

**WESTCHESTER COUNTY BOARD OF LEGISLATORS  
COMMITTEE ON GOVERNMENT OPERATIONS  
June 17, 2008—1:00 pm  
MEETING MINUTES**

**IN ATTENDANCE:**

Committee Members: Chair, Leg. Kenneth Jenkins, Legislators Lois Bronz, William Burton, Peter Harckham, Vito Pinto, Martin Rogowsky, Bernice Spreckman; Committee Coordinator: Barbara A. Dodds. Others: Planning: Norma Drummond, Deborah DeLong; LWVW: Karen Schatzel; CE's O: William Randolph; BOL: Joanne Sold; WHLT: Rose Noonan, Rick Hobish.

**ITEMS FOR DISCUSSION:**

• **Westchester Housing Land Trust—Norma Drummond,  
Dep. Commissioner of Planning**

116. Sewer District Modification: Proposed Act to modify the Saw Mill Valley Sanitary Sewer District by the removal of five properties consisting of seven tax parcels located in the Town of Mount Pleasant. (B&A/GO 5/19/08)

125. (SI) Sewer District Modification-Addition-Town of Yorktown: An Act to modify the Peekskill Sanitary Sewer District by the addition of 3 parcels of property located in the Town of Yorktown. (B&A/GO 5/19/08)

158. Sewer District Modification: Forwarding a Town of Mt. Pleasant resolution requesting the removal of one parcel of property from the Ossining Sewer District. (895 Sleepy Hollow Road, Briarcliff Manor) 6/16/08 BA/GO

With a quorum present, Leg. Jenkins opened the meeting with discussion regarding the **three sewer district modifications, items 116, 125 and 158**. He reviewed the process—an administrative item comes through govt. operations for processing, advances and sends up to administration, then it comes back to GO and B&A. Moved by Leg. Harckham, seconded by Leg Pinto. Signed out

Regarding **Westchester Housing Land Trust**, Leg. Bronz reported for the by-laws committee that all legislators were sent a packet of information and asked for comments. She noted that there were no written requests for information and a number of the questions previously perceived as by-laws questions were actually questions about operations. The by-laws committee was chosen as a diverse and independent committee.

Leg. Pinto said the main issue in legislative meetings has been “why do we need this?” For many legislators, the concern was the plausibility of having a private group apart from the County take over county land. He said that he needs to be convinced that it's a great thing to do, that BOL still has control and that this is the best way to spend the taxpayers' money.

In response to Leg. Pinto's comments, Ms. Drummond said that homeowners in County-supported affordable housing refuse to respond to monitoring requests. Over 1200 units were monitored last year, requiring staffing and sending out letters.

Leg. Jenkins noted that some of the questions are by-law driven—such as how the entity is going to operate as far as monitoring and maintaining county assets and how does the BOL control a county asset.

Ms. Drummond described the contents of the information packet she distributed:

- 1) A letter dated June 16, 2008 responding to past questions describing the ***WHLT as a stand alone non-profit agency designed to handle responsibilities that would have required an expanded housing staff but will also be able to provide more hands-on services to the unit residents.***

Agency's goals are to maintain affordability restrictions, prevent unit deterioration through counseling and support programs, monitor the restrictions on resales, and leverage the use of County land acquisition funds to attract other donations.

- 2) A transaction flow chart shows differences between current transactions and the proposed trust transactions.
- 3) 2008 budget, probably the same for 2009 and 2010—potential sources of additional funds have already been identified.
- 4) Draft by-laws. The By-Laws Committee composition: Ralph Gregory, former Exec. Dir. Of United Way; Darrell Hawes, a developer; Leg. Lois Bronz; Tom McGrath from Community Preservation Corp.; Jean Pollack, LWVW; and Norma Drummond, Dep. Comm., Planning. She added that the group was adamant that the trust should be separate from the County and recognized that although the County may be the prime donator of land, other entities will be sources of land as well. The draft by-laws also proposes a three-sector approach: government, community and technical with public sector representatives designated by the County Executive and confirmed by the BOL.
- 5) Discussion paper and general information about land trusts.

Ms. Drummond stated that in the by-laws, an annual report to BOL is proposed on the operations of the land trust including its financial status and the disposition of property. Also, the trust board would be comprised of four members from each of three sectors: public sector; community sector and technical experts. A member would serve the initial term, then an additional term, go off the board and be eligible to return after a year. The term would be 2 and 3 year staggered terms and a 1 year term for officers until they are replaced or they die

Leg. Harckham recollected that a number of legislators had asked about BOL appointments on the board. It may be an issue to have the County Executive make all the public sector appointments. Leg. Jenkins recalled that what was called for was consistency with the normal process—the BOL would approve County Executive appointments to the public sector. The four officers would be elected from within the twelve board members. The board would elect its own new members. Leg. Jenkins suggested that for the initial board, the by-laws could call for two members appointed by the BOL and two by the CE.

Regarding terms of office, initially staggered terms would be determined by lot or mutual agreement in two year or one year terms to set the role. Two year terms would be followed by three year terms if re-elected. There does not appear to be a vacancy provision for officers.

Leg. Harckham asked if the property decisions are made by the staff and voted on by the board—whether the final decisions on massive transactions would be done by staff or does there need to be a public board vote? Mr. Hobish said the board will decide. Leg. Jenkins pointed out that no property would be purchased with tax payer dollars that have not been previously reviewed before the Board of Legislators.

Discussion ensued making points that public dollars are involved, the developer has continuing risk, county taxpayers still bear risk and liability. Contract only requires 40 years—then the developer owns the land and has no obligation to keep affordability. County will have lost that asset in year 41.

There are 3 parties: county, land trust board, developer. The County buys & sells land. The plan of dissolution that is in the terms of incorporation should be reviewed.

Leg. Rogowsky asked several questions regarding ground leases. Ms. Drummond and Ms. DeLong responded. Regarding property taxes, even though both the buildings and the 501-C3

owned land are taxable, assessors have the ability to charge lower taxes based on the income that affordable projects generate. The developer would have to pay taxes because the purpose is not a charitable use. The fact that the units are affordable housing would only affect the rate.

Condos are presently not eligible to have ground leases according to NYS laws. Co-ops, single family homes and rental apartments are allowed. Ms. Drummond recommended that the BOL should send a home rule message to seek a change in state legislation that would allow condos specific to the housing land trust to be permitted ground leases similar to Battery Park City and Roosevelt Island.

Leg. Rogowsky asked if there was some mechanism to allow owners who improve their properties to be rewarded when they move on. Ms. Drummond said that if the homeowner can show receipts for any capital improvements, they are given the appreciation value of those improvements as well as the CPI difference between purchase time and sale and also the CPI tied to a formula of wages in the area. Is there some public policy with incentives or disincentives to remain in this kind of housing for many years? Leg. Jenkins commented on the importance of counseling to new homeowners as to what they can and cannot do and the limitations of affordable housing. The Champlain Land Trust has a study about appreciated value and resales—people who can usually move on in five to seven years and buy in the market. Usually people move out of subsidized housing because of either death or improved income.

Perhaps a by-law can be used to identify a mechanism for dissolution of property and/or land trust if the developer goes under. From the public sector of the board, are government representatives limited in their memberships from being officers. Discussion ensued regarding Shouldn't the quorum have at least one member from each group? It is really the composition of the executive committee that will be running it. A start-up process can be altered by a by-laws change but that can only be done once a year.

Mr. Hobish reminded the committee that regarding dissolution, there are legal hurdles that have to be crossed—federal and state limitations would have to be researched. Developer owns the asset. The land trust would not be able to use the property it owns as collateral on another deal--any additional financing requires the approval of the county. Discussion continued about the budget. Leg. Rogowsky urged reconsideration of start up costs.

Leg. Burton questioned where one would get a professional for \$42,500 for a half time job? Ms. Noonan suggested that they were confident that a professional would be willing to grow into a full-time position as organization grows. Trust income is going to come from resales. Is this 5 or 10 years when you approach 300 units before it gets self supporting. That depends on whether legislation can be changed to permit condos. Both the HLT and the developer would be required to keep the project affordability because of their deed restrictions. Developers end up with less equity because they don't own the land.

Discussion ensued regarding what happens if a resident's income grows to over the limit. Homeowners cannot be forced to move and on the rental side, it depends on the policy of the development management

Leg. Jenkins reviewed the WHLT status sheet items and noted the following:

- o Draft ground leases for HLT, developer and homeowners are being circulated among developers and municipalities and will be ready for review in July.
- o Committee will request the Law Dept. to obtain legal opinions from the state regarding dissolution and other legal matters;
- o Obtain draft contract of sale for review by Litigation Subcommittee.
- o Legislation relating to including condos in HLT will be made part of the BOL legislation package in the fall rather than wait until January.

Leg. Pinto made motion to adjourn, Leg. Burton moved and Leg. Spreckman seconded.  
Meeting adjourned by Leg. Jenkins.