

**TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR FINANCIAL ASSISTANCE**

Sean M. Maguire, AICP CEcD
CEO/Executive Director
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347 Old Niskayuna Road
Public Operations Center
Latham, NY 12110

DATE: 24 June 2021

APPLICANT: BCREI New York LLC on behalf of to-be-formed 35 Broadway LLC (the "Applicant")

ADDRESS: c/o Beacon Communities LLC, Two Center Plaza, Suite 700, Boston, MA 02108 FEDERAL

ID #: EIN - 32-0501501

CONTACT PERSON: Dara Kovel

TITLE: CEO

TELEPHONE NO.: 617-574-1114

FAX NO.: 617-574-2224

EMAIL ADDRESS: dkovel@BeaconCommunitiesLLC.com

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Jeremy Root

FIRM: Cannon Heyman & Weiss (CHW)

ADDRESS: 54 State Street, Suite 500, Albany NY 12207

TELEPHONE NO.: 518-465-1500 ext 290 FAX NO.: _____

EMAIL ADDRESS: jroot@chwattys.com

PLEASE READ THE INSTRUCTIONS ON PAGE 2 OF THIS APPLICATION
BEFORE FILLING OUT THE REST OF THIS FORM

INSTRUCTIONS

1. The answers to the questions contained in this application are necessary to determine the Company's eligibility for financial assistance from the Town of Colonie Industrial Development Agency (the "Agency"). These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer, member, partner or other employee of your firm who is thoroughly familiar with the business and affairs of the Company and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.
2. The Agency will not approve any application unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve the project contemplated therein.
3. Please respond to all items either by filling in blanks by attachment (by marking space "See Attachment Number 1," etc.) or by using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application.
4. If an estimate is given as the answer to a question, put ("est") after the figure or answer which is estimated.
5. When completed, return five (5) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the project that is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Applicant feels that there are elements of the project which are in the nature of trade secrets or competitive issues which if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Company's competitive position, the Applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The Applicant shall pay or cause to be paid to the Agency all actual costs and expenses (including legal fees and cost-benefit analysis fees) incurred by the Agency in connection with this application and the project contemplated herein. The costs incurred by the Agency, including the Agency's counsel may be considered as a part of the project.
9. The Agency has established an administrative fee to be paid by the Company said fee being intended to cover the indirect expenses incurred by the Agency in administering the project including compiling reports relating to the project. The administrative fee is 1/2 of 1% of the total project cost. The fee shall be payable upon the earlier to occur of (a) the closing of the straight lease transaction or (b) one (1) year after the Company is appointed agent of the Agency.
10. The Agency has established a **NON-REFUNDABLE** application fee of \$250.00 to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.
11. **ALL ESTIMATES OF FINANCIAL ASSISTANCE AND ALL OTHER INFORMATION WILL BE RELIED UPON BY THE AGENCY. ANY REQUEST FOR CHANGES TO THIS APPLICATION MUST BE MADE IN WRITING AND MAY IMPACT THE GRANT OF FINANCIAL ASSISTANCE TO THE PROJECT.**

PART I. PROPOSED PROJECT OWNER ("COMPANY")

- 1) Company Name: 35 Broadway LLC
Address: c/o Beacon Communities LLC, Two Center Plaza, Suite 700, Boston, MA 02108
Federal ID No.: TBD
If the Company differs from the Applicant, give details of relationship: N/A

2) Business Organization of the Company

Type of business organization: Limited Liability Company to be formed in New York
State incorporated in: New York

3) Company Ownership

- a) Is the Company publicly held? Yes X No

i) If yes, list exchanges where stock of the Company is traded: N/A

- ii) If no, list all stockholders, partners, members or managers having an interest in the ownership or profits of the Company:

Name	Address/Telephone/Email	Percentage of Holding
Beacon Broadway LLC;	Two Center Plaza, Suite 700, Boston, MA 02108;	0.01%*
BCREI New York LLC;	Two Center Plaza, Suite 700, Boston, MA 02108;	0.02%*
Tax credit investor TBD;	Address TBD;	99.97%

*Percentages are in profits, losses, and tax credits

- iii) Has any person listed in Section 3(a)(ii) above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes X No

- iv) Has any person listed in Section 3(a)(ii) above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes X No

- v) If yes to (iii) or (iv), please furnish detail in a separate attachment.

4) Company Management

- a) List all officers, directors, members, managers, partners and general counsel:

Name	Address/Telephone/Email	Office Held	Principal Business Affiliations
Darlene M. Perrone,	Two Center Plaza, Suite 700, Boston, MA 02108,		President
Timothy J. Cowles,	Two Center Plaza, Suite 700, Boston, MA 02108,		Treasurer
Kathleen M. Sheehan,	Two Center Plaza, Suite 700, Boston, MA 02108,		Secretary
Sarah T. Boehs,	Two Center Plaza, Suite 700, Boston, MA 02108,		Assistant Secretary
Howard Earl Cohen,	Two Center Plaza, Suite 700, Boston, MA 02108,		Director
Nicole Clement,	Two Center Plaza, Suite 700, Boston, MA 02108,		General Counsel
Beacon Residential Management Corp.,	Two Center Plaza, Suite 700, Boston, MA 02108,		General Partner
Beacon Communities LLC,	Two Center Plaza, Suite 700, Boston, MA 02108,		Limited Partner

- b) Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? X Yes No (In 1997 or 1998, Timothy J. Cowles pleaded guilty to a charge of

disturbing the peace.)

- c) Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? _____ Yes _____ XNo
- d) Is the Company or management of the Company now a plaintiff or a defendant in any criminal litigation? _____ Yes _____ XNo
- e) If yes to (b), (c) or (d) above, please furnish detail in a separate attachment.

5) Company Affiliates and Service Providers

- a) Please list the name of and relationship to any subsidiary or direct or indirect affiliate of the Company:
- i) Beacon Communities Development LLC: Providing Performance, Environmental, and Financial Guarantees
 - ii) Beacon Residential Management: Provider of Property Management and Tax Credit Compliance Services
 - iii) Beacon Communities Services LLC: Development Services
- b) Company's Principal Bank: Key Bank
- c) Commercial real estate broker the Company is utilizing for this project: None
- d) Please list a few locally based suppliers you use during the course of business operation. These could be raw material, packaging, supplies, equipment vendors, etc.:

The company will construct and operate a 68-unit apartment development and will contract with local business for all services needed to operate and maintain the property including: General Contracting Services, Grounds management, office supplies, repair and maintenance supplies, mechanical, electrical and HVAC repair contractors.

6) Company's Prior Benefits

- a) Please list any prior industrial development agency assistance or any other municipal incentives including, but not limited to, New York State or Local Economic Development Assistance Programs in which the Company (or any Company affiliate) has been involved: None
- b) Please list any New York State or utility economic development benefits for this project for which the Company has applied:
- We are applying to NYS Homes and Community Renewal for an allocation of federal low income housing tax credits and other NYS funds to construct the project
- c) Has the Company or any related person applied to another IDA in regard to this Project? _____ Yes
X No
If yes, please provide details of any action taken with respect to and the current status of such application: N/A

PART II. PROJECT COST

- 1) State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project:

<u>Description of Cost</u>	<u>Amount</u>
Purchase of land.....	<u>\$ 937,500</u>
Purchase of existing buildings	<u>\$ 0</u>
Renovations/additions to existing buildings	<u>\$ 0</u>
New building construction.....	<u>\$ 11,613,733</u>
Machinery & equipment cost.....	<u>\$ 3,860,935</u>
Utilities, roads and appurtenant costs	<u>\$646,503</u>
Architects & engineering fees	<u>\$ 828,300</u>
Legal fees	<u>\$ 240,000</u>

Construction loan fees & interest	<u>\$ 577,000</u>
Other (specify) <u>Other soft costs including reserves, compliance costs</u>	
<u>marketing and lease-up costs, development costs, title and recording fees</u>	
<u>tax credit and IDA related fees.</u>	<u>\$ 3,794,905</u>
TOTAL PROJECT COST	<u>\$ 22,498,876</u>

PART III. COST/BENEFIT ANALYSIS

ALL ESTIMATES OF FINANCIAL ASSISTANCE AND ALL OTHER INFORMATION WILL BE RELIED UPON BY THE AGENCY. ANY REQUEST FOR CHANGES TO THIS APPLICATION MUST BE MADE IN WRITING AND MAY IMPACT THE GRANT OF FINANCIAL ASSISTANCE TO THE PROJECT.

- 1) Estimated value of each type of exemption sought (indicate N/A if not being requested):

Mortgage amount \$ 7,955,000
Mortgage recording tax exemption 1% = \$79,550

Project costs subject to sales and use taxes \$8,995,500
Sales and use tax exemption 8% = \$ 719,964

Real property tax exemption/PILOT \$6,932,148

(a) fill out the chart below based on the Agency's UTEP; or

(b) if a deviation is being requested, please call Chris Kelsey at 783-2708

PILOT ESTIMATE WORKSHEET:

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA Financial Assistance*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$16,121,171	\$4,000,000	\$5.70	\$12.67	\$29.47

* Estimate from the Town Assessor applying equalization rate and based on current plans and specifications received by the Assessor's Office. Any changes to plans and specifications, tax rates, and equalization rates will alter this estimate.

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	See Attachment B						
2							
3							
4							
5							
6							
7							
8							
9							
10							
TOTAL							

- 2) Is there a mortgage or other financing for this project? XYes No
 Name of Lender: Community Preservation Corp./NYS HTFC
 Approximate amount of financing: \$3,000,000 (CPC) + \$4,955,000 NYS HTFC = \$7,955,000
- 3) Amount the Company has invested and plans to invest in the project: The Company has invested \$350,000 to date. At completion the General Partner will have invested \$580,443 into the project.
- 4) Percentage of the project to be financed from public sector sources: 84%
- 5) Percentage of the project to be financed from private sector sources: 16%
- 6) Benefits of the project

Existing jobs	0
Jobs created	4 full time
Jobs retained	0
Estimated payroll	\$180,000
Sales tax generated	\$8,160 annually on sales base of \$102,000
Property tax/special district tax	PILOT - \$831,667 over 30 years
Increase in assessed value	\$17,058,671 – to be confirmed by Town Assessor
Other (please specify)	
Projected timeframe for the creation of new jobs	1/2023 – when full time staff are hired

- 7) Discuss how the project will benefit the Town of Colonie and its residents. See Addendum A for particular selection criteria that the Agency will use in evaluating this project and incorporate relevant information regarding the selection criteria into your response.

As further described in Attachment A, the proposed project supports various local planning initiatives in terms of community needs and priorities, market, suitability, and conformance with town and village planning and development practices. The project location, design, building quality, and green and energy efficiency measure supports and advances the Village of Menands Broadway Corridor Master Plan Initiative. The proposed project is the new construction of a four-story apartment building located at 35 Broadway in the Village of Menands, just north of the city of Albany municipal boundary. This will be in-fill construction on Menands 'Main Street' on a site that has been vacant for over a decade and is a blight on the Broadway Corridor.

The market study prepared by Newmark Knight Frank and provided in Attachment D, confirmed the significant demand for affordable housing in the Village of Menands and Town of Colonie, and the very limited amount of affordable housing within these communities. The project will contain 68 one-bedroom apartments that will serve those most in need of affordable housing. Thirty-five units will be set-aside for Homeless Veterans that will receive Supportive Services from Soldier On under a grant from the Empire State Supportive Housing Initiative program. So this project will provide decent, safe, clean housing for populations that have been traditionally underserved.

PART IV. DATA REGARDING PROPOSED PROJECT

- 1) Summary: (Please provide a brief narrative description of the project including why the Company is undertaking the project and why the Company is requesting the assistance of the Agency.)

The development will involve the new construction of a 62,00 sq. ft. single four-story elevator building on Broadway in the village of Menands. The building will contain sixty-eight 1 BR apartments (average 620 sq ft of living space each), and interior common areas. Physically, the development will offer finishes that typify good quality affordable housing.

The building will be fully accessible, with seven of the units (10%+) fully adapted for tenants with a mobility impairment. An additional two units equipped for tenants with a sensory impairment. There is no superintendent unit.

The apartments will include a mix of carpeting and tile flooring, good quality cabinets and counters, appliances to include a stove and

refrigerator, central AC and storage. Each apartment will have similar layouts with a walk-in kitchen, living room, bedroom and full bath. A tenant lounge is located on each floor with a ground floor community room, kitchen, management/service provider offices and fitness centers. Outdoor spaces include a garden, seating area and surface parking. All utilities are included in the rent.

The property will be operated in compliance with both federal and NYS regulations, which place restrictions on rents levels, and the schedule and amount by which rents can be increased. The rents are set at affordable levels which do not permit financing the project on pure commercial terms.

The limitation on conventional financing in light of the income and rent restrictions would create a capital funding gap of \$18.4MM, which is being provided by investor equity derived from NYS and Federal Low Income Housing Tax Credits, NYS Supportive Housing Subsidy, and a \$580K loan from the Developer.

The PILOT is an important financial concession that will demonstrate local support for the project and help constrain the project's operating expense budget assuring on-going affordability for the low-income residents. The requested PILOT agreement would include fixed payments. This is important because future increases in the project's rental revenue will be regulated by NYS HCR and generally set by the federal cost of living adjustment – which has been at or below 2%. So, establishing fixed PILOT payments will eliminate any uncertainty regarding future real estate taxes, and will help maintain the project's economic viability. Please see Attachment A for further information.

2) Type of Project:

Manufacturing Warehouse/Distribution Commercial
Non-Profit X Other: Affordable Housing for Homeless Veterans

3) Location of Proposed Project

Street Address: 35 Broadway

Tax Map No.: 55.17-1-56

City: _____ Town: Colonie

Village: Menands School District: Menands

Fire District: MENANDS FIRE CO. #1 County: Albany

Please attach a map or sketch of the project site.

4) Project Site

a) Approximate size (in acres or square feet): 2.3 acres

b) Number and approximate size (in square feet) of each existing building: Vacant Parcel

c) Present legal owner: SBKJ Associates

d) Business operation currently at project site: None

e) Is project site currently vacant or underutilized and if so, for how many years? Vacant since 2006

f) If the Company (or Sublessee) owns the project site, please indicate the purchase price: _____

g) If the Company is not the owner of the project site, is there an option signed with owner to purchase?
YES

If yes, indicate date option signed with owner: 06/2021 Date option expires: 10/2022

Purchase Price: 937,500 Proposed Closing Date: 06/2022

h) Is the project located within a federally-designated flood zone? NO

5) Project Site Plans

a) Does part of the project consist of construction of a new building or buildings? X Yes No

If yes, indicate number and size of new buildings One Building - 62,915 sq. ft

b) Does part of the project consist of additional and/or renovations to the existing buildings? Yes
X No

If yes, indicate nature of expansion and/or renovation N/A

c) Will you be leasing the entire project site or a portion of it? N/A

Proposed lease term in years: N/A

If a portion, provide the square footage of proposed rented space: N/A

Please provide a copy of lease if available.

6) Zoning

a) Zoning District in which project site is located: Menands

b) Are there any variances or special permits affecting the site? X Yes No

If yes, list below and attach copies of all such variances or special permits: A Special Use Permit for the project was approved by the Menands Village Board on 20 July 2020 - See Attachment C

c) Will the project meet current zoning requirements? X Yes No

If no, please provide the details/status of any change of zoning request: N/A

7) Project Equipment

- a) Does a part of the project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? ☒ Yes ☐ No
If yes, describe the Equipment: Typical equipment and furnishings required for 4 story apartment complex
- b) Will any of the Equipment have been previously used? ☐ Yes ☒ No
If yes, please provide detail: N/A

8) Project Use

- a) What are the principal products to be produced and/or principal activities to be conducted at the project? Rental Housing for Homeless Veterans
- b) Is there a likelihood that the Company, but for the contemplated financial assistance from the Agency, would be unable to undertake the project? ☒ Yes ☐ No

Please explain why the Agency should undertake the project:

The proposed project is part of, or complementary to, ongoing neighborhood-specific planning and revitalization efforts and provides critically needed housing to homeless veterans. The requested PILOT will provide critical financial support to the project by allowing rents to be maintained at affordable levels and will greatly strengthen the project's application for capital funding which will be submitted to NYS HCR in August 2021.

The project is comprised of sixty-eight units, thirty-five of which are reserved for very low-income veterans that are either homeless or in jeopardy of becoming homeless. These populations will benefit from an array of supportive services funded under the NYS Empire State Supportive Housing Initiative (ESSHI) and provided and coordinated by, Soldier On, Inc. (SO) [www.wesoldieron.org] and Homeless and Travelers Aid Society of Albany (HATAS) [www.hatas.org].

The Town of Colonie Comprehensive Plan states that the Town should continue to accommodate the provision of a range of housing types in appropriate locations to meet the diverse needs of Colonie residents, and provide incentives to encourage affordability, mixed-income developments and multigenerational neighborhoods. One of the objectives expressed in the Consolidated Plan is improving homeless prevention activities; the proposed project, which will serve Homeless Veterans, clearly meets this objective.

The Consolidated Plan also encourages the reuse or redevelopment of existing commercial sites and buildings and incentives to create opportunities for increasing the value of underutilized commercial areas by permitting high density mixed-use development/redevelopment

The project is strongly supported by the Village of Menands and is designed in conformity with the standards and practices established by the Village Broadway Corridor Initiative, including siting, design, and materials used along the corridor.

The Village of Menands Comprehensive Plan specifically calls for the development of multifamily housing units along the Broadway Corridor. The project is an 'infill' housing development and will be developed on a vacant lot between a market rate housing project and a commercial facility. The Village has endeavored to fill gaps along the Broadway Corridor, and the project is consistent with this Village objective.

(Please also see Attachment A)

- c) Does the project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? _____ Yes _____ ~~X~~No.

If yes, what percentage of the cost of the project will be expended on such facilities or property primarily used in making such retail sales? N/A %

If greater than 33.33% please respond to the following:

Is the project a "tourism destination" that is likely to attract a significant number of visitors from outside the economic development region in which the project will be located? _Yes_ No

If yes, please explain: N/A

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the Town of Colonie because of a lack of reasonably accessible retail trade facilities offering such goods or services? _Yes_ No

Will the project be located in a "highly distressed area"? A "highly distressed area" is (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? _Yes_ No

- d) Are there facilities within the State of New York that will close or be subject to reduced activity as a result of the project? No

If yes, please indicate whether the project is reasonably necessary for the Company to maintain its competitive position in its industry or to prevent the Company from moving out of New York State: N/A

- e) Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? XYes No

If yes, please explain: Four new site staff positions will be created by the project

9) Project Construction Status

- a) Please discuss the approximate extent of construction and/or acquisition which has commenced and the extent of completion. Indicate whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.: The project has not yet begun
- b) What is the scheduled completion date of the project? June 2023
- c) Building/Contractor Name and Address: TBD
- d) Architect and/or Engineer Address: SWBR, 283 River Street, Troy, NY 12180

PART V. LESSEE OR SUBLESSEE

- 1) Please give the following information with respect to each Sublessee to whom the Company intends to lease or sublease more than 10% (by area or fair market rental value) of the project:
- a) Lessee/Sublessee name: N/A
- b) Present address: N/A
- c) Relationship to the Company: N/A
- d) Percentage of project to be leased or subleased: N/A
- e) Date of lease or sublease to Sublessee: N/A
- f) Use of project intended: N/A

PART VI. EMPLOYMENT IMPACT

Indicate the number of full time equivalent ("FTE") jobs presently at the Company and the number of FTE jobs that will be employed at the project at the end of the first and second years after the project has been completed, by category, including full time equivalent independent contractors or employees of independent contractors that work at the project location. Do not include construction workers. Indicate the salary and fringe benefit averages or ranges for each category of jobs.

	Present	Year 1	Year 2
Number of Professional/ Managerial/ Technical Jobs	0	2	2
Estimated Average Salary or Salary Range for Professional/ Managerial/ Technical Jobs	0	\$55,000	\$55,000
Estimated Average Benefits or Benefits Range for Professional/ Managerial/ Technical Jobs	\$0	\$12,500	\$12,500
Number of Skilled Jobs	0	1	1
Estimated Average Salary or Salary Range for Skilled Jobs	\$0	\$40,000	\$40,000

Estimated Average Benefits or Benefits Range for Skilled Jobs	\$0	\$10,000	\$10,000
Number of Unskilled or Semi-Skilled Jobs	0	1	1
Estimated Average Salary or Salary Range for Unskilled or Semi-Skilled Jobs	\$0	\$30,000	\$30,000
Estimated Average Benefits or Benefits Range for Unskilled or Semi-Skilled Jobs	\$0	\$7,500	\$7,500

Professional/ Managerial/ Technical Jobs includes jobs which involve skill or competence of extraordinary degree and may include supervisory responsibilities (*Examples:* architect, engineer, accountant, scientist, medical doctor, financial manager, programmer).

Skilled Jobs includes jobs that require specific skill sets, education, training and experience and are generally characterized by high education or expertise levels (*Examples:* electrician, computer operator, administrative assistant, carpenter, sales representative).

Unskilled or Semi-Skilled Jobs includes jobs that require little or no prior acquired skills and involve the performance of simple duties that require the exercise of little or no independent judgment (*Examples:* general cleaner, truck driver, typist, gardener, parking lot attendant, line operator, messenger, information desk clerk, crop harvester, retail salesperson, security guard, telephone solicitor, file clerk).

Please describe or list each job title or position that will be created and/or retained and whether such position is a professional/managerial/technical job, skilled job or unskilled or semi-skilled job: Site Manager and Maintenance Superintendent – both are considered managerial positions. Assistant Site Manager will be a skilled job requiring significant office skills. Janitor/Maintenance assistant will be a semi-skilled job.

Please detail how many residents of the Economic Development Region as defined by the State Department of Economic Development or the Labor Market Area (defined by the Agency to consist of Albany County, Schenectady County, Rensselaer County, and Saratoga County) will fill such jobs: We anticipate all 4 jobs filled by such residents.

Estimate of number of construction jobs to be created and timeframe(s) for such jobs 100. June 2022- June 2023

PART VII. COMPANY AFFIRMATIONS

The Company understands and agrees as follows:

- a) Truth of Statements. Submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of the Agency's involvement in the project.
- b) General Municipal Law Compliance. The provisions of Article 18-A, including Sections 859-a and 862(1), of the New York General Municipal Law will not be violated if financial assistance is provided for the proposed project.
- c) Job Listings and Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, if the project receives any financial assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the project is located. Further, except as otherwise provided by collective bargaining agreements, where practicable, the Company will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the project.
- d) Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, if the project receives any sales tax exemptions as part of the financial assistance from the Agency, the Company will file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Company and all consultants or subcontractors retained by the Company.
- e) Annual Employment Reports. If the project receives any financial assistance from the Agency, the Company will file, or cause to be filed, with the Agency, on an annual basis, a certified statement and documentation (i) enumerating the full time equivalent jobs retained and the full time equivalent jobs created as a result of the financial assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the project location and (ii) indicating the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in this application is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created.
- f) Absence of Conflicts of Interest. The Company has received from the Agency a list of the members, officers and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this application, except as hereinafter described:
- g) Payment of Fees and Expenses. The Company shall pay all reasonable legal fees and expenses paid or incurred by the Agency arising out of or connected with the Agency's undertaking or attempting to undertake the acquisition, construction, equipping or financing of the project or the Agency's granting or attempting to grant any financial assistance (within the meaning of Article 18-A of the General Municipal Law) with respect to the project, regardless of whether any such acquisition, construction, equipping or financing or granting is consummated.
- h) Compliance. The Company is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

IN WITNESS WHEREOF, the Applicant has duly executed this application this 16th day of July, 2021

Applicant: BCEI New York LLC

By: [Signature]
Name: Paul Kruger
Title: Director

APPLICANT MUST COMPLETE THE VERIFICATION AND HOLD HARMLESS AGREEMENT
APPEARING BELOW BEFORE A NOTARY PUBLIC.

VERIFICATION AND HOLD HARMLESS AGREEMENT


STATE OF NEW YORK)
COUNTY OF Albany)

Paul Kruger, deposes and says that s/he is the
(Name of Individual)

DIRECTOR of BCREI New York LLC
(Title) (Applicant Name)

that s/he has read the foregoing application and knows the contents thereof and that the same is true, accurate and complete to the best of her/his knowledge, as subscribed and affirmed under the penalties of perjury. The grounds of deponent's beliefs relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which the deponent has caused to be made concerning the subject matter of this application as well as, if applicable; information acquired by deponent in the course of her/his duties for the applicant and from the books, and papers of the applicant.

Deponent on behalf of applicant hereby releases the Town of Colonie Industrial Development Agency and the members, officers, servants, agents and employees thereof (herein collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of; and action pursuant to or upon, the attached Application, regardless of whether the Application or the project described therein are favorably acted upon by the Agency and (ii) the Agency's granting of financial assistance to the Applicant; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.


(Applicant Representative's Signature)

Sworn to before me this
16th day of July, 20 21.

Sean M. Maguire
Notary Public

SEAN M. MAGUIRE
Notary Public, State of New York
Qualified in Albany County, No. 01MA6243262
My Commission Expires June 20, 20 23

ADDENDUM A

SELECTION CRITERIA BY PROJECT TYPE

Manufacturing, Warehouse, Distribution

1. Alignment with local planning and development efforts
2. Wage rates (as compared to median wage for area)
3. Regional wealth creation (% sales/customers within municipality)
4. Regional purchases (% of overall purchases)
5. Research and development activities
6. Investments in energy efficiency
7. Location, land use, including use of brownfields or locally designated development areas
8. Use of LEED/renewable resources
9. Retention/flight risk

Agricultural, Food Processing

1. Alignment with local planning and development efforts
2. Wage rates (as compared to median wage for area)
3. Regional wealth creation (% sales/customers outside area)
4. Regional purchases (% of overall purchases)
5. Research and development activities
6. Investments in energy efficiency
7. Location, land use factors, proximity to local agricultural production
8. Use of LEED/renewable resources
9. Retention/flight risk

Adaptive Reuse, Community Development

1. Alignment with local planning and development efforts
2. Location within distressed census tract
3. Age of structure
4. Elimination of slum and blight
5. Building or facility vacancy
6. Redevelopment supports local community development plan
7. Environmental or safety issues
8. Use of LEED/renewable resources
9. Building or site has historic designation
10. Site or structure has delinquent property or other local taxes
11. Project developer's return on investment
12. Ability to obtain conventional financing

Tourism

1. Alignment with local planning and development efforts
2. Market study (documenting demand and impact on existing tourism and businesses)
3. Regional wealth creation
4. Proximity to and/or support of regional tourism attractions/facilities
5. Support of local official(s), convention visitors bureau
6. Regional purchases, support of local vendors
7. Use of LEED/renewable resources
8. Generation of additional local revenues (such as hotel bed taxes)

Retail

1. Alignment with local planning and development efforts
2. Meets all requirements of General Municipal Law Section 862
3. Market study documenting need
4. Goods or services not readily available
5. Impact on existing businesses
6. Regional wealth creation
7. Location within highly distressed census tract
8. Location in urban or town center
9. Elimination of slum and blight
10. Alignment with local planning and development efforts

High Tech

1. Alignment with local planning and development efforts
2. Wage rates (as compared to median wage for area)
3. Regional wealth creation (% sales/customers outside area)
4. Regional purchases (% of purchases from local vendors)
5. Research and development activities
6. Investments in energy efficiency
7. Support of local business
8. Retention/flight risk
9. Use of LEED/renewable resources

Back Office, Data, Call Centers

1. Alignment with local planning and development efforts
2. Wage rates (as compared to median wage for area)
3. Regional wealth creation (% sales/customers outside area)
4. Regional purchases (% of purchases from local vendors)
5. Support of local business
6. Retention/flight risk
7. Use of LEED/renewable resources

Senior Housing

1. Alignment with local planning and development efforts
2. Market study (documenting unmet need and impact on existing housing facilities)
3. Location within a highly distressed census tract
4. Urban, town/village center location
5. Local official(s) support
6. Located in areas that provide support for below median income seniors
7. Location promotes walkable community areas
8. Project developer's return on investment
9. Ability to obtain conventional financing
10. Provision of senior-specific amenities (community rooms, health services, etc.)
11. Income level of potential residents (at or below median income)

Affordable Housing

1. Alignment with local planning and development efforts
2. Market study (documenting unmet need and impact on existing housing facilities)
3. Location within a highly distressed census tract
4. Alignment with local planning and development efforts
5. Urban, town/village center location

6. Local official(s) support
7. Located in areas that provide support for below median income individuals
8. Location promotes walkable community areas
9. Project developer's return on investment
10. Ability to obtain conventional financing
11. Income level of potential residents (at or below median income)

Commercial Housing

1. Alignment with local planning and development efforts
2. Market study (documenting unmet need and impact on existing housing facilities)
3. Location within a highly distressed census tract
4. Alignment with local planning and development efforts
5. Location within urban or town/village center
6. Support from local official(s) and the community
7. Location within areas that have inadequate housing supply
8. Promotion of transit-oriented or walkable community areas
9. Project developer's return on investment
10. Ability to obtain conventional financing

Student Housing

1. Alignment with local planning and development efforts
2. Market study (documenting unmet need and impact on existing housing facilities)
3. Location within a highly distressed census tract
4. Alignment with local planning and development efforts
5. Location within urban or town/village center
6. Support from local official(s) and the community
7. Location within areas that have inadequate housing supply
8. Promotion of transit-oriented or walkable community areas
9. Project developer's return on investment
10. Ability to obtain conventional financing

Energy Production

1. Alignment with local planning and development efforts
2. Wage rates (above median wage for area)
3. In region purchases (% of overall purchases, local construction jobs/suppliers)
4. Advances renewable energy production/transmission goals
5. Provides capacity or transmission to meet local demand or shortage

Miscellaneous Projects

1. Alignment with local planning and development efforts
2. Location within a highly distressed census tract
3. Alignment with local planning and development efforts
4. Location within urban or town/village center
5. Support from local official(s) and the community
6. Promotion of transit-oriented or walkable community

Attachment A – Project Narrative

35 Broadway – Supportive Housing for Homeless Veterans

Project Narrative

The proposed project is the new construction of a four-story apartment building located at 35 Broadway in the Village of Menands (Town of Colonie), just north of the City of Albany municipal boundary. The project will provide affordable housing for sixty-eight very low; low; and moderate-income households. All sixty-eight units will be one-bedroom, with kitchen, bath, bulk storage and contain a total of 660 sq. ft. of living space. All units will qualify for eligibility under the Federal and NYS Low-Income Housing Tax Credit Program, and serve households with incomes at or below 60% of Area Median Income.

Thirty-five of the units will be set aside for homeless veterans who will benefit from supportive services provided by the Empire State Supportive Housing Initiative program (ESSHI).



Architectural Rendering

SCALE: N.T.S.

Addendum A- Selection Criteria by Project Type

Affordable Housing

1. Alignment with local planning and development efforts

The Village of Menands and Town of Colonie Comprehensive Plans, the Town of Colonie CDBG Consolidated Plan, the Village of Menands Broadway Corridor Master Plan, and the Professional Market Study were all consulted for purposes of this narrative - in terms of community needs and priorities, market, suitability, and conformance with town and village planning and development practices.

The proposed project is part of, or complementary to, ongoing neighborhood-specific planning and revitalization efforts as outlined below.

The Village of Menands Broadway Corridor Master Plan, first adopted in 2002 and last revised in 2017, encourages a pedestrian-friendly street that allows for multi-modal transportation alternatives (automobile, mass transit, bicycle and pedestrian) for business customers and residents. Accordingly, the Village has insisted that improved physical features including but not limited to continuous sidewalks, frequent street crossings, bikeways, trees and landscaping improvements be included in any development proposal.

The project is designed in conformity with the standards and practices established by the Village Broadway Corridor Initiative, including siting, design, and materials used along the corridor. The proposed building will be sited close to Broadway, conforming with other buildings and facades, to maintain the fabric of the street and neighborhood

The Village of Menands Comprehensive Plan specifically calls for the development of multifamily housing units along the Broadway Corridor. The project is an 'infill' housing development and will be developed on a vacant lot between a market rate housing project and a commercial facility. The Village has endeavored to fill gaps along the Broadway Corridor, and the project is consistent with this Village objective.

Likewise, the Town of Colonie Comprehensive Plan states that the Town should continue to accommodate the provision of a range of housing types in appropriate locations to meet the diverse needs of Colonie residents, and provide incentives to encourage affordability, mixed-income developments and multigenerational neighborhoods.

One of the objectives expressed in the Consolidated Plan is improving homeless prevention activities; the proposed project, which will serve Homeless Veterans, clearly meets this objective.

The Consolidated Plan also encourages the reuse or redevelopment of existing commercial sites and buildings and incentives to create opportunities for increasing the value of underutilized commercial areas by permitting high density mixed-use development/redevelopment

The following references to the various regional Revitalization Plan associated with the proposed project.

- a. Village of Menands Comprehensive Plan 2020
<http://villageofmenands.com/community/comprehensive-plan/>
 - b. Village of Menands Broadway Corridor Master Plan
<http://villageofmenands.com/departments/economic-development/broadway-corridor-master-plan/>
 - c. Town of Colonie 2019 Comprehensive Plan
<http://www.coloniepedd.org/town-of-colonie-comprehensive-plan>
 - d. Town of Colonie HUD CDBG Consolidated Plan
www.colonie.org/departments/communitydev/documents/StrategicPlanNarrativeFinal.pdf
 - e. Capital Region Economic Development Council 2019 Progress Report
<https://regionalcouncils.ny.gov/sites/default/files/201910/2019CapitalRegionProgressReport.pdf>
2. Market study (documenting unmet need and impact on existing housing facilities)

A Professional Market Study was conducted in January 2021 by Newmark, Knight, & Frank. Their report concluded that:

“There is strong support for the project as intended. Other affordable options relate to older tax credit/deep subsidy developments in the area have limited turnover and extensive waitlists. There has been some new market rate development in the immediate area with higher rent thresholds, however most of the housing stock is generally older and potentially inadequate from a physical standpoint. There is clear demand in the area based on the low capture rate and the high number of income-qualified households not living in affordable tax credit housing that would support the project”.

The report notes the lack of affordable housing options in Menands as all new development in the Primary Market Area (PMA) has taken place farther south in Albany. There have been new additions to the affordable family stock in the City of Albany in recent years mostly on/around Clinton Ave and the Sheridan Hollows neighborhood aside from the Ida Yarbrough redevelopment, however no options exist for the targeted population in the Village of Menands or Town of Colonie. Waitlists are significant for the area housing authority properties (AHA and WHA) and are periodically closed due to volume.

Adding to the project’s appeal are several locational aspects of the site including:

- Access to public transportation and a direct link into downtown,
- The Village of Menand’s recent plan to improve walkability, multimodal transportation and other traffic calming measures to support the existing population and those in the larger multifamily complexes nearby.
- The prevalence of local employment options,

- The larger commuter base to support local commercial services and the proximity to downtown is beneficial to the tenants for more employment and healthcare options.

The report's Summary of Findings identifies the following favorable market characteristics:

- The capture rate indicates **strong project support with an overall average capture rate of 4.07%** and in all cases the individual capture rates fall near or below 10%.
- The local renter base is rent overburdened with nearly 32% of all renter households in Menands paying more than 35% of their income on rent, and over 53% of renters in the PMA earning less than \$30,000.
- The completion of the project **will not have any undue influence on the other affordable housing projects in the area**, as there are extensive wait lists for all affordable apartments in the PMA.
- The rent advantage, which compares achievable market to the subject property's tax credit restricted rent levels shows a 21% discount from market for the 60% AMI units.
- There is a significant supply of older multifamily complexes in the immediate area that remain well supported with stable rents and a newer loft-rehab property that offers comparatively higher end units and achieves the highest rents in the village. New development is ongoing on Broadway farther south into downtown where rents have been increasing in recent years.
- Good quality of the subject project compared to older local rental options in walkup buildings in the immediate area as the subject will offer elevator service and good quality finishes.

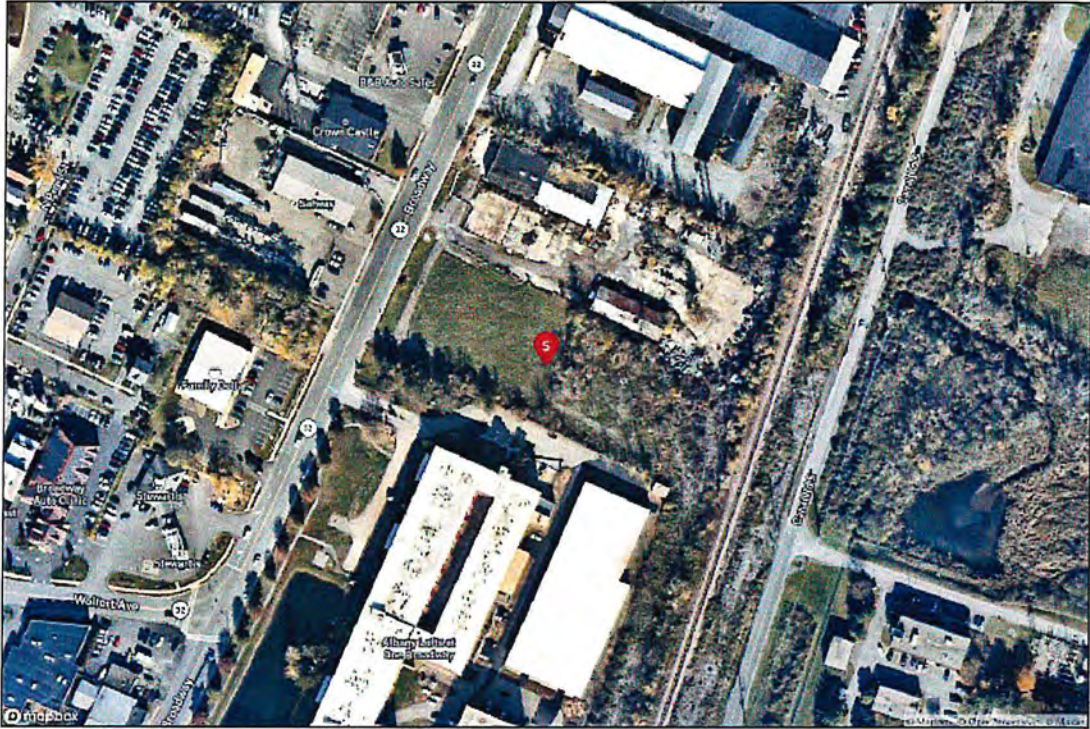
3. Location within a highly distressed census tract

The project is not located in a highly distressed Census Tract. The project is adjacent to a distressed census tract in the City of Albany.

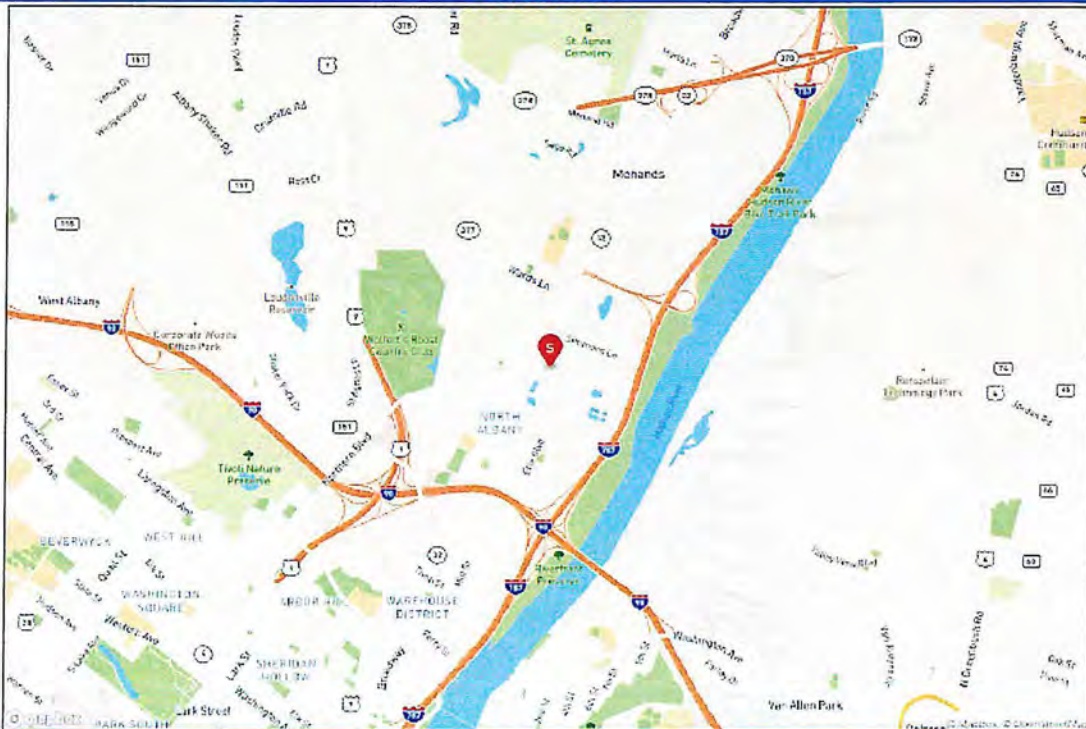
Distress was determined using New Market Tax Credit eligibility, which is a census tract that has a median family income at or below 60% of AMI in the period of 2006-2010/2011-2015; has a poverty rate at or above 30% in the period of 2006-2010/2011-2015; or has an unemployment rate of at least 1.5 times the national unemployment rate in the period of 2006-2010/2011-2015.

4. Urban, town/village center location

The project is centrally located on a prominent Broadway Corridor with easy access to all essential commercial, retail, medical, and institutional services, and situated between the central business district of the Village of Menands, and within minutes of downtown Albany. The project benefits from an array of public and private services including public transportation (directly on the new CDTA Rapid Transit Bus Line), local grocery and pharmacy, and a regional produce market.



Aerial Photo



Location Map

5. Local official(s) support

The project is strongly supported by the local communities as evidenced by letters of support received from the following:

- Village of Menands Mayor Megan Grenier
- Town of Colonie Supervisor Paula Mahan
- Albany County Executive Daniel McCoy
- Albany County Sheriff Craig Apple
- N.Y.S. Senator Neil Breslin
- N.Y.S Assemblyman Phil Steck

Support from the community is also evidenced by the receipt of necessary local approvals, including the Special Permit, the SEQRA “Negative Declaration”, and Preliminary Site Plan Approval from the Village Planning Board. See Attachment A1.

6. Located in areas that provide support for below median income individuals

The project is comprised of sixty-eight units, thirty-five of which are reserved for very low-income veterans that are either homeless or in jeopardy of becoming homeless. These populations will benefit from an array of supportive services funded under the Empire State Supportive Housing Initiative (ESSHI) and provided and coordinated by, Soldier On, Inc. (SO) [www.wesoldieron.org] and Homeless and Travelers Aid Society of Albany (HATAS) [www.hatas.org].

Since 1994, SO has been providing homeless veterans with transitional housing, permanent housing and supportive service to end Veteran homelessness. Soldier On has been serving Veterans since Oct 2011 in the Capital District and throughout New York State. Currently SO serves 220 veterans in the Capital district annually. SO has been serving Veterans within the Albany County Jail since 2014. The recidivism rate for those veterans was around 8%, significantly lower than the rate in the remaining Albany county Jail population. 248 veterans have been served to date.

SO’s goal is to help veterans become fully franchised and contributing members of their community by helping them to regain physical, mental, economic and housing stability within an environment of integrity, dignity and hope. Support services include: outreach, case management, peer recovery support to individuals with chronic addictions, mental health, medical needs, assistance with finances, education, and employment and a specialized holistic case management and wellness program for veterans. SO falls within the Albany Continuum of Care (CoC), and a SO representative is the Albany CoC co-chair.

Homeless and Travelers Aid Society of Albany (HATAS) was formed in 1927 with the mission to end homelessness within Albany County and the Capital Region. HATAS provides relief by

meeting the immediate need for shelter, food and clothing in addition to addressing the long-term need for affordable housing and sustainable employment. HATAS works in concert with local partners (e.g. Albany County DSS) to eliminate service redundancies and to increase the quality and variety of services available within the Capital Region. HATAS is a co-chair of the Albany County CoC.

The remaining thirty-three units will be available to the general public, subject to income limitations described in this project narrative. These households would rely on locally provided services as required.

7. Location promotes walkable community areas

The project is located on Menands 'Main Street', as deemed by the Village of Menands Broadway Corridor Master Plan. The Village website states that 'This forward thinking and important plan was the result of a coordinated effort with the Village of Menands Economic Development Committee, consultant planners, business owners, and residents along the Broadway Corridor.'

The completed and adopted Plan encourages a pedestrian-friendly street that allows for multi-modal transportation alternatives (automobile, mass transit, bicycle and pedestrian) for Menands business customers and residents. Accordingly, the Village has insisted that improved physical features including but not limited to continuous sidewalks, frequent street crossings, bikeways, trees and landscaping improvements be included in any development proposal.

8. Project developer's return on investment

Under the provisions of Article XI of the NYS Private Housing Finance Law the developer's return on investment is limited to 6% on the equity capital invested. In reality the NYS Home and Community Renewal regulatory restrictions on rents and rent increase limit the return to \$35/dwelling unit/month. The developer is required under the various requirements of the Federal Low Income Housing Tax Credit program and the NYSHCR regulatory requirements, to unconditionally guarantee construction completion, and to provide on-going guarantees to cover operating losses and compliance with resident income limits and rent limits. This is a mission driven enterprise for both partners, Beacon Communities and Soldier On.

9. Ability to obtain conventional financing

The project will be developed using funds from various NYS housing programs that promote the development of housing for homeless persons, and for persons with very low, and low incomes.

The property will be operated in compliance with both federal and NYS regulations, which place restrictions on rents levels, and the schedule and amount by which rents can be increased. The rents are set at affordable levels which do not permit financing the project on pure commercial terms.

The limitation on conventional financing in light of the income and rent restrictions would create a capital funding gap of \$18.4MM, which is being provided by investor equity derived from NYS and Federal Low Income Housing Tax Credits, NYS Supportive Housing Subsidy, and a \$580K loan from the developer.

The PILOT is an important financial concession that will demonstrate local support for the project and help constrain the project's operating expense budget assuring on-going affordability for the low-income residents. The PILOT will also fix the rate at which future increases in the PILOT are made. This is important because future increases in the project's rental revenue will be regulated by NYS HCR and generally set by the federal cost of living adjustment – which has been at or below 2%. So, establishing a fixed PILOT escalator will eliminate any uncertainty regarding the level of future real estate taxes, and will help maintain the project's economic viability.

10. Income level of potential residents (at or below median income)

The project is comprised of sixty- eight units that will provide affordable, high quality housing. Thirty-five units are reserved for very low-income veterans earning under 50% of the AMI and who are either homeless or in jeopardy of becoming homeless.

The remaining thirty-three units will be available to households of the general public, with incomes under 60% of the AMI.

Attachment B – PILOT Schedule

PILOT Year	% Payment (see Note #1)	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	n/a	\$2,460	\$5,330	\$12,710	\$20,500	\$191,378	\$170,878
2	n/a	2,509	5,437	12,964	20,910	195,206	174,296
3	n/a	2,559	5,545	13,223	21,328	199,110	177,782
4	n/a	2,611	5,656	13,488	21,755	203,092	181,337
5	n/a	2,663	5,769	13,758	22,190	207,154	184,964
6	n/a	2,716	5,885	14,033	22,634	211,297	188,663
7	n/a	2,770	6,003	14,314	23,087	215,523	192,436
8	n/a	2,826	6,123	14,600	23,549	219,833	196,284
9	n/a	2,882	6,245	14,892	24,020	224,230	200,210
10	n/a	2,940	6,370	15,190	24,500	228,715	204,215
11	n/a	2,999	6,497	15,494	24,990	233,289	208,299
12	n/a	3,059	6,627	15,804	25,490	237,955	212,465
13	n/a	3,120	6,760	16,120	26,000	242,714	216,714
14	n/a	3,182	6,895	16,442	26,520	247,568	221,048
15	n/a	3,246	7,033	16,771	27,050	252,519	225,469
16	n/a	3,311	7,174	17,106	27,591	257,569	229,978
17	n/a	3,377	7,317	17,449	28,143	262,720	234,577
18	n/a	3,445	7,464	17,798	28,706	267,974	239,268
19	n/a	3,514	7,613	18,154	29,280	273,333	244,053
20	n/a	3,584	7,765	18,517	29,866	278,800	248,934
21	n/a	3,656	7,920	18,887	30,463	284,376	253,913
22	n/a	3,729	8,079	19,265	31,072	290,064	258,992
23	n/a	3,803	8,240	19,650	31,693	295,865	264,172
24	n/a	3,879	8,405	20,043	32,327	301,782	269,455
25	n/a	3,957	8,573	20,444	32,974	307,818	274,844
26	n/a	4,036	8,745	20,852	33,633	313,974	280,341
27	n/a	4,117	8,920	21,270	34,306	320,253	285,947
28	n/a	4,199	9,098	21,695	34,992	326,658	291,666
29	n/a	4,283	9,280	22,129	35,692	333,191	297,499
30	n/a	4,369	9,466	22,572	36,406	339,855	303,449
TOTAL		\$99,800	\$216,233	\$515,634	\$831,667	\$7,763,815	\$6,932,148

Note #1: N/A: Applicant is requesting a fixed PILOT

Attachment C – Special Use Permit

MAYOR

Megan Grenier

VILLAGE CLERK

Don Handerhan



TRUSTEES

Diane Foley
Seth Harris
Brian Marsh
Aileen L. Nicoll

Village of Menands

280 Broadway
Menands, NY 12204
(518) 434-2922
Fax (518) 427-7303

Lead Agency SEQR July 15, 2020

A discussion regarding a Special Use Permit for 35 Broadway Village Attorney Rehfuss advised the Board that the Board has sixty-two (62) days to approve the Special Use Permit.

Attorney Rehfuss also advised the Board they could apply conditions on the Project.

Mayor Grenier read the following conditions:

1. The applicant shall provide documentation to the satisfaction of the Village Board which identifies that the project has proper financing in place prior to the Village Board issuing final site plan approval.
2. Should the Village Board grant final site plan approval and a building permit is issued, the duration from building permit issuance to completion of construction and certificate of occupancy issuance shall be no longer than 18-months.
3. The Village Board reserves the right to request a traffic impact study from the application during the site plan review process.
4. During the site plan review process, the applicant shall submit certain design details, including but not limited to, building form and facades, for the Village's review and approval. The Village reserves the right to require specific design of the building form and facades.
5. That the Special Use Permit is issued to the applicant only and is transferable only upon application and approval of the Village Board of Trustees.

A discussed followed Ethan Gaddy advised the Board of the need for the Board to be named as Lead Agency for SEQR Review.

Trustee Marsh made a motion to name the Village of Menands as Lead Agency for SEQR Review for 35 Broadway, seconded by Trustee Harris.

ADOPTED:

Trustee Foley	voting	AYE
Trustee Harris	voting	AYE
Trustee Marsh	voting	AYE
Trustee Nicoll	voting	AYE
Mayor Grenier	voting	AYE

MAYOR
Megan Grenier

VILLAGE CLERK
Don Handerhan



TRUSTEES
Diane Foley
Seth Harris
Brian Marsh
Aileen L. Nicoll

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280 Broadway
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July 20, 2020

SEQR and Special Use Permit for 35 Broadway a discussion followed.

1. SEQR

- a. The Village Board, at the request of the applicant, is conducting a 'coordinated review' of the project. This means that the Village circulated part one of the Full Environmental Assessment Form (FEAF), draft preliminary site plans, and the Special Use Permit narrative to the Town of Colonie, the NYSDOT and Homes and Community Renewal (HCR).
- b. All involved agencies submitted written notice that they consented to the Village Board serving as lead agency for the purposes of SEQR.
- c. HCR submitted a comment letter regarding the applicant's proposed project. The issues raised in the letter from HCR are not pertinent to the local approval process. The HCR comments outlined conditions that the applicant would need to meet in order to be eligible for financing from HCR. That letter is found in the google drive folder: <https://drive.google.com/drive/folders/1HdqDMDRXpQoYNRBF1ZGeeYwupXvOOQSuj?usp=sharing>
- d. The Town of Colonie and the NYSDOT have not submitted any comments regarding the project.
- e. The applicant has provided the following items in support of their SEQR materials
 - i. A letter from the New York State Historic Preservation Office (dated 4/1/2020) indicating that the proposed project would not have any impact on the adjacent historic resource, the Albany Felt Company Complex (also known as Albany Lofts at One Broadway) or any other historic, archeological or cultural resources.
 - ii. A traffic evaluation memo from Creighton Manning (dated 6/30/2020) indicating that the low volume of traffic generated at the site does not warrant detailed evaluation of off-site intersections based on NYSDOT and ITE guidelines, that there are adequate site lines, and that the applicant would eventually need a NYSDOT work permit for proposed

driveway changes.

iii. A copy of the report titled “NEPA, Phase 1 Environmental Site Assessment and Zoning/Land Use” from April 2020. This report provides a comprehensive evaluation of the environmental conditions on and around the site.

iv. A parking analysis letter (dated 6/29/2020) from SK Design Group indicating that based on review of similar projects that a conservative parking ratio of 0.7 spaces per unit will meet, and likely exceed, the project’s needs.

- f. The documents referenced above provide a wealth of information about the site and serve as useful references for the purposes of SEQR. The Village Board of Trustees should review those materials. They are located in the Google Drive folder for the project: <https://drive.google.com/drive/folders/1HdqDMDRXpQoYNRBF1ZGeeYwupXvOQSuj?usp=sharing>
- g. The next step in the SEQRA process is an evaluation of the project’s impacts. The Applicant has provided suggested responses to Part 2 of the EAF per our request.
- “The purpose of Part 2 is to use the information from Part 1 to identify potential adverse impacts that need further consideration by the reviewing agency. The questions included in Part 2 are designed to help the reviewing agency identify what, if any, impacts may occur as a result of the project. Part 2 is further used to decide whether those impacts will have no impact or a small impact, or a moderate to large impact. ”*
- h. The Village Board should review Part I of the Environmental Assessment Form (EAF) and then consider the questions asked in Part 2. Part 2 provides illustrative impacts for consideration and asks whether a potential impact is “No or Small” or Moderate to Large”. The Board should consider each of the questions and illustrative responses and decide which box to check. If an answer is checked Moderate to Large, then a response in Part 3 of the EAF is required.
- i. Based on Chazen’s preliminary review, we believe that the proposed project will have “No or Small” potential impact in all the category areas and it is not anticipated that the applicant will be required to prepare a FEAF part 3. However, this is not a substitute for Board review of the potential impacts of the project. There may be Village specific issues that the Board has intimate knowledge of that would suggest a different response to questions in part 2.
- j. Board members should review the FEAF parts 1 and 2 and the associated list of supporting documents (listed under item F above). If there are any questions about the material, please reach out to Ethan Gaddy (egaddy@chazencompanies.com) in advance of Monday’s meeting.
- k. Please note that the applicant will still be seeking site plan approval for the project. During site plan review, Chazen will work with the applicant and department heads to ensure that the physical elements of the project are in order. The project will be required to receive additional review before final approval.

2. Special Use Permit

- a. At Monday's meeting the Village Board will also be considering the approval of the applicant's Special Use Permit application. The public hearing for said permit was held at the June Board meeting.
- b. The Village Board was unable to approve the SUP in advance of completing a full SEQRA evaluation. At Monday's meeting it is anticipated that the Board will complete SEQRA review and therefore be able to approve or deny the applicant's SUP.
- c. At the June meeting, the Village Board expressed desire to impose conditions like those imposed on a recent project at 5 Elmwood Drive.
- d. The conditions imposed on 5 Elmwood Drive were:
 1. The applicant shall provide documentation to the satisfaction of the Village Board which identifies that the project has proper financing in place prior to the Village Board issuing final site plan approval.
 2. Should the Village Board grant final site plan approval and a building permit be issued, the duration from building permit issuance to completion of construction and certificate of occupancy issuance shall be no longer than 18-months.
 3. The Village Board reserves the right to request a traffic impact study from the application during the site plan review process.
 4. During the site plan review process, the applicant shall submit certain design details, including but not limited to, building form and facades, for the Village's review and approval. The Village reserves the right to require specific design of the building form and facades.
 5. That the Special Use Permit is issued to the applicant only and is transferable only upon application and approval of the Village Board of Trustees.
- e. The applicant for 35 Broadway was provided an opportunity to review the conditions imposed on 5 Elmwood Drive and offered the following:
 1. Beacon doesn't object to establishing a reasonable time period to start and complete construction from the date of the issuance of final site plan approval; however, obtaining firm financing commitments will require that we have final site plan approval and building permit in place.
 2. Understood. Can the Conditions letter provide an opportunity to request extensions?
 3. Traffic is being addressed during SEQRA Review (prior to a SUP decision).
 4. Agreed.
 5. Applicant or a related party formed by applicant to own and manage the property.
- f. Based on the nature of the proposed project at 35 Broadway and the applicant's responses, the following modified conditions are proposed (with updated numbering):

1. Should the Village Board grant final site plan approval and a building permit be issued, the duration from building permit issuance to completion of construction and certificate of occupancy issuance shall be no longer than 18-months. Prior to the expiration of such 18-month period, the permittee may apply for an extension of such a period and the Board of Trustees may, in its discretion, grant an extension of such permit.
 2. During the site plan review process, the applicant shall submit certain design details, including but not limited to, building form and facades, for the Village's review and approval. The Village reserves the right to require specific design of the building form and facades.
 3. The Village Board reserves the right to request a traffic impact study from the applicant if deemed warranted during the site plan review process.
 4. That the Special Use Permit is issued to the applicant, or a related party formed by applicant to own and manage the property and is transferable only upon application and approval of the Village Board of Trustees.
- g. The Board should also note that item B of §169-49 "Revocation or expiration of special permits" outlines the SUP expiration process:
- A special use permit shall become void one year after approval unless construction has begun, or the use is commenced on the premises, within such one-year period. Prior to the expiration of such one-year period, the permittee may apply for an extension of such period and the Board of Trustees may, in its discretion, grant an extension of such permit.*
- h. The applicant has provided a complete application which the Village Board considered at their June meeting. Chazen has reviewed the application and associated conditions and recommends that the Village Board approve the SUP with conditions once SEQR is completed.

After a discussion Trustee Marsh moved the following resolution to approve the SEQR for 35 Broadway, the resolution was seconded by Trustee Nicoll.

ADOPTED:

Trustee Foley	voting	AYE
Trustee Harris	voting	AYE
Trustee Marsh	voting	AYE
Trustee Nicoll	voting	AYE
Mayor Grenier	voting	AYE

**SEQR RESOLUTION - NEGATIVE DECLARATION
SPECIAL USE PERMIT- CONDITIONAL APPROVAL**

Village of Menands: Review of multi-family housing project at 35 Broadway

At a meeting of the Village Board of the Village of Menands held on the 20th Day of July 2020 held remotely, Trustee Harris moved adoption of the following resolution; Trustee Nicoll seconded the motion:

WHEREAS,

1. In accordance with the New York State Environmental Quality Review regulations (SEQR), the Village Board of the Village of Menands announced its intent to serve as Lead Agency on May 18, 2020, to conduct an environmental review of a project to construct a multi-family housing development. The proposed action will provide affordable housing to US Veterans in need of housing.
2. The Village Board has determined that the proposed action is a Type I action as defined under SEQR, as portions of the project area are contiguous to a site listed on the State and National Register of Historical Places.
3. The Village Board, in its capacity of Lead Agency, has caused to be prepared an environmental assessment of the significance of and potential environmental impact of the action described above.
4. On May 18, 2020, the Village Board notified the Involved and Interested Agencies of its intention to act as Lead Agency for this project and circulated the full Environmental Assessment Form. Comments received from these agencies are addressed in the Negative Declaration.
5. The Village will continue to work with Federal, State and local agencies until all necessary permits and approvals have been obtained.
6. The Village Board has considered the Environmental Record prepared for this action, including any comments received from the Involved Agencies, and the proposed Negative Declaration.
7. The Village Board has also received a complete Special Use Permit application from the applicant, which was the subject of a public hearing on June 15th, 2020.
8. The Village Board has proposed the following conditions as part of the Special Use Permit approval;
 - A. Should the Village Board grant final site plan approval and a building permit be issued, the duration from building permit issuance to completion of construction and certificate of occupancy issuance shall be no longer than

18-months. Prior to the expiration of such 18-month period, the permittee may apply for an extension of such a period and the Board of Trustees may, in its discretion, grant an extension of such permit.

- B. During the site plan review process, the applicant shall submit certain design details, including but not limited to, building form and facades, for the Village's review and approval. The Village reserves the right to require specific design of the building form and facades.
- C. The Village Board reserves the right to request a traffic impact study from the applicant if deemed warranted during the site plan review process.
- D. That the Special Use Permit is issued to the applicant, or a related party formed by applicant to own and manage the property and is transferable only upon application and approval of the Village Board of Trustees.
- E. That the applicant will provide written proof of the commitment of appropriate financing for completion of the project prior to issuance of a Building Permit by the Village

NOW THEREFORE BE IT RESOLVED,

The Village Board declares that, based on the Environmental Record which has been prepared, the project will result in no major impacts and, therefore, will not cause significant damage to the environment. A Negative Declaration under SEQR is therefore issued for this project. The Village Board, having issued a Negative Declaration under SEQR, approves, with conditions listed above, the applicants request for a Special Use Permit

ADOPTED:

Trustee Foley	voting	AYE
Trustee Harris	voting	AYE
Trustee Marsh	voting	AYE
Trustee Nicoll	voting	AYE
Mayor Grenier	voting	AYE

MAYOR
Megan Grenier

VILLAGE CLERK
Don Handerhan



TRUSTEES
Diane Foley
Seth Harris
Brian Marsh
Aileen L. Nicoll

Village of Menands

280 Broadway
Menands, NY 12204
(518) 434-2922
Fax (518) 427-7303

Lead Agency SEQR July 15, 2020

A discussion regarding a Special Use Permit for 35 Broadway Village Attorney Rehfuss advised the Board that the Board has sixty-two (62) days to approve the Special Use Permit.

Attorney Rehfuss also advised the Board they could apply conditions on the Project.

Mayor Grenier read the following conditions:

1. The applicant shall provide documentation to the satisfaction of the Village Board which identifies that the project has proper financing in place prior to the Village Board issuing final site plan approval.
2. Should the Village Board grant final site plan approval and a building permit is issued, the duration from building permit issuance to completion of construction and certificate of occupancy issuance shall be no longer than 18-months.
3. The Village Board reserves the right to request a traffic impact study from the application during the site plan review process.
4. During the site plan review process, the applicant shall submit certain design details, including but not limited to, building form and facades, for the Village's review and approval. The Village reserves the right to require specific design of the building form and facades.
5. That the Special Use Permit is issued to the applicant only and is transferable only upon application and approval of the Village Board of Trustees.

A discussed followed Ethan Gaddy advised the Board of the need for the Board to be named as Lead Agency for SEQR Review.

Trustee Marsh made a motion to name the Village of Menands as Lead Agency for SEQR Review for 35 Broadway, seconded by Trustee Harris.

ADOPTED:

Trustee Foley	voting	AYE
Trustee Harris	voting	AYE
Trustee Marsh	voting	AYE
Trustee Nicoll	voting	AYE
Mayor Grenier	voting	AYE

MAYOR
Megan Grenier

VILLAGE CLERK
Don Handerhan



TRUSTEES
Diane Foley
Seth Harris
Brian Marsh
Aileen L. Nicoll

Village of Menands

280 Broadway
Menands, NY 12204
(518) 434-2922
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July 25, 2020

At 6:04 P.M. the Mayor Opened the Public Hearing #2 regarding a Special Use Permit for 35 Broadway.

Eric Johnson introduced Duncan Barrett, President of Beacon Communities. Mr. Barrett informed the Board and public about a 68-unit complex for Vets that would be in cooperation with Soldier On. Mr. Barrett explained that Beacon Communities and Soldier On have many properties with New York and Massachusetts.

Mr. Barrett introduced Matt Bodston of the LA Group. Mr. Bodston showed a presentation of Soldier On at 35 Broadway he asked about lowering the number of parking spaces to increase green space because there is not a need for all the spaces required by Code.

Lyle Darmetko, the Village Code Enforcement Officer advised to lower the number of spaces would require Zoning Board of Appeals approval.

Tim Hurley asked if traffic would be a concern.

Village Attorney Rehfuss advised that a Traffic Study would be required. Ethan Gaddy from Chazen Companies advised the Board that DOT is looking into a possible light at Simmons Lane.

Mike Mackay inquired about others properties they owned.

Mr. Barrett advised they own properties in Watervliet, Albany and throughout New York State. Soldier On has properties in western Massachusetts.

Mr. Mackay asked where the Vets would come from to live there.

Mr. Barrett explained that Vets would come from different homes and programs for Vets.

Bill Nevins advised the Board he supports this project.

Hearing no further comments or questions the Mayor closed the Public Hearing at 6:25 P.M.

The regular meeting reconvened at 6:25 P.M.

Attachment D – Newmark Knight Market Study

**COMPREHENSIVE MARKET STUDY
PROPOSED FAMILY AFFORDABLE AND
SUPPORTIVE HOUSING DEVELOPMENT
VETERAN HOUSING
35 BROADWAY
MENANDS, NEW YORK 12903**

Analysis Prepared For ⁽¹⁾:

Mr. Duncan Barrett
President
Beacon Communities Development, LLC
54 State Street, Suite 802
Albany, NY 12204

NKF Job No.: 20-0017258

Date of Report: June 19, 2020

Analysis Prepared By:

Newmark Knight Frank
Valuation & Advisory
2410 North Forest Road
Amherst, New York 14068



- (1) In addition to the client, the intended user of this report includes New York State Homes and Community Renewal (HCR).

June 19, 2020

Mr. Duncan Barrett
President
Beacon Communities Development, LLC
54 State Street, Suite 802
Albany, NY 12204

Re: Comprehensive Market Study
Proposed Affordable Housing Development
Veterans Housing
35 Broadway
Menands, Albany County, New York
NKF Job No.: 20-0017258

Dear Mr. Barrett:

Newmark Knight Frank (NKF) has completed a **Comprehensive Market Study** overviewing supply and demand trends related to the development of a proposed housing project to be built in the Village of Menands (town of Colonie), Albany County, New York.

The subject will reflect **new construction of 68 apartments** that will primarily target the local workforce and Veteran households with one-bedroom units. Rents are set at or below 60% of AMI, and 35 units are requesting subsidy from the Empire State Supportive Housing Initiative (ESSHI) for Veterans at risk of homelessness or who were formerly incarcerated.

The **purpose** of this study is to establish supply and demand trends and ascertain the need for housing of this nature, in this section of Albany County. The report has been prepared specifically for the client of record, but the New York State Department of Homes & Community Renewal (HCR) has the rights to utilize and rely on the results of the analysis.

Objectives of the Market Study:

The report is being prepared specifically for use by the client in conjunction with their review of the project. The main objectives of the study are:

- ❖ *To demonstrate that sufficient demand exists for the proposed development in the market area.*
- ❖ *Demonstrate that the proposed project will not cause any undue economic harm on the existing rental stock in the market area.*

- ❖ To evaluate the positioning of the subject's rent structure within the context of the current market conditions in the area, and evaluate rent advantage.

In regards to the **scope of the analysis**, the report meets the definition criteria of a Comprehensive report as required by IRC Section 42 for allocating purposes. The NCHMA guidelines and definition of a Comprehensive report have been complied with, and we will provide a checklist in the addendum of the report for review and reference.

The Subject Property:

The development will involve the **new construction** of a four-story elevator building on Broadway in the village of Menands. A summarization of the **intended unit mix and rent structure** for the project is outlined below:

UNIT MIX / RENT SUMMARY														
Unit Type	# of Units	(1) % AMI	Sq.Ft.	Net Tenant Rents	(2) Tenant Paid Utilities	Total Gross Rents	Gross Rents/ Sq.Ft.	(3) Tax Credit Maximums	(4) HUD FMR	(5) Unrestricted Market Averages	(5a) Achievable Market Rent/Adj	(6) % Disc to TC MAX	(7) % Disc to MKT Averages	(8) % Disc to ADJ MKT Averages
1 BRM – Tax Credit	33	60%	620	\$825	\$0	\$825	\$1.33	\$1,091	\$855	\$1,338	\$1,050	24.38%	38.34%	21.43%
1 BRM – ESSHI	35	50%	620	\$941	\$0	\$941	\$1.52	\$909	\$855	\$1,338	\$1,050	-3.52%	29.67%	10.38%

- (1) this is the % AMI that the rent falls at or below
(2) Estimated tenant paid utilities based on provided data
(3) Tax credit max based on the 2020 AMI levels
(4) 2020 HUD FMR effective as of 10/2019
(5) Equal to street rents, these are un-adjusted for location, quality, etc - they are simple averages.
(5A) Achievable market rent adjusted to subject amenities/quality/condition
(6) The % that the intended subject rent is below the tax credit maximum allowable levels.
(7) The % that the intended subject rent is below the average unrestricted market rent in the area before adjustments to achievable.
(8) The % that the intended subject rent is below the average unrestricted market rent in the area post adjustments to achievable.

All utilities are included. Unit sizes range throughout the building and the averages are presented in the chart above. Tenants in the ESSHI units are referred into the project by the service provider and income qualify at the 30% and 50% AMI levels. ESSHI rents will include a subsidy amount and tenant contribution. Four of the units will be adapted for person(s) who have mobility impairment, and four units will be adapted for person(s) with a hearing and/or vision impairment.

Physically, the development will offer finishes that typify good quality affordable housing. This will include a mix of carpeting and tile flooring, good quality cabinets and counters, appliances to include a stove and refrigerator, central AC and storage. The apartments will be accessed from a common hallway, and each apartment will have similar layouts with a walk-in kitchen, living room, bedroom and full bath. A tenant lounge is located on each floor with a ground floor community room, kitchen, management/service provider offices and fitness centers. Outdoor spaces include a garden, seating area and surface parking.

The Location/Market & Demand Analysis:

The subject site is located on the east side of Broadway in the southern portion of the village. The immediate area has been designated a "Main Street" by the village to improve walkability and multimodal transportation on a main linkage into downtown Albany. Directly south of the subject site is the Albany One Lofts, a large adaptive reuse project with high end apartments that was one of the first such developments in the region. The site is served by public transportation and has access to commercial uses in nearby plazas, base employers in the greater area along Broadway and a significantly greater concentration farther south in the downtown core and Albany Med.

The subject area along Broadway and neighboring blocks is predominantly commercial with the Albany Water treatment plant and various industrial and logistics facilities serving as a base employment center for the region. Farther west is a concentration of single family homes that reflect typical early 1900s properties in good condition, the Wolferts Roost Country Club and comparatively newer and larger homes west of Route 9 in Colonie. Areas to the northwest and farther south have a heavy concentration of multifamily housing, almost exclusively in 1970s era garden style and townhouse buildings that have been renovated to varying degrees and remain well supported with stable to increasing rents. Many of these complexes are larger 200+ unit properties that hold outsized influence on local rent thresholds compared to areas south into Albany where most recent new development has taken place and continues into late 2020.

Affordable housing in the area relates to the larger Albany Housing Authority properties including North Albany Homes, Skyline Gardens, and the Ida Yarbrough homes which has undergone two phases of redevelopment as part of a conversion to a Tax Credit property. Other options include more recently developed tax credit properties in the city on Clinton Avenue with one supportive housing project set for delivery in the coming months. Affordable housing options farther north include those under the purview of the Watervliet Housing Authority where tenants pay rent based on income. Affordable housing for family households is not available in Menands or Colonie as all existing options are age-restricted. Supportive housing for Veterans is limited in this part of the region with the only such projects available in Troy and the Clinton Ave RSS project under development in Albany.

We will establish a **primary market draw area (PMA)** that reflects patterns and characteristics that typify this part of Menands and the metro Albany area where there is limited affordable housing for the targeted population group, none of which offers supportive services. The PMA includes the town of Colonie, tracts in the northernmost end of the city of Albany, and nearby city of Watervliet. We are not including areas farther south of Downtown Albany or essentially west of I-87, nor do we include areas east of the Hudson River in Rensselaer County based on historical movement patterns and other housing options in these communities.

Regarding the **demand methodology**, we will perform an analysis that eliminates all existing affordable housing and uses the typical standard set by HCR which establishes the income range for the tax credit units with 30% of income at the low end up to 48% at the high end. 18 of the 35 ESSHI units have a lower income qualification of 30% AMI, however the demand model will assess these units with a maximum limit of 50% AMI like a project based assistance scenario. **We are using 1-person households age 18-61 only** and consider 2-person households and persons who would be considered seniors as secondary sources of support. The results indicate support for the project as designed with a **weighted average capture rate of 4.07%**. In part, the capture rates are assisted by the number of unit types and rent tiers and it should be recognized that the capture rates for each of the individual income bands is at or below 10% in all cases and indicative of strong overall project support.

In addition to capture however, there are other variables that are critical to recognize regarding overall support for the development as intended. In this case, factors that are favorable include:

- ❧ The **rent advantage** when comparing achievable market to the anticipated subject tax credit rent levels at around 21% for the 60% AMI units. There is a significant supply of older multifamily complexes in the immediate area that remain well supported with stable rents and a newer loft-rehab property that offers comparatively higher end units and achieves the highest rents in the village. New development is ongoing on Broadway farther south into downtown where rents have been increasing in recent years.
- ❧ **Lack of affordable housing options in Menands as all new development in the PMA has taken place farther south in Albany.** There have been new additions to the affordable family stock in the city in recent years mostly on/around Clinton Ave and the Sheridan Hollows neighborhood aside from the Ida Yarbrough redevelopment, however no options exist for the targeted population in the village or town of Colonie. **Waitlists** are significant for the AHA and WHA properties and are periodically closed due to volume.
- ❧ **Good quality** of the subject compared to older local rental options in walkup buildings in the immediate area as the subject will offer elevator service and good quality finishes.
- ❧ **Locational aspects of the site** with access to public transportation and a direct link into downtown, the village has created a plan to improve walkability, multimodal transportation and other traffic calming measures to support the existing population and those in the larger multifamily complexes nearby. Given the prevalence of local employment options, there is a larger commuter base to support local commercial services and the proximity to downtown is beneficial to the tenants for more employment and healthcare options.
- ❧ The **local renter base is rent overburdened** with nearly 32% of all renter households in Menands paying more than 35% of their income on rent, and over 53% of renters in the PMA earning less than \$30,000.

- The inclusion of **supportive housing** for 35 apartments to provide housing for Veterans at risk of homelessness which already reside in the community.

Supportive Housing

Supportive services will be provided by Soldier On, Inc. (WSO) and Travelers Aid Society of Albany (HATAS). Since 1994, WSO has been providing homeless veterans with transitional housing, permanent housing and supportive service to end Veteran homelessness. WSO goal is to help veterans become fully franchised and contributing members of their community by helping them to regain physical, mental, economic and housing stability within an environment of integrity, dignity and hope. Support services include; outreach, case management, peer recovery support to individuals with chronic addictions, mental health, medical needs, assistance with finances, education, employment and a specialized holistic case management/wellness program.

Homeless and Travelers Aid Society of Albany (HATAS) was formed in 1927 with the mission to end homelessness within Albany County and the Capital Region. HATAS provides relief by meeting the immediate need for shelter, food and clothing in addition to addressing the long-term need for affordable housing and sustainable employment. HATAS works in concert with local partners (e.g. Albany County DSS) to eliminate service redundancies and to increase the quality and variety of services available within the Capital Region. HATAS and WSO representatives are co-chairs of the Albany County CoC.

The most recent Point in Time survey in 2019 identified 88 homeless Veterans in either emergency or transitional housing. Census data identifies 1,161 Veterans age 18-35 and 2,443 age 36-54 in Albany County, representing over 24% of all veterans.

It is important to recognize that this study represents a compilation of data gathered from various sources, including competitive properties surveyed, local municipal records, interviews with market participants, town officials and review of secondary demographic data. Although the sources used are felt to be reliable, it is impossible to thoroughly verify and authenticate all data utilized. The analysis does not guarantee the data and assumes no liability for errors of a factual nature, analysis, or judgment provided.

Among the sources utilized and cited throughout this study are the U.S. Census of Population and Housing, and data gathered by Nielsen/Claritas for application to the HISTA database. Further, it must be recognized that the recommendations and conclusions provided in this market analysis are objective opinions based on the data gathered and interpretation of current and prospective supply and demand variables. Real estate markets are very dynamic in nature and continually affected by demographic, economic and development changes. The research and analysis was completed in June 2020 with a site inspection in March 2020. Utilization of this report and the recommendations/conclusions undertaken are reflective of trends at this time.


June 19, 2020
Mr. Duncan Barrett

It should also be recognized that Newmark Knight Frank (NKF) is approved as a market analyst with HCR. We have reviewed and understand their guidelines and feel that the results of this analysis are consistent with the recommendations made in Capital Programs Manual and the Qualified Allocation Plan.

The report has been prepared for the specific use of the client for the proposed project as identified herein. The recommendations and conclusions do not apply to any other party or proposed development.

Respectfully,

Newmark Knight Frank



David M. Carlon
Senior Vice President
Analyst



Joseph D. Sievert
Analyst



M. Scott Allen, MAI
Executive Vice President
Review Analyst

NCHMA MEMBER CERTIFICATION

This market study has been prepared by Newmark Knight Frank (NKF) that is a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Newmark Knight Frank (NKF) is duly qualified and experienced in providing market analysis for Housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. **NKF** is an independent market analyst. No principal or employee of **NKF** has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies "NKF" the certification is always signed by the individual completing the study and attesting to the certification.

(NOTE: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting www.housingonline.com/mac/home.htm)

Name:



M. Scott Allen, MAI
Executive Vice President
Analyst

Company:

Newmark Knight Frank

Date:

June 19, 2020

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Introduction

Newmark Knight Frank (NKF) has completed a market study outlining supply and demand trends related to the new construction of 68 affordable rental units in the village of Menands, Albany County, New York. As planned, this will consist of one-bedroom apartments in a four-story elevator building on a site on Broadway north of downtown Albany.

The property will primarily target a family/workforce marketplace, and rents are set at or below the 60% AMI levels with some units subsidized by the ESSHI program.

Our analysis will account for the actual intended rent structure, which includes a range of unit types and income levels.

Scope of the Analysis

Generally, the context of this report will involve three separate and distinct sections including:

- ❧ The **first section** of this analysis will provide an overview of the proposed development, including a description of the project in question, and the demographics of the area that will influence the facility.
- ❧ The **second portion** involves an interpretation of current supply within the market draw area that will be considered competitive with the proposed development.
- ❧ The **third portion** concentrates on demand and the likely absorption for the new project. Demographics from the Primary Housing Market Area (PMA) will be presented and discussed in detail. The demand methodology utilized was based on an estimate of demand from new renter-occupied household growth, but more importantly given area demographics, based on an estimate of demand from the existing renter-occupied households in the market areas established. The demand estimates will consider the ability of area residents to afford the subject units.

Assumptions/Conditions of NCHMA:

No identity or interest exists between NKF and the client identified for this study. We certify that, to the best of our knowledge and belief, the following apply:

- ❖ The statements of fact contained in this report are true and correct.
- ❖ The reported analysis, opinions and conclusions are limited only by the reported Assumptions and Limiting Conditions, and reflect a personal, professional analysis, opinions and conclusions.
- ❖ We have no present or prospective interest in the property that is the subject of this report.
- ❖ Our compensation is **not** contingent on an action or event resulting from the analysis, opinions, or conclusions in, or use of this report.
- ❖ The analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the parties relying on the demand.
- ❖ The analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation. We have made a personal inspection of the property in question, and the market area that is the subject of this report.
- ❖ The analysis and opinions set forth in the report are specifically generated by the individual signing the report. The site inspection was completed by Joseph D. Sievert on March 4, 2020. David M. Carlon and M. Scott Allen are familiar with the site and market from previous assignments.
- ❖ **Newmark Knight Frank (NKF)** is an active member of the National Council of Housing Market Analysts (NCHMA). This organization is an affiliate of the National Housing & Rehabilitation Association. The group has pioneered implementation of voluntary standards and definitions of acceptance for market studies of affordable rental housing developments. NKF complies with these requirements, and abides by the definitions and certifications set forth. We have provided a list of definitions in the addendum of the analysis, together with the Market Study Certification being used by members of this organization. For additional information we refer the reader of this report to the National Council's website at www.housingonline.com.



Market Study Documentation for Community Impact Revitalization Scoring

Total Project Capture Rate:

4.07%

Capture Rates – Primary	
Weighted Average Capture For the Entire Project:	4.07%
1 BRM 60% AMI	6.39%
1 BRM ESSHI	1.88%

Please Identify The Market Study Pages Addressing Capture Rate:

Pages v, 4, 5, 6, 15, 86

Occupancy Rate For Comparable Units

In Primary Market Area: 98%

Please Identify the Market study pages addressing occupancy rate:

Pages: 7, 72



Summary of Findings

The Summary of Findings will present a concise analysis of many of the important characteristics related to this study. On the next couple of pages we will overview favorable market and product characteristics, and also any potential market or project issues and concerns. ***Our general conclusions*** pertaining to the likelihood of support include:

- ❏ We are anticipating support for the development as intended, designed and economically structured. There are many variables that relate to the potential success of an affordable housing development but some of the key and critical variables to consider here include:
 - ❏ *The rent and unit mix which will attract income qualified renter households not living in affordable housing.*
 - ❏ *Rent advantage for all unit types when compared to achievable market rent.*
 - ❏ *Number of income qualified households for all units at established income bands.*
 - ❏ *Integration of supportive housing units with rental subsidy.*
 - ❏ *Local support for the project; active site plan application and the parcel has been zoned to allow for affordable family housing.*

An overview of some of the positive and favorable market/subject characteristics together with a summarization of potential project/market concerns include the following:

Favorable Market Characteristics

- ❏ **The capture rate** indicates **strong project support** with an **overall average capture rate of 4.07%** and in all cases the individual capture rates fall near or below 10%.
- ❏ *In conjunction with the above, the completion of the project will not have any undue influence on the other affordable housing projects in the area, as there are extensive wait lists for all affordable apartments in the PMA.*
- ❏ The **rent advantage** when comparing achievable market to the anticipated subject tax credit rent levels at around 21% for the 60% AMI units. There is a significant supply of older multifamily complexes in the immediate area that remain well supported with stable rents and a newer loft-rehab property that offers comparatively higher end units and achieves the highest rents in the village. New development is ongoing on Broadway farther south into downtown where rents have been increasing in recent years.
- ❏ **Good quality** of the subject compared to older local rental options in walkup buildings in the immediate area as the subject will offer elevator service and good quality finishes.



- ❖ **Lack of affordable housing options in Menands as all new development in the PMA has taken place farther south in Albany.** There have been new additions to the affordable family stock in the city in recent years mostly on/around Clinton Ave and the Sheridan Hollows neighborhood aside from the Ida Yarbrough redevelopment, however no options exist for the targeted population in the village or town of Colonie. **Waitlists** are significant for the AHA and WHA properties and are periodically closed due to volume.
- ❖ **Locational aspects of the site** with access to public transportation and a direct link into downtown, the village has created a plan to improve walkability, multimodal transportation and other traffic calming measures to support the existing population and those in the larger multifamily complexes nearby. Given the prevalence of local employment options, there is a larger commuter base to support local commercial services and the proximity to downtown is beneficial to the tenants for more employment and healthcare options.
- ❖ The **local renter base is rent overburdened** with nearly 32% of all renter households in Menands paying more than 35% of their income on rent, and over 53% of renters in the PMA earning less than \$30,000.
- ❖ The inclusion of **supportive housing** for 35 apartments to provide housing for Veterans at risk of homelessness which already reside in the community.

Potential Market Concerns

- ❖ **Competition.** There has been steady development in the Capital Region specifically in Albany with at least two directly competitive projects in the pipeline set for delivery later in 2020 and many others in various stages of approval and application in the city, in nearby Troy and other population centers.
- ❖ **Population shifts.** The PMA has seen a decrease in family households in the last five years and a lesser decrease is forecasted into 2025 which may be attributed to age and population counts and resident mobility patterns.

Summary of Project Details

Quick Project Details			
Project Name:	Veterans Housing	Project Type:	Family Tax Credit
City/Town:	Menands	Total Units:	68
County:	Albany	Low Income Units:	68
Address/Intersection:	35 Broadway	Market Rate Units:	0
2020 Total Population – PMA	81,337	Unit Types:	one bedroom
2020 Total Households – PMA	35,594	Income Set Asides:	30%, 50% and 60% AMI
Census Tract:	136.02	Target Population:	one person age 18-61
		Supportive Housing:	35 ESSHI units
Target Vacancy Rate:	5%	Target Population:	Veterans
Projected Absorption Rate:	6 per month	Projected Lease-Up Period:	8 months
Gross Households Capture Rate (Project Total):	4.07%	PMA Square Miles:	32.31sq.mi.



Summary of Proposed Development

The development will involve the **new construction** of a four-story elevator building on Broadway in the village of Menands. The **intended unit mix and rents** for the project is outlined below:

UNIT MIX / RENT SUMMARY														
		(1)		Net	(2)			(3)	(4)	(5)	(5a)	(6)	(7)	(8)
Unit Type	# of Units	% AMI	Sq.Ft.	Tenant Rents	Tenant Paid Utilities	Total Gross Rents	Gross Rents/ Sq.Ft.	Tax Credit Maximums	HUD FMR	Unrestricted Market Averages	Achievable Market Rent/Adj	% Disc to TC MAX	% Disc to MKT Averages	% Disc to ADJ MKT Averages
1 BRM – Tax Credit	33	60%	620	\$825	\$0	\$825	\$1.33	\$1,091	\$855	\$1,338	\$1,050	24.38%	38.34%	21.43%
1 BRM – ESSHI	35	50%	620	\$941	\$0	\$941	\$1.52	\$909	\$855	\$1,338	\$1,050	-3.52%	29.67%	10.38%

(1) this is the % AMI that the rent falls at or below

(2) Estimated tenant paid utilities based on provided data

(3) Tax credit max based on the 2020 AMI levels

(4) 2020 HUD FMR effective as of 10/2019

(5) Equal to street rents, these are un-adjusted for location, quality, etc - they are simple averages.

(5A) Achievable market rent adjusted to subject amenities/quality/condition

(6) The % that the intended subject rent is below the tax credit maximum allowable levels.

(7) The % that the intended subject rent is below the average unrestricted market rent in the area before adjustments to achievable.

(8) The % that the intended subject rent is below the average unrestricted market rent in the area post adjustments to achievable.

All utilities are included. Unit sizes range throughout the building and the averages are presented in the chart above. Tenants in the ESSHI units are referred into the project by the service provider and income qualify at the 30% and 50% AMI levels. ESSHI rents will include a subsidy amount and tenant contribution. Four of the units will be adapted for person(s) who have mobility impairment, and four units will be adapted for person(s) with a hearing and/or vision impairment.

Physically, the development will offer finishes that typify good quality affordable housing. This will include a mix of carpeting and tile flooring, good quality cabinets and counters, appliances to include a stove and refrigerator, central AC and storage. The apartments will be accessed from a common hallway, and each apartment will have similar layouts with a walk-in kitchen, living room, bedroom and full bath. A tenant lounge is located on each floor with a ground floor community room, kitchen, management/service provider offices and fitness centers. Outdoor spaces include a garden, seating area and surface parking.

Net Demand/Capture

Regarding the **demand methodology**, we will perform an analysis that eliminates all existing affordable housing and uses the typical standard set by HCR which establishes the income range for the tax credit units with 30% of income at the low end up to 48% at the high end. 10 of the 30 ESSHI units have a lower income qualification of 30% AMI, however the demand model will assess these units with a maximum limit of 50% AMI like a project based assistance scenario. The results indicate support for the project as designed with a **weighted average capture rate of 4.07%**. It should be recognized that the capture rates for each of the individual income bands is at or below 10% in all cases and indicative of strong overall project support.



Penetration Rates

The penetration rates differ from capture in that they account for all units in the marketplace and demonstrates the capacity of the market to withstand new units. We have evaluated penetration rates for the different unit types with the following calculations appropriate.

One-bedroom Units: 447 units / 2,238 income qualified households = 19.97%

This penetration rate analysis applies to all deep subsidy units and basically extends income qualification from zero to the maximum allowable thresholds for the 60% AMI units. It does not account for individual analysis of tax credit specific projects and/or tax credit specific income qualification levels.

HCR Variables – Community Revitalization Section of QAP

Vacancy and Occupancy

- ❖ Our survey indicates that the average occupancy and conversely vacancy at market rate and affordable/subsidized developments reflects a stable market as follows:

Average Market Rate Occupancy:	97%
Average Occupancy Affordable Units:	99%
Average Occupancy for the Marketplace:	98%

- ❖ Review of area developments indicates that all competing projects (market rate and affordable) are currently operating at or above 90% occupancy levels in all cases with typical availability and limited concessions at the larger properties.
- ❖ Waitlists are evident at all affordable housing options.

Unmet Demand:

- ❖ The number of income qualified households per unit type and AMI level is shown below:

One-bedroom Units: **516** for the 60% units and **1,859** for the ESSHI units.

These variables demonstrate that even after deducting completing affordable units that there are a significant proportion of low-to-moderate income family households that are **not** residing within an affordable housing situation. This means that they are residing in market rate units, somewhere within the PMA; with an assumption that the type of housing available reflects either dated physical characteristics and/or a rent overburdened situation.



New Affordable Housing:

There have been 383 new affordable units created (or under development) in the PMA in the last 10 years. The new projects include:

- ❖ The Swinburne: 74 units – 2021
- ❖ Clinton Ave RSS: 20 units – 2020
- ❖ Clinton Ave Historic (Phase I): 210 units – 2019
- ❖ Sheridan Hollow Village: 57 units – 2015
- ❖ Academy Lofts: 22 units – 2013

Subject Rent Compared to Market

Market Rent Analysis Compared to Subject			
Unit Type	Sq.Ft.	Gross Rent (1)	Rent/Sq.Ft
1 BRM Market Average	855	\$1,338	\$1.57
1 BRM – Achievable Market Rent	620	\$1,050	\$1.33
1 BRM Subject – 60% AMI	620	\$825	\$1.33
1 BRM Subject – ESSHI	620	\$941	\$1.52

Additional comments pertaining to the previous chart include:

- ❖ Unit square footages are smaller than the averages for all unit types which include multiple floorplans, unit types and are influenced by the larger properties in the sample closer to downtown Albany.
- ❖ The market rate averages include the local developments in older walkup buildings and the newest projects farther south on Broadway in a combination of building renovation and new construction types that reflect a wide range of quality/condition, amenities, unit sizes/types and overall appeal.

Most Comparable Rental Developments

The local rental options include larger garden style and townhouse developments that remain well supported with a range of renovations and updates and one large higher-end building renovation property with a wide range of amenities and unit types. we also include some newer properties on Broadway a few blocks south. The **most comparable market developments** are:

- ❖ Park Lane/Park Hill
- ❖ Dutch Village
- ❖ Village One
- ❖ Riverhill
- ❖ Menands Gardens



Achievable Market Rents

Outlined below is a summarization of the achievable rent that would apply to the development as if there were no operating obligations or restrictions. The adjustments will vary based on square footage, features, appeal, condition and location, etc.

Achievable Market Rents						
1 BR 620 SF	Mkt Avg	Park Lane	Dutch Village	Village One	Riverhill	Menands Gardens
Rent	\$ 1,338.00	\$ 1,120.00	\$ 1,163.00	\$ 935.00	\$ 1,098.00	\$ 1,085.00
Concessions	\$ -	\$ -	\$ (25.00)	\$ -	\$ -	\$ -
Location	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Condition/Appeal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amenities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cable/Internet	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Laundry	\$ -	\$ -	\$ (25.00)	\$ -	\$ -	\$ -
Community Space	\$ -	\$ (50.00)	\$ -	\$ (50.00)	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unit Size	\$ (82.25)	\$ (4.00)	\$ (52.50)	\$ (31.50)	\$ (10.50)	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,255.75	\$ 1,066.00	\$ 1,060.50	\$ 853.50	\$ 1,087.50	\$ 1,085.00
Adopted Gross	\$ 1,050.00					

Details of the adjustments will be provided later. The achievable gross rents are summarized as:

One-Bedroom: \$1,050

These rents are reasonable given the product type and amenities/finishes with additional consideration given to the greater concentration of rental options in the immediate area.

Planned/Proposed Complexes

When considering affordable and mixed income family housing within the PMA that would pose competition for the subject, there are two projects in Albany that are under development; a 20-unit new construction project on Clinton with 20 supportive housing unit under the ESSHI program, and the Swinburne Building Central Ave with 73 mixed-income units. Both are expected to be open in 2020-2021. Other proposals for mixed-income housing include a renovated building north of downtown on Broadway with over 120 units, and proposals for redevelopment at the Steamboat Square, Ida Yarbrough and Lincoln Homes properties operated by the Housing Authority that would include multiple unit types and income tiers if funded. Other proposals for mixed-income housing including the recently approved Hillside Views project and the proposed Postenkill Place development are in Troy with a scattered-site redevelopment and new construction project known as Erie Point in Cohoes.

Affordable Projects

There are a mix of recently developed and older tax credit developments in the market area that offer rents/units like what is being proposed for the subject, primarily to the south in Albany. We have included a recent affordable family development in Cohoes just north of the PMA for comparison. The **most comparable affordable projects** include:

- ❏ Clinton Ave Historic Apartments
- ❏ Livingston School
- ❏ Ida Yarbrough
- ❏ Swinburne Building
- ❏ Mosaic Village
- ❏ Sheridan Hollow

Achievable Tax Credit Rents

It must be remembered that there are requirements related to the funding used at the time of development that requires that certain rent thresholds be maintained and in many cases the rents are set based on the following:

- ❏ Competitive nature of the funding process in New York State. Preference is given to those projects that can provide low rent levels in comparison to market and objectives of the development group to provide affordable housing to the local population and those agencies that are being served.
- ❏ Competition and review of the competitive set that also considers recent development trends, AMI levels and changes to AMI.



Tax Credit Rent Analysis (Gross Rents)	
Project Name (1)	1 BR 60%
Clinton Ave Historic	\$685
Livingston School	\$833
Ida Yarbrough	\$922
Swinburne	\$972
Mosaic Village	\$883
Sheridan Hollow	\$732
Average - Primary Comps	\$838
Subject Rents - TC projections	\$825
Variation/ subject advantage (2)	1.56%
(1) Project was placed in service prior to 01/01/2009 and is therefore eligible for "HERA Special" income and rent limit.	
(2) Where there are negatives, it means that the subject is higher than the average TC rents, and where it is positive, it means that there is an advantage.	

Compared with the overall average, the subject rents are only slightly lower and closer to the midpoint of the range. The averages are influenced by the newest development at the Swinburne Building which has yet to achieve these rents, while the rents at Ida Yarbrough were set based on the incomes of existing tenants during the renovation process. The subject rents are higher than some of the older housing authority properties and the tax credit developments in smaller row house type buildings. These rents show a good rent advantage to market, and there is support based on the demand modeling.

Maximum Income / Rent Thresholds

The site is in the Albany-Schenectady-Troy County MSA with a 2020 median income of \$99,200.

MAXIMUM INCOMES 2020 ALBANY - SCHENECTADY-TROY, NY MSA			
	30% AMI	50% AMI	60% AMI
1 Person	\$ 20,370	\$ 33,950	\$ 40,740
2 Person	\$ 23,280	\$ 38,800	\$ 46,560

MAXIMUM RENTS 2020 ALBANY - SCHENECTADY-TROY, NY MSA				
	30% AMI	50% AMI	60% AMI	2020 FMR
1 Bedroom	\$ 545	\$ 909	\$ 1,091	\$ 855

We also show the variation in historical AMI levels in the Albany County MSA since 2010:

HISTORICAL AMI LEVELS ALBANY-SCHENECTADY-TROY MSA		
Year	AMI	% Change
2010	\$75,500	-
2011	\$77,000	1.99%
2012	\$78,100	1.42%
2013	\$77,700	-0.51%
2014	\$78,300	0.77%
2015	\$82,700	5.62%
2016	\$82,000	-0.85%
2017	\$83,100	1.34%
2018	\$86,400	3.97%
2019	\$89,900	4.05%
2020	\$99,200	10.34%

Market Draw Area

We will establish a **primary market draw area (PMA)** that reflects patterns and characteristics that typify this part of Menands and the metro Albany area where there is limited affordable housing for the targeted population group, none of which offers supportive services. The PMA includes the town of Colonie, tracts in the northernmost end of the city of Albany, and nearby city of Watervliet. We are not including areas farther south of Downtown Albany or essentially west of I-87, nor do we include areas east of the Hudson River in Rensselaer County based on historical movement patterns and other housing options in these communities.



Surrounding Property Uses

Surrounding Property Uses		
Direction	Adjoining Property Uses	Patterns/Trends
To the North:	Commercial uses on Broadway related to manufacturing and logistics, I-787 ramp and Troy-Menands Bridge	Stable/limited recent development
To the West:	Local commercial uses, 1-4 family homes, multifamily complexes, golf course, Albany Memorial Hospital	Stable/limited recent development
To the South:	Albany Lofts at One Broadway, small commercial uses, I-90, new multifamily and hotel uses on Broadway	Stable with recent and ongoing development
To the East:	Vacant land, Albany Water, Hudson River	Stable/limited recent development

There are no detriments within the immediate neighborhood via the surrounding property uses that would impact the project.

Demographic Summarization

A summarization of some of the important demographic data available from the HISTA information is outlined in the chart below. We do use the HISTA Data because it supports variables that are necessary to establish demand for an affordable housing project and breaks out households by income, size, tenure and age.

Demographic Summary PMA – HISTA Data *					
	2015 **	2020	% Change	2025	% Change
Total Renter Households:	11,230	12,199	8.63%	12,018	-1.48%
Owner Occupied Households:	10,674	10,787	1.06%	10,413	-3.47%
Total Households:	21,904	22,986	4.94%	22,431	-2.41%
% of Renters	51.27%	53.07%		53.58%	
2020 Data:					
Renters Earning \$30,000 or Less:	35.36%				
Renters Earning \$20,000 or Less:	24.82%				
Ratio of Renters with 3 or more persons	31.68%				
2020 Estimated Median Income Market Draw Area:	\$63,165				
Median Income Subject Census Tract:	\$69,574				

* All data applies to under age 62 only

** The 2011-2015 ACS data has been used as the basis in the demographic summary for the equivalent of the 2015 household statistics.



Population Under Age 62		
Year	Population	% Change
2010 (1)	64,971	N/A
2020 (2)	63,914	-1.63%
2025 (3)	62,716	-1.87%

1) Census

2) Current Year Estimate

3) 5-yr Projection

Notes evident by review of the data include:

- ❖ The information applies to households age 18-61, which is the primary target market for application to our analysis.
- ❖ Projected decreases in household and population over the next 5 years at lesser rates than since 2015.
- ❖ The PMA indicates a renter ratio of 53.07%, and nearly 35% earn below \$30,000.
- ❖ The median income within the primary market draw area is high at \$63,165 annually, with the subject census tract higher yet at \$69,574.

Demand Analysis

Variables applied in the Demand Analysis include:

- ❖ Inclusions of families age 18-61 as this is the target market for the project. We are considering seniors as a secondary source of support.
- ❖ We are including one person households in all one bedrooms.
- ❖ We will eliminate existing family subsidized housing in the market, including contribution of tax credit and other affordable developments, including HUD and public housing. This is appropriate when establishing **net demand**, since our analysis will account for only those tenants who are currently "unsatisfied" with their current housing needs. As a tax credit development, it is not the intention to displace existing satisfied tenants, and create holes in the occupancy level of currently subsidized projects. Rather, the net demand reflects need for pure tax credit project based on "new," unsatisfied renters.
- ❖ The Demand Model will account for various rent tiers for the various unit types and establish a capture rate/demand analysis applicable to each.
- ❖ Income qualification for the LIHTC units will be based on underwriting standards that reflect low end affordability established at 48% of the gross rent with a maximum



allowable at 30% of the gross rent. The ESSHI units have no lower limit and the maximum set at the 50% AMI limit.

- ❑ Since we have accounted for the elimination of all affordable housing, we account for 100% mobility for the low income tax credit units.
- ❑ The results indicate support for the project with a **weighted average capture rate of 4.07%**.

Impact On Existing Subsidized Housing

Considering the wait lists at other affordable projects within the PMA, and the number of age and income eligible households for each unit type, even after elimination of the existing affordable housing, it is felt that there would be no negative impact on the existing affordable housing stock based on the development of 68 new tax credit units.

Special Needs/Supportive Housing

The most recent Point in Time survey in 2019 identified 88 homeless Veterans in either emergency or transitional housing. Census data identifies 1,161 Veterans age 18-35 and 2,443 age 36-54 in Albany County, representing over 24% of all veterans.

Project Timing / Absorption

Absorption will assume some pre-leasing and pent-up demand and in this market we estimate absorption to be **up to 6 units per month**. We are assuming some pre-leasing, and around 30% of the development should be committed to by the time the Certificate of Occupancy is issued. Under this assumption if a 68 unit project is chosen and 30% or 20 of the units are preleased, the remaining 48 units would take around **8 months** to reach stabilization. Additional support for this expedient leaseup estimate includes the waitlists at other affordable housing options which have limited turnover and the provision of supportive housing units that will be filled through referrals from the service provider.

Absorption Time Frame / Project Stabilization *

Units Occupied At Completion*:	20 units – pre-leasing activity
Monthly Absorption Subsequent to Initial Occupancy:	up to 6 units on average per month
Total Number of Units Requiring Absorption Subject to Project Completion:	48
Additional Months to Absorb:	8 Months



Conclusions

In conclusion, we are anticipating strong support for the project as intended. Other affordable options relate to older tax credit/deep subsidy developments in the area that have limited turnover and extensive waitlists. There has been some new market rate development in the immediate area with higher rent thresholds, however most of the housing stock is generally older and potentially inadequate from a physical standpoint. There is clear demand in the area based on the low capture rate and the high number of income-qualified households not living in affordable tax credit housing that would support the project.

