

Blue Mountain Housing Development Corporation
Town Hall
Bedford Hills, NY 10507

“The Mission of Blue Mountain Housing Development Corporation is to promote the social welfare, common good and the general welfare by enabling and facilitating the creation and preservation of affordable housing in the Town of Bedford through active advocacy, partnership and oversight.”

March 16, 2020

Hon. Christopher Burdick, Supervisor
And Members of the Town Board
Town of Bedford
Bedford Town Hall
321 Bedford Road
Bedford Hills, NY 10507

Re: Blue Mountain Housing Development Corp. 2019 Annual Report

Dear Supervisor Burdick and Members of the Town Board,

Attached is the Year 2019 Annual Report for the Blue Mountain Housing Development Corporation and the Bedford Town Housing Agency.

If there are any questions or concerns, please do not hesitate to contact me.

Thank you for your continued support and cooperation.

Sincerely,

Thomas McGrath
Chairman

Cc: Jeffrey Osterman, Director of Planning

Blue Mountain Housing Development Corporation

Annual Report

2019

Committee Members

Assignments

Julie Stern

Wildwood Road

Amy Pectol

Tax foreclosures

Sheila McSpedon

Secretary, Site Selection

Marc Levesque

Treasurer, McLain St., Library

Rick Genett

Legal

Rose Goldfine

Doyle House, McLain St., Library

Andrew Chintz

Old Post Road, McLain St., Library

Erin Scheur

Thomas McGrath

Chairman, Budget

The Board of Directors met formally ten times during 2019. The Board does not meet in July or August on a regular basis.

Guests attending meetings were as follows:

- Carrie Sears a member of the Pound Ridge Conservation Board and the Unitarian Fellowship of Northern Westchester Energy Justice Team in Mt. Kisco, and Lauren Broyce of Energize New York attended a meeting to make a presentation.

They both are trying to connect energy programs that already exist with low and middle income families. NYSEG, NYSERDA and Con Ed have low staffed programs and are having a hard time getting the word out. The programs serve property owners, landlords and renters. Programs are home energy assessments, low to no cost efficient upgrades, and solar. Low and moderate income renters, landlords and owners are targeted.

- A reporter from the Record Review came to a meeting. She was covering the town affordable housing code changes; and she has attended planning and town board meetings. She was interested in Blue Mountain's view of the proposed changes to the payment-in-lieu provision in the Town's zoning code.
- Joan Arnold from ACE attended a meeting to discuss a possible partnership and development opportunity in Bedford. While the Board is most interested in the development, the development costs and lack of subsidy rendered the proposal infeasible.

YEAR 2019 HIGHLIGHTS

Blue Mountain was asked by the Planning Board to opine on their consideration of modifying the Town's inclusionary zoning. The current zoning requires developments of single family home to include 10% of the homes as affordable and 20% in multifamily developments. The change would allow for a payment-in-lieu provision – at the discretion of the planning board.

The Board of Directors, after an in depth analysis, ultimately agreed that in certain circumstances it may make more sense to accept a payment rather than a requirement for the percentage of housing included.

After reviewing the leverage per unit that Blue Mountain was able to achieve on previous loans to affordable housing developments, the board agreed that if a payment is greater than the amount to create the requisite units for a site, then Blue Mountain would likely

be able to create more units than required via larger leverage on other developments – thus adding more units overall.

The Board of Directors passed a resolution of approval of the zoning modification. The Chairman of the Board then provided a letter of support to the Planning Board and the zoning amendment was adopted.

In certain circumstances this amendment could provide a windfall of funds to the Bedford Housing Trust Fund which in turn would allow Blue Mountain to be much more aggressive in seeking affordable housing opportunities.

Blue Mountain Bylaws

Eric Gordon, Esq., Town Attorney, recommended that Blue Mountain modify the by-laws **to eliminate:** 1) the provision that the Town Board appoints 501 (c) (3) Blue Mountain Board members, and 2) that Blue Mountain's purpose concerning housing is to benefit the elderly and families living in Bedford, and 3) **to add language:** that our purpose is to further federal and state assisted programs for low and middle income housing.

BLUE MOUNTAIN HOUSING DEVELOPMENT CORPORATION

Doyle House – 4 units of low-income housing.

Doyle House is the only property owned by Blue Mountain Housing. Finances on the property have been excellent. Positive cash flow during 2019 was in excess of \$20,000 for the year. NYS mandated reserves being held in escrow exceed \$48,000. These reserves include operating, replacement and capital reserves. The property is managed by AHOME: services include collecting rents and providing maintenance, AHOME also provides case management for the tenants. Case management includes various social services along with special considerations including gifts of turkeys at Thanksgiving, wreaths at Christmas time, assisting tenants in seeking jobs, tenant negotiations, personal budgeting and assisting children with the purchase of various school items etc.

Apartments are affordable to families earning no more than 50% of Westchester County median income adjusted by family size. Three of four tenants receive section 8 assistance. At the end of 2010 the mortgage secured by the property was paid off in full. Over time capital improvements have been made including new windows. During 2018 \$4,500 was spent washing the building, some painting and various repairs. The property continues to cash flow positively throughout 2018. Restricted Operating Accounts are in excess of \$200,000. Units are marketed by A-HOME.

One tenant has been in rent arrears for several months. This tenant has been a chronic offender and has received assistance from social service organizations two previous times. A-HOME, as property manager, has entered into an agreement with the subject tenant to catch up on rent over 12 months. That agreement was never adhered to by the tenant. Blue Mountain offered to waive some of the arrears and make a payment to the

tenant to assist in moving expenses but the offer was denied. Blue Mountain will move towards eviction.

David Lapsley Road – Charles McDuffie House - Single family 3-bedroom home.

The Town of Bedford sold two parcels of excess land to an affiliate company sponsored by Blue Mountain Housing known as Bedford Housing Development Fund Corporation. One parcel included a single family home in disrepair. With the assistance of The Town of Bedford and Habitat for Humanity, the home was completely renovated. This home is affordable to a family earning no more than 110% of Westchester County median income adjusted by family size. When available this home will be marketed by Westchester Housing Action Council.

No new news to report during 2019.

Habitat House – Single family 3-bedroom home.

The second parcel of land on David Lapsley Road referenced above was a vacant lot also sold by The Town of Bedford to Bedford Housing Development Fund Corporation. Bedford HDFC in turn sold the property to Habitat for Humanity for \$10. Habitat for Humanity is a private not for profit development company building homes primarily with donated labor and often materials. This home is affordable to a family earning no more than 110% of Westchester County median income adjusted by family size. When available this home will be marketed by Westchester Housing Action Council.

No news to report during 2019.

Wildwood Road – Blue Mountain Housing provided a \$50,000 deferred loan to A-Home to re-develop this 7 unit historic building in Katonah. A-Home also received \$475,000 in funding from Westchester County for rehabilitation. The units are affordable to families earning 60% to 80% of Westchester County median income. The units will remain affordable for 40 years. Apartments are marketed by A-HOME.

No news to report during 2019.

Woodcrest – Seniors Condominium development in Mount Kisco that had a set aside of 7 units for Bedford residents.

As part of the Justice Center lawsuit settlement, Woodcrest condominiums in Mt. Kisco requested a letter from Blue Mountain regarding a change to the condominium offering plan. The letter would remove the marketing requirement for Town of Bedford residents from their offering plan. Completed.

Various Properties – Working in conjunction with Westchester County Planning Department, Housing Action Council acquired three properties in the Town of Bedford; one on Ridge Street in Katonah, one on Church Street in Bedford Hills and a condominium on Nottingham Road in Bedford Hills. These properties are being rehabilitated and re-sold to families earning no more than 80% of Westchester County

median income adjusted by family size. Homes are being marketed by Housing Action Council.

- **Ridge St** - Westchester Housing Action Council approached Blue Mountain for assistance on behalf of a purchaser of the Ridge Street Home in Katonah during 2019. Repairs were required by the lender prior to closing and the buyer did not have funding to proceed. Blue Mountain was able to provide a loan of \$12,500 to the buyer for an escrow repair and allow the buyer to close on the home. HAC certified the borrower's eligibility for the lending program.

PROPERTIES AND ISSUES TRACKED DURING 2019

Properties tracked during 2019

- **McLain Street, Bedford** – During 2019 Blue Mountain reviewed several scenarios to develop a property on McLain Street as affordable homeownership and affordable rental. Several conversations and meetings took place with ACE. Blue Mountain passed a resolution to spend up to \$10,000 for predevelopment studies to assess the potential. A septic study was completed at a cost of \$4,500.
- **Main Street, Bedford Hills** – Blue Mountain reviewed to potential development of affordable apartments on two sites with existing parking lots. The goal was to build over the parking lot while still retaining existing parking. In order to evaluate the potential, Blue Mountain passed a resolution to spend up to \$10,000 for predevelopment expenses. \$5,000 was paid for a draft site plan. Evaluations are still underway.
- **Babbitt Road** – Review of two small multifamily houses for redevelopment. After review, owners asking price was too high.
- **Glen Road** – Review of two family house in reasonably good condition. Difficult to make investment as affordable housing.
- **A-HOME** – Discussions took place to consider addition additional apartments to Wildwood Road house and Dexter House.

Various other properties- including properties on Route 117, Cherry Street and Jay Street have been discussed and are continuing to be tracked for possible re-development.

BLUE MOUNTAIN HOUSING LENDING PROGRAMS

Down Payment Assistance Program

Recipients: Families with incomes at or below **80% median income of Westchester County** adjusted by family size depending on the property's restrictions (which ever is lower). The family must be a first time homebuyer.

Funds: Eligible applicants may receive up to \$12,500 towards the purchase of an affordable or middle income home in the Town of Bedford. The funds may be used to cover the cost of the purchase of a home including down payment and reasonable closing costs.

Restrictions: The home must remain affordable or middle income for at least 20 years. If the buyer sells the home earlier, the funds are subject to repayment. The funds may remain in place if the owner sells to another eligible purchaser.

Pre-Development Loan Program

Recipients: Not for profit developers interested in developing affordable or middle income housing in the Town of Bedford (including Blue Mountain Housing Development Corp.).

Funds: Eligible applicants may receive up to \$25,000 loans/grants for pre-development studies. Funds may be used for engineering studies, architectural drawings, soil borings or other uses approved by Bedford Town Housing Agency. Funds are to be repaid no later than the start of construction. Applicant must show reasonable feasibility of potential development.

Restrictions: Proposed development will meet Bedford Town Housing Agency's affordable or middle income requirements.

Acquisition Program

Recipients: Experienced for-profit and non-profit developers interested in developing affordable or middle housing in the Town of Bedford are eligible.

Funds: Applicants may receive up to \$50,000 to assist in the purchase of land or a building to be developed as affordable or middle housing. Funds may be used toward the purchase price or reasonable closing costs. Applicant must document financial need for the funds and that with the funds the proposed development is feasible.

Restrictions: Rentals – Units must be affordable to tenants with incomes at or below **60% to 80% of the Westchester County median income**

adjusted by family size. The apartments must remain affordable for at least 40 years.

Homeownership – Units must be sold to families with incomes at or below **80% to 120% of median income of Westchester County** adjusted by family size depending on the property's restrictions. The family must be a first time homebuyer. In the event the property is sold prior to the restriction term the funds must be repaid.

New Construction / Rehabilitation Grants

Recipients: Experienced for-profit and non-profit developers interested in developing affordable or middle income housing in the Town of Bedford.

Funds: Applicants may receive up to \$50,000 to assist in the financing of new construction or rehabilitation of affordable or middle income housing. Funds may be used for actual construction costs together with other subsidies and private financing. Applicant must document financial need for the funds and that with the funds the proposed development is feasible.

Restrictions: Rentals – Units must be affordable to tenants with incomes at or below **60% to 80% of the Westchester County median income** adjusted by family size. The apartments must remain affordable for at least 40 years.

Homeownership – Units must be sold to families with incomes at or below **80% to 110% of median income of Westchester County** adjusted by family size depending on the property's restrictions. The family must be a first time homebuyer. In the event the property is sold prior to the restriction term the funds must be repaid.

Blue Mountain Acquisition Fund

Recipient: Blue Mountain Housing Development Corp.

Funds: Blue Mountain may consider acquiring houses or condos, moderately renovating them and selling them as affordable homes. Blue Mountain would leverage their own dollars with other subsidies and private debt in order to afford the acquisition.

Restrictions: Homes would be sold to families with incomes at or below **80% to 110% of median income of Westchester County** adjusted by family size depending on the property's restrictions. The family must be a first time homebuyer and the homes must be affordable in perpetuity.

Handicap Accessibility Assistance Program

Recipient: Residents in the Town of Bedford requiring assistance in creating handicap accessibility to their primary residence.

Funds: Applicants may receive up to \$10,000 to assist in the financing of construction of accessible feature to a home. Funds may be used for actual construction costs together with other subsidies and private financing. Applicant must document financial need for the funds.

Restrictions: Funds are available to residents earning **50% of the median income of Westchester County** adjusted by family size.

All loan programs are subject to availability of funds.

SUB-COMMITTEES

Blue Mountain sub-committees to work on certain issues and report to the Board of Directors. The sub-committees are as follows:

1. Site Selection Committee – is charged with looking for opportunities to create affordable housing through-out the Town. The committee will search for land for sale, inexpensive homes for sale and development opportunities.
2. Loan Committee – is charged with reviewing applications for loans from Blue Mountain or Bedford Housing Trust Fund. The committee will **make** recommendations for approval with terms and conditions to the Board of Directors. Final approval will be from the Board.
3. Budget Committee – is charged with establishing a budget for Blue Mountain.