

**Bedford Town Housing Agency
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.”

May 8, 2017

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. 2016 Annual Report

Dear Supervisor Burdick and Members of the Town Board,

Attached is the Year 2016 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

Bedford Town Housing Agency
Blue Mountain Housing Development Corporation
Annual Report
2016

Committee Members

Assignments

Rhoda Gushue

Bedford Lakes Rentals

Julie Stern

Wildwood Road

Amy Pectol

Tax foreclosures

Sheila McSpedon

Secretary, Site Selection

Bruce Yablon

Treasurer, Doyle construction

Cynthia Jaffe

Rental Waiting List

Carl Jaffe - Resigned

Bedford HDFC

Rose Goldfine - 2016

Andrew Chintz - 2016

Thomas McGrath

Chairman, Budget

The Committee met formally ten times during 2016. The Board does not meet in July or August on a regular basis.

Invited guests to attend meetings were as follows:

Town Supervisor Chris Burdick joined several meetings. Supervisor Burdick provided regular updates monthly of progress being made on The Antioch affordable Housing Development on Railroad Ave. Bedford Hills.

Department of Planning Head Jeff Osterman He joined Supervisor Burdick in providing updates on the Antioch Affordable Housing Development.

Marion Blount, Trustee of Antioch Church joined meetings in 2016. Mr. Blount has headed the potential Antioch Church affordable housing development on Railroad Ave. in Bedford Hills.

Randall Lawrence, Attorney was recognized at a meeting for his many years of pro-bono assistance to Blue Mountain. A plaque thanking Mr. Lawrence was presented at the meeting.

YEAR 2016 HIGHLIGHTS

Antioch Affordable Housing Development – Antioch Church from Bedford Hills approached the Town of Bedford through Supervisor Burdick to discuss the possibility of repurposing property they own on Railroad Ave. to create affordable housing. The property consists of an old church, a single family home and a four family house.

Supervisor Burdick organized interested parties to assist in turning this discussion into a reality. Weekly meetings were set which included staff from Westchester County, Westchester Housing Coalition, engineering firms, architectural firm and Blue Mountain Housing to discuss progress and next steps to advance the development.

The first step was to find out if there was septic capacity for the proposed development. Blue Mountain agreed to provide a grant up to \$10,000 through Blue Mountain's predevelopment loan/grant program to hire an engineering firm and backhoe to dig deep holes to test for septic capacity. Blue Mountain also agreed to provide pre-development funding of up to \$20,000 (including the original \$10,000) to assist with payment for architectural and engineering plans. Bedford Housing Trust Fund also agreed to fund up to \$15,000 in pre-development costs.

The test results showed that with the addition of adjacent property, owned by the Town of Bedford, that septic capacity could be accommodated for the development. The Town of Bedford also agreed to include their land as part of the development.

Applications were applied for and committed by Westchester County Land Acquisition Fund in the amount of \$460,000, Housing Implementation Funds and Fair and Affordable

Housing Funds of \$1,788,000, HCR CDBG Funds of \$463,000 and financing from CPC in the amount of \$875,000.

Once the development was considered to be feasible Blue Mountain agreed to an additional loan of up to \$30,000 to Antioch HDFC for a down payment to the modular company in order for them to begin with the design of building plans for the new buildings. The loan was interest free and will be repaid at the closing of the construction loan.

Blue Mountain is expecting to provide an additional deferred loan to the developer to help close any potential funding gap. In anticipation of providing this gap loan Blue Mountain has requested a transfer of funds from Bedford Housing Trust Fund of up to \$70,000 in order to fund this loan. Final terms and conditions will be negotiated with the Antioch HDFC. Expected construction start should be early 2017.

BEDFORD TOWN HOUSING AGENCY

Antioch Affordable Housing Development – As part of the development explained above, Bedford Town Housing Agency through its Bedford Housing Trust Fund was asked to consider providing funding for pre-development expenses to assist in the creation of additional affordable housing units. The Board approved up to \$15,000 in funding from the Trust Fund. In addition, Bedford Housing Trust Fund approved a transfer of up to \$70,000 to Blue Mountain to provide funds for Blue Mountain to in turn provide up to \$70,000 for a gap loan to Antioch HDFC for the creation of 12 units of low income housing.

The Bedford Housing Trust Fund was created by the Town in order to assist and help fund affordable housing in the Town of Bedford. The investment in this development was considered by the Board to be very impactful in adding additional units to the Town. The entity receives its funds through a payment-in-lieu provision in the affordable housing zoning and a direct payment to the fund for subdivisions less than 5 lots in the Town.

Bedford Lakes Rentals – 28 Low and Moderate Income Senior Citizen Apartments. Of the 62 total units, 28 affordable units affordability are under the oversight of Bedford Town Housing Agency. During the past few years the low and moderate income units' rental price has caught up to the market rate prices. Rentals are affordable to seniors earning no more than 80% - 90% of Westchester County median income adjusted by family size. Several units were available and leased during 2016.

Lakeside at Bedford – 14 Middle Income Town homes.

As part of a much larger development, 14 town homes were built in 1997-98 under the Town's Middle Income Housing Zoning. When available, homes are affordable to families earning no greater than the median income of a Bedford Town employee adjusted by family size. One opportunity was available during 2016. A one bedroom was available for sale for \$207,837. Shortly after the seller changed her mind and decided not to sell.

North Bedford Road - 20 Moderate Income Rental Apartments.

This 19 unit plus 1 single family home was funded by Westchester County Land Acquisition Funds. The property is affordable to families earning no more than 80% of the Westchester median income adjusted by family size.

Anderson Road – Single family home with an accessory apartment.

Developed in a partnership with AHOME this property consists of a 3-bedroom home along with a 1-bedroom accessory apartment. If available, this home is affordable to families earning no more than 80% of Westchester County median income adjusted by family size. The rental is affordable to residents earning 60% of median. No activity was reported during 2016.

Harris Road – 1 two-bedroom and 1 one-bedroom apartment.

The Westchester Land Trust acquired a property on Harris Road to relocate their offices. The property contained a garage along with two apartments. The Land Trust agreed to rent the units to families earning no more than 80% of Westchester County median income adjusted by family size. Both units were rented originally in 2007. In 2014 the land trust agreed to keep rents at the same level for the third straight year.

Woodcrest Senior Condos – 7 one-bedroom condominiums for Senior Citizens.

Woodcrest is located in Mount Kisco. However, the access to the site runs through the Town of Bedford. At the time of approvals, an agreement was made between the Town of Bedford and the developer to reserve 7 units for Bedford residents. The units are affordable to families earning 80% of the Westchester median income adjusted by family size. The sales are overseen by Community Housing Innovations of White Plains, a not for profit organization.

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 2016 was in excess of \$27,000 for the year. NYS mandated reserves being held in escrow exceed \$46,000. 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, assisting tenants in seeking jobs, tenant negotiations, personal budgeting and assisting children with the purchase of cleats for soccer games etc.

Apartments are affordable to families earning no more than 50% of Westchester County median income adjusted by family size. At the end of 2010 the mortgage secured by the property was paid off in full. Window replacement was completed in 2015 and was paid directly from the operating account. The property continues to cash flow positively throughout 2016. Restricted Operating Accounts are in excess of \$130,000.

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 the Town of Bedford employee median income adjusted by family size.

During 2016 funds from Bedford HDFC were transferred to Blue Mountain Housing as was originally planned.

Habitat House – Single family 3-bedroom home.

The second parcel of land 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 the Town of Bedford employee median income adjusted by family size.

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 has also received \$475,000 in funding from Westchester County for rehabilitation. The units are affordable to families earning 60% to 80% of Westchester median. The units will remain affordable for 40 years.

PROPERTIES AND ISSUES TRACKED DURING 2016

Foreclosures

Blue Mountain has been tracking several properties that are in foreclosure within the Town of Bedford. It has proved to be very difficult to make contact with the correct people/departments at the various banks involved. Blue Mountain may be able to create homeownership opportunities if this strategy becomes successful.

Westchester County Fair and Affordable Housing Settlement

In 2009 Westchester County signed a housing settlement with the US Department of Housing and Urban Development which requires the County to develop 750 units of fair and affordable housing throughout 31 communities – including Bedford.

Blue Mountain has worked with the Town Planning Department and the Town Planning Board to create Fair and Affordable Housing Zoning in Bedford which includes the Fair and Affordable Model Marketing Plan. The Zoning is based on Westchester County's Model Zoning Ordinance for Fair and Affordable Housing.

At the end of 2016, Westchester County announced that they had committed or closed on funding of approximately 800 units of housing thereby meeting the terms of the settlement.

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 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 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 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 affordability requirements.

Acquisition Program

Recipients: Experienced for-profit and non-profit developers interested in developing affordable 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 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% 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% 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 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 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% 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% 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% 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.

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.