

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

Call to Order

Mr. Bailey, Chairman of the Town of North Hempstead Community Development Agency (the “Agency”), called the meeting to order at 7:55 p.m.

Attendance

Members of the Agency (the “Members”) in attendance were:

Lamont R. Bailey
Howard Weitzman
Sid Nathan
Jeffrey M. Greilsheimer

Agency staff present consisted of:

Dermot F. Kelly, Executive Director
Joseph Santamaria, Assistant Executive Director/Project Manager
Patrice P. Allen, Administrative Assistant
Peter Dzwilewski, In-house Counsel

Minutes of Meeting Held on April 9, 2014

Upon the motion of Mr. Nathan, seconded by Mr. Weitzman, with Mr. Greilsheimer abstaining from voting due to his absence, the minutes of the meeting held on April 9, 2014 were accepted.

Executive Director’s Report

The Executive Director’s Report consisted of the following:

Community Development Block Grant (“CDBG”) Program:

Operations:

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

According to OCD, the Agency's current chart of account balance as of 4/8/14 is \$1,267,790.99. Approximately \$107,758.07 in claims is currently pending.

Cash Balances as of 5/13/14 are:

- Citibank –Lump Sum Account - \$593,613.68
- Citibank – Escrow Account - \$11,168.13
- Valley National Bank - Program Income Account - \$863,407.36

New Cassel Urban Renewal Plan

Active Projects:

Site C:

Residential units have been fully occupied since April 2011.

BONYM is seeking a purchaser for the remaining 3,700 sq. ft. of commercial space. The asking price is \$300,000 to \$350,000. CDA is working with a possible Buyer. The Buyer is a Not-for-Profit that will offer job counseling and other services to the community. CDA staff has requested additional information from the prospective Buyer and their Broker. The property is still being marketed by the BONYM. CDA has not heard from previous possible buyer.

Site D: No Change

BNY Mellon and 139, LLC a holding company for James J. Vilardi (“Developer”) have signed an agreement to complete the development, construction and sale of the Project. Mr. Vilardi will sign the Amended LDA Agreement (approved by the Agency in September 2011) and Title will be transferred to them though an agreement with BONYM. The agreement was approved by the Nassau County IDA at their December 18, 2013 meeting. The BONYM stated on February 4th that they are waiting on a contract from Nassau County for additional HOME funds. The County's Office of Community Development has requested additional information, including a copy of the proposed Note and Mortgage Agreement with BONYM financing documents, from Mr. Vilardi which he has promised to deliver in the next few weeks. The County will not issue the commitment letter for \$250,000 of HOME FUNDS until they receive all of the additional documentation they requested. BONYM and Vilardi will not close until they get the Commitment from the County.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

Site I:

Cornerstone Developers have been selected by the CDA Board and the Town Board to develop 11 - three bedroom Townhouses and a public roadway on this site. A zoning analysis has been completed and a Zoning Compliance letter has been issued by the Town's Planning Department and Cornerstone has submitted an application to the County for a major sub-division including for 11 individual lots and public roadway, this process may take four or more additional months Sequential to subdivision approval, Cornerstone will proceed with preparing deeds and permit document(s), then file them with the County Clerk and Town Department(s) for approvals. A lottery for the houses will be conducted by the Long Island Housing Partnership ("LIHP") after the approval of the subdivision is received from the County. Once buyers have been selected and approved and all necessary permits are issued construction will commence. The project experienced some delays in connection with NYS Housing Affordable Housing Assistance application-round normally offered in April or May, was delayed until January. CDA Staff was successful working with the County to replace the NYS funds with additional HOME funds. The contract for the HOME funds has been routed through the County and has been executed. Developer public financing is now in place. In addition, a request for down payment subsidy funds of \$40,000 per housing unit to assist buyers was submitted to NYS on January 8, 2014 through LIHP. CDA Staff worked with the County and was able to obtain additional HOME funds of approximately \$950,000 for the project. CDA will meet with the Developer and the County every two weeks to ensure the project stays on track.

Site M: *CDA awaits the results of the Phase 2 Environmental Assessment. Under the condition the purchase of 985 Prospect Avenue is completed. - Option 3 and perhaps other possibilities will be discussed with the Town. Options 1 and 2 will be disregarded.*

CDA owns located at 215 & 216 Brooklyn Avenue and 989 Prospect Avenue. CDA is in the process of developing plans for a mixed used and/or senior housing for the property.

Possible Development Options:

Option 1:

Issue an RFP for the redevelopment of 989 Prospect to construct a 2,600 Sq. Ft. commercial building to house a bank or credit union with a drive up window.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

215 Brooklyn and 216 Brooklyn will then, with the assistance of LIHP, be developed into single family 3 bedroom homes. A Resolution was approved at the November meeting regarding obtaining grant money and other assistance for this project from LIHP.

Option 2:

Issue an RFP for the redevelopment of the property at 989 Prospect into a three story mixed use building. The first floor will be designed to accommodate a bank or credit union with a drive up window. The second and third floors will house approximately 6 one bedroom and studios rental apartments. Preference for the rentals will be given to residents of the Town and limited to individuals over age 55. The property at 215 Brooklyn Avenue will be used for parking for the building at 989 Prospect.

Option 3:

Purchase 985 Prospect Avenue and issue an RFP for a larger mixed use site as described in Option 2 and develop a 3 bedroom single family home at 216 Brooklyn Avenue.

All of the aforementioned options conform to the New Cassel Urban Renewal Plan but still have to be discussed with the Town Supervisor's Office and details worked out with the Town's Planning and Building Departments. .

Brush Hollow Road: No change

CDA received the conditional approval of the sub-division from the County and is in the process of creating deeds.

The existing house will be renovated into a 3 bedroom home.- CDA submitted plans created by our Architect Sidney Bowne and Son , LLP plans were to the Town's Building Department on January 13th along with applications for permits. The Building Department issued an Omissions Letter on March 18th and Bowne is preparing documentation in response to the omissions. CDA is in the process of relocating the tenants pursuant to HUD Regulations. Once the pre-construction process is completed CDA will commence issuance of RFP's for procurement of contractors for asbestos abatement, demolition and construction.

Third Street (created by the sub-division of 876 Brush Hollow Road):

CDA received conditional approval for the subdivision from the County Planning Department and is in the process of filling new tax lots and deeds with the Nassau County Clerk's Office.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

Construction of a new three bedroom home –Bowne is preparing permit documents. When permit documents and deeds are completed they will be submitted to Town and County Departments for additional approvals.

No change in Status:

265 Covert Street:

CDA closed on the purchase of a 7500 sq. ft. vacant lot located at 265 Covert Street in New Cassel. CDA plans building a three bedroom house on this lot utilizing the three bedroom house plans being designed for the Third Street property. LIHP will assist CDA in obtaining grants and marketing this property.

LIHP Assistance:

A Resolution was approved at the November CDA meeting regarding obtaining grants and marketing assistance for the **Brush Hollow Road, Third Street, Covert Street and Brooklyn Avenue** projects from LIHP. A lottery for the houses will be conducted by the LIHP after all necessary approvals are received. Once buyers have been selected and approved and all necessary permits issued the construction will commence.

Site A:

The Developer continues to market the remaining 10,540 sq. ft. of commercial space.

Site B:

The Supermarket – “Ideal Food Basket” had its grand opening October 2nd. CDA was represented well By Chairman Bailey and Board Member Weitzman.

The BONYM though its real estate holding company NY CRE Asset Holdings, LLC has sold the remaining 3,180 sq. ft. of retail condominium space to Prospect New Castle Realty, Inc. (Prospect”) the holding company for Worthy NYC, Inc. (“Worthy”) for \$425,0000. Worthy a sneaker and apparel store has received all necessary building permits and now estimates that the build out will be completed in June.

Upon the motion of Mr. Nathan duly seconded by Mr. Bailey, the Executive Director’s Report, to the extent of the Members’ knowledge of the events referred to, was accepted and approved unanimously.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

For Consideration

RESOLUTION NO. 16 (2014)

A RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN REAL PROPERTY.

WHEREAS, the Agency holds a mortgage in the amount of \$20,000 on the property known as 270 Grand Street East, Westbury, New York and identified on the Nassau County Land and Tax Map as Section 11, Block 503, Lot 5 (“Premises”); and

WHEREAS, a foreclosure proceeding has been commenced by the holder of a tax lien (“Tax Lienor”) for the Premises and said Tax Lienor who is owed the sum of \$31,354.77 plus \$4,678.50 in fees and costs; and

WHEREAS, the Agency has determined that in order to avoid having its mortgage extinguished as a result of the foreclosure sale, and, if it is a successful bidder, to eliminate blight in the area, that it would be prudent to submit a bid for the Premises in the amount not to exceed the upset amount bid by the Tax Lienor, plus the sums owed to the Agency, to wit, \$20,000 due under its mortgage plus attorneys’ fees and costs; and

WHEREAS, the members of the Agency (the “Members”) wish to authorize a bid and potential purchase of the Premises from the referee at the lien foreclosure sale in an amount not to exceed \$100,000.00, with a 10% down payment (the “Acquisition” or “Action”); and

WHEREAS, it is required that a “lead agency” be established to review this Action pursuant to the rules and regulations for implementation of the State Environmental Quality Review Act as set forth in Title 6, Part 617.6 (b) of the Official Compilation of Codes, Rules, and Regulations of the State of New York (“SEQRA Regulations”); and

WHEREAS, the Agency, through action of the Members, wishes to establish itself as lead agency and wishes to render a determination of significance pursuant to the SEQRA Regulations; and

WHEREAS, the Members, having reviewed the determination of the Executive Director of the Agency and the Negative Declaration dated May 12, 2014, finding that the Action constitutes an “unlisted action” pursuant to Section 617.2 (ak) of the SEQRA Regulations which will not result in any significant adverse impacts on the environment based upon the analysis set forth in the Short Environmental Assessment Form (“EAF”).

NOW, THEREFORE, BE IT

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

RESOLVED, that the Members hereby establish the Agency as lead agency pursuant to the SEQRA Regulations; and be it further

RESOLVED, that the Members hereby adopt the determination of the Executive Director of the Agency and the Negative Declaration dated May 12, 2014, finding that the Project is an “unlisted action” which will not result in any significant adverse impacts on the environment based upon the analysis set forth in the EAF; and be it further

RESOLVED, that the Members hereby authorize the Executive Director or Assistant Executive Director of the Agency to prepare, file, and distribute such documents as may be required pursuant to Section 617.12 of the SEQRA Regulations to effectuate the foregoing determinations and findings made pursuant to the SEQRA Regulations; and be it further

RESOLVED, that the Members hereby authorize the purchase of the Premises from the referee at the tax lien foreclosure sale in accordance with the parameters outlined above, and it is further

RESOLVED, that the Executive Director and any officer of the Agency is hereby authorized to execute such instruments and to take such further action as may be necessary and appropriate to complete the Acquisition and to take such other action as may be reasonable and necessary to effectuate the foregoing.

Upon the motion of Mr. Bailey and seconded by Mr. Greilsheimer, the resolution was unanimously adopted.

RESOLUTION NO. 17 (2014)

**A RESOLUTION RATIFYING THE EXECUTION OF AN AMENDMENT
TO A PROFESSIONAL SERVICES AGREEMENT FOR ARCHITECTURAL
SERVICES WITH SIDNEY B. BOWNE & SON, LLP.**

WHEREAS, pursuant to Resolution No. 21 (2013), the Town of North Hempstead Community Development Agency (the “Agency”) entered into a professional services agreement with Sidney B. Bowne & Son, LLP, 235 East Jericho Turnpike, Mineola, New York 11501 for architectural services to create new affordable housing and mixed-use developments located in New Cassel/Westbury, New York (the “Original Agreement”); and

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

WHEREAS, as part of the development phase in the Original Agreement, the Consultant re-designed the existing two-family house on the North of the property located at 876 Brush Hollow Road, Westbury, New York for a gut-rehab/alteration to a one-family open-concept-plan affordable home (the “Design”); and

WHEREAS, due to unforeseen conditions during the Design phase, the Executive Director of the Agency executed an amendment to the Original Agreement authorizing a change in the scope of services allowing for the damaged portion of the existing dwelling to be demolished and new design and construction plans created for an addition in the rear of the dwelling, in consideration of an increase of \$7,500 for a total amount not to exceed \$51,300 for completion of the Design services in Developments I and II (the “Amendment”); and

WHEREAS, the members of the Agency (the “Members”) wish to ratify the execution of the Amendment.

NOW, THEREFORE, BE IT

RESOLVED, that the Members hereby ratify the execution of the Amendment; and be it further

RESOLVED, that the Executive Director and any officers of the Agency are hereby authorized to take such action as may be necessary to effectuate the foregoing.

Upon the motion of Mr. Bailey and seconded by Mr. Weitzman, the resolution was unanimously adopted. Mr. Weitzman noted that he did receive some campaign contribution from Bowne in past years.

RESOLUTION NO. 18 (2013)

**A RESOLUTION AUTHORIZING AN AMENDMENT TO THE
LAND DISPOSITION AGREEMENT WITH CORNERSTONE
PROPERTIES OF NEW YORK INC. TO PURCHASE AND
DEVELOP SITE I**

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

WHEREAS, pursuant to Resolution No. 1 (2013), the members (the “Members”) of the Town of North Hempstead Community Development Agency (the “Agency”), selected a proposal for the development of Site I by Cornerstone Properties of New York Inc., 12 Railroad Avenue, Glen Head, New York 11545 (“Cornerstone”) and authorized the execution of a land disposition agreement (the “LDA”) with Cornerstone to develop 11 three (3) bedroom modular townhouses in two phases. Phase I will consist of the construction and sale of five (5) townhouses on the west side of Site I and the construction of a 50’ by 150’ roadway (a public right of way) that shall be subsequently upon its completion be dedicated to the Town of North Hempstead. Upon the sale of the fourth townhouse in the Phase I , Phase II the construction and sale of six (6) townhouses will begin on the east side of Site I. Each townhouse will be a minimum of 20’ wide and will be approximately 42’ long. All of the townhouses will have a garage and be individually owned; and

WHEREAS, the LDA was executed on August 6, 2012 and contains a provision requiring Cornerstone to give preference to Town of North Hempstead residents for 50% ownership of the townhouses in conducting the lottery for ownership of the units (the “Local Preference”); and

WHEREAS, certain public financing options available to this project require additional analysis be undertaken when Local Preferences are mandated; and

WHEREAS, the Agency staff has recommended that the LDA be amended to remove the Local Preference and allow Cornerstone to market the units to all applicants because the delay in undertaking the aforesaid analysis may jeopardize the timing of the application for this public financing (the “Staff Recommendation”); and

WHEREAS, the Members wish to authorize and adopt the Staff Recommendation.

NOW, THEREFORE, BE IT

RESOLVED, that the Members hereby authorize and adopt the Staff Recommendation; and be it further

RESOLVED, that the Executive Director of the Agency and any other officer thereof is hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing

Upon the motion of Mr. Weitzman and seconded by Mr. Greilsheimer, the resolution was unanimously adopted.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 14, 2014
7:30 PM**

Adjournment

Upon a motion by Mr. Weitzman and seconded by Mr. Greilsheimer, the members of the Agency, by unanimous vote, adjourned the meeting at 8:30 p.m.