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LOW-INCOME HOUSING CREDIT PROGRAM COMMISSIONER DETERMINATION

SHARS ID: 20136043

Project Name: Watkins Glen School Apartments
Project Applicant/Awardee: SEPP, Inc.
Date: April 16, 2014

Pursuant to Section 2040.3(g)(5) of the New York State Division of Housing and Community Renewal (the "Division") Low-Income Housing Credit Qualified Allocation Plan ("QAP"), the Division retains the discretionary authority to award and allocate low-income housing credit to a project irrespective of its point ranking, if the intended allocation meets the following standards:

- The project is in compliance with Section 42 of the Internal Revenue Code (the "Code").
- The project is in furtherance of the State's housing goals, including the housing objectives of a Regional Economic Development Council applicable to the area in which the project is located.
- The project is determined by the Commissioner of the Division to be in the interests of the citizens of New York State.

In addition, the Division must provide a written explanation to the general public for any credit award or allocation made on the basis of this section of the QAP.

The Watkins Glen School Apartments project meets the above-cited QAP standards for receipt of an award and allocation of low-income housing credit, as follows:

- The project is in compliance with the Code.

As part of the application review, the project was evaluated for compliance and consistency with both the Code and the QAP. Accordingly, the Division determined that the project, as represented in the initial application, is in compliance with the Code and the QAP.

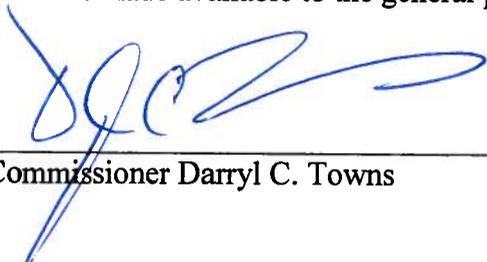
- The project is in furtherance of the State's housing goals.

The Division has determined that the project provides for the furtherance of the State's housing goals cited below:

- The project will prevent the further decay and will support the preservation of a historically significant building. Watkins Glen Middle School was built in 1930 and has been determined to be eligible for the National Registry of Historic Places.
 - The project provides for the adaptive reuse of a dilapidated, vacant structure that is having a blighting impact on the surrounding community.
 - The project is an integral component of neighborhood-specific revitalization efforts developed with significant community and local government involvement and local resources. The Village of Watkins Glen has successfully implemented a New York Main Street program in the neighborhood surrounding the school. The Watkins Glen School Apartments project is also an essential portion of Project Seneca which is helping the community redevelop the Watkins Glen waterfront.
 - The project represents a coordinated investment with another State agency – the Empire State Development Corporation (ESDC). As part of the 2013 Consolidated Funding Application funding round, the Southern Tier Regional Economic Development Council awarded \$988,325 in ESDC funds for the redevelopment of the School's auditorium and gymnasium.
- The project is determined by the Commissioner of the Division to be in the interests of the citizens of New York State.

Based on the information noted above and our review of the project, a determination has been made that the award and intended allocation of low-income housing credit for this project is consistent with the above-referenced QAP standards.

In addition, this Determination will be posted to the Division's website at <http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2013/> in order to meet the QAP requirement that the Division provide a written explanation of this award and intended allocation which is made available to the general public.



Commissioner Darryl C. Towns