

**NORTH SALEM TOWN HOUSING BOARD  
MEETING MINUTES**

**November 4, 6:30 p.m.  
Delancey Hall**

**Members Present:** Janet Capolino  
Michael Palma  
William Monti  
Lori Ferguson, Co-Chairperson  
Anthony Navarro, Co-Chairperson

**Others Present:** Warren Lucas, Town Supervisor  
Cynthia Curtis, Planning Board Chairperson  
Roland Baroni, Town Attorney  
Janice Will, Secretary

Supervisor Warren Lucas opened the discussion, telling the others present that the MIH property at 5 Livery Lane originally sold for \$153,000 in the late 90's.

Cynthia Curtis said she and Susan Morley (town bookkeeper) have calculated the median salary for full-time Town employees in 2009 to be \$64,320.69. She explained that rental MIH units in Town use the County income figures, but Salem Chase uses Town employee income.

Mr. Lucas stated that Roland Baroni, the Town attorney, informed the Town Board that the THB does not necessarily need to be involved in the diversity housing issue. Mr. Lucas further stated that there was a meeting planned with someone from the County, but it has been canceled.

Ms. Curtis suggested meeting with Gerry Mulligan of the County Planning Department.

Mr. Lucas said the question is whether or not to change the Zoning Ordinance to conform with the County on diversity for MIH units.

Ms. Curtis said she met with the County last year to discuss the rationale for North Salem using their own income numbers and how the northern towns are different from those down-county. The County people understood, but the only way they can only get funding is by using the County numbers. She added that they are not very different from the Town numbers, and it is easier to do what the County wants, so the Planning Board will be recommending to the Town Board that the Zoning Ordinance be changed.

Ms. Curtis said that MIH units in Salem Chase will continue to use North Salem income figures. As the 5 units are all 3-bedroom houses, a factor of 1.7 is used, resulting in a maximum qualifying income of approximately \$109,000. Using a factor of 2.5 times the maximum income figure, the maximum sale price is approximately \$273,000. When the

house sold for \$153,000, the maximum income was based on an average Town salary of \$44,000 or so, which should have generated a maximum sale price of about \$180,000. Ms. Curtis said she will examine the records in an effort to determine if the price was lowered and why. She added that she is concerned about possible changes/improvements to the house.

Supervisor Lucas said he thinks it would be up to the Building Inspector to look at the property. He explained that if the owners of an MIH unit want to make changes/improvements, they need to get permission as well as a Building Permit.

Ms. Curtis stated that the Assessor's card shows no changes to the property, and she added that it must remain only a 3-bedroom house. She said they know what their maximum price may be, but it remains to be seen if it should be lowered. If there were improvements, the Building Inspector will have to put them through a process, and there is a limitation on the value of improvements that can be included.

The Supervisor said that when the units were under construction, some MIH buyers wanted upgraded tile, etc., but this was not allowed. If improvements have been made to a MIH property, the owner will not profit from them when the unit is sold. Supervisor Lucas said the THB needs to get back to the owner of 5 Livery Lane about the price so they can sell it.

Ms. Curtis said she will ask Roland Baroni if it is appropriate for the Building Inspector to look at the property, and she will also see what Karen Futia (Assessor) thinks. She said it would be helpful to have a running list of potential applicants that stays on file, because it will help with needs assessment.

Supervisor Lucas said they need to advertise to work up a list again, and he asked if they could do it ahead of advertising the house. He said it had not been easy coming up with 5 appropriate applicants for the houses in Salem Chase.

Ms. Curtis said that might be a reason why the price of the house would have been lowered.

Supervisor Lucas said it may take some additional logic to figure out what amount people can afford to mortgage.

Bill Monti agreed, saying it is more difficult now to qualify for a mortgage than it probably was in 1998. He added that most of the applicants for the rental unit appear to have fairly solid incomes.

Ms. Curtis suggested asking McGrath Management if they handled the advertising in 1998, as they may have records.

Ms. Curtis asked if the THB members had any further questions about their responsibilities and review processes. She commented that she thought the previous board established some sort of rules/procedural guidelines. She said Marnie Lundy had been an excellent chairperson of the first THB. Ms. Curtis stated that if no other information is available, she

will ask the Assessor if there is any reason not to simply ask the maximum permitted price for 5 Livery Lane. She will also run the numbers by someone at the County.

Ms. Curtis explained that of 50 units at Salem Chase, 5 are 3-bedroom MIH units. Salem Hunt will have 65 2-bedroom townhouses, including 13 MIH units. She explained that for planning reasons, the Planning Board prefers that all the units have 2 bedrooms. When the Planning Board sent a draft EIS to the County, their response was that the Town should consider a diversity of unit-sizes. The issue was referred to the Housing Board for comment but none was received, so it was left at 2-bedrooms. SEQRA review is finished now. Ms. Curtis referred the THB to the Planning Board's Findings statement, available on the Town website, for an explanation of their reasoning.

*At this time, Supervisor Lucas left the meeting.*

Ms. Curtis stated that if the members had some experience with MIH units, they would have a better feel for the needs of people in North Salem and the region and could have advised the Planning Board on unit-size. At this late date the Planning Board would like their feedback, but would prefer not to ask the developer to change unit-sizes.

Anthony Navarro said the developer must believe that 2-bedroom units will sell.

Ms. Curtis said they would have provided some 3- and 1-bedroom units, but asking them to do so now would trigger a new SEQRA review. She added that she agrees that the Town needs a diversity of sizes in these kinds of units, but not necessarily within a single development. Ms. Curtis mentioned some kinds of information she could provide to the THB regarding needs assessment, including a CP chapter on housing.

*At this time, Roland Baroni arrived at the meeting.*

Ms. Curtis said there are now 3 applicants for the 2-bedroom apartment in Croton Falls.

Mr. Baroni asked if that has been an open-ended application process, or is there a deadline attached to it where a class of applicant is created to which criteria can be attached.

Ms. Curtis reiterated that she feels there is a need for an in-house policy with a time-line, and she thinks one exists.

Mr. Baroni said he might have drafted something based on what North Castle had.

Ms. Curtis said that might be in the Town Clerk's files.

Mr. Navarro asked what the down-side would be in following the County's recommendation re the diversity of unit-sizes at Salem Hunt.

Ms. Curtis replied that the County has no authority/they merely make recommendations. Now they are on the record as having made this particular recommendation twice.

Mr. Baroni stated that as long as North Salem is open to different unit sizes for future projects, there is really no problem. He added that the recommendation just doesn't seem to fit this particular development proposal. Mr. Baroni said the availability of a 3-bedroom MIH unit in Salem Chase should attract a lot of applications.

Mr. Curtis asked if Mr. Baroni remembered the Assessor lowering the price of the Salem Chase units in the 90's, perhaps because the income eligibility level did not match up with qualifying mortgages.

Mr. Baroni responded that he did not think the Assessor had anything to do with calculating the price of the units.

Ms. Curtis said the Zoning Ordinance only states what a maximum price may be. She wondered if 5 Livery Lane sold for less than that originally, does the lower sale price need to be weighed in on a re-sale now.

Mr. Baroni said he did not think Toll Brothers would have sold the houses for less than the maximum amount allowed.

Ms. Curtis explained that based on the Town employees income figure, the maximum eligible income for the MIH units would have been about \$40,000, which would translate into a sale price of \$180,000 for the houses, but the price was \$153,000.

Mr. Baroni said he thinks the Zoning Ordinance provides a maximum price with the understanding that if a property is not selling, the price may be lowered. He said he still could not imagine Toll Brothers not achieving the maximum price and suggested that it might have been miscalculated.

Ms. Curtis asked if the Board could give the maximum allowable sales price to the owners of 5 Livery Lane now.

Mr. Baroni replied that the property must be checked for improvements, and Ms. Curtis asked if it would be appropriate for the Building Inspector to do so.

Mr. Baroni indicated that he did not know, adding that some towns send the chairperson of the Housing Board to make inspections.

Mike Palma commented that the Building Inspector only inspects properties when there are Building Permits involved.

Reading from the Zoning Ordinance, Ms. Curtis said it seems to say that the Housing Board conducts property inspections, adding that they might want to speak to the Building Inspector and look at the original plans.

Mr. Baroni stated that the Housing Board will need to create a class of applicants and cut off applications at a specific point.

Ms. Curtis asked if McGrath Management will advertise the sale, but Mr. Baroni said it is the Housing Board that advertises. She reiterated the need to locate the policies developed originally.

Mr. Palma asked what rights the seller of a MIH unit has, and Mr. Baroni replied that they may only sell to applicants approved by the THB.

Mr. Palma asked what happens if no one comes forward to buy the house, and Mr. Baroni answered that it would be a problem.

Mr. Palma asked if the sale is then handled by a realtor.

Mr. Baroni answered that it is not and it takes time. He described a unit in Armonk that is on its third potential buyer, and the seller is at wit's end.

Mr. Palma asked if there is any provision for the Town to buy the house, and Ms. Curtis said there is not.

Mr. Baroni said there are no funds to do so. If a buyer cannot be found, the owner is stuck. Often, multiple potential buyers have to be dealt with. He explained that sometimes a qualified buyer is approved, but they are unable to get financing.

Mr. Palma asked to what extent such a property should be advertised, and Ms. Curtis replied that it may be done as broadly as the Board wants. She added that they should keep a record of where ads have been run.

Mr. Baroni suggested having ads in firehouses and schools, and asking the Supervisor to announce the available unit at the start of Town Board meetings.

Mr. Palma asked how home-owners association fees will affect the process.

Ms. Curtis said McGrath Management will know what kinds of fees are paid by the owners of 5 Livery Lane, adding that the fee should probably be included in any advertising.

Mr. Palma agreed, saying it is important, because applicants will have to consider these fees and taxes as well as the price of the house/size of mortgage considered.

Mr. Baroni said it is often a problem, as the value of the market-price houses will have gone up a lot; the owners of those units will want nice landscaping, nicer roads and signs, etc., and those people control the budget.

Mr. Palma asked if the fees are the same for the MIH unit as for the market-price houses, and Mr. Baroni replied that they are normally based on square footage.

Mr. Monti asked what would happen if the owners go bankrupt and walk away from the house.

Mr. Baroni said the bank holding the mortgage would be bound by the same deed restrictions as the owner.

Ms. Curtis told the THB members that the MIH units are well integrated; if one did not know they were present in the development, they would probably not be noticed.

Mr. Baroni said the taxes may now be higher than the maximum selling price because of the decline in the equalization rate. He said this should be attended to by the Assessor periodically, because it would not be fair for it to be assessed higher than what an owner could ever achieve on a sale.

Ms. Curtis said the house is currently assessed at \$30,000, but she does not know what the rate is.

Mr. Palma said the tax bill comes with an approximate market value figure.

Mr. Baroni said that if it appears that a higher income level would be required to be able to afford the house, the Town can adjust the taxes to help keep such a property affordable.

On the subject of the apartment at 2 East Cross Street, Ms. Curtis said the Housing Board should check eligibility details themselves and not rely on Westhab to do so.

Mr. Navarro commented that the numbers on the applications are hard to distinguish, and he asked what the Board should do if they are all equal.

Ms. Curtis said there is a protocol.

Lori Ferguson pointed out that one application has more points than the other 2.

Ms. Curtis said the points and income eligibility need to be verified, and she reiterated the need to look into policies and procedures. She stated that she will look into getting more information on Salem Chase and asked Mr. Baroni what the Board should do at this point regarding Salem Hunt.

Mr. Baroni indicated that the Board should send a memo to the Planning Board, hopefully in support of the 2-bedroom unit size.

Mr. Monti asked if he was correct in saying that the developer had indicated that moving walls to change unit sizes would not be a problem.

Ms. Curtis said that was true; the problem is that such a change could trigger SEQRA issues now.

Mr. Monti said he could appreciate that.

Ms. Curtis said that if the Housing Board wants to change two 2-bedroom units to a 1- and a 3-bedroom unit, she could look into whether or not that could be done without another SEQRA review. She said a rendition of the units is available on-line and also offered to provide a set of plans for the Board.

Mr. Monti asked if the developer proposed all 2-bedroom units because that was what he thought would sell.

Ms. Curtis said she thought the initial proposal was for a mix.

Mr. Baroni said the developer is very experienced.

Mr. Navarro suggested the developer is targeting empty-nesters, and Mr. Baroni said he thought so.

Returning to the subject of 5 Livery Lane, Janet Capolino asked who would be responsible for maintaining the property if the owners walked away.

Ms. Curtis said perhaps the homeowners association would be responsible.

Mr. Palma said it would be in the association's interest to keep the place up.

Mr. Baroni said it would be less likely to happen if the property were fully paid for.

*Ms. Curtis and Mr. Baroni left to attend the Planning Board meeting at this time.*

Ms. Ferguson asked if the Board should schedule further discussion of the unit sizes at the next meeting.

The group was in agreement that as all the units in the development are to have 2 bedrooms, and it is late in the day to request changes, they would support the moderate income units all having 2 bedrooms.

Ms. Ferguson said they should send a memo to the Planning Board immediately then, and she added that she will write something with Mr. Navarro and then e-mail it to the secretary for distribution.

The Board looked over the 3 applications for the apartment at 2 East Cross Street, and there was unanimous agreement that applicant #3 had far more points than the other 2.

Mr. Palma asked what the maximum permitted income level is, as this applicant makes a fair amount of money.

Ms. Ferguson said they could approve #3 with the proviso that the applicant's income is eligible.

The secretary said the income levels could be found on the County website.

Mr. Palma read that the maximum income eligibility is established by the Westchester County Divisions of Housing and Community Development. He added that he thought he remembered a figure of approximately \$72,000 per year.

Mr. Palma said that based on points, applicant #3 clearly should be chosen.

The group discussed ways of verifying information.

Mr. Monti said income eligibility should be the first concern, and then the Board could consider other aspects of the applications.

The secretary was asked to see if the representative at Westhab had verified the applicants' incomes and other information provided.

The members agreed that as long as the information provided was accurate, applicant #2 would be their second choice for the apartment, and #1 would be their last choice (no tax return provided).

The Board discussed the need for confidentiality when reviewing applications.

The secretary said she would shred any copies, and the originals are all sealed and filed with the Town Clerk once deliberations are completed.

Ms. Ferguson said they should discuss looking at 5 Livery Lane, adding that they need to confirm that there are still only 3 bedrooms.

Ms. Capolino commented that no upgrades installed by the builder were permitted in MIH units.

Mr. Palma said that even if the owners upgraded some things themselves, it doesn't matter if they cannot make any more money on the sale of the property.

Mr. Navarro said the Board should inspect the property to make sure it is in the same condition as when the owners purchased it, but no change in sale price is anticipated.

Mr. Monti asked who would be obligated to have the house inspected by an engineer, and Mr. Palma replied that it is the buyer's responsibility.

The secretary was asked to get contact information for the owners of 5 Livery Lane and the tenant if one is still on residing on the property.

Mr. Navarro said he will be working from home for the next 2 days, so he would be available to go to the Building Department and look at the plans for 5 Livery Lane.

Ms. Ferguson said if an appointment were made to inspect the property late in the afternoon, she could go too.

All the members expressed interested in doing the inspection, and Ms. Ferguson said she will contact the owner/tenant to make an appointment.

The secretary asked if the Board would approve the minutes of the October 14 meeting.

**Motion:**        **Anthony Navarro**

**Second:**      **Lori Ferguson**

***The Town Housing Board unanimously approved the October 14 meeting minutes.***

Next Town Housing Board meeting: Monday, November 23.

The meeting was adjourned at this time.

Respectfully submitted,

  
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Janice Will, Recording Secretary