B. Nassau County HDFC – Village Lofts Capital (W901)
September 14, 2010

General Project Plan

Grantee: Nassau County Housing Development Fund Corporation
("Nassau County HDFC" or the "Organization")

ESD Investment: A grant of up to $1,000,000 to be used for acquisition and closing costs of a moderate-density rental housing project.

Project Location: 479 Front Street, Hempstead Village, Nassau County

NYS Empire Zone (or equivalent): N/A

Project Completion: September 2010

Grantee Contact: Daniel Martin, President & CEO
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Project Team:

Project Management	Gregory E. Fitzgerald
Affirmative Action	Laverne Poole
Environmental	Soo Kang

Project Description:

Background

The NYC Partnership Housing Development Fund Company, Inc. doing business as the Housing Partnership Development Corporation (the "Housing Partnership" or the "HPDC") is New York City's primary intermediary for the development of affordable workforce homeownership housing. Since 1982, the Housing Partnership and its partners have created more than 28,000 units of affordable housing throughout the New York metropolitan area. The Nassau County Housing Development Fund Corporation, which was newly formed in 2009, is a wholly owned subsidiary of the Housing Partnership, established for the purpose of facilitating the development of affordable workforce housing in Nassau County. The Nassau County HDFC acts an intermediary between the public and private sectors to assist in the development of projects with an affordability component.

Housing developed by HPDC is assisted by subsidies for affordable housing development, and each year they help to secure approximately $15 million in New York State subsidies for affordable housing from a variety of state sources. Their goal is to produce at least 1,200 units of affordable housing annually through an assortment of new construction or other housing programs.

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According to the Nassau Urban County Consortium's Five Year Consolidated Plan & Annual Action Plan for 2005 – 2009, low-income residents falling in the 31-50% area median income ("AMI") category with a household cost burden in excess of 30% of total income, is assigned a high-priority rating. Households who are of low-income are paying more than they can afford for housing, such as seniors living on fixed incomes, young families starting out with their first homes and families and individuals with marginal employment. Furthermore, moderate-income residents making between 51 – 80% AMI also experience a high-cost burden, spending in excess of 30% of total income on household costs. According to U.S. Census data, 36.6% of the primary market area rental households are categorized as cost burdened. Few new housing projects have been constructed in the market area in the last ten years, and the majority of rental options were built between 1950 and 1970, with only 3.4% built between 1990 and 2000.

As a result of this data, the Nassau County HDFC will construct twenty-nine units in Hempstead, Nassau County, called the "Village Lofts", which will provide new housing stock at rental rates affordable to residents making 60% and 90% of the AMI, meeting the demand for new, quality housing stock, and the demand for low and moderately priced housing units.

The Project

The project involves the acquisition and associated closing costs of four abandoned and blighted residential structures, which will be demolished and the land assembled to construct the Village Lofts, a mid-rise residential complex on Front Street in Hempstead Village. The final project will result in the creation of a mid-rise building of approximately 32,263 square feet to consist of twenty-nine rental units including 1- and 2-bedroom layouts, including several duplex units. The majority of units will be leased at prices targeting a moderate income level of the housing market, in line with a "workforce housing" target, and will be affordable to residents making less than 90% of AMI. 20% of the units will be marketed at rates affordable to residents making less than 60% of AMI.

The Village Lofts project will be developed in partnership with a New York City-based real estate development firm, La Cite Development, LLC ("La Cite"). Nassau County HDFC will be the owner of the project. During the pre-development stage, La Cite will commission market studies, surveys and environmental studies. The team will select the architects, engineers and project consultants, carry out feasibility studies and financial underwriting, and will oversee the design and planning stages of the project, including submission of all applications for zoning and planning approvals. STUDIOS Architecture ("STUDIOS"), headquartered in San Francisco, California with offices in New York City, was selected as the lead architect for the project. To date, STUDIOS has completed the schematic design of the project, and full architectural designs are expected to be completed in January 2011.

The Organization has finalized the Purchase Agreement for the property and expects to close

on the four lots in September 2010. Demolition is expected to begin in the winter of 2010 and construction of the Village Lofts is expected to be completed in September 2012.

Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition and Closing Costs (including land acquisition, legal fees, insurance, and title/recording fees)	$1,000,000	ESD Grant	$1,000,000	100%
Total Project Costs	$1,000,000	Total Project Financing	$1,000,000	100%

Financial Terms and Conditions:

1. The Grantee will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.

3. Up to $1,000,000 will be disbursed to Grantee in a lump sum upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice, closing documents and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 1, 2009 to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental Review:
The Nassau County Office of Housing and Intergovernmental Affairs, as lead agency, has completed an environmental review of the proposed project, 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. This review, which was coordinated with ESD as an involved agency, found the project to be an Unlisted Action which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 12, 2010. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

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Statutory Basis – Economic and Community Development Projects:
The project was authorized in the 2009-2010 New York State budget and reappropriated in the 2010-2011 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:
The Grantee has provided ESDC with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

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Hempstead Village (Nassau County) – Nassau County HDFC – Village Lofts Capital– Economic and Community Development Projects – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Nassau County HDFC – Village Lofts Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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