

FOR CONSIDERATION

October 20, 2011

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Howard Beach (Queens County) – Howard Park

REQUEST FOR: Sale of Howard Park and Associated Land to Catholic Charities:
Progress of Peoples Development Corporation – Authorization to
Acquire and Dispose of Real Property; Make a Determination of No
Significant Effect on the Environment; and Take Related Actions

Background

In accordance with the Community Mental Health Reinvestment Act, Chapter 723 of the Laws of 1993 (the "Act"), and in coordination with the State Interagency Council on Mental Hygiene Property Utilization (the "IAC"), ESD assists the State in disposing of surplus mental health property. In accordance with the Act, ESD acquires the State's interest in surplus mental health properties from the Dormitory Authority of the State of New York ("DASNY") and in turn conveys these properties to proposed purchasers.

The sale of the Howard Park Unit of Bernard Fineson in Queens (the "Property") is a result of a multi-year collaborative effort among several agencies to make surplus state land available for redevelopment as senior, low income housing. Commencing in 2007, OGS conducted an inventory of State facilities that had the potential for redevelopment as affordable housing. The Property was identified as a possible site.

To that end DASNY, Office of Mental Retardation and Developmental Disabilities ("OMRDD"), the New York State Housing Finance Agency ("HFA") and ESD entered into a memorandum of understanding dated January 5, 2009. That MOU combined the statutory authority of each of the agencies to find a qualified developer and sell the Property for redevelopment. Until recently, the Property was used by OMRDD as a residential facility and day hab type activities. The Property is 4 stories tall, containing 110,000 square feet on a 3.4 acre parcel near the Belt Parkway. Given that the Property will be used for low income housing, it has been appraised at a negative value and there will be no fee for ESD.

Pursuant to the MOU, HFA issued an RFP to redevelop the Property. HFA selected Catholic Charities: Progress of Peoples Development Corporation's proposal as the most suitable response to the RFP. The sale and conveyance of the Property will specifically require the developer to comply with requirements defined in the RFP and use the property for low income housing for 30 years.

Both the Division of the Budget and the State Interagency Council on Mental Hygiene Property Utilization approved the plan to sell the Property.

Proposal

It is proposed that ESD enter into a contract for \$1 with Howard Beach Housing Development Fund Corporation (the "Nominee Owner") (whose sole member is Catholic Charities: Progress of Peoples Development Corporation). At time of closing, DASNY and the Office of People with Developmental Disabilities (formerly OMRDD) will declare the property as surplus and transfer title to ESD which will subsequently convey title to the Nominee Owner. The deed will separate out the beneficial interest in the Property to Howard Beach Apartments, LLC (the "Beneficial Owner") (whose sole managing member is Howard Beach Housing Corporation, wholly owned by the Nominee Owner). Thus, Catholic Charities: Progress of Peoples Development Corporation will, as sole member of the Nominee Owner, Nominee Owner's sole ownership of Howard Beach Housing Corporation and Howard Beach Housing Corporation's position as sole managing member of Beneficial Owner, have a full and complete controlling interest in the Property. Because of this structure, the sale must also be approved as to form and manner of execution of the Agreement by the New York State Department of Law and the New York State Public Authorities Control Board ("PACB").

Affirmative Action

Purchaser shall affirm that it does not discriminate upon the basis of race, creed, color, sex or national origin.

Environmental Review

Pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation, ESD staff performed an environmental review. This review determined the project to be an Unlisted Action, which would not have a significant effect on the environment. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Attachments

Resolution

October 20, 2011

Howard Beach (Queens County) – Howard Park – Sale of Howard Park and Associated Land to Catholic Charities: Progress of Peoples Development Corporation – Authorization to Acquire and Dispose of Real Property; Make a Determination of No Significant Effect on the Environment; and Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds, pursuant to Section 5 of the New York State Urban Development Corporation Act of 1968, as amended, that it is necessary and convenient for the Corporation to acquire from the Dormitory Authority of the State of New York, for its immediate or future use in the furtherance of its corporate purposes, all or part of the Howard Park Unit of Bernard Fineson (the "Property") described in the attached materials ; and be it further

RESOLVED, that the Directors make a Determination of No Significant Effect on the Environment, in accordance with the terms conditions set forth in the materials presented to the Directors at this meeting; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or other proper Officer(s) of the Corporation be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take such actions and make such modifications, execute and deliver and affix the seal of the Corporation to all such agreements, contracts, deeds, certificates and instruments and to take any such action as he may, in his sole discretion, consider to be necessary or proper to effectuate the acquisition of the Property; and be it further

RESOLVED, that the President and Chief Operating Officer of the Corporation or other proper Officer(s) of the Corporation be, and each of them hereby is, authorized to dispose of all or part of the Property to Catholic Charities: Progress of Peoples Development Corporation on such terms and conditions as may be deemed reasonable and satisfactory by the President and Chief Operating Officer or other proper Officer(s); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or other proper officer(s) of the Corporation be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take such actions and make such modifications, execute and deliver and affix the seal of the Corporation to all such agreements, contracts, deeds, certificates and instruments and to take any such action as he may, in his sole discretion, consider to be necessary or proper to effectuate the sale of the Property.

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