

C. Yonkers – Restore III – Philipse Manor Historic District Rehabilitation (W872)

January 21, 2010

General Project Plan

- Grantee:** City of Yonkers (“Yonkers” or the “City”)
- ESD Investment:** A grant of up to \$3,505,000 to be used for a portion of the cost of environmental remediation, demolition, renovations and new construction
- Project Location:** 40-56 Warburton Avenue, Yonkers, Westchester County
- NYS Empire Zone (or equivalent):** Yonkers Empire Zone
- Project Completion:** May 2012
- Grantee Contact:** Mario Caruso, Principal Planner
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Phone: (914) 377-6562 Fax: (914) 377-6672
- Project Team:**
- | | |
|--------------------|----------------|
| Project Management | Brendan Healey |
| Affirmative Action | Denise Ross |
| Environmental | Soo Kang |

Project Description:

Background

Yonkers, which was incorporated in 1872, is located in the southwestern corner of Westchester County in the Mid-Hudson Region of New York State. The City is 18.3 square miles in area and is the fourth largest city in New York State. It has a current population of approximately 200,000 residents. Yonkers thrived during New York’s industrial age; but in the mid-twentieth century the city entered a period of slow, steady decline, especially in its older, urbanized southwestern quadrant. Major manufacturing firms such as Otis Elevator and Alexander Smith Carpet Mills, which once employed a combined total of 7,500 people, left the city. Getty Square, once one of Westchester’s busiest retail districts, steadily lost businesses to a new generation of suburban malls. However, since the early 1990’s, Yonkers has begun to reverse this trend and a dramatic renaissance has been occurring in the downtown waterfront area and the City as a whole. Revitalization efforts have included a new riverfront library, a ½ mile public waterfront esplanade, a refurbished public pier, new apartments, a concentration of new restaurants and a restored train station.

Yonkers has embarked on an ambitious redevelopment plan for its downtown, with the development team of Streuver Fidelco Cappelli (“SFC”) proposing to build 1,386 housing units, 483,000 square feet of retail space, 90,000 square feet of restaurant space,

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approximately 475,000 square feet of office space, 80,000 square feet of cinema, a 150 room hotel, a 6,500-seat ballpark and a 1,100 linear foot riverwalk, all of which is in close vicinity to the project.

The project is complementary to the City's downtown redevelopment initiatives and is consistent with the Yonkers Comprehensive Plan, which was adopted in September 2000. Goals of the Yonkers Comprehensive Plan that are achieved by the project include preserving existing housing stock, encouraging the creation of affordable housing opportunities and strengthening and enhancing local and regional shopping areas. Yonkers requires Restore III funds to bridge a financing gap in order to allow the project to proceed.

In 2006, Yonkers was awarded a \$2,167,000 grant in the first round of Restore NY for the demolition of the Mulford Gardens Municipal Housing Complex. Demolition has been completed and it is anticipated that a first phase of construction, containing 100 units of housing, will be completed in December 2010.

The Project

The project will rehabilitate and restore a majority of the Philipse Manor Historic District, a distinctive block of turn of the century two to four story structures. Greyston Foundation, a socially conscious organization that creates affordable housing, plans to restore six predominantly vacant, historic mixed-use properties located at 44-56 Warburton Avenue and construct a 12-story building, containing 88 units of "workforce housing" and parking, on vacant land behind the buildings. The plan is to save and restore approximately 35 feet of these six historic buildings and create one artist's live/work unit in each building with one retail storefront acting as the lobby for the new residential building. The workforce housing will be offered as co-ops for households earning between 60% and 80% of the area median income. Two residents and two businesses will be relocated as a result of the project. By the time that construction commences, 44-56 Warburton Avenue will be vacant. ESD confirmed with the City that the two residential tenants in 44-56 Warburton Avenue will be relocated to other apartments that Greyston Foundation owns. The City confirms these apartments are decent, safe and sanitary dwellings, which are in areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such tenants and reasonably accessible to their places of employment.

In addition, the project involves the restoration of two predominantly vacant structures at 40 and 42 Warburton Avenue. Both three level structures are privately owned. The intent is to restore the retail storefronts and create a residential unit in each of the upper floors. It is anticipated that the current residential tenant and business will continue to be located at 42 Warburton Avenue.

The project sits at a crucial downtown location across from the Philipse Manor Hall State Historic Site, the 17th century estate and headquarters for the Philipse family's manor that once stretched from the southern Bronx to current day Ossining. The project will have a

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tremendous effect on the quantity, quality and variety of the Yonkers housing stock.

The project will be managed by the different developers and the various consultants they have engaged to design and implement the project. ESD’s funds will be used for environmental remediation, demolition and renovation. The project will begin in May 2010 and be complete in May 2012.

40 Warburton Avenue

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	373,250	ESD Grant	\$218,210	47.2%
Infrastructure/Site Preparation/Remediation	7,225	Yonkers Community Development Block Grant	69,000	14.9%
Soft Costs	56,700	City Equity*	74,965	16.2%
Contingencies	25,000	Yonkers Home (HUD) Funds	100,000	21.6%
Total Project Costs	\$462,175	Total Project Financing	\$462,175	100.0%

*Source of equity from the developer.

42 Warburton Avenue

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	523,623	ESD Grant	\$367,736	54.7%
Infrastructure/Site Preparation/Remediation	49,046	Yonkers Community Development Block Grant	85,000	12.6%
Soft Costs	65,500	City Equity	119,933	17.8%
Contingencies	34,500	Yonkers Home (HUD) Funds	100,000	14.9%
Total Project Costs	\$672,669	Total Project Financing	\$672,669	100.0%

*Source of equity from the developer.

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44-56 Warburton Avenue

Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition	3,230,000	ESD Grant	\$2,919,054	7.7%
Renovation	4,539,569	Yonkers Home (HUD) Funds	1,100,000	2.9%
New Construction	20,350,128	Sales Proceeds	8,212,776	21.6%
Infrastructure/Site Preparation/Remediation	4,915,414	City Equity*	14,065,792	37.0%
Soft Costs	4,437,790	Westchester County**	5,505,000	14.5%
Contingencies	499,721	New York State***	6,120,000	16.1%
		Enterprise Community Partners Grant	50,000	0.1%
Total Project Costs	\$37,972,622	Total Project Financing	\$37,972,622	100.0%

*Source of equity from the developer.

**Westchester New Home Land Acquisition and Westchester Housing Implementation Fund

***New York State Affordable Housing Corporation and New York State DHCR/Housing Trust Fund

Financial Terms and Conditions:

1. At the time of disbursement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. The City will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. **40 Warburton Avenue** - Up to \$218,210 will be disbursed to Grantee upon documentation of project costs totaling \$437,175 and 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 and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 4, 2009 to be considered reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

42 Warburton Avenue - Up to \$367,736 will be disbursed to Grantee upon documentation of project costs totaling \$638,169 and upon completion of the project substantially as described in these materials, assuming that all project approvals have

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been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 4, 2009 to be considered reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

44-56 Warburton Avenue - Up to \$2,919,054 will be disbursed to Grantee upon documentation of project costs totaling \$37,472,901 and 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 and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 4, 2009 to be considered reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,505,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City 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.
6. If the Grantee is not the owner of the Project, then the Grantee shall prohibit, for five years from the date of the initial disbursement of Grant funds, any transfer of the Project in whole or in part, by sale, lease, or conveyance of any interest in or with respect to the Project except (a) transfers of minor interests in the Project site, such as utility easements and limited rights-of-way, and (b)(i) the arms-length basis sale or lease of individual condominium units in the ordinary course of business for a condominium development and (ii) the arms-length basis residential or commercial lease in the ordinary course of business for a commercial, residential, or mixed-use rental development. In the event that such a prohibited transfer occurs within such five- year period, the Grantee shall pay to ESD, promptly upon ESD's written demand therefore, the applicable amount indicated below.

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year

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- after the disbursement was made;
- (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

Environmental Review:

The City of Yonkers Zoning Board of Appeals, as lead agency, has completed an environmental review of the proposed Warburton Riverview Workforce Housing project at 44-56 Warburton Avenue, and the City of Yonkers Department of Planning and Development, as lead agency, has completed an environmental review of the proposed restoration projects at 40 and 42 Warburton Avenue, 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. These reviews found the projects would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the project’s location within the Philipse Manor Historic District and proximity to the Philipse Manor Hall, which are listed in the National Register of Historic Places, ESD has confirmed that the project sponsor initiated consultation with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed with OPRHP in accordance with a Letter of Understanding for the buildings at 40 and 42 Warburton Avenue, and that all conditions stipulated in the Letter of Resolution for the Warburton Riverview Workforce Housing project are met.

Affirmative Action:

ESD’s Non-discrimination and Affirmative Action policy will apply. The grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 7% and a Women Business Enterprise participation goal of 3% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project, and to include minorities and women in any job opportunities created by the project.

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Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.
The project involves the rehabilitation and reconstruction of predominantly vacant and surplus commercial and residential buildings, which has been deemed by the City to arrest sound growth and development in the area.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
The project involves the rehabilitation and reconstruction of sites that the City has included in its comprehensive plan, which was adopted in September 2000. The project satisfies the comprehensive plan's goals of preserving existing housing stock, encouraging the creation of affordable housing opportunities and strengthening and enhancing local and regional shopping areas.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
The City published a property assessment list and held a public hearing on the project at the time of application. The City will ensure compliance with all applicable local laws and regulations.
4. The requirements of Section 10(g) of the Act are satisfied.
There is a feasible method for the relocation of families and individuals displaced from the project area into decent, safe and sanitary dwellings, which are or will be provided in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places of employment.

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Yonkers (Westchester County) – Yonkers - Restore III - Philipse Manor Historic District
Rehabilitation – Restore NY Communities – Determination of No Significant Effect on the
Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Yonkers -
Restore III - Philipse Manor Historic District Rehabilitation Project, the Corporation hereby
determines that the proposed action will not have a significant effect on the environment.

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