

Information and Term Sheet for the
Development of 41-51 Maple Street, Croton on Hudson, New York

Background:

The Village of Croton-on-Hudson published a Request for Proposals for developing a Village-owned property located at 41-51 Maple Street, Croton-on-Hudson, New York. Referred to as “the Katz Property” in reference to its past ownership, the site is located within the Municipal Place Gateway Overlay District within the underlying C-2 General Commercial Zoning District.

Regan Development Corporation (hereinafter, “RDC”) participated in the Village of Croton’s Request for Proposal Process and submitted a response to that request on November 13, 2020. That response called for the development of the site into two buildings with a total of 33 residential rental apartments.

Regan Development Corporation’s Proposal:

RDC will redevelop the Project site to include two new elevator-served apartment buildings with 33 total residential rental apartments. The new construction will provide both residential and common space in two, two story buildings. The development’s design supports an improved walkable and livable neighborhood – establishing connections to nearby shopping and green space. RDC will also be designing a new pocket park on the southern side of the property for community and residential use. This park will include tiered floral landscaping, park benches, and a stone walkway.

Building #1 will contain a total of 19 apartments. We will also provide 750 square feet of amenity space for common use, a 750 square foot laundry room, and balconies for residents to enjoy communally. Building #2 will contain a total of 14 apartments, amenity space, and a management office. A residential playground will also be included just south of Building #1 for tenants to enjoy.

The Apartments:

The 11 One-bedroom apartments will be 744 square feet, while the 22 two-bedroom apartments will be 969 square feet. This unit mix is specifically designed to meet the needs of the local community, seeking to provide quality housing opportunities for local young people seeking their first apartments to local seniors downsizing from homes in the area, without overly burdening the school system. *See one- and two-bedroom floor plans below.*

The Site Plan:

Outlined in the site plan below, residents will enter the Katz Property on Maple Street. 54 parking stalls will line the driveway of the property, including eight handicapped spaces. Building #1 is a two-story building which lines the west side of the Property. Building #2 is another two-story building that lines the east side of the Property. Both buildings will be approximately 28 feet tall to blend into the surrounding area. There is a playground located on the northwest side of the Property and a public park on the south side of the property equipped with park benches, floral landscaping, and concrete pavement. Our development team does not need to seek variances to build.

Initial Proposed Rendering:

Below is a proposed rendering for this development. The proposed rendering, like the rest of the proposal, will be subject to municipal planning and zoning review.

Income Categories of Residents – Designed to Meet the Needs of the Local Workforce:

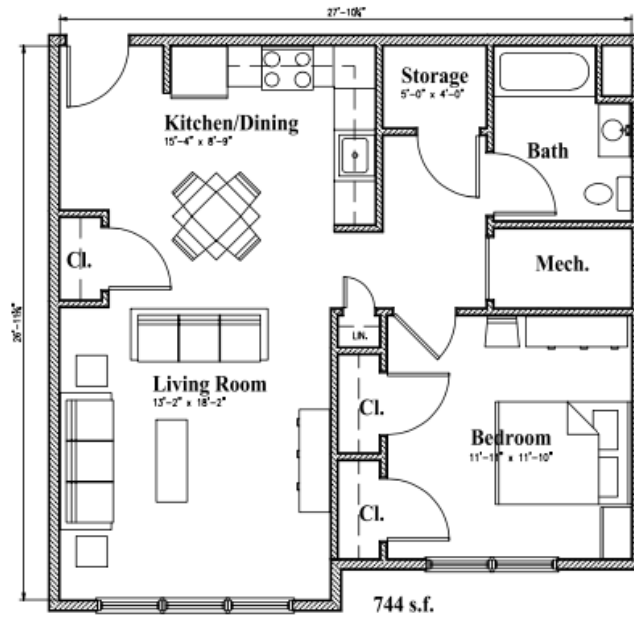
The proposed development is designed to meet several different income ranges, to best serve the needs of the community and especially those who work locally and find it difficult to afford the high housing prices. These apartments specifically target working class people wanting to stay in the Village, with ranges from 50% - 80% of the Westchester County Median Incomes. Additionally, there are a number of apartments that carry no income restrictions and will allow more flexibility in providing quality housing.

Distribution of Total Rental Units						
# of Bedrooms	50% AMI	60% AMI	80% AMI	Market Unrestricted	Total	%
1-Bdrm	6	3	1	1	11	33%
2-Bdrm	12	5	2	3	22	67%
Total	18	8	3	4	33	100%

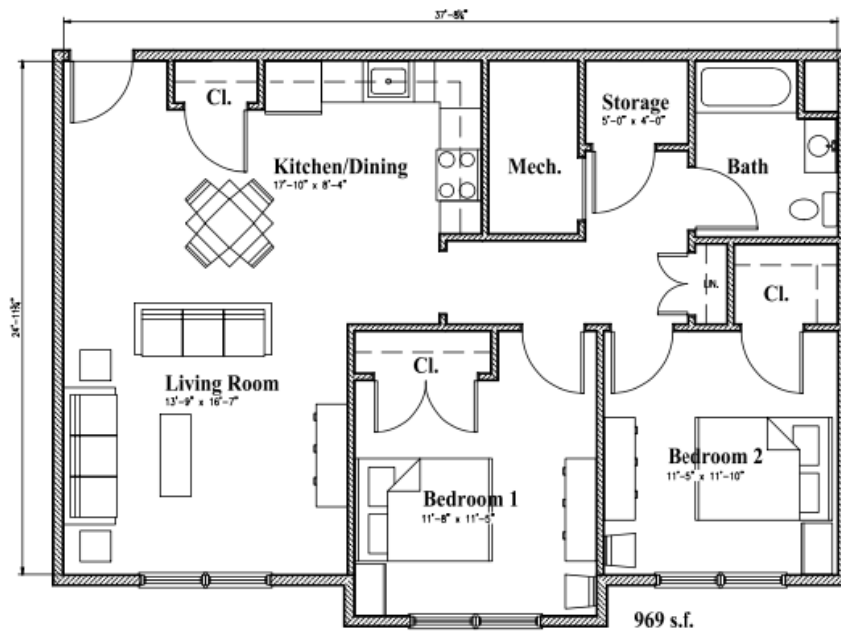
Site Plan



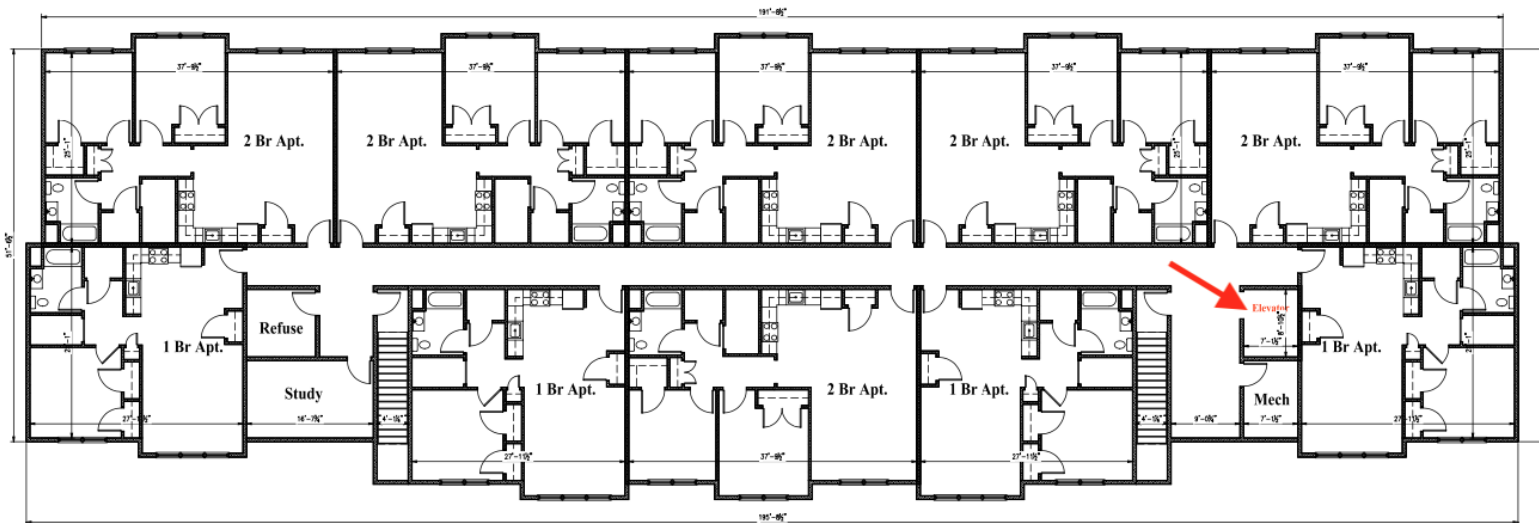
Typical Apartment Layouts



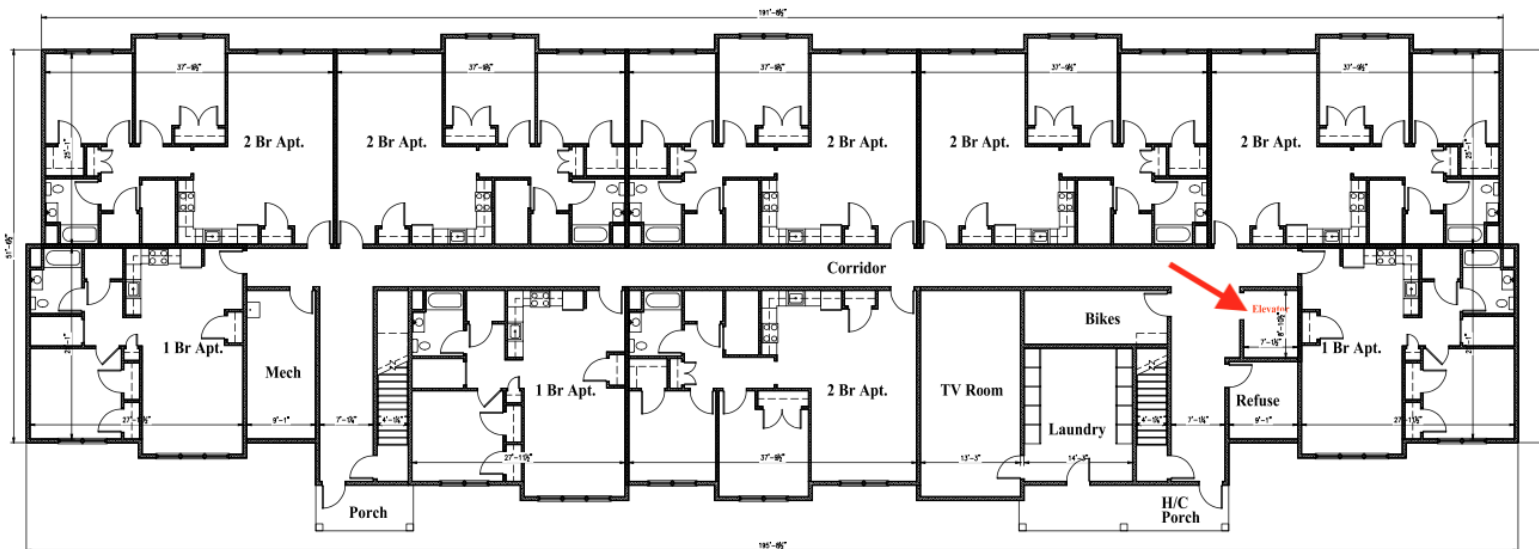
1 Typical 1 Bedroom Apartment
A3 Scale: 1/4"=1'-0"



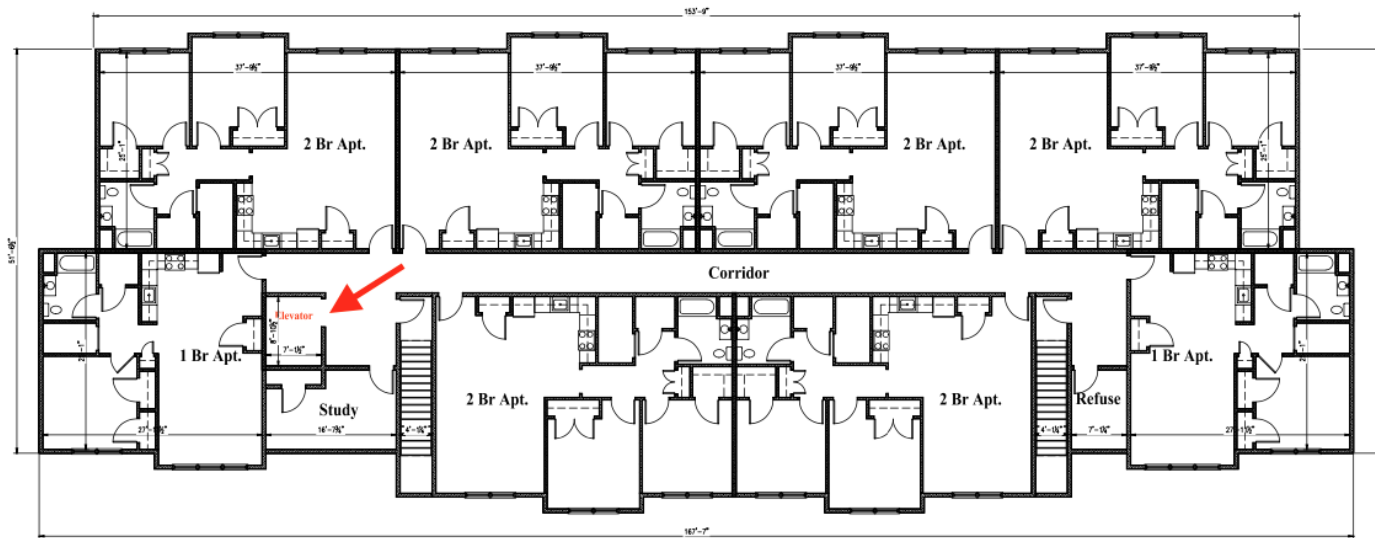
2 Typical 2 Bedroom Apartment
A3 Scale: 1/4"=1'-0"



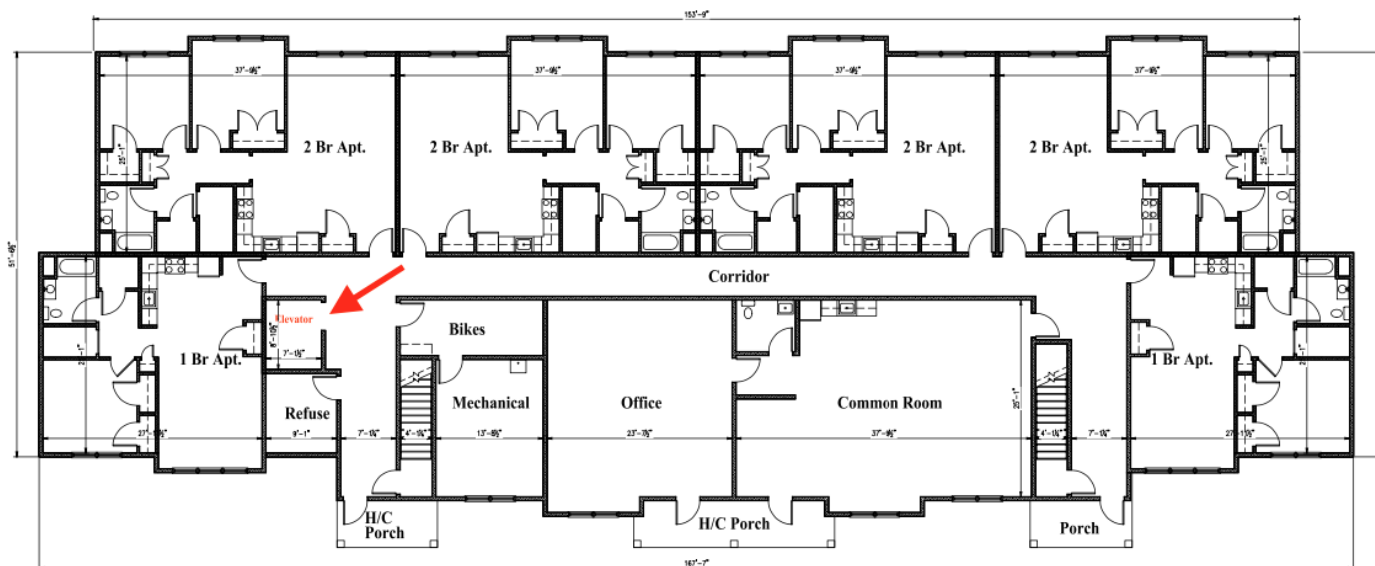
1 Building #1 Second Floor Plan
 A1 Scale: 1/8"=1'-0"



2 Building #1 First Floor Plan
 A1 Scale: 1/8"=1'-0"



1 Building #2 Second Floor Plan
 A2 Scale: 1/8"=1'-0"



2 Building #2 First Floor Plan
 A2 Scale: 1/8"=1'-0"

Proposed Draft Rendering



Terms of the Proposed Acquisition and Development:

Acquisition Price:

The land purchase price for the site will be \$1,750,000.

Zoning and Planning:

RDC will prepare and advance its plans through the local zoning and planning process, at its cost.

Accessibility:

RDC's buildings will both contain elevators, and all apartments will either be built as fully accessible for people with physical disabilities or will be convertible to full accessibility, at RDC's cost. A percentage of the apartments will be fully accessible at construction completion.

Taxation / Payment in Lieu of Taxes

To meet the need to remain affordable to those in the workforce, the development will need to participate in an abatement of real estate taxes and will make two payments:

1. Payments in Lieu of Taxes ("PILOT") to the local taxing jurisdictions in the total initial amount of \$70,000/year, increasing 3% per year for the term of the PILOT agreement, which will be 30 years.
2. Payment of a User Fee to the Village of Croton-on-Hudson in the amount of \$20,000/year, with no annual increase, for the same 30-year term.

At the end of the PILOT term, the property will revert to paying taxes based on an assessment of the property, like all other properties in the Village.

Solar Energy:

RDC has committed to providing either solar thermal hot water heat or solar photovoltaic systems for common area electric, subject to the availability of NYSERDA funding for these efforts.

State Funding:

To achieve affordability of rents for the workforce, the development will be seeking tax credits and low-interest loans from the State of New York Homes and Community Renewal. RDC will work expeditiously to submit applications for such funding as it becomes available.

It is understood by both the Village and RDC that the proposed development should score well in the competitive funding round by NYS HCR. The Developer has pointed out certain

planning steps that the Village has already made which will enhance the competitive advantage for this development. These include designating this redevelopment part of the Village's updated 2017 and 2020 Comprehensive Plans. While the proposed development will be a high scoring development in the competitive scoring process, it sometimes takes more than one round of competition to be awarded.

Attorney Fees for Contract Negotiation

RDC will agree to cover the Seller's attorney's fees for the negotiation of the contract of sale for the transaction.

Land Use Application Submission Timing

RDC anticipates filing an application with the Croton Planning Board within three months of award of the RFP by the Village.

Financing Approvals

- Construction and Permanent Loan Commitments:

RDC anticipates letters of commitment from both construction and permanent lenders within two months of award of RFP.

- Tax Credit Investor Equity Commitments

RDC would anticipate letters of commitment from its tax credit investor within two months of award of RFP.

- NYSHCR Tax Credit Commitment

RDC would anticipate an award of tax credits from NYSHCR after decisions are made in the upcoming August 2021 submission round. Normally, decisions are made by HCR within three to four months after the submission deadline. RDC therefore anticipates a funding tax credit commitment for this project by the end of December 2021.

If the development is not awarded credits in the August 2021 round, RDC would resubmit in the next NYSHCR round anticipated for December 2021.

Closing Date

If the development is awarded NYSHCR approval in the August 2021 round, RDC would close on the property by December 2021.

If the development is awarded NYSHCR funding in December 2021 round, RDC would close on the property by April 2022.

Deposit

Since RDC will be investing heavily in pre-development costs and the land use approvals, including full engineering, civil, and architectural plans, and surveys (for both the land use approvals and NYHCR submissions), RDC is prepared to deposit 5% down on contract signing. RDC would increase that 5% deposit by an additional 5% if we are not funded in the NYSHCR December 2022 round of funding. This would allow for one more round of submissions, as competition fluctuates for Westchester projects and State-wide projects.

This term sheet is expected to form the basis of a full contract of sale for the property, together with other legal documents to reflect the will of the Village and RDC.