

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
May 20 2015
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 7:47 p.m.

Attendance

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

Lamont R. Bailey
Rodney A. Caines
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
Amanda Abata, In-house Counsel

Minutes of Meeting Held on March 25, 2015

Upon the motion of Mr. Greilsheimer, seconded by Mr. Caines the minutes held on March 25, 2015 were accepted.

Executive Director’s Report

The Executive Director’s Report consisted of the following:

Community Development Block Grant (“CDBG”) Program:

Operations:

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According to OCD, the Agency's current chart of account balance as of 5/1/15 is \$1,351,535.29.

Cash Balances as of 3/24/2015 are:

- Citibank –Lump Sum Account - \$736,477
- Citibank – Escrow Account - \$11,835
- Valley National Bank - Program Income Account - \$718,850

New Cassel Urban Renewal Plan

Active Projects:

Site A:

“Frank’s Barber Shop” is officially opened. The Agency approved the design for the store’s sign and has been ordered. When the sign is delivered and installed the Agency will reimburse the owner up to \$2,500 under the “Sign and Awning Program”.

The larger (approximately 4,400 sq. ft.) space that is being considered by the School for Language and Communication Development (“the School”) anticipates signing a lease within the next few weeks. It will be an additional location for the Calvin Klein Vocational Learning Program. The training is for developmentally disabled adults to gain retail and customer services skills. The students will be transported to the site in vans. Comparable programs are being run by the (“the School”) at Richmond Hill High School at a store front in Huntington. (“The School”) has been approved with a \$200,000 grant from New York State and will also seek additional grants in order to build out the space.

Site B:

The BONYM through 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”) a sneaker and sportswear store for \$425,000. Construction has been completed. Worthy is waiting for a final approval from Nassau County Fire Marshall and the Building Department.

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Site C: No Change

Residential units have been fully occupied since April 2011.

Bank of New York Mellon, (the “BONYM”) is searching for a purchaser for the remaining 3,700 sq. ft. of commercial space. The asking price is \$300,000 to \$350,000. The property is still being marketed by the BONYM. The Agency has received correspondence from a local church that is interested in purchasing the property.

Site D:

As per, Mr. Vilardi reported on March 16th that Caz Creek has not filed for a deed application and will advise when and if they are ready to file. Mr. Vilardi further states that he is working with the BONYM to “complete a framework for the transaction” and as well to purchase the tax lien from Caz Creek LLC.

Bank of New York Mellon wants to negotiate a new agreement with 139 LLC. BONYM stated that they will pay the taxes liens held by Caz Creek LLC of approximately \$622,000.

Current Comment:

According to Jim Vilardi the following is the current status of the Project:

Quoted from an update sent by Jim Vilardi on May 19, 2015:

“We are continuing to work on various elements of this project. I wanted to just give everyone a brief update. I would suggest that we have a team meeting with everyone in attendance perhaps over the next two weeks. I would ask Councilwoman Russell to organize the meeting.

1) As everyone may know already our firm has retained Edward Butt, the project architect to redesign the first level retail units as residential units. I anticipate a draft design within two to three weeks and will circulate when available.

2) Evan Trowbridge in our office is working with project supervisor Anthony Benequista in Ed Butt's office in preparing all documentation required for the change of zone application. I would anticipate the application being ready to submit within 30 days however I will keep everyone updated on application progress.

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3) Raj Bethasia is being held in detention by the United State Department of Immigration and is obviously unavailable to sign a deed and other various transfer documents. I understand that he has a hearing approaching on May 22nd but it is unknown to us at the moment if he will be released. With this complication we are now moving to an alternate plan to get the deed into our name.

4) I have been in constant communication with Mark Bogard who represents Caz Creek, the holder of the tax lien certificate. We have now reached an agreement with Caz Creek to purchase the certificate for a premium of \$25,000 and interim agreement is being drawn by Bank of New York Mellon, and transfer documents are being prepared by Caz Creek which should facilitate a closing within 7 to 10 days. Once the tax certificate has been assigned to 839 Management, LLC, we will begin the noticing and foreclosure process. “

5) I am working with Miriam Milgrom in the preparation of an amended application to the Nassau County IDA seeking modification and extension of the PILOT tax abatement program. I met with Miriam as recently as last week and the amended application is nearly ready for submission to the IDA and we anticipate a meeting of the Transaction Committee very shortly.”

Affordable Workforce Housing Program:

Current Comments: As of today (nineteen) 19 eligible applicants have been notified, two (2) are scheduled for pre-purchasing counseling and seventeen (17) have received counseling and are waiting bank pre-approvals in order to enter into contracts

Past Comments: Currently fourteen (14) eligible applicants have been notified, ten (10) are reserved for pre-purchasing counseling four (4) have received counseling and anticipate bank pre-approval in order to enter into contracts.

LIHP is in the process of reviewing the lottery applicants. Any houses still available after the list is exhausted will be made available to eligible applicants on a first come first serve basis. Additional advertising will be done to market these units.

Advertisements regarding the Work Force Housing available on Brush Hollow Road, Third Street, Brooklyn Avenue, Covert Street and the Town Houses located at Site I with instructions on how to submit an application for the lottery were advertised in Newsday

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and multiple English and Spanish language local newspapers. In addition, brochures designed with the assistance of the Town regarding the availability of the affordable houses and lottery applications were distributed by hand and through religious institutes throughout New Cassel by CDA Staff and UNCCRC. The applications were post marked by November 7, 2014. LIHP received 39 applications. The 39 names were selected on December 11th at the “Yes We Can “Community Center. All of the names were drawn randomly from a raffle drum and given a number from 1 to 39. The applicants continue to be reviewed in the order they were selected for income and mortgage eligibility and must agree to attend a home owner training program.

Once a sufficient number of applicants have been determined to be eligible and all permits are obtained construction will commence.

Site I:

Nassau County Planning Board requested that Cornerstone resubmit a drainage plan. The Agency is waiting for the County to complete the review and schedule the final sub division Hearing. Cornerstone resubmitted revised plans as requested and anticipates that the final sub division hearing scheduled for June 18, 2015.

Cornerstone Developers will develop eleven (11) – three (3) bedroom Townhouses and a public roadway. A lottery for the houses will be managed by the Long Island Housing Partnership (“LIHP”). A zoning analysis has been completed and a Zoning Compliance letter has been issued by the Town’s Planning Department. The process for final approval should be completed by January 2015. In order for the subdivision approval, Cornerstone will proceed with preparing deeds and permit document(s), and file them with the County Clerk and Town Department(s) for approvals. Some delays in financing for the project occurred with NYS Housing Affordable Housing Assistance application because submission that occurs in April or May 2013 was delayed until January 2014. The contract for the HOME funds has been routed through the County and has been executed. The New York State Affordable Housing Corporation met in September 2014 and approved Cornerstone’s/CDA’s application for down payment subsidy funds of \$40,000 per housing unit to assist buyers. CDA Staff was successful in working with the County to obtain additional HOME funds of approximately \$950,000 for the project. CDA is meeting with the developer and the County every two weeks to make sure the project stays on track.

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Site M: No Change

The Agency is working with a broker on a retail bank prospect. Harris Beech the Agency's outside council is reviewing an RFP for commercial development that will give special consideration to a proposal that has a letter of intent from a bank or credit union to open at this location

CDA owns properties 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.

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.

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“Scattered Sites”:

CDA received a permit pending notice from the Town of North Hempstead Building Department to execute Ben’s General Contracting Agreement.

Past Comments:

Brush Hollow Road:

The Agency received deeds completing sub-division. The existing main house will be renovated into a 3 bedroom home. The Agency submitted plans made by Sidney Bowne and Son, LLP to the Town’s Building Department on January 13, 2014 along with applications for permits. The Building Department issued an Omissions Letter on March 18, 2014 and Bowne addressed the Omissions on May 12, 2014. The Agency CDA received a “permit pending notice” on July 30, 2014. The Agency is in the process of relocating the tenants pursuant to HUD Regulations.

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

Bowne’s initial plans to the Building Department have been denied. A Board of Zoning Appeals Hearing was scheduled for October 22, 2014. The Hearing was then rescheduled to December 10, 2014. The Hearing is to be continued and the BZA recommended that Agency change the plans to set the stairs a minimum of 5 feet from any exterior wall. . The Agency will either pay Bowne to amend the plans or hire another Architect to make plans that comply with zoning. Another option, would be to wait for the Town to make the anticipated zoning changes however these delays can risk components in funding.

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.

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216 Brooklyn Avenue:

The Agency plans on building a three bedroom house on this lot utilizing the plans for the Third Street property.

Ben's General Contracting Corporation: *No Change*

A proposal from Ben's General Contracting Corporation to construct all four (4) of the single family homes "Scattered Sites" in the Workforce Housing Program was approved at the August 5, 2014 CDA Board Meeting. A contract sent to Ben's in November 2014 is being reviewed by Ben's Attorney and Insurance Professionals.

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

For Consideration

RESOLUTION NO. 16 (2015)

A RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN REAL PROPERTY LOCATED AT 1012 BROADWAY, WESTBURY NY.

WHEREAS, the Agency has negotiated a voluntary sale of real property known as 1012 Broadway, Westbury, New York and identified on the Nassau County Land and Tax Map as Section 11, Block 54, Lots 1 and 2 the ("Premises") for the purchase price of \$130,000 (the "Purchase Price") with the Estate of Rachel Baum, the owner of the Premises (the "Seller"); and

WHEREAS, the members of the Agency (the "Members") wish to authorize that purchase of the Premises from the Seller for the Purchase Price (the "Acquisition" or "Action"); and

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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 Assistant Executive Director of the Agency and the Negative Declaration dated May 20, 2015, 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

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 Assistant Executive Director of the Agency and the Negative Declaration dated May 20, 2015 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 Seller for the Purchase Price; 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.
in the By-laws.

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

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RESOLUTION NO. 17 (2015)

A RESOLUTION RECCOMENDING THAT THE TOWN OF NORTH HEMPSTEAD BOARD AMEND THE NEW CASSEL URBAN RENEWAL PLAN TO ADD 265 SHERIDAN STREET A/K/A 746 ROMAN AVENUE URBAN AVENUE IDENTIFIED ON THE NASSAU COUNTY LAND AND TAX MAP AS SECTION 11, BLOCK 19, LOT 30 AND 171 SLYVESTER STREET , IDENTIFIED AS SECTION 11, BLOCK 29, LOT 59 (“ACQUISITION PROPERTIES”)TO THE LIST OF PROPERTIES TO BE ACQUIRED.

WHEREAS, the Town of North Hempstead (the “Town”) Community Development Agency (the “Agency”) administers the New Cassel Area Urban Renewal Plan (the “Urban Renewal Plan”) to eliminate substandard conditions within the New Cassel area (the “Urban Renewal Area”), to improve the condition of deteriorated or dilapidated buildings within the Urban Renewal Area, to create new housing opportunities, to redevelop vacant, underutilized, and deteriorated properties, to enhance the aesthetics and overall image of the Urban Renewal Area, to improve public safety, to help generate economic activity, and to improve community facilities; and

WHEREAS, the Acquisition Properties are located within the Urban Renewal Area; and

WHEREAS, the Acquisition Properties contains substandard conditions that present a barrier to positive trends in neighborhood real estate values, detract from the aesthetics of the Urban Renewal Area, and diminishes the overall neighborhood environment, and presents an opportunity to develop commercial parking for the Urban Renewal Area that would enhance commercial and neighborhood retail revitalization; and

WHEREAS, Agency staff has recommended that the Agency (i) recommend to the Town Board that it amend the Urban Renewal Plan to designate the Properties as a property to be acquired pursuant to Section IV(A) of the Urban Renewal Plan, and the Property Acquisition Map and the accompanying List of Properties for Acquisition contained therein, and (ii) seek to acquire the Property for redevelopment in accordance with the Plan (the “Staff Recommendation”), and members of the Agency are desirous of authorizing and adopting the Staff Recommendation.

NOW, THEREFORE, BE IT

RESOLVED, that members of the Agency hereby authorize and adopt the Staff Recommendation; and be it further

RESOLVED, that Executive Director or any officer of the Agency is hereby authorized to take such action as may be necessary to effectuate the foregoing, including, without

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limitation, ordering of an appraisal of the Property, and entering into negotiations with the owner of the Property to acquire it.

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

RESOLUTION NO. 18 (2015)

A RESOLUTION AUTHORIZING THE SALE OF CERTAIN REAL PROPERTY.

WHEREAS, the Agency has negotiated a sale of a 2,500 square foot portion of real property known as 216 Brooklyn Avenue, Westbury, New York, identified on the Nassau County Land and Tax Map as Section 11, Block 122, Lot 20 (the “Premises”) for the sale price of \$45,000.00 (the “Sale Price”) with Michelle Management Corp., the purchaser of the Premises (the “Purchaser”); and

WHEREAS, the members of the Agency (the “Members”) wish to authorize that sale of the Premises to the Purchaser for the Sale Price (the “Sale” 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 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

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 finding that the Project is an “unlisted action” which will not result in any

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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 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 sale of the Premises to Purchaser for the Sale Price; 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 Sale and to take such other action as may be reasonable and necessary to effectuate the foregoing.

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

Adjournment

| The members of the Agency, by unanimous vote, adjourned the meeting at 8:23_p.m.