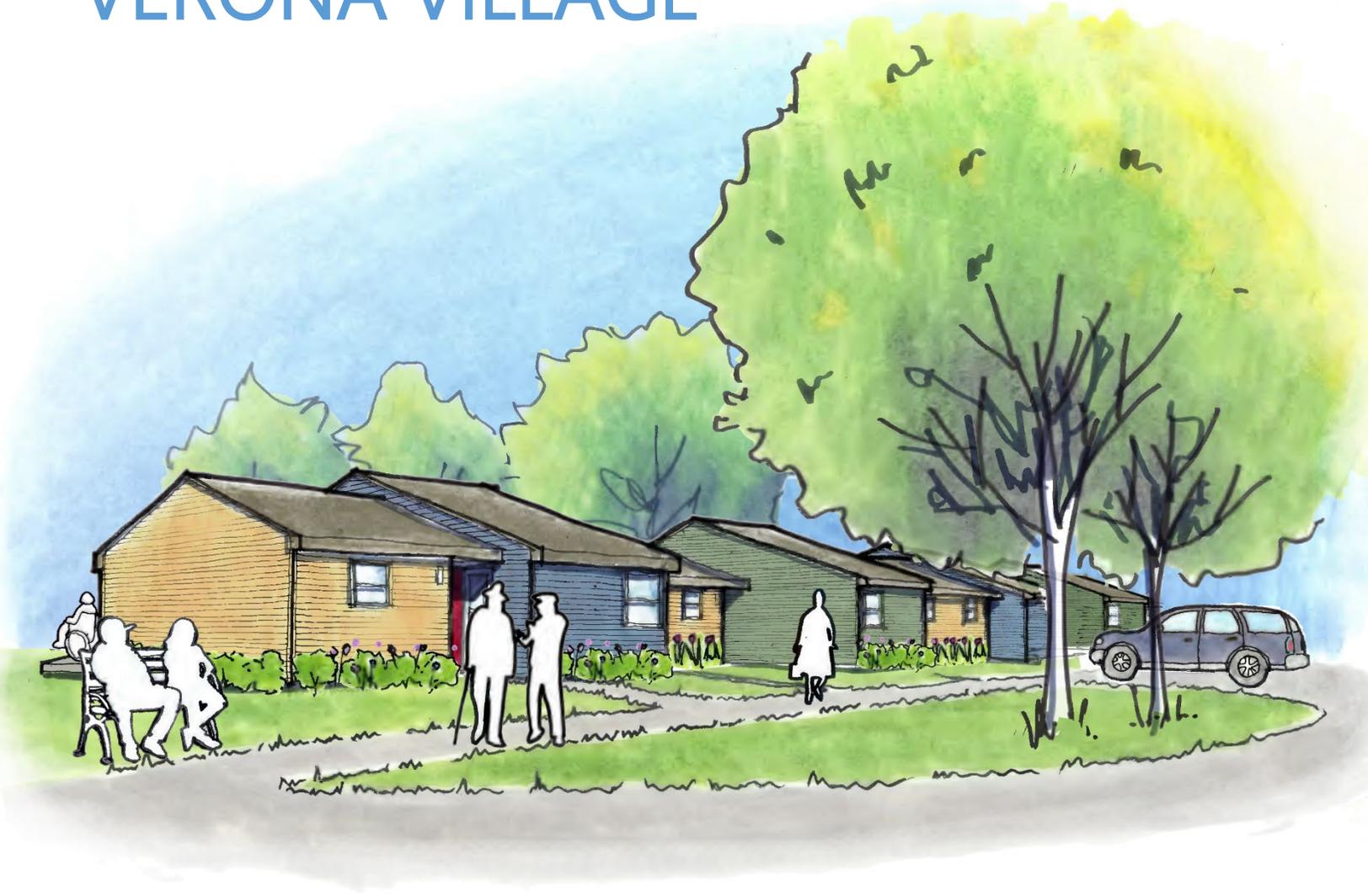


Request for Seneca County to Administer CDBG Funds

VERONA VILLAGE



Ithaca Neighborhood Housing Services, Inc.

115 W Clinton St, Ithaca, NY 14850

Johanna Anderson

607.277.4500

May 24, 2022



Ithaca Neighborhood Housing Services

Ithaca Neighborhood Housing Services (INHS) is a 501(c)(3) corporation established in 1976 to revitalize Ithaca's downtown neighborhoods and promote affordable housing. Over the past four decades, INHS has significantly expanded its services, service area, and resources. Today, the organization operates a comprehensive array of housing programs, ranging from the development and management of affordable rental housing to providing loans and down payment assistance to first time homebuyers. We operate in seven counties in the Central New York and Finger Lakes regions, including Cayuga, Chemung, Cortland, Schuyler, Seneca, Tioga and Tompkins.

Project Overview

In 2019, INHS purchased the 46-unit Verona Village Apartments, located at 2276 County Road 139. Verona Village has provided high quality affordable housing to the Ovid community for 40 years and is the only affordable housing for low-income seniors within 15 miles. While the complex has been well managed, it has not been comprehensively renovated since it was built and does need significant upgrades if it is to continue to provide much-needed affordable housing for seniors and the disabled in Ovid. INHS has identified two sources of funding available through New York State (the Small Building Participation Loan Program and the CDBG Program) that together will provide a combination of grants and loans sufficient to fully renovate the existing units at Verona Village and extend the useful life of this resource for at least another 50 years. The NYS Office of Community Renewal requires that the State CDBG funds be routed to the project through the County. INHS is seeking the approval of the County to pursue these funds.

The physical condition of Verona Village has been analyzed by our team of architects and engineers, with the assistance of our general contractor. The project's scope of work is based upon input from the long-time property manager (who has been with the property for the past 30 years), and from tenants, in addition to the visual inspection of 100% of the units and physical investigation involving the selective removal of materials to access concealed conditions. The team has been made aware in conversations with the Village of Ovid that special consideration should be given to the water and sewer connections that service the site. The project team identified one waste line requiring replacement, the cost of which is included in our budget. A \$571,479 contingency is also included in the project budget to address any unforeseen rehab needs. Any deficiencies that are discovered during the construction process will be appropriately addressed.



Typical kitchen with limited counter space, small appliances, and no pantry storage



Typical bathroom

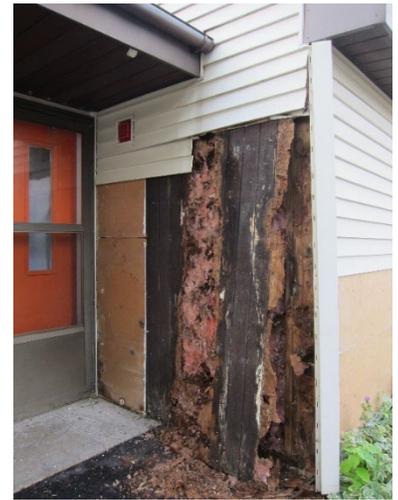


Baseboard heating, apartments do not have air conditioning

The apartments at Verona Village are small, their older ventilation systems do not provide much fresh air, and they include no private or common exterior spaces for comfortably spending time outdoors. Long-term water penetration in certain areas of the exterior walls due to improper flashing has resulted in poor indoor air quality and, in some units, visible mold growth. The majority of the buildings in the complex have elevated radon levels. The kitchens are so small that they cannot accommodate full-sized stoves and refrigerators, making it difficult to store food in quantity and prepare meals at home. Most apartments have their original cabinets, fixtures, and flooring. To address these physical needs, INHS proposes the following:

- Removal of all asbestos-containing materials

- Installation of radon mitigation systems
- Replacement of all existing mechanical ventilation to ensure an increased rate of air exchange
- Replacement of the original electric-baseboard heating system with electric air-source heat pumps, providing improved air circulation and increased energy efficiency
- Removal of deteriorated vinyl siding, replacement of rotted wall sheathing, repair of structural components, installation of exterior foam board insulation, and installation of new vinyl siding with proper flashing to correct existing deterioration and improve indoor air quality
- Replacement of 30+ year old asphalt shingles with extended eaves to prevent future water infiltration at roof/wall intersections
- Construction of private exterior patios at each apartment, and of a central common gazebo outside the community building to facilitate safe and comfortable outdoor social interaction
- Removal of the existing wall between each unit's living room and small kitchen, enlarging the kitchen to allow for full-sized appliances, increasing light and air in the units, and improving accessibility for residents who have a mobility impairment
- Replacement of deteriorated interior finishes, including replacement of old carpeting with new hard-surface flooring, to improve indoor air quality and accessibility, and to make it easier for residents to maintain their units



Deteriorated sheathing due to water infiltration

The Verona Village community building is heavily used by residents and the Seneca County Office for the Aging. SCOFA provides Meals on Wheels from the community building kitchen, and provides Verona Village residents with transportation, housekeeping assistance, nutrition education, case management, recreational programming, tax counseling/assistance, Dial-a-Friend services, health screening, and educational presentations.

Renovations at the Verona Village community building will include:

- Replacement of the heating and cooling system
- Upgraded ventilation at the kitchen and laundry room
- Replacement of all light fixtures to increase visibility for the elderly
- Replacement of flooring throughout
- Replacement of siding, roof, and windows
- Adding ADA door paddles to improve accessibility

Site improvements at the property will include:

- Repair of existing entry drive and parking area
- New dumpster enclosures
- New cluster mailboxes with canopy
- New gazebo outside the community building & landscaping improvements



Community kitchen used by SCOFA Meals on Wheels

Energy Efficiency: The project has been designed to achieve a 25% reduction in energy usage compared to the previous 2 years of operation. New low-flow fixtures will reduce water usage at the property. The existing apartments do not have air conditioning and are heated with electric resistance baseboards, which are approximately 40 years old. These will be removed and replaced with an air source heat pump system. This system will have 71% heating capacity at -13°F outdoor air temperature, including defrost cycle. Each dwelling unit bathroom will include a small supplemental electric baseboard heater. Each existing apartment is served by its own fairly new 30-gallon electric water heater, which will remain. A central 40-gallon water heater will be provided to serve common spaces at the community building. The community building will be conditioned by a dedicated multi-split air source heat pump system. Each bathroom will be heated by a small electric baseboard heater. The renovation will include EnergyStar rated appliances, LED light fixtures, low flow plumbing fixtures, new exterior doors rated U-0.15, new windows rated U-0.28, weather-stripped doors, air sealed wall penetrations, and R-6 continuous insulation added to exterior walls.

Seneca County Participation

INHS has been working with the NYS Office of Community Renewal to identify how State CDBG funds can be directed to the Verona Village project. The Office of Community Renewal determined that State CDBG funds will need to be routed to the project through the County. In order to administer the CDBG funds, INHS anticipates that the County would undertake the following activities:

- manage a consultant to complete the required NEPA review
- request and disburse funds
- submit periodic reports to HCR
- verify developer compliance with programmatic requirements

The County is not asked to contribute any funding to this project. The cost of the NEPA consultant (if the County chooses to engage one rather than perform the NEPA review itself) will be covered by the CDBG award. The County will also receive a Program Delivery Fee to cover the staff time necessary for the administration of the contract. INHS is an experienced CDBG administrator and will support the County in all administrative activities as needed so that impacts on the staff's time are minimized.

Relocation

The renovation of Verona Village is being undertaken for the benefit of the existing residents. The extent of the work in the units will require that all tenants be temporarily relocated so that the work can be completed. INHS has retained the services of a specialized relocation consultant to assist our Property Managers with this process. INHS will locate suitable temporary accommodations for the residents; engage movers to pack, transport, and unpack tenants belongings when they move into their temporary units; provide secure storage for any belongings that tenants would prefer to store until they return to their units at Verona Village; coordinate all utility, cable, internet, mail and other transfers so that service to residents is uninterrupted; and cover all of the costs of the relocation. We anticipate residents will need to be out of their units for approximately two months, after which time they will return to their fully renovated apartment at Verona Village.

Project Budget

Uses	Amount	Sources	
Acquisition	2,356,000	Conventional loan	1,790,000
Hard costs	5,190,821	NYS Small Building PLP loan	2,765,689
Soft costs	1,247,946	NYS CDBG	4,694,311
Contingency	571,479	Interim income	162,796
Reserves	146,549	INHS equity	100,000
	Total 9,512,795		Total 9,512,795

INHS acquired the property in 2019 with the use of an acquisition loan that matures in 2023; State funding will replace that loan. The hard cost of construction has been estimated by our General Contractor, Hamilton Stern Construction, based upon plans and specifications provided by the architect, Passero Associates. Soft costs include architecture and engineering fee, consultant fees, temporary relocation costs, legal fees, bank fees and other costs of financing. The contingency is 10% of hard costs plus 4% of soft costs. Reserves include a replacement reserve of \$1000 per unit and an operating reserve equal to three months of projected operating expenses and debt service, as required by New York State. This budget does not include CDBG funding for a NEPA consultant or Program Delivery fee for Seneca County. The staff at NYS OCR have informed us that the project may request up to \$5 million in CDBG funding, therefore the amount potentially available to cover those costs would be up to \$305,689.

Project Timeline

Submit CDBG Application	<i>June 2022</i>
Close Financing	<i>October 2022</i>
Construction Commencement	<i>November 2022</i>
Construction Completion	<i>August 2023</i>