuant to the Settlement Agreement; and

**WHEREAS**, Lazz Development or its designee, currently anticipated to be Armonk Holdings LLC, (the "Developer") has requested that the County provide funds for the purchase of approximately 0.7 acres of land located at 22 Old Route 22 in the Hamlet of Armonk, Town of North Castle identified on the tax maps as Section: 2, Block: 15, Lot: 1 (the "Property") and finance construction of related infrastructure improvements thereon all in support of a proposed AFFH development known as 22 Old Route 22 (the "Development"); and

**WHEREAS**, the Affordable AFFH Units will be affordable to families with incomes at or below 80% of the Westchester County Area Median Income ("AMI") for a period of not less than 50 years, subject to receipt of the approval of the Board of Legislators; and

**WHEREAS**, the Development as proposed will include ten (10) two bedroom fair and affordable ownership townhome units; and

**WHEREAS**, the Development will be constructed in accordance with the site plan approvals as granted by the Town of North Castle; and

**WHEREAS**, the proposed units are anticipated to constitute eligible units under paragraph 7(a) of the Settlement Agreement (the "Affordable AFFH Units") of the Settlement Agreement, under which the County is to develop 750 units of affordable AFFH units; and

**WHEREAS**, in support of the creation of the Affordable AFFH Units the County proposes to purchase the Property from the current owner of record for an amount not-to-exceed \$400,000; and

**WHEREAS**, following said purchase, the County will file a Declaration of Restrictive Covenants against the Property requiring that the units to be constructed remain affordable for a period of not less than 50 years

**WHEREAS**, the County will subsequently transfer the Property to the Developer for one dollar (\$1); and

**WHEREAS**, the County proposes to fund construction costs related to certain infrastructure improvements in support of the Affordable AFFH Units including, but not limited to, earthwork, paving, curbing, storm drains, lighting, drainage and landscaping for an amount not-to-exceed \$450,000 from BPL50; and

**WHEREAS**, Act No. 155-2009 (as amended) requires that any necessary approvals of the County Board of Legislators (the "BOL") be sought in connection with compliance with the Settlement Agreement; and

**WHEREAS**, in accordance with the foregoing Act, the County Executive will be submitting legislation to the BOL which would authorize amendment of capital project BPL50 to add the Development proposed to be located in the County at 22 Old Route 22 in the Hamlet of Armonk, Town of North Castle; and

**WHEREAS**, the County Executive will also be submitting legislation to the BOL which would authorize bonding for the capital project BPL50 in a not-to-exceed amount \$850,000 in support of the Development; and

**WHEREAS**, the County Executive will also be submitting legislation to the BOL which would authorize the County to accept, at no cost, all necessary property rights in connection with the construction of the infrastructure improvements; and

**WHEREAS**, the Development is proposed to include green technology which will aid in the reduction of carbon dioxide emissions into the environment, such as the installation of Energy Star appliances, light fixtures in units and common areas, heating systems, native trees and plants, water conserving fixtures, daylight sensors and timers on outdoor lighting to maximize energy efficiency; and

**WHEREAS**, acquisition of the Property and support of the Development is consistent with and reinforces *Westchester 2025 – Policies to Guide County Planning*, the County Planning Board's adopted long-range land use and development policies, by contributing to the development of "a range of housing types" affordable to all income levels and by "channeling development to centers where infrastructure can support growth and where public transportation can be provided"; and

**WHEREAS**, the staff of the County Planning Department has reviewed the proposal and recommends funding the acquisition of the Property and funding the construction of related infrastructure improvements in accordance with all applicable approvals by the Town of North Castle.

**NOW, THEREFORE BE IT RESOLVED**, that the Westchester County Planning Board supports the request to provide financial assistance in a total not-to-exceed amount of \$850,000 of FAH funds for land acquisition and infrastructure improvements anticipated to be financed through the issuance of bonds of the County; and be it further

**RESOLVED**, that the County Planning Board, pursuant to Section 167.131 of the County Charter, amends its report on the 2011 Capital Project Requests to add the Development described herein under the heading Buildings, Land and Miscellaneous and gives **Capital Project BPL50** a rating of "PL2".

Adopted this 29<sup>th</sup> day of March, 2011





Robert P. Astorino  
County Executive

Kevin J. Plunkett  
Deputy County Executive

**INQUIRY TO MONITOR, NO. 10**

**APRIL 8, 2011**

**PROPOSED DEVELOPMENT:**

WATERWHEEL  
867 Saw Mill River Road  
Ardsley, NY

**ELIGIBLE MUNICIPALITY**

Volume 6, Sheet 1, Lot P-23  
Sheet 1A, Lots P4 and PSA  
Sheet 1A, Block 7, Lot 1  
7(a) Location

**ISSUE:**

Stipulation, Paragraph 25(d)(i)

**DISCUSSION:**

The Waterwheel proposal consists of 22 Affordable/Mixed Income home ownership units, of which seventeen (17) would be two-bedroom AFFH townhouse units affordable at 80% of AMI. Five (5) three-bedroom units would be local workforce units with local preferences and affordable at 120% of AMI. Only the 17 units affordable at 80% of AMI would be eligible under the Stipulation and eligible for County funding. The five workforce units will receive no County subsidy and would not be eligible under the Stipulation.

The property is currently owned by the Town of Greenburgh, and there is an existing contract of sale for the site for \$1,210,000. The site is approximately 2.01 acres, fronting on Saw Mill River Road (NYS Route 9A), and was formerly the site of the Water Wheel restaurant. The developer is Ardsley/Waterwheel Partners LLC/Community Housing Innovations ("CHI"). CHI is one of the HUD-certified housing counseling agencies in Westchester County, and Alexander H. Roberts, its Executor Director, is very experienced with fair and affordable housing development in Westchester County.

The proposal includes four two-story buildings containing a total of 22 condo units. There would be 45 parking spaces. The 17 two-bedroom condos eligible under the Stipulation would be approximately 1100 sq. ft. in size; the five three-bedroom condos not eligible under the Stipulation would be approximately 1,250 sq. ft. each.

We understand that the Town of Greenburgh and Village of Ardsley have wanted five workforce housing units earmarked for volunteer firefighter and ambulance corps volunteers who are believed to be priced out of the local market for a number of years,

Office of the County Executive

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and this proposed development provides an opportunity to meet that need while also providing 17 AFFH units.

We note that the local preferences that exist in this development precede the effective date of the Discretionary Funding Policy.

However, we believe that this development's incorporation of limited local housing needs within a development which provides 17 AFFH units that will be marketed pursuant to the County's Fair and Affordable Housing Affirmative Marketing Plan *provides an opportunity to further AFFH housing as the Stipulation requires*. It also provides a mixed-income environment where new residents in the AFFH units will be have the opportunity to interact with residents who have significant ties to the community through volunteerism.

We are not providing an Executive Summary at this time since final plans and documentation are still pending. However, as in the case of Larchmont, the County wishes to confirm that the development's excluded five units of housing, referenced in the local approval process as being set aside to meet a local workforce need, will not impact the eligibility of the 17 AFFH units.

We understand that the developer will be finalizing his financing of the site acquisition shortly, and we therefore respectfully request that this receive your earliest consideration.

**SUBMITTED BY:**

A handwritten signature in black ink, appearing to read "Kevin J. Plunkett", with a long horizontal flourish extending to the right.

Kevin J. Plunkett  
Deputy County Executive





Robert P. Astorino  
County Executive

Kevin J. Plunkett  
Deputy County Executive

**FUNDING ADVISORY TO MONITOR, NO. 6**

**APRIL 19, 2011**

- Proposed Program:** Establishment of a Revolving Loan Fund for the Acquisition/Rehabilitation of existing foreclosed, vacant, abandoned or *in rem* residential property located in areas eligible under the Stipulation pursuant to Paragraph 7. The properties will be sold to eligible buyers or non-profit housing development agencies with proceeds of sales re-used to acquire and rehab additional units.
- Type of Project:** Purchase and Rehabilitation of 1-4 family homes to be sold to income eligible homebuyers, with accessory apartments rented to income eligible tenants. This program is nearly identical to the Neighborhood Stabilization Program ("NSP") currently operated by Westchester County.
- Local Land Use Approvals:** To be obtained, as necessary, after acquisition.
- Executive Summary:** Attached.
- Timeframe for Review:** ASAP. On March 29, 2011, the Westchester County Planning Board voted to recommend the proposal to the Westchester County Board of Legislators.

**DISCUSSION:**

The Stipulation provides in paragraph 7(h) that up to 25% of the total number of Affordable AFFH Units under the Stipulation may be achieved through the acquisition of existing housing units. The Stipulation also recommends in paragraph 7(i) that the County leverage the funds it is expending pursuant to the Stipulation for the development of the housing units. Paragraph 22(e) of the Stipulation requires the County to explore

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and implement mechanisms whereby Settlement funds can be placed in a Revolving Loan Fund dedicated to development of affordable AFFH units. Paragraph 25(d)(ii) of the Stipulation requires that the County develop a policy regarding provision of funds to municipalities whereby, among other actions, municipalities are to offer the County their *in rem* parcels for affordable AFFH housing.

Consequently, in the Implementation Plan, Westchester County proposes to establish a Revolving Loan Fund with a portion of the FAH CDBG funding. Funds from the Revolving Loan Fund would be used for the purchase and rehabilitation of foreclosed, vacant or abandoned properties in the eligible municipalities, similar to HUD's Neighborhood Stabilization Program ("NSP"), currently funded under HUD's CDBG program.

Through the review of properties with foreclosure judgments each month that are filed in the County Clerk's office, opportunities to purchase existing properties will be exploited, thereby allowing the County to add to the pool of AFFH units available for sale or rental in a relatively short timeframe. Additionally, with implementation of the discretionary funding policy, municipalities will begin forwarding their tax *in rem* parcels for the County's review and potential acquisition.

Westchester County has received a grant of \$800,000 from New York State to fund a program to acquire up to 20 such AFFH units, which would be eligible for this New York State Affordable Housing Corporation ("AHC") funding. Three units recently approved in Pelham received their AHC subsidy through this grant.

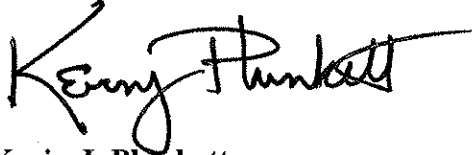
\$2.5 million is requested to capitalize the Revolving Loan Fund to enable the County to move swiftly as foreclosure opportunities are identified by its real estate consultant, thereby maximizing the number of units acquired while the foreclosure market has attractive inventory, and further allowing the County to satisfy the requirements of the AHC grant as to timeliness and spend-downs. The projections made in the attached Executive Summary are based on the County's review of current foreclosure data.

As with the County's other acquisitions of AFFH units, the County would file a Declaration of Restrictive Covenants on each property assisted under the program, requiring the units to remain affordable for the fifty (50) year period of affordability; the units are then to be conveyed to an income eligible household, or a non-profit housing development agency for sale and/or rent to eligible prospective residents identified through the Fair Housing Affirmative Marketing Plan.

Funds advanced by the Revolving Loan Fund for property acquisition will be returned to the Revolving Loan Fund as soon as the property is resold to an eligible purchaser. It is this prompt replenishment of funds that allows the program to function effectively with a Revolving Loan Fund structure.

On March 29, the County's Planning Board voted to recommend the program to the County's Board of Legislators for implementation and funding. The Executive Summary that will be presented to the County's Board of Legislators is attached.

**SUBMITTED BY:**

A handwritten signature in black ink that reads "Kevin J. Plunkett". The signature is written in a cursive style with a large, prominent 'K' and 'P'.

**Kevin J. Plunkett**  
**Deputy County Executive**

Cc: Robert P. Astorino, County Executive  
Mary J. Mahon, Esq., Special Assistant to the County Executive  
James E. Johnson, Esq., Debevoise & Plimpton, LLP  
Erich Grosz, Esq., Debevoise & Plimpton, LLP  
Noelle Duarte Grohmann, Esq., Debevoise & Plimpton, LLP  
Hon. Adolfo Carrion, Jr., Regional Administrator, HUD  
Helen Kanovsky, Esq., General Counsel, HUD  
Mirza Negron Morales, Esq., Deputy Regional Administrator, HUD  
Valerie M. Daniele, Esq., Attorney-Advisor, HUD

**Executive Summary**  
**Acquisition/Rehabilitation & Sale of FAH**

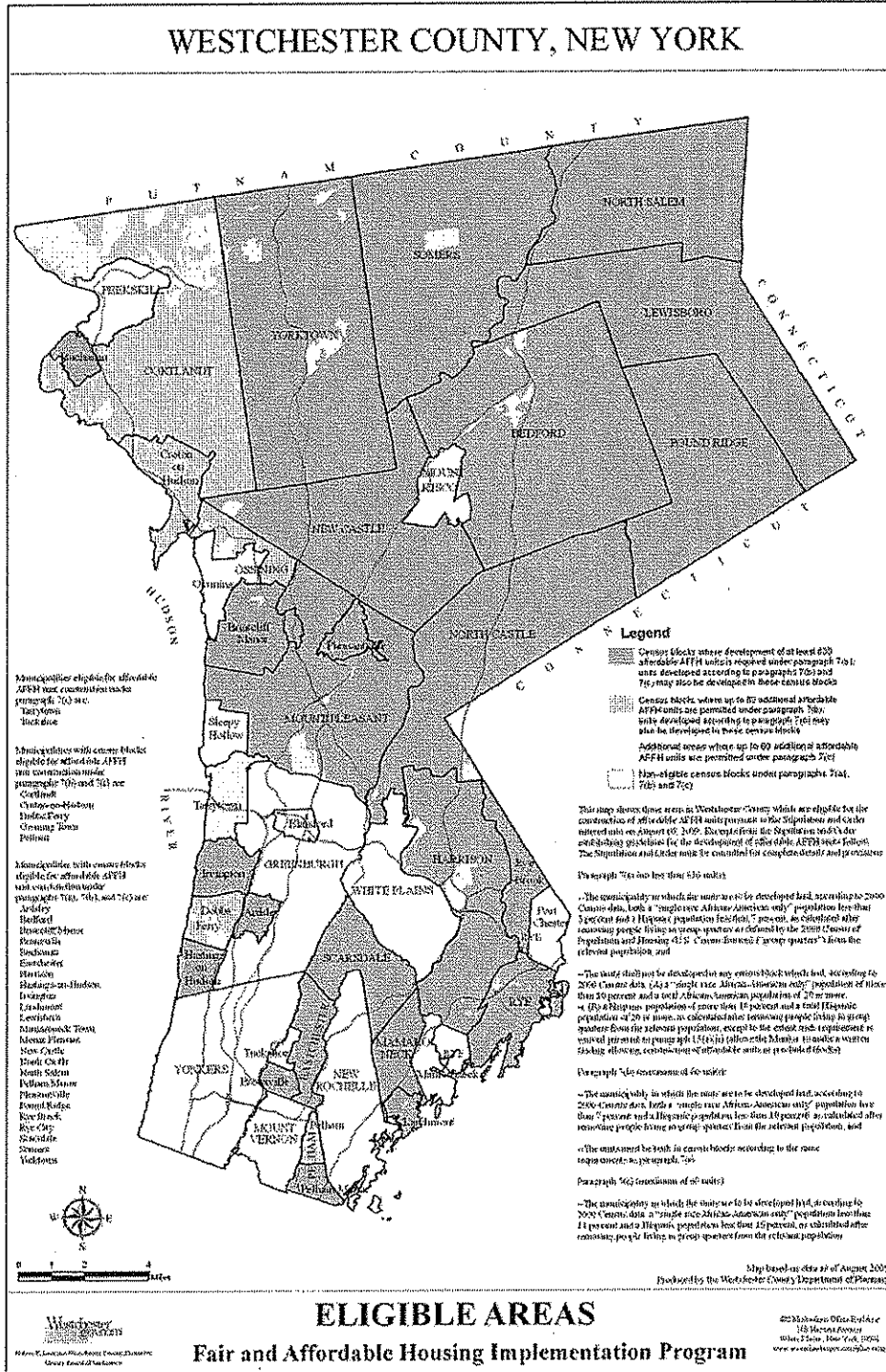


<b>Program:</b>	To establish a Revolving Loan Fund for the Acquisition/Rehabilitation of existing foreclosed, vacant, abandoned or in-rem residential property located in areas eligible under the Housing Settlement pursuant to Paragraph 7; which will be sold to eligible buyers or owners, with proceeds of sales re-used to acquire and rehab additional units							
<b>Applicant:</b>	Eligible Non-Profit Housing Development Agencies							
<b>Type of Project Proposed:</b>	Purchase and Rehabilitation of 1-4 family homes to be sold to income eligible homebuyers, with accessory apartments rented to income eligible tenants. This program is nearly identical to the NSP program currently operated by the County.							
<b>County Funds Requested:</b>	<u>Program</u>		<u>Amount</u>		<u>Per AFFH Unit</u>			
	FAH CDBG		\$2,500,000		\$69,000			
<b>Total Funding:</b>	Acquisition of each home is estimated to be \$257,000, on average; plus another \$98,000 for other costs totals \$355,000. An affordable sale price is projected at \$225,000 for a single family home, with the proceeds of this sale returned to the County for additional units. These numbers may vary if accessory apartments are included. The most conservative estimate is based on a Single-Family model.							
<b>Affordable Sales Price:</b>	<u>Est. Sale Price (w/AHC Subsidy)</u>	<u>Est. Down-Payment</u>	<u>Est. Mortgage Amount</u>	<u>Est. Mortgage Payment</u>	<u>Est. Prop. Taxes</u>	<u>Est. Home Ins.</u>	<u>Est. Monthly Expense</u>	<u>Afford-ability 3-Per Family</u>
	\$225,000	\$13,250	\$211,750	\$1,270	\$500	\$42	\$1,812	70% AMI
<b>Target Market:</b>	Homeowner at or below 80% AMI, with any rental units at or below 60% AMI							
<b>Proposed Sale Price:</b>	Homeowner \$225,000							
<b>Site Description:</b>	Existing 1-4 family homes in eligible Fair and Affordable areas which are available through foreclosure or in rem proceedings, or are subject to such proceedings.							
<b>Appraised Value:</b>	Each unit will be appraised prior to acquisition. No purchase will be made for an amount in excess of the appraised value. The County will receive a copy of the completed appraised value at the time of sale to income eligible household.							
<b>Development Team:</b>	<u>Developer:</u>							
	Eligible nonprofit housing agencies with history and capacity to conduct an Acquisition and Rehabilitation of the properties.							

**Executive Summary**  
**Acquisition/Rehabilitation & Sale of FAH**



**Eligible Areas**



**Executive Summary**  
**Acquisition/Rehabilitation & Sale of FAH**



**TOTAL SUBSIDY FUNDING**

<b>Program</b>	<b>Amount</b>	<b>Per Unit</b>
FAH/CDBG	\$ 2,500,000	\$ 69,000 +/-
CDBG	\$ 340,000	\$ 20,000
AHC	\$ 680,000	\$ 40,000

**ESTIMATED PER UNIT AVERAGE FUNDING**

<b>Acquisition/Rehabilitation</b>	<b>Per Unit Amount</b>
Acquisition	\$ 257,000
Rehabilitation	\$ 78,000
Other Costs	\$ 20,000
<b>TOTAL</b>	<b>\$ 355,000</b>

**ESTIMATED AVERAGE PER UNIT SALE**

<b>Sale</b>	<b>Unit Amount</b>
Total Cost	\$ 355,000
LESS:	
FAH Subsidy	\$ 70,000
CDBG	\$ 20,000
Sale Price	\$ 265,000
LESS:	
AHC Mortgage	\$ 40,000
<b>Net Price to Buyer</b>	<b>\$ 225,000</b>

**REUSE OF NET PROCEEDS**

<b>Revolving Funding</b>	<b># Units</b>	<b>Purchase Amount</b>	<b>Sales Amount</b>	<b>Remaining Proceeds</b>
Round 1	8	\$2,500,000		
Round 1 Sales:	8		\$2,120,000	\$ 20,000
Round 2	6	\$2,100,000		
Round 2 Sales	6		\$1,590,000	\$ 170,000
Round 3	4	\$1,420,000		
Round 3 Sales	4		\$1,060,000	\$1,060,000
<b>TOTAL REMAINING</b>				<b>\$1,250,000</b>



**RESOLUTION 11-\_\_\_\_\_**  
**WESTCHESTER COUNTY PLANNING BOARD**

**Fair and Affordable Housing Funding Request**  
**Acquisition/Rehabilitation & Sale of FAH Homes**

**WHEREAS**, Act No. 155-2009 (as amended) required the County Budget Office to establish a capital project, which capital project would be financed by \$21.6 million in CDBG monies in the County's federal HUD account and \$30 million, which would be financed by County funds, as required pursuant to the Stipulation and Order of Settlement and Dismissal entered into in connection with the settlement of the lawsuit titled, *U.S. ex rel. Anti-Discrimination Center of Metro New York v. Westchester County* ("Settlement Agreement"); and

**WHEREAS**, in furtherance of the foregoing the Fair and Affordable Housing capital project BPL50 ("FAH") was created; and

**WHEREAS**, Pursuant to the Settlement Agreement, the FAH CDBG funds may be used for the development of new affordable housing units that will affirmatively further fair housing ("AFFH"), subject to the requirements of the CDBG program; and

**WHEREAS**, the FAH funds may be used to finance units that AFFH as set forth in 42 U.S.C. Section 5304(b)(2) and as required pursuant to the Settlement Agreement; and

**WHEREAS**, up to 25% of FAH units may be through the acquisition of eligible existing homes which could then be rehabilitated for use as fair and affordable housing, restricted in conformance to the provisions of the Settlement Agreement, and sold to income eligible homebuyers; and

**WHEREAS**, vacant, foreclosed, abandoned or *in rem* 1-4 unit residential properties are available which could cost effectively meet the requirements of the Settlement Agreement; and

**WHEREAS**, Westchester County is in receipt of a grant award from the NYS Affordable Housing Corporation totaling \$800,000 to fund a program to acquire up to 20 such units, noting that three units in the Village of Pelham have already received approval; and

**WHEREAS**, subject to receipt of the approval of the Board of Legislators, the County proposes to create a program (the "Program") using BPL50 FAH CDBG funds to establish a revolving loan fund for the acquisition and rehabilitation of vacant, foreclosed, abandoned or *in rem* 1-4 unit residential properties located in eligible municipalities (each an "Affordable AFFH Unit") by nonprofit housing developers for resale to income eligible households or for their ownership to rent such properties to income eligible tenants; and

**WHEREAS**, the homeownership Affordable AFFH Units will be affordable to families with incomes at or below 80% of the Westchester County Area Median Income ("AMI") and 60% of the Westchester County AMI for the rental Affordable AFFH Units (the "Affordability Restrictions"); and

NOW, THEREFORE BE IT **RESOLVED**, that the Westchester County Planning Board supports the request to provide financial assistance to the proposed Program in the total not-to-exceed amount of \$2,500,000; and now, therefore, be it

**RESOLVED**, that the County Planning Board, pursuant to Section 167.131 of the County Charter, amends its report on the 2011 Capital Budget to add the acquisition and rehabilitation at least 17 units to effectuate the goals described herein under the heading Buildings, Land and Miscellaneous and gives **Capital Project BPL50** a rating of "PL2".

Adopted this 29th day of March 2011.

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Cheryl Winter Lewy, Chair