



May 14, 2012

James E. Johnson, Esq.
Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022

RE: Chappaqua Station

Dear Mr. Johnson:

Thank you for your interest in Chappaqua Station, Conifer's 36-unit transit oriented ("TOD") affordable housing community on Hunts Lane in Chappaqua. I also want to thank you for the opportunity to discuss our development with you on March 1, 2012. Your letter dated April 12, 2012 provides detail about guidance you issued on April 25, 2011 concerning best practices for affordable housing locations. This letter responds to each guideline. I trust this response will assure you that Chappaqua Station is an excellent opportunity to affirmatively further fair housing in one of the most affluent communities in the country.

Before addressing the affordable housing guidelines, I want to provide the history of Conifer's involvement with Chappaqua Station. Conifer began site-selection and concept development of Chappaqua Station in mid-2010. At the same time, the Town of New Castle finalized a rezone process for certain parcels, including the subject site, within 500 feet of the Chappaqua train station so that workforce housing could be developed in that proximity. Conifer began negotiating with the owner of the parcel after receiving supportive feedback from leadership at Westchester County and the Town of New Castle. We entered into a purchase agreement with the parcel owner in September of 2010. Between September 2010 and January of 2011 Conifer performed due diligence and design development on the parcel so that the development could compete in the financing award process held by New York State Housing and Community Renewal ("HCR") in February 2011. The Town of New Castle's proactive approach to address the housing settlement by rezoning this site for workforce housing made it possible for the financing application to be submitted to HCR on February 9, 2011. Thus, the selection of this site as well as the Town, County and State support for financing were all made without the benefit of the issuance of your guidance on best practices.

Nevertheless, we can adequately address each of the applicable guidelines and demonstrate that Chappaqua Station comports with your guidance. Our response to each guideline is below:

- *Sites should be located in or adjacent to a largely or completely non-minority residential neighborhood.*

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Chappaqua is a predominantly non-minority community. Under the terms of the Settlement, Affordable AFFH units must be built in municipalities with an African American population of less than 3% and a Hispanic population of less than 7% according to the 2000 Census. According to the 2000 Census, the Town of New Castle had an African-American population of 1.25% and a Hispanic population of 2.68%. Additionally, the project was located in two 2000 Census Blocks, neither of which had any African-American or Hispanic population. As such, the project's units are eligible under the terms of the Settlement. The location also has the benefit of a mix of land uses including single-family housing, multi-family housing and a large amount of commercial retail. A satellite photo depicting the neighborhood and mix of land uses is attached.

- *Sites located in an eligible census block but isolated from non-minority residential neighborhood by visual or other barriers – such as a highway, railroad or commercial strip – or unusual points of entry are undesirable unless significant measures are taken to provide visual and physical access across these barriers.*

As you are aware, Chappaqua Station will be located across the Metro North Railroad Tracks from downtown Chappaqua. Significant measures have been made to ensure a solid connection from the building to downtown. Chappaqua Station's main entrance will be at grade with the recently replaced Quaker Street Bridge. This will be accomplished by a direct connection to the bridge from the building. This connection will provide pedestrian access to all of the businesses in downtown Chappaqua and the Metro North Railroad station, serving as a model of transit oriented design. It is important to the success of this project that residents feel connected to the community, and the building design enhances this connection. The building also blends visually as it will have a landscaped terrace and stone base that will replicate the stone material used on the bridge. It will also incorporate materials similar to those used in other buildings in the vicinity including the train station.

- *The configuration of the site or the design of the building should not inherently stigmatize or isolate the residents as low income.*

Chappaqua Station could very easily be a market rate development because of its premier location and design. Thus the site and configuration will not stigmatize or isolate the residents. In fact, there are many recently completed market rate / luxury developments in eligible and non-eligible settlement communities in Westchester that are on or very close to the Metro North line. Some of these market rate/luxury developments include: Hudson Park (City of Yonkers waterfront); Avalon New Rochelle (City of New Rochelle); Hudson Harbor (Village of Tarrytown); Horizon at Fleetwood (City of Mount Vernon); Bank Street Commons (City of White Plains); Avalon Bronxville (Village of Bronxville); and Riverbend (City of Peekskill); Most recently, the Town of

Mamaroneck granted approvals for the construction of 139 luxury and 10 affordable units to be located near the train station and along I-95. The footbridge connection to the Quaker Street bridge fully integrates the development into the hamlet and all the nearby residences and services. Additionally, the building design blends with the aesthetics of the town with the use of stone base that matches the newly completed Quaker Street bridge, bay windows, a landscaped terrace and other design elements that complement the architecture within the hamlet. Further, Chappaqua Station features covered parking, a club room, fitness center, outdoor landscaped terrace, and computer room. All of these are considered premium amenities in any apartment community. Finally, Conifer's not-for-profit partner is A-HOME whose coalition of churches and synagogues, some of which are in Chappaqua, have been helping lower income residents connect with the community for over 28 years. A-HOME will be actively involved in making this happen at Chappaqua Station.

- *Small development sites (i.e., those containing less than 10 units) should be near existing residential uses and should be comparable in scale relative to current and planned adjacent land uses.*

N/A.

- *Large development sites should seamlessly integrate with adjoining residential areas and/or be of a size and design that reinforces positive neighborhood qualities (such as social connection, sense of place, pedestrian amenities and usable open space).*

The area to the west of the Metro North Railroad and Saw Mill River Parkway is predominately developed with single-family homes. To the east is downtown Chappaqua which has a variety of land uses including a substantial amount of retail, commercial, municipal services, multi-family developments, and some single-family homes. Chappaqua Station is suitably located and designed to integrate well amongst this mix, and its location creates an opportunity for the residents to use the pedestrian amenities, ball fields, library, town hall, school and playground without having to get in a car. The Town also has been encouraging the development of apartments over retail in the hamlet. This building is consistent with that initiative.

- *Multifamily buildings should be located within walking distance (approximately ten minutes) of public transportation, such as a bus stop or train station. One- to four-family homes and accessory units need not have such a level of access to transit.*

Chappaqua Station is a transit oriented development, less than 500 feet from a Metro North Railroad Station. The Metro North line can bring residents all over the greater New York metro area. This includes White Plains, Yonkers, Mount Kisco and the employment centers of Westchester as well as Manhattan and employment throughout

metro New York. In addition, The Bee-Line bus service is also in very close proximity to the site. The Bee-Line services Westchester County and stops less than a tenth of a mile from the site. There cannot be a better situated multi-family location in Northern Westchester County for transit oriented design. The proximity of this site to mass transit eliminates the residents' need and dependency on a personal automobile. This is a substantial benefit to families as gas prices continue to rise and stay at record levels. This development is also consistent with Metro North's goal of developing multi-family facilities along its lines to encourage ridership and use of mass transit.

- *Multifamily developments should be in reasonable proximity to and ideally have walkable connections to community resources, such as downtown areas, grocery shopping, pharmacies, banking and other convenience shopping; employment opportunities; schools; religious institutions; medical and social services; and parks and recreational facilities.*

Downtown Chappaqua is located just 500 feet from the project. As previously stated, the main entrance will be accessible from the Quaker Street bridge and will provide a direct pedestrian connection to all the commercial and community resources in the hamlet center. A library, bank, park, health facilities, playground, post office, pharmacy, day care, municipal facilities, and schools are all located within a half mile of the project.

- *To the extent possible, multifamily buildings should be served by water supply systems and also public sewage or state-of-the-art sustainable means of on-site treatment. One- to four-family homes and accessory units can be served by wells and also individual septic systems or private package plans, rather than municipal infrastructure.*

One of the great benefits of the Chappaqua Station site is that it is served by municipal water and sewer systems that have capacity to provide service. Many municipalities in Westchester and, New Castle in particular, have very limited locations with available public utilities. The lack of sewers in many of the "A" communities severely limits the ability to create affordable housing in those communities. This site is a great opportunity to develop affordable housing where public sewers and water supply are available.

- *Sites should exhibit no obvious negative environmental influences that cannot be corrected or acceptably mitigated. Environmental impacts include but are not limited to: deteriorating or blighted residential uses; massive parking lots or storage yards; unsightly loading zones at retail facilities; heavy industrial uses; excessive noise or physical hazards from railroad, vehicular or air traffic; dumps, sanitary landfills, or salvage yards, sewage treatment plants; stored hazardous materials; buried or spilled hazardous wastes; operating oil wells; mine shafts; and gravel pits.*

There are no negative environmental influences on the site that cannot be addressed or corrected. As with many in-fill sites that are in the core sections of municipalities in New York, there is some contamination associated with the prior use of this site. The site was recently accepted in the New York State Brownfield clean-up program. This will enable Conifer to remediate the contamination that likely resulted from underground fuel storage tanks. Conifer will work with New York State DEC to develop a remediation work plan and will implement that plan with the oversight of DEC. This development will benefit the community as well as it will result in the remediation of a key property in the hamlet.

Further, while the proximity to the Metro North Railroad is an asset to the project's transit oriented design, the building will have features to address potential noise concerns resulting from its location. The building is designed with sufficient insulation and other noise dampening techniques that are typical for a TOD design, such as triple glazed windows, stone base and fiber board siding which will protect the residents from any noise impact. As discussed above, there are many high-end market rate apartment complexes located with similar proximity to the Metro North Railroad.

Attached are copies of the drawings for Chappaqua Station detailing the intended connection to the Quaker Street bridge.

As previously mentioned, Conifer applied for funding to New York State Homes and Community Renewal in February 2011. We received a reservation of low income housing tax credits in December 2011. We are working diligently on obtaining all outstanding approvals and anticipate commencing construction in the fall of 2012.

Moving forward we continue to collaborate with the Town of New Castle and Westchester County to successfully implement this project. I am more than happy to keep you abreast of our progress and if you have any additional questions or concerns please contact me.

Sincerely,



Andrew V. Bodewes
Vice President

Enclosures

**cc: Honorable Rob Astorino, County Executive
Kevin J. Plunkett, Deputy County Executive
Mary J. Mahon, Special Assistant to the County Executive
Glenda Fussa, Deputy Regional Counsel, New York Office, HUD
Honorable Susan E. Carpenter, Town Supervisor, Town of New Castle
Richard Brownell, P.E. , Town of New Castle Planning Board
Benjamin Torrance, Esq., Assistant United States Attorney**