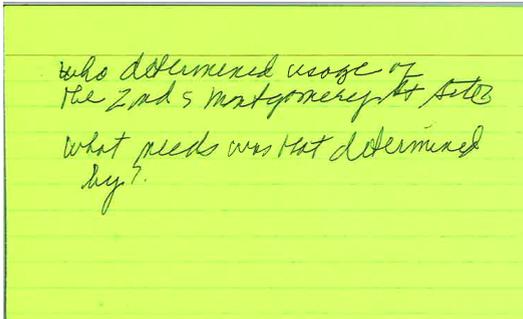


During the December 6th, 2017 Distressed Property Meeting evening session, Hester Street and Alembic Community Development collected written questions from participants in the meeting and committed to respond to them, even if they weren't discussed in the meeting.

We received a total of 19 written questions and comments from the audience:

### Question 1

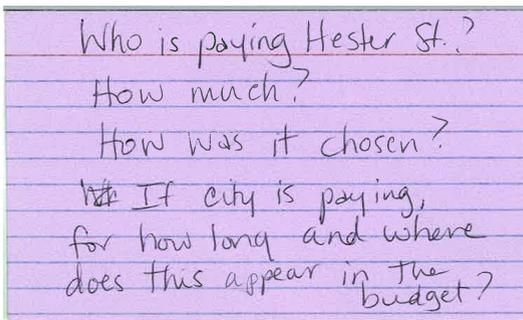


#### **Who determined usage of the 2nd Montgomery site? What needs was that determined by?**

The final uses of the site will be informed and determined by a market study and the community engagement process. The uses proposed in the 2 Montgomery site are those allowed by the Newburgh zoning code. The site is part of the Waterfront Gateway Zone, an area where the primary intent is to maximize the residential and commercial density of new development. The zoning code encourages mid- to high- density residential, mixed-use, and commercial buildings in the district.

Alembic proposed to have two types of residential uses (homeownership and affordable rentals) and commercial uses.

### Question 2

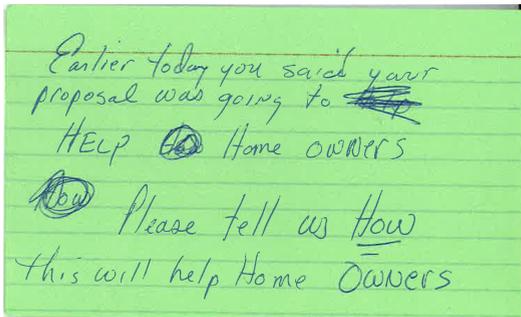


#### **Who is paying Hester Street? How much? How was it chosen? If city is paying, for how long and where does this appear in the budget?**

Hester Street is part of the development team that submitted the response to the City's RFP. The cost of the community engagement & planning process focusing on the development project will be paid for by Alembic Community Development. The city is not paying for Hester Street's services.

Hester Street was chosen as a partner for the project because of its fifteen years of experience working with local communities, business, city agencies and elected officials to transform neighborhoods through participatory processes throughout New York State.

### Question 3

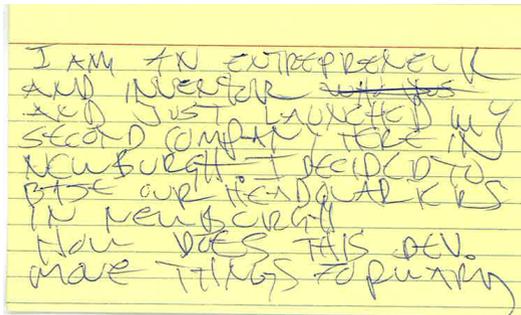


Earlier today you said your proposal was going to ~~help~~  
Help Home Owners  
How Please tell us How this will help Home Owners

Earlier today, you said your proposal was going to help homeowners. Please tell us how this will help homeowners?

Current residents (homeowners and renters alike) in Newburgh will benefit from various aspects of the project. The project will bring retail shops to the area that will satisfy the needs of the community, as will be identified through the community engagement process. The project will also provide community spaces in downtown, which will add to the diverse uses in the area and encourage civic interaction. The redevelopment of the vacant land will also help to build a neighborhood on the waterfront. The project also contemplates building units for sale in the 2 Montgomery site, which will open further opportunities for homeownership in Newburgh. commercial uses.

### Question 4

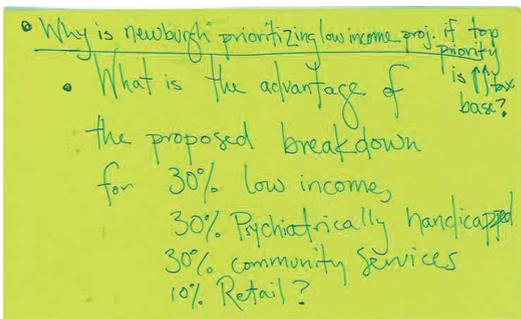


I AM AN ENTREPRENEUR AND INVESTOR AND JUST LAUNCHED MY SECOND COMPANY HERE IN NEWBURGH. I DECIDED TO BASE OUR HEADQUARTERS IN NEWBURGH. HOW DOES THIS MOVE THINGS FORWARD?

I am an entrepreneur and investor and just launched my second company here in Newburgh. I decided to base our headquarters in Newburgh. How does this move things forward?

The project is meant to be the first part of the redevelopment of the Newburgh waterfront. Its main objective is the revitalization of this part of downtown with improved community uses, new businesses fulfilling community needs, and the development of housing, both for rent and ownership. This redevelopment aims to spur equitable economic development in downtown Newburgh that will set the stage for future redevelopment along the now vacant waterfront and benefit existing and new businesses in the area.

### Question 5



Why is Newburgh prioritizing low income proj. if top priority is tax base?  
• What is the advantage of the proposed breakdown for 30% low income, 30% Psychiatrically handicapped, 30% community services, 10% Retail?

Why is Newburgh prioritizing low income proj[ect]. if top priority is ↑↑ [more] tax base?

The City of Newburgh has several top priorities. While the project does contemplate the inclusion of affordable and supportive housing, the development team is committed to building a mixed-use, mixed-income project, where retail and affordable and market-rate housing can coexist. New rental housing will become part of the city's tax base, in a fair and transparent process, along with the businesses and homeownership units proposed.

## Question 6

Why is Newburgh prioritizing low income proj. if top priority is Max base?

- What is the advantage of the proposed breakdown for 30% low income, 30% Psychiatrically handicapped, 30% community services, 10% Retail?

What is the advantage of the proposed breakdown for 30% low income, 30% psychiatrically handicapped, 30% community services, 10% retail?

The original proposal envisioned the following breakdown:

- 168 housing units, with 45 to 50 units (26 -30%) of supportive housing
- 15,000 to 25,000 square feet of retail
- 18,000 square feet of community facilities at the Dutch Reform Church and City Club
- 118 parking spaces

This breakdown prioritizes a mixed-use and mixed-income approach to the redevelopment of the three properties and considers an amount of development necessary to support the restoration of both the Dutch Reform Church and the City Club. However, a market study of the properties, as well as the community engagement process will help determine a breakdown appropriate to balance the objectives of revitalizing and activating the vacant properties and serving the needs of the community of Newburgh.

## Question 7

① Is the MASTER PLAN ABOUT TO BE AMENDED?  
By Whom?  
Timeline?

② A MASTER PARKING PLAN would seem to be a timely part of it.

Is the master plan about to be amended? By whom? Timeline? A master parking plan would seem to be a timely part of it.

In 2018, the Department of Planning and Development will have to update the current master plan, which has been in place since 2008. According to the Department of Planning and Development, the timeline will include extensive public engagement and visioning through the Spring of 2018, committee led re-writes of the topical sections (including transportation and parking) through the Fall of 2018. This will lead to a draft update with more public engagement in late 2018.

## Question 8

MY POLITICS ARE SO FAR TO THE LEFT THAT I SOMETIMES END UP ON THE RIGHT. THIS MAY BE ONE OF THOSE TIMES.

SHOULDN'T 2 MONTGOMERY, GIVEN THE PRIME LOCATION, BE DEVELOPED AT MARKET RATES SO THAT IT GENERATES NEEDED TAX REVENUE?

My politics are so far to the left that I sometimes end up on the right. This may be one of those times. Shouldn't 2 Montgomery, given the prime location, be developed at market rates so that it generates needed tax revenue?

Public land is an asset that cities can use to further a wide variety of goals. In the case of 2 Montgomery, this parcel was included into the redevelopment of the Dutch Reform Church and the City Club, so that part of the project would generate rental and sale income to support the preservation, restoration and continued public use of the historic properties. The restoration will be paid for by the developer, and not the city, and thus will not cost taxpayers directly.

In this case, the city has decided to use 2 Montgomery to first, further the goal of preserving both the Church and the Club. Additionally, the project utilizes a portion of 2 Montgomery to further affordable housing and homeownership opportunities in a city where only 32% of the population are homeowners and where 70.9% of all renters spend more than a third of their income on rent. While furthering these goals, the redevelopment of 2 Montgomery will also create new housing and businesses that will be included in the tax base and generate revenue for the city.

## Question 9

WHAT KIND OF TAXES  
WOULD GENERATED TAXES  
FOR THE CITY -

JCF  
EMAIL- [REDACTED]@HOTMAIL.COM

What kind of taxes would [be] generated taxes for the city?

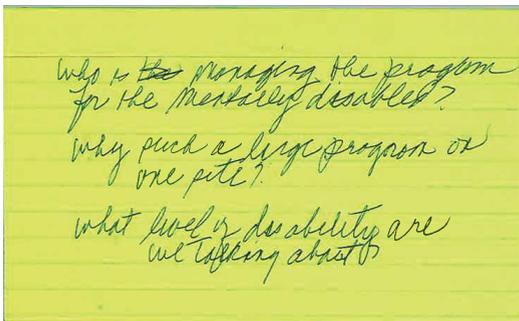
A specific dollar value will not be available until the mix of units and uses is determined. However, the following can be expected:

- The Dutch Reformed Church is expected to remain owned by City or not-for-profit and therefore is anticipated to remain tax-exempt.
- The City Club is anticipated to be fully taxable. It would qualify for the historic tax exemption and we expect the developer would utilize that declining 9 year partial abatement.
- The 2 Montgomery Street properties are anticipated to be taxed as follows:
  - Any for-sale housing units will be fully taxed, although they would be individually

subject to exemptions, such as STAR, Veterans, first-time homeowner exemption, etc, dependent on the homeowner.

- Any rental units would be assessed on an income based approach.
- Rental housing, whether it owned by a not-for-profit or not, is subject to property tax in New York State (unless there is an alternative agreement, such as a Payment in Lieu of Taxes). If the developer now, or in the future, requested a Payment in lieu of taxes (PILOT), this measure would require an approval by City Council and would be expected to be fair and transparent.
- Any commercial portions of the project would be assessed on an income based approach.
- It is expected that any mixed-use project on that site would qualify for the 485-a declining 12 year partial exemption for mixed-use development. Mixed-use must include residential & commercial components.

## Question 10



**Who is managing the program for the mentally disabled? Why such a large program on one site? What level disability are we talking about?**

The supportive housing component of the project will be led by partner organization Community Access, which has worked since 1974 on expanding opportunities for people living with mental health concerns to recover from trauma and discrimination through affordable housing, workforce training, advocacy and healing-focused services. Community Access's housing model provides housing and supportive services and programs for people with physical and mental disabilities, families, veterans, and youth aging out of foster care, and has received national, state and local awards, including awards from the Preservation League of New York State, New York State Association for Affordable Housing and Fannie Mae Foundation.

The supportive housing component of the project is only a part of the proposed housing (30% in the original proposal), which will also include homeownership and affordable rentals. The market study and the community engagement process will help determine what needs the supportive housing component should respond to in Newburgh.

## Question 11

- ⊙ Who decided to sell valuable Property instead of doing long-term lease so City maintains Control, and has opportunity to at a later date
- ⊙ Public Referendum!!

Who decided to sell valuable property instead of doing long-term lease so city maintains control, and has opportunity to at a later date? Public referendum!!

Regarding the participatory process, the development team believes there are different ways for the community to weigh in and shape the project. Instead of a one-time referendum, the community engagement process that Hester Street will facilitate will include continued consultation with the Newburgh community through large public meetings, small focus groups, and informal engagement during several months. This will ensure that all aspects of the Newburgh community have input at every stage of the planning of the project, not just at the beginning. This community process also seeks to gather feedback that is more nuanced than the yes or no questions in a referendum. Throughout the process, Hester Street will engage different sectors of the Newburgh population, including populations who haven't so far been engaged in this kind of city decisions and whose opinions aren't fully represented in traditional public meetings or referendums.

If through the community engagement process, it is determined that the public believes that a long-term lease is a critical avenue to explore, the developer and the City are open to discussing that.

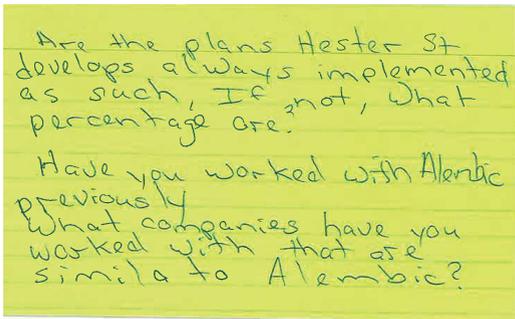
## Question 12

- ⊙ Since When is A World Heritage Site Bundled??

Since when is a world heritage site bundled?

One of the City's main goals is to preserve and redevelop the Dutch Reform Church—which is a National Historic Landmark—and the City Club for future use. Both have seen several hands of ownership, without any real progress to preserve and revitalize them. To achieve this goal, the City put out a request for development proposals, in which it also included the 2 Montgomery parcel. This bundling had the objective to allow the selected developer to generate rental and sale income from the development in 2 Montgomery that would be used to support the preservation, restoration and continued public use of the historic properties. The restoration will be paid for by the developer, and not the city, and thus will not cost taxpayers directly.

### Question 13



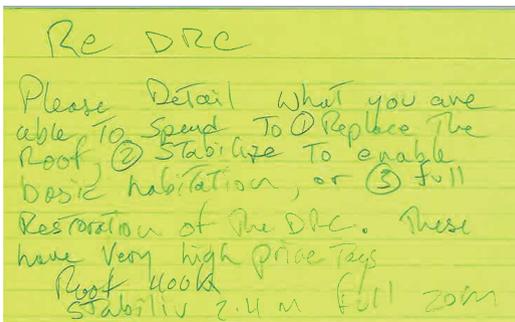
Are the plans Hester St develops always implemented as such, if not, what percentage are?  
Have you worked with Alembic previously? What companies have you worked with that are similar to Alembic?

Are the plans Hester Street develops always implemented as such, if not, what percentage are? Have you worked with Alembic previously? What companies have you worked with that are similar to Alembic?

Hester Street's work focuses on ensuring that neighborhoods are shaped by the people who live in them. We work directly with community partners to identify needs and opportunities, to meaningfully engage a wide range of stakeholders in the planning process, and to confirm community priorities. We also collaborate with those same community partners to implement our plans or to collaborate with decision makers to achieve plans and projects that the community will benefit from. Just in 2017, we developed 22 plans and planned, designed or developed over 200,000 square feet of community resources, like open space, libraries, childcare and community centers. At our website ([hesterstreet.org](http://hesterstreet.org)), you can find out more about each of these projects.

This is the first collaboration between Alembic Community Development and Hester Street. However, Hester Street has a track record of working with other developers and organizations to deliver community facilities and further affordable housing. Some examples of previous partners are IMPACCT Brooklyn, Make the Road New York, People United for Sustainable Housing Buffalo, Cypress Hills Local Development Corporation, Ocean Bay Community Development Corporation, and Chhaya Community Development Corporation.

### Question 14



Re DRC  
Please Detail what you are able to spend to 1. Replace the roof, 2. Stabilize to enable basic habitation, or 3. Full restoration of the DRC. These have very high price tags  
Roof 400k  
Stabilize 2.4 m Full 20m

Re DRC. Please detail what you are able to spend to: 1. Replace the roof, 2. Stabilize to enable basic habitation, or 3. Full restoration of the DRC. These have very high price tags. Roof 400k. Stabilize 2.4 m. Full 20m.

Alembic is able to leverage its own funds with available public and philanthropic funding to stabilize the structure. The full restoration will be completed as part of the overall development project. The development team will determine the cost and funding sources after discerning: the best long-term sustainable use through the community engagement process, the actual costs of the project, its ownership structure, as well as the sources of construction and permanent funding.

## Question 15

Can you expand on the mental health facility mentioned in the plan for low income housing on the Montgomery St riverfront property? And how does retail space work into this?

Can you expand on the mental health facility mentioned in the plan for low income housing on the Montgomery St riverfront property? And how does retail space work into this?

For information about the supportive housing component of the project, please refer to question 10.

The City has prioritized mixed-use (commercial and residential) development in its Master Plan and codified that preference in its City's Zoning Code. The project anticipates first floor commercial spaces on 2 Montgomery Street, however the public participation process will help inform what exactly that commercial

## Question 16

- ① What is the mental health component to this project?
- ② How will the maintenance costs for the historic components be generated & provided?
- ③ What happens if the tax credits are terminated?

What is the mental health component to this project? How will the maintenance costs for the historic components be generated and provided? What happens if the tax credits are terminated?

For information about the supportive housing component of the project, please refer to question 10.

The maintenance of the historic components is tied to the election of sustainable long-term uses that can support it. One of the objectives of this planning process is to discern what is that sustainable long-term use that also meets the community's hopes with a tenant in place capable of covering occupancy and program expenses.

The federal tax reform passed on December 2017 did not eliminate tax credits. However, it did decrease the corporate tax rates. When the tax burden of corporations is lowered, tax credits are worth less to real estate investors, who in turn invest less money in projects in their communities. This is expected to reduce the amount of affordable housing and historic rehabilitation projects built across the country, not just in Newburgh. Responding to this situation, the development team has already factored the effect of the lower corporate tax rates into its financing models.

## Question 17

What is the relationship between funding sources and type of housing you offer?

**What is the relationship between funding sources and type of housing you offer?**

We determine funding sources and structure after deciding, through a collaborative community process, the best feasible type of housing, given market conditions and site constraints.

space is (retail or other).

## Question 18

what about a charrette process of 2007? what about what has been done with that?

**What about a charrette process of 2007? What has been done about that?**

The charrette process of 2007 was conducted by Leyland, as part of the planning process for their development of the waterfront. Unfortunately, the 2008 recession derailed the development Leyland planned for Newburgh and forced the developer to return the undeveloped land to the city. To avoid the vacant land to remain so for longer, the City put out an RFP for the redevelopment of part of the land the Leyland project envisioned. The findings of the 2007 charrette process directly informed the City's RFP. As part of the planning process for the project, the development team will review and consider previous plans for the area, including Leyland's and will incorporate the results of the charrette. The community engagement process will include a variety of activities, workshops, and charrettes to gather feedback on the redevelopment of the Dutch Reform Church, the City Club, and 2 Montgomery.

## Question 19

Why does the "need" for more low-income housing and mental healthcare facility have to be located on the gem of Newburgh, its waterfront? There is already

**Why does the need for more low-income housing and mental healthcare facility have to be located on the gem of Newburgh, its waterfront? There is already low-income housing on that hill, on the waterfront. It only further supports the business of poverty that Newburgh needs to distance itself from.**

low income housing on that hill, on the waterfront. It only further supports the business of poverty that Newburgh needs to distance itself from.

The project aims to create a mixed-use and mixed-income development that preserves and reenergizes the historic civic center. That means, that the project will provide different types of housing, businesses and community spaces to serve different sectors of the Newburgh population. The project seeks to restore equitable access to the waterfront, to living downtown,

and to quality housing that has been dramatically delayed by having the urban renewal lands vacant since the 1970s.

The City and the developer strongly believe that no project should be for one income or type of person. Today, after different attempts of redevelopment, the City has decided to use this land asset to further the goals of preserving the Dutch Reform Church and the City Club (see question 8) and to utilize public lands to further opportunities for housing affordability and homeownership that reflect the needs of Newburgh and within the context of the current housing market.