

# SUFFOLK COUNTY WORKFORCE HOUSING INFRASTRUCTURE PROGRAM

The Suffolk County Workforce Housing Infrastructure Subsidy Program is intended to foster and maintain the development of rental and home ownership workforce housing. The following are intended to be guidelines and may be amended at any time and from time to time, without notice, by the County.

## 1. Financing

- Suffolk County will issue bonds to subsidize the cost of building infrastructure improvements. Infrastructure improvements may include items such as sewers and wastewater disposal systems, roads, drainage, curbs, lighting and landscaping. The subsidy is not paid by the County until the infrastructure improvements and the development are complete.
- For homeownership developments, the aggregate amount of the subsidy will be allocated among each of the units in the development and the allocated amount for each unit will be evidenced by a non-interest bearing lien on the applicable unit. In the case of a rental development, the subsidy will be allocated to the development and evidenced by a non-interest bearing note issued by the owner of the development. In addition, in any case, Suffolk County must be given title to or an easement in the infrastructure, including any land necessary to gain access to such infrastructure. Liens will be subordinated to bank financing.
- In exchange for the subsidy, Suffolk County will require that certain covenants and restrictions (set forth below) apply to the units and the development, as applicable. The amount of the subsidy must be repaid if the covenants and restrictions are violated.

## 2. Covenants and Restrictions

- To qualify for the subsidy, at least 50% of the units must be occupied by households whose income does not exceed 80% of the HUD established median income limits for Suffolk County. The remaining units must be occupied by households whose income does not exceed 120% of the HUD established median income limits for Suffolk County.
- Units must be owner occupied (unless they are rental units) and remain the principal residence of the owner. The unit may only be transferred if transferred to an income eligible transferee, at a price that is affordable. It can only be transferred if occupied as home ownership.

- Monthly rents for rental units must not exceed the then current HUD Fair Market Rents for Suffolk County.
- The covenants and restrictions contained herein, and the County's lien, must remain in effect for at least as long as the life of any bonds issued.

### 3. Application and review process

- Non-profit or for-profit developers may submit an application along with a letter of support and resolution from the local jurisdiction.
- Upon receipt of an application, county staff will perform an initial review for completeness and compliance with the Program's guidelines. Staff may meet with the applicant and other principal members of the development team to review the application.
- The County's participation is intended to help leverage other assets. Therefore, to be considered, the participating municipality must provide incentives or financial assistance to the project. Examples of participation include, but are not limited to: rezoning of land, fast-tracking of the development process, density bonuses, matching funds from federal, state or local resources, waiver of fees, industrial development bonds, and/or property tax relief.
- Once the application review process is complete, the County may issue a letter stating whether or not the application meets the Program's guidelines and the terms and conditions under which the County will proceed. Such letter is not an offer or a commitment; it reflects the County's willingness to continue to consider such application and the County's preliminary conceptual approval of such as initially proposed.

### 4. Approvals and Documentation (note the following steps need not necessarily take place in this order, but all steps must be complete prior to closing)

- Applicants should finalize their development plan, including funding sources, etc., and obtain any necessary municipal level approvals, such as any rezoning and SEQRA review. Applicants must submit evidence of such approvals.
- County staff will prepare a resolution detailing the proposed transaction, which will be presented to the Suffolk County Legislature. Such resolution will authorize, among other things, the proposed affordable housing development, the preparation and execution of a Development Agreement

and related documents, and the funding of the transaction. All transactions are subject to the prior approval of the Suffolk County Legislature.

- The County will prepare the following documents:
  - The Development Agreement, outlining the terms and conditions of the developer's, the municipality's and the County's involvement.
  - Declaration of Covenants and Restrictions governing the occupancy requirements of the development. Such document will be recorded against the applicable property.
  - Mortgage and Note evidencing the Subsidy.
  - Easement
  - Such other documents as the County may deem necessary or desirable.

Closing (i.e. funding):

- The closing may be scheduled only after certain documents have been provided to the County. These include at a minimum: a) the sewer treatment plant is completed and all municipal approvals are obtained (e.g. Health Department); b) an executed Infrastructure Funding Agreement; c) Title insurance running to Suffolk County; d) an executed Easement Agreement (may be signed at closing) and; e) Declaration of Covenants and Restrictions..
- Funding of the infrastructure improvements may only proceed after, at a minimum: 1) the developer provides proof of ownership of the property; 2) the contract for constructing the improvements has been awarded; 3) the winning bidder has posted a letter of credit covering 100% of the contract price; 4) the developer has obtained a firm commitment for construction financing; and 5) all documents referenced above have been executed and recorded as necessary.