

**WESTCHESTER COUNTY BOARD OF LEGISLATORS
COMMITTEE ON GOVERNMENT OPERATIONS
April 29, 2008—1:00 pm
MEETING MINUTES**

IN ATTENDANCE:

Committee Members: Chair, Leg. Kenneth Jenkins, Legislators Lois Bronz, William Burton, Peter Harckham, Judy Myers, Vito Pinto; Advisory Member Thomas McGrath. Coordinator Barbara Dodds

Others: Planning: Norma Drummond, Susanne Marino, Deborah DeLong; Conifer: Allen Handelman; LWW: Karen Schatzel; Bridge Fund: Lisa Buck, Anna Walden; CEO: William Randolph, BOL: Larry Goldstein.

ITEMS FOR DISCUSSION:

67. a. (SI) Conveyance of Property-River Pointe at Drum Hill, Peekskill: Proposed Act authorizing the County to purchase and subsequently convey approximately 1.03 acres of real property in the City of Peekskill for the purpose of providing 43 affordable rental units (to be known as River Pointe at Drum Hill) that will remain affordable for a minimum period of 50 years or permanently through the Westchester Housing Land Trust, Inc. (B&A/GO 4/7/08)

b. (SI) Bond Act BPL10 (NHLA) River Pointe at Drum Hill, Peekskill: Proposed Act authorizing the issuance of bonds in the amount of \$1,032,000 to finance the New Homes Land Acquisition Capital Project BPL10. (B&A/GO 4/7/08)

c. (SI) IMA-River Pointe at Drum Hill, Peekskill: Proposed Act authorizing the County to enter into an IMA with the City of Peekskill for the construction of infrastructure improvements in support of the development and accept all necessary property rights. (B&A/GO 4/7/08)

d. (SI) Bond Act BPL01-River Pointe at Drum Hill: Proposed Act authorizing the issuance of \$1,508,000 in bonds to finance the cost of infrastructure improvements related to the River Pointe at Drum Hill Affordable Housing Development in the city of Peekskill. (B&A/GO 4/7/08)

Minutes Approved: January 29, 2008

With a quorum present, Legislator Jenkins opened the meeting at 1:10 pm. He brought to the attention of the members a status sheet among their packet of meeting materials to track work on the Westchester Housing Land Trust. He also pointed out that the committee of proposed housing trust board members was meeting at 2:30 the same afternoon to begin work on a draft of the bylaws. Minutes of the January 29th meeting were approved.

He acknowledged the presence of Norma Drummond, Deputy Commissioner, Deb DeLong, Director of Housing and Susanne Marino, program administrator of the River Pointe at Drum Hill project. Ms. Drummond introduced the project for the purpose of the County's acquiring, conveying the site, putting aside money for infrastructure to create 43 units of affordable housing and one superintendent's apartment in Peekskill. The site is to allow independent living for seniors adjacent to the original Drum Hill facility for assisted living for seniors to create a continuum of care. Leg. Harckham asked what percent of the EMI this was. Ms. Drummond said it was 60% and some at 50% all rental. Ms. Marino explained the project and location. The overall cost of the development is \$15 million with the County portion about \$2 million. [The executive summary on file gives details of the financing.] Conifer LLC is the developer based in Rochester with Allen Handelman (present) as the project director.

Mr. McGrath said that he has known of Conifer for a number of years and considers them to be the premier affordable housing developer in the state of New York. He added that although Conifer is based

in Rochester, the developer has a lot of experience in Westchester and is widely respected as a top quality organization. Ms. Drummond said that this project is a little different in that there is a not-for-profit partner involved to help leverage the tax credits. Mr. McGrath explained how tax credits work. Low income housing generates tax credits which flow through the property similar to depreciation. The investors of those tax credits need to own as much of the property as possible to enjoy the benefits of the tax credits to the deal. In this project, Wachovia, the investor, owns 99.9%. Their real interest in the deal is the tax credits. The managing member, Conifer, owns ½ % of the deal but has full control of the property. Preservation, the not-for-profit, has another ½%.

Leg. Pinto asked what would be the relation to the land trust of the committee's action. Ms. Drummond said the legislation calls for one of two scenarios—one where the land purchased by the County would be sold to the land trust for one dollar and the other where the land would be sold to the developer for one dollar. Based on where the details of the land trust are now and because of the time constraints of this deal, they do not expect there to be enough time to convey it to the land trust. Leg. Jenkins asked if, as in other approved projects, language in the act allows for a later transfer to the land trust. Ms. Drummond said this project is different because there is a non-profit partner involved. Should Conifer (the developer) decide to sell, The Preservation Company of Peekskill (the not-for-profit), would have the right of first refusal.

The City of Peekskill has some concerns about the potential of the land trust and their flexibility after the tax credit equity period should we not need senior housing fifty years from now. After the 'baby boomers' period, e.g., the City might want the flexibility to change it from seniors only or to change it from rental to ownership. So the City wants to see how the land trust comes together before they would agree to sell the land to the land trust. After speaking with the Mayor of Peekskill, Leg. Jenkins asked if some wording about this flexibility can be put into the document short of the land trust. We'd be putting in some sort of deed restrictions perhaps to take care of some of the issues they are talking about. Other municipalities with good affordable housing records also have raised concerns and want to make sure they have the flexibility to use their affordable housing stock to reinvest in different communities and revitalize without losing affordable housing. Our goal is that we don't want to lose affordable housing stock. The municipalities' goal may be to move where the need is for affordable housing. Their concern is with the land trust. Since no one really knows what the land trust is going to be like, there is some trepidation among municipalities. In this case because we are concerned about time constraints and we want to move this good project, could we put wording into the legislation to deal with this? Ms. Drummond said the City's concern with the land trust caused them to leave out the option to transfer to the land trust later on. Perhaps the land trust might have the right of second refusal after the not-for-profit whose mission is affordable housing.

Leg. Jenkins asked if there could be enough structural language so that the City would have some input. Issues on the table can be dealt with in the legislation in a joint meeting with Budget & Appropriations on Monday. Leg. Bronz said if there is going to be a roadblock, we need to know. Leg. Pinto said the main concern here is that the City's concern be addressed rather than about the land trust. All agreed that they want to make certain that the City does not come back saying this is not what they expected it to be. Ms. Drummond said she could have the legislation changed by Monday to read that a right of first refusal would be given to the land trust after the right of first refusal of the Preservation Company.

Ms. Drummond explained that sensitivity to Peekskill's concerns is important because Peekskill has very different demographics than other communities. They met their first allocation and have such a low second allocation that attention should be paid to their concerns about too much affordable housing or the nature of the housing. She said she has not found a real estate mechanism yet to take some of their ideas and formulate them into deed restrictions. Mr. McGrath asked if it was possible to give the land trust right of first refusal subject to the approval of the City? That way if the City still has concerns about the land trust the City Council would have to approve it.

Leg. Jenkins said Leg. Oros, who represents Peekskill, had no concerns. All of us have concerns about the land trust because we don't know much about what it is.

Leg. Harckham asked why the legislation says the development would have to remain affordable for fifty years instead of perpetuity. Ms. Drummond said the County matches the state's requirement of fifty years for tax credit properties. He continued that this is an opportunity to change the language in our legislation. Ms. Drummond said that the County was concerned about what the property is going to look like in fifty years. We don't want to create a liability for the County down the road. The land trust is a better vehicle to provide that perpetuity rather than the Planning Department.

The new language will be in the conveyance part of the legislation. A new act will be available for consideration by the two committees at the Monday morning meeting.

Leg. Pinto moved a motion to adjourn, Leg. Burton seconded. Leg. Jenkins adjourned the meeting.