



COUNTY OF DUTCHESS
DEPARTMENT OF PLANNING & DEVELOPMENT

April 26, 2023

VIA EMAIL: supervisor@ameniany.gov

Victoria Perotti, Supervisor
Town of Amenia
4988 Route 22
Amenia, NY 12501

RE: Single Family Affordable Housing – Revised Award Letter

Dear Supervisor Perotti,

The Town of Amenia is contingently awarded \$150,000 under the 2023 Community Development Block Grant (CDBG) program to purchase a single-family home at 74 Lake Amenia Rd., Amenia, NY 12501 to be used as affordable housing. However, the award is contingent on the following:

1. Prior to the Town taking title to the property and prior to execution of the County's grant agreement, the Town must work with the current owner to complete the following: a lead-based risk assessment, as well as an asbestos risk assessment. Copies of the lead-based and asbestos risk assessment and estimates for completion of remediation *shall be provided to Planning*. The County is willing to allow the remediation for the lead-based and asbestos remediation to be done post-closing, so long as the Town is able to demonstrate that they will be able to have a funding stream to complete all remediations, including those under the Housing Quality Standard (HQS).
2. Prior to the Town taking title to the property and prior to execution of the County's grant agreement, provide a written detailed estimate of costs for completing all HQS deficiencies, and *confirmation of funding sources for this remediation*.
3. If the Town can demonstrate funding to cover all rehabilitation costs upon taking title to the Property, then the County can further offer the following and move forward with executing a grant agreement.
 - a. At or before closing, the Town must have the property subdivided to apportion the acreage that will be used for affordable housing from the portion that will remain vacant to be explored for use as a water treatment facility. The county would be still willing to keep the award at \$150,000 despite the property being subdivided, so long as the \$150,000 are used solely for the Affordable Housing portion.
 - b. HQS deficiencies may be addressed after the Town has taken possession of the property. All construction expenses will be reimbursable, after completion and inspection of completed work.



COUNTY OF DUTCHESS

DEPARTMENT OF PLANNING & DEVELOPMENT

- c. Please note, formal bidding via BidNet is required and outreach to MBE/WBE is required. All bid documents must be submitted to the Planning Department for review and approval prior to posting.
4. The grant term must begin on the HUD-approved CDBG program year start date which is March 1st and the contract will be for 20 months, ending on October 31, 2024.
5. The CDBG program is a reimbursement grant program per the grant guidance. However, the County will authorize an advance payment of \$75,000 at contract execution to be used toward the purchase.
 - a. The balance of the grant (\$75,000) will be made available on a reimbursement basis as rehabilitation is complete and inspected by the Rehabilitation Specialist.
 - b. Ten (10%) of the final approved allocation will be held back until project completion measured by a low and moderate-income family taking tenancy of the home.
6. The Town indicated they are using American Rescue Plan funds. Under the new guidance, Treasury will presume that an investment in the development, repair, or operation of any affordable rental housing unit is an eligible use of Recovery Funds if the unit has a limited maximum income of 65 percent of the area median income (AMI), as through a covenant, land use restriction agreement, or other enforceable legal requirements for a period of at least 20 years. Therefore, the rent cannot exceed 65% of AMI maximum rent and the proforma will need to be updated accordingly.
 - a. Given the need to reallocate funding for rehabilitation that was previously intended to go toward the purchase, please update all tabs of the attached Budgets & Timeline Excel document. (See attached)

We ask that you obtain Town Board approval to accept the grant funding with contingencies as noted in this revised award letter and that you provide **a copy of the resolution authorizing the acceptance of the grant with contingencies as noted above by May 15, 2023.**

Sincerely,

Eoin Wrafter, Commissioner

Encl.

CC: Christie Bonomo, Community Development Administrator