



City of Rochester

City Hall Room 307A, 30 Church Street
Rochester, New York 14614-1290
www.cityofrochester.gov

**NEIGHBORHOOD &
BUSINESS DEVELOPMENT
INTRODUCTORY NO.**

395

Lovely A. Warren
Mayor

October 28, 2020

NBD06

TO THE COUNCIL

Ladies and Gentlemen:

Re: CDS Clifford and Joseph Apartments Project

Council Priority: Rebuilding and Strengthening
Neighborhood Housing

Comprehensive Plan 2034 Initiative Area:
Reinforcing Strong Neighborhoods

Transmitted herewith for your approval is legislation related to CDS Clifford and Joseph Apartments, an affordable and supportive rental housing community project for families and individuals. The project is being developed and will be owned by CDS Monarch, Inc. (CDS) (Sankar Sewnauth, President/CEO), with offices at 860 Hard Road, Webster, NY 14580. CDS Clifford and Joseph Apartments will be located at the southeast corner of Clifford and Joseph Avenues and on Maria Street in the CONEA Neighborhood in Northeast Rochester.

This legislation will:

1. Authorize the sale of twenty-three (23) parcels of City-owned land, at the south-east corner of Clifford and Joseph Avenues (see attached City-owned Parcel detail) at a total of \$20,700, their combined appraised values, to CDS Monarch, Inc., CDS Clifford Ave, LLC, or an affiliated partnership or housing development fund corporation to be formed by CDS. See attached list of City owned parcels and detail below.

Street #	Street Name	SBL #	Lot Size	S/F	Purchase Price
562-566	Joseph Ave	106.31-3-28	48X131	6,288	\$2,500
576-590	Joseph Ave	106.31-3-30.002	144x122	17,689	\$8,800
615	Clifford Ave	106.31-3-15	40x120	4,800	\$425
621	Clifford Ave	106.31-3-16	42 x120	5,040	\$450
625	Clifford Ave	106.31-3-17	42 x120	4,848	\$425
1	Theodore St	106.31-3-18	40 x 124	4,984	\$425
2	Theodore St	106.31-3-19	40 x 124	4,766	\$425
3	Theodore St	106.31-3-20	40 x 124	5,097	\$450
4	Theodore St	106.31-3-21	40 x 125	4,920	\$425
14	Maria St	106.32-4-24	36 x102	3,972	\$400
16	Maria St	106.32-4-25	36x102	3,617	\$400
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Street #	Street Name	SBL #	Lot Size	S/F	Purchase Price
25	Maria St	106.32-4-40.001	46x120	5,549	\$450
26	Maria St	106.32-4-30.001	64x150	9,600	\$550
29	Maria St	106.32-4-37.002	46x120	5,534	\$450
30	Maria St	106.32-4-32.001	65x100	6,500	\$475
31	Maria St	106.32-4-36.002	46x120	5,527	\$450
34	Maria St	106.32-4-34	33x70	2,310	\$400
35	Maria St	106.32-4-1.001	46x120	5,580	\$450
36	Maria St	106.32-4-2	33x70	2,310	\$400
				TOTAL	\$20,700

2. Authorize a \$1,000,000 HOME funded permanent loan agreement for the project, and appropriate the same amount from the Consolidated Plan/2020-21 Annual Action Plan, Affordable Housing Fund allocation to fund the loan. The permanent loan includes a 30 year term, and 2% interest-only, cash flow dependent payments due annually, with the outstanding principal balance and any accrued interest due at the end of the 30 year term.
3. Authorize a property tax exemption and payment-in-lieu of taxes agreement for the CDS Clifford Avenue Apartments Affordable Housing project, which will provide a 30-year exemption for an annual in-lieu payment equal to 10% of the project shelter rents (gross rents minus utility costs). See attached list of parcels.

Current Owner	Street #	Street Name	SBL #
City of Rochester	562-566	Joseph Ave	106.31-3-28
City of Rochester	576-590	Joseph Ave	106.31-3-30.002
City of Rochester	615	Clifford Ave	106.31-3-15
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City of Rochester	26	Maria St	106.32-4-30.001
City of Rochester	29	Maria St	106.32-4-37.002
City of Rochester	30	Maria St	106.32-4-32.001
City of Rochester	31	Maria St	106.32-4-36.002
City of Rochester	34	Maria St	106.32-4-34
City of Rochester	35	Maria St	106.32-4-1.001

Current Owner	Street #	Street Name	SBL #
City of Rochester	36	Maria St	106.32-4-2
Antonio Garcia	570	Joseph Ave	106.31-3-29
CDS Monarch, Inc.	6	Theodore St	106.31-3-23.001

4. Authorize the Mayor to execute such agreements and other documents as may be necessary to effectuate the agreement authorized herein; and
5. Authorize the Mayor to adjust the interest rate and other terms and conditions of the loan in order to conform to legal and other requirements for the Project.

The CDS Clifford and Joseph Apartments project includes the construction of seven buildings on three adjacent parcels totaling 214,229 square-feet. The project meets the guidelines in the City's Affordable Housing Policy as codified in section 10-11 of the City Code. All 164 units will be reserved for extremely low-income, very low-income, and low-income households, including 48 units set aside for special needs populations. The largest building will contain 94 units, a second will contain 20 units, and the remaining five buildings will have ten units each. This project will be comprised of 37 one-bedroom, 96 two-bedroom, 24 three-bedroom, and five (5) four-bedroom units. The development will provide 106 parking spaces, a commercial space, management and support services staff offices, a business/computer center, exercise room, and a community center. Rents include heat, hot water, and refuse services. Tenants will pay for electricity, cable, internet, and laundry.

The project includes 42 units targeted to households with incomes at or below 50% of AMI, 50 units targeted to households with incomes at or below 60% of AMI, and 16 units targeted to households with incomes at or below 80% of AMI. Eight (8) units will have project based vouchers, or section 8 rental subsidy, from the Rochester Housing Authority, and will be targeted to households between 0-50% of AMI. The 48 special needs housing units are set aside for individuals and families with mental illness and survivors of domestic violence, and rental subsidies and support services will be provided to these households. The development team has secured Empire State Supportive Housing Initiative (ESSHI) funding to subsidize the supportive services required by the special needs tenants and to provide those tenants with rental assistance.

The site includes 25 individual parcels, of which 23 are City-owned vacant land, and will be re-subdivided into three parcels. The privately owned properties include an automotive use on Joseph Avenue and a single family home on Theodore Street, both of which will be demolished. CDS has completed the purchase of one privately owned parcel, and will complete the purchase of the remaining privately owned parcel in October. The project has received Site Plan approval, and the abandonment of Theodore Street and Official Map Amendment were submitted to City Council for review during the October (2020) Council meeting. The re-subdivision will occur after all parcels are owned by CDS, anticipated for November 2020. The site is close to other investment and development efforts, such as the Pueblo Nuevo affordable housing development, La Marketa project, El Camino Estates 1 and 2, Mildred John Estates 1 and 2, and Upper Falls Square Apartments

CDS Monarch, Inc. is a non-profit organization that provides housing and supportive services to special needs populations across Upstate New York, and has been in existence for over 40 years. CDS currently owns and manages 27 group homes throughout Monroe County, and is the owner and developer of several affordable and integrated supportive multifamily housing developments in New York. Other development team members include consulting developer CSD Housing, LLC, management agent Rochester Management, Inc., architect and engineer Passero & Associates, and general contractor Christa Construction, LLC. This is the City's first project with CDS.

Willow Domestic Violence Center (Willow) and Mental Health Association of Rochester (MHAR) will provide supportive services for the tenants of the 48 special needs units. Willow will provide on-site services including counseling, court accompaniment, support groups, medical referrals, and education and training for parents and children that have experienced domestic violence. MHAR

will provide on-site support services to tenants with mental illness including educational opportunities, referral services, case management and counseling, and life skills training. Participants can attend workshops for recovery, emotional skills development, budgeting and household skills, and general wellness strategies. MHAR and Willow both collaborate with a variety of providers to ensure each client's needs are met, and will offer services specific to each individual situation.

The project is funded primarily with tax-exempt bonds, the proceeds from the sale of 4% low income housing tax credits (LIHTCs), deferred developer fee, and several "soft" sources of funds, including the NYS Supportive Housing Opportunities Program (SHOP) and the Federal Housing Trust Fund (FHTF). Total development cost is \$48.8 million, with \$36 million in hard construction costs, \$6 million in soft costs, and \$6 million in developer fee. The sources and uses for the project are summarized below:

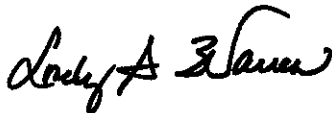
Permanent Sources		Uses	
HFA 1st Mortgage	8,830,000	Acquisition Costs*	212,250
SHOP	11,174,482	Construction Costs	36,066,503
CIF	450,000	Soft Costs	6,152,811
City HOME Loan	1,000,000	Reserves and Escrows	382,887
Owner Loan	875,000	Developer Fee	6,000,000
4% LIHTCs	17,241,605	Total Uses	48,814,451
Federal HTF	7,622,135		
Deferred Developer Fee	1,621,229		
Total Sources	48,814,451		

*Acquisition costs include, but are not limited to, real estate sold by the City of Rochester.

CDS Clifford is anticipated to close on project funding and begin construction in December 2020. Workforce goals for the project are 6.9% women and 20% minorities and 25% City residents, along with a combined goal of 30% for MBE/WBE firms.

The loan was approved by the Loan Review Committee at their meeting on October 28, 2020, and the PILOT was recommended for approval by the PILOT Review Committee on October 1, 2020. A National Environmental Policy Act or NEPA review is underway and will be completed prior to entering into any agreements for the CDS Clifford and Joseph Apartments project. SEQR review has been completed, and a Negative Declaration was issued for the project on January 15, 2020.

Respectfully submitted,



Lovely A. Warren
Mayor

CDS Clifford and Joseph Apartments – Rental Housing Project

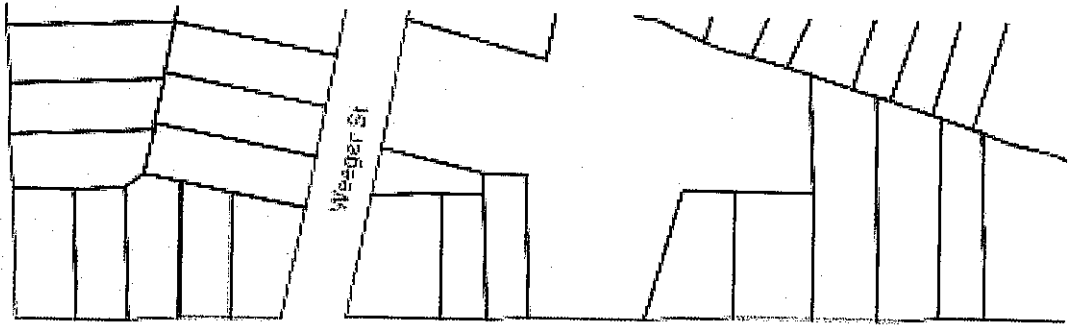
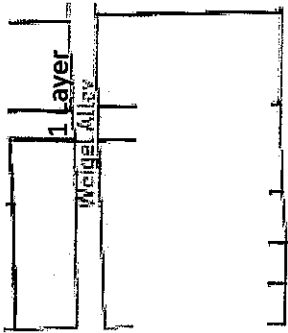
Property list for Sale of Real Estate

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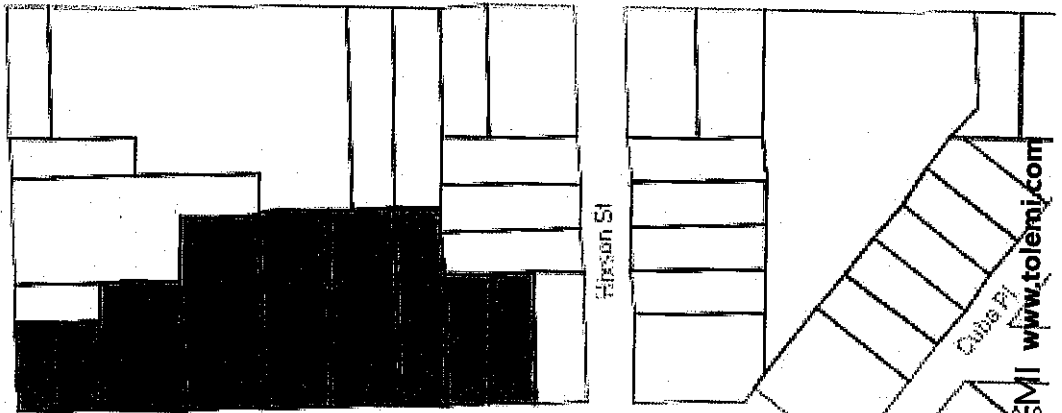
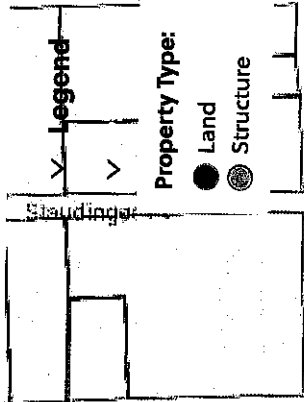
CDS Clifford and Joseph Apartments – Rental Housing Project

Property list for PILOT

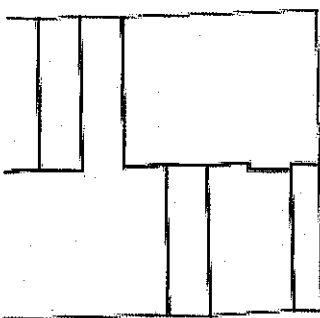
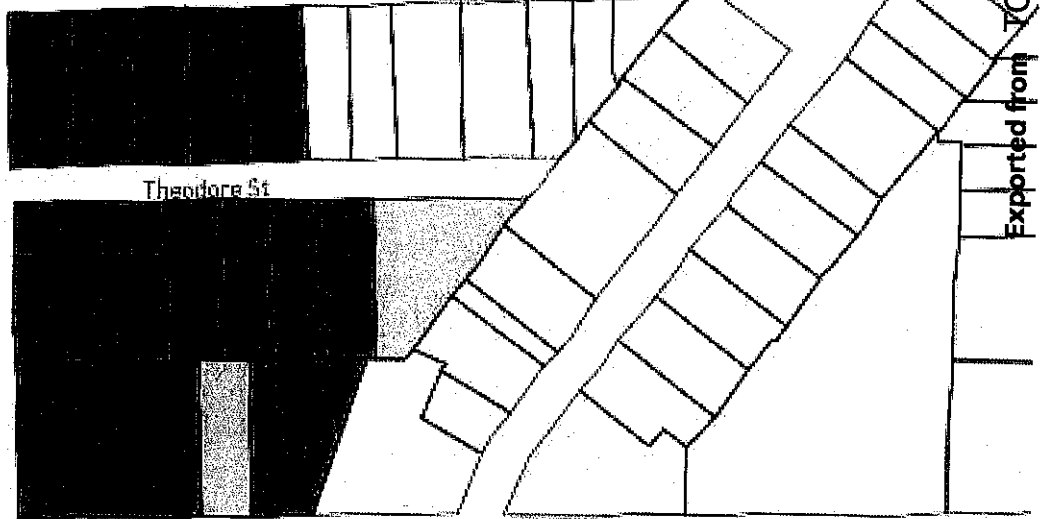
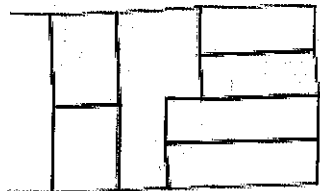
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Antonio Garcia	570	Joseph Ave	106.31-3-29	122x40	4,790
CDS Monarch, Inc.	6	Theodore St	106.31-3-23.001	126x160	9,150



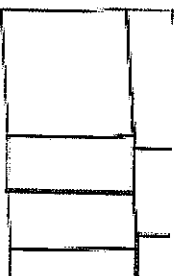
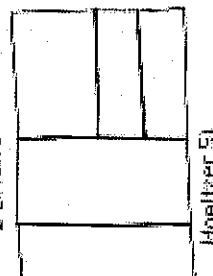
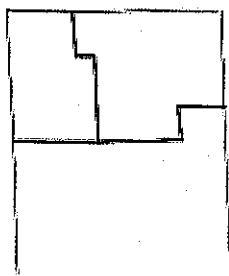
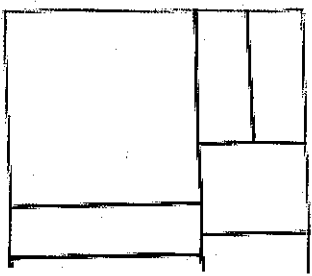
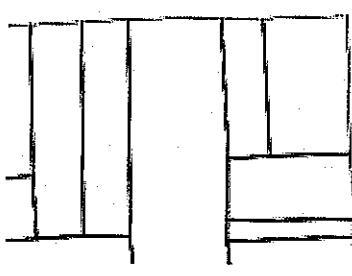
Thomas St



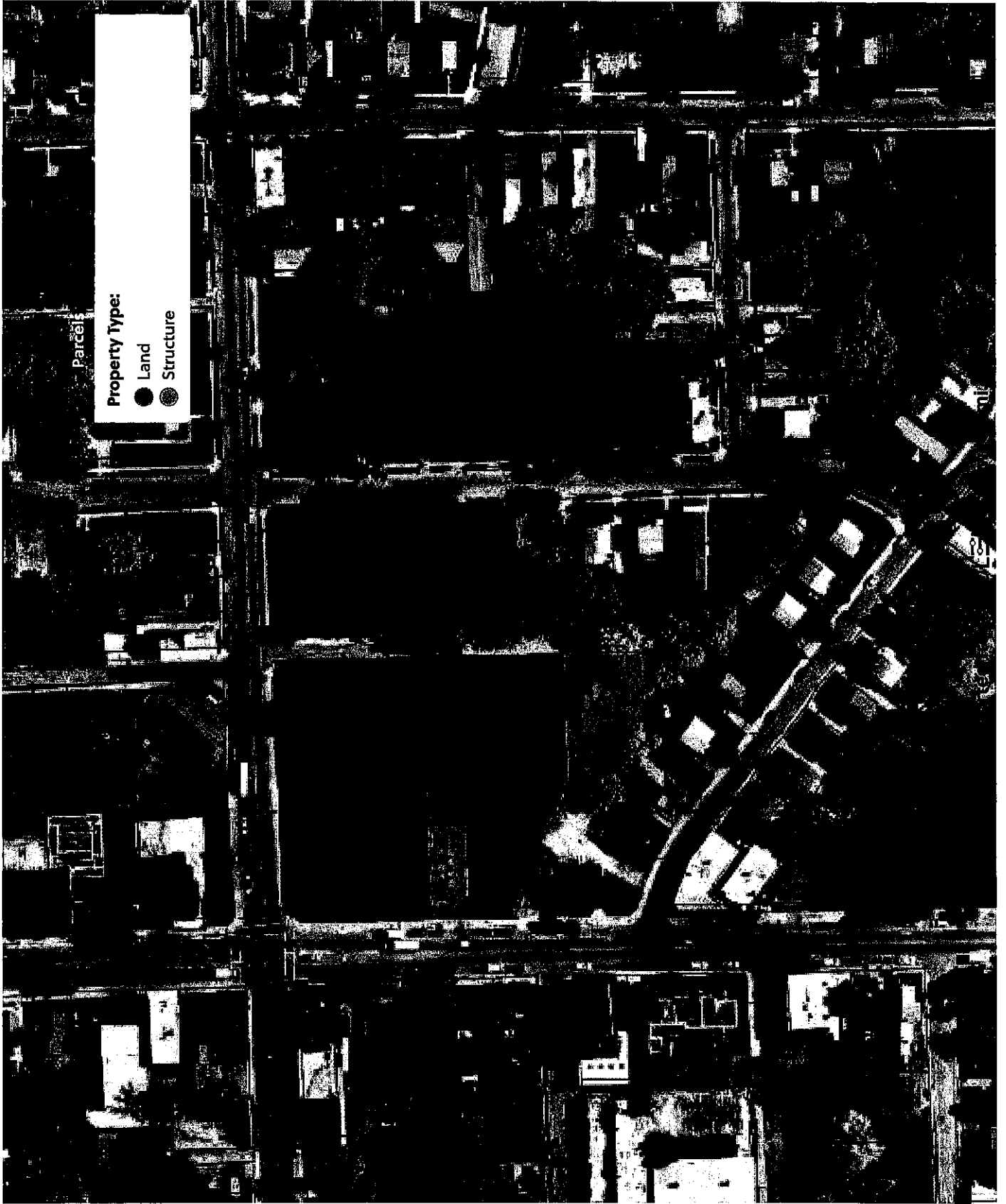
Marla St



Joseph Ave



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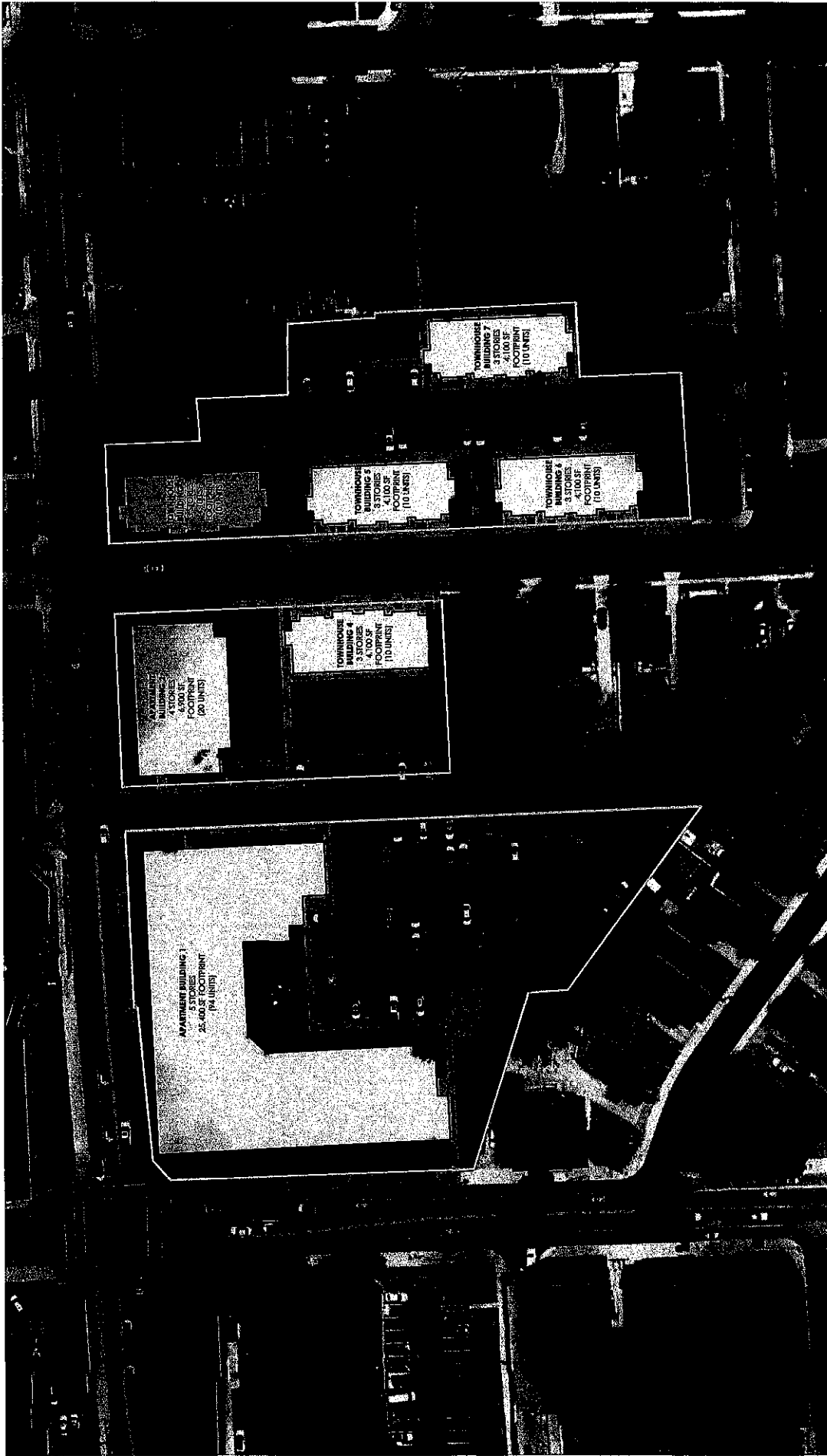


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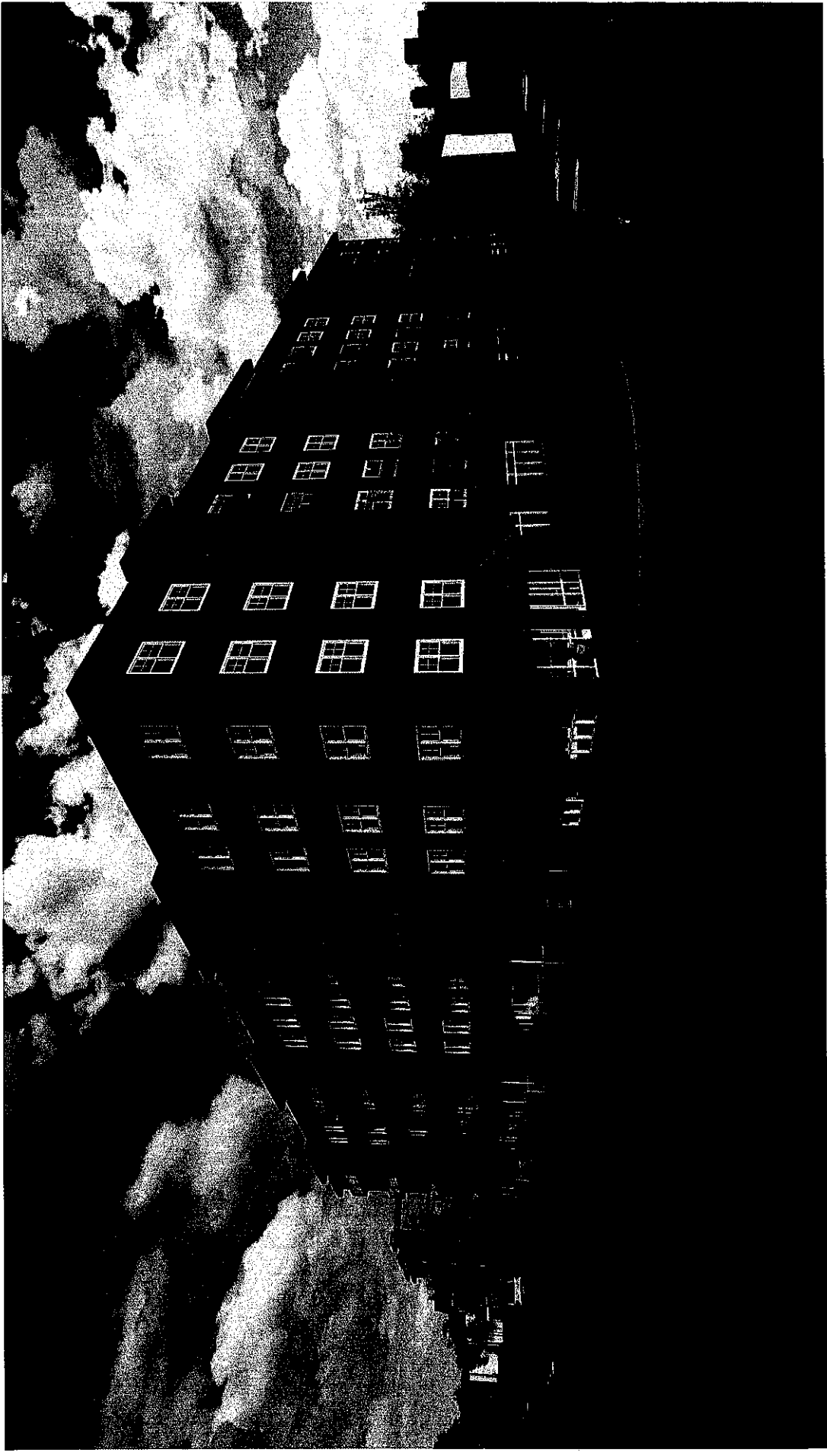
Property Type:

Land

Structure



CDS HOUSING - ROCHESTER



CDS HOUSING - ROCHESTER

Rendering — Looking Southeast 2

 cds
life transitions

 **PA** PASSERO ASSOCIATES
engineering architecture

 **CHRISTA**
CONSTRUCTION



CDS HOUSING - ROCHESTER



life transitions



PASSERO ASSOCIATES
engineering architecture



Rendering — Looking South



CDS HOUSING - ROCHESTER

INTRODUCTORY NO.

395

NBD #6

Ordinance No.

Authorizing the sale of City-owned parcels, a \$1,000,000 HOME loan, and a payment in lieu of taxes agreement for the CDS Clifford and Joseph Apartments Project

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The Council hereby approves the sale of the following 23 parcels of land at the following appraised values to CDS Monarch, Inc., CDS Clifford Ave, LLC, or an affiliated partnership or housing development fund (collectively, the Developer) to develop the CDS Clifford and Joseph Apartments Project comprised of approximately 164 units of housing affordable to households with extremely low, very low and low incomes and other amenities (the Project):

Address	SBL #	Lot Size	Sq. Ft.	Appraised Value
562-566 Joseph Ave	106.31-3-28	48X131	6,288	\$2,500
576-590 Joseph Ave	106.31-3-30.2	144x122	17,689	\$8,800
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36 Maria St	106.32-4-2	33x70	2,310	\$400
			TOTAL	\$20,700

Section 2. City taxes and other City charges, except water charges, against said properties are hereby canceled up to the first day of the month following the date of adoption of this ordinance for the reason that the City has agreed to convey said properties free of City tax liens and other charges or because these charges have been included in the purchase price.

Section 3. The Mayor is hereby authorized to enter into a loan agreement with the Developer to provide permanent financing for the Project. The loan shall be in the amount of \$1,000,000, which shall be funded by, and is hereby appropriated from, the Affordable Housing Fund of the 2020-21 Annual Action Plan. The loan agreement shall have a term that extends for 30 years commencing at completion of Project construction. The loan shall be subject to an annual interest rate of 2%. The payment of interest shall be paid annually if the Developer has sufficient cash flow and repayment of the loan principal and any unpaid interest shall come due at the end of the loan term. The Mayor is hereby authorized to adjust the loan interest rate and other terms and conditions in order to conform to legal and other requirements for the Project.

Section 4. The Mayor is hereby authorized to enter into a payment in lieu of taxes agreement (PILOT Agreement) with the Developer for the following 25 parcels of land in order to effectuate the Project. This PILOT Agreement shall provide that said parcels shall remain entitled to a real property tax exemption, provided that the Developer makes annual payments in lieu of taxes to the City of Rochester equal in total to no less than 10% of the Project's annual "shelter rent," a phrase which refers to the amount of gross rents less utility costs.

Current Owner	Address	SBL #
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City of Rochester	36 Maria St	106.32-4-2
Antonio Garcia	570 Joseph Ave	106.31-3-29
CDS Monarch, Inc.	6 Theodore St	106.31-3-23.1

Section 5. The term of the PILOT Agreement shall run for 30 years, provided that said agreement and the associated real property tax exemption shall cease prior to that date if and when the Project is no longer operated for the purpose of providing affordable housing in accordance with the conditions for maintaining low-income housing tax credits and financing as well as other legal requirements.

Section 6. The loan and PILOT agreements shall contain such additional terms and conditions as the Mayor deems to be appropriate. The Mayor is hereby authorized to execute such other agreements and other documents as may be necessary to effectuate the sale and agreements authorized herein.

Section 7. This ordinance shall take effect immediately.