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September 20, 2021

**VIA EMAIL**

Ms. Sadie McKeown, Chair  
Asbury Terrace Housing Development Fund Company, Inc.  
Tarrytown, NY

**RE: Sale of 1 River Place, Tarrytown, New York**

Dear Sadie,

You asked for us to provide you with background regarding the process to sell the affordable housing project located at the above-referenced address. The process is summarized below.

- Asbury Terrace Housing Development Fund Company, Inc. ("Asbury Terrace"), is a corporation formed under Article XI of the Private Housing Finance Law and is also subject to the provisions of the New York Not-for-Profit Corporation Law ("N-PCL"). Therefore, Asbury Terrace is a private not-for-profit corporation and is not associated or affiliated with the Village of Tarrytown or other governmental authority in any way.
- Asbury Terrace owned a 107-unit affordable housing project located at 1 River Place, Tarrytown, New York (the "Project").
- Asbury Terrace sold the Project in 2020 to Mountco Development and Construction for \$15.5 million.
- N-PCL Sections 510 and 511 require a New York not-for-profit corporation to obtain the approval of the New York State Attorney General Charities Bureau ("Charities Bureau") as well as a New York Supreme Court Justice before it can sell assets that constitute all or substantially all of its assets. See, Office of NYS Attorney General, Charities Bureau, guidelines regarding such sales available at [https://charitiesnys.com/pdfs/sales\\_and\\_other\\_dispositions\\_of\\_assets.pdf](https://charitiesnys.com/pdfs/sales_and_other_dispositions_of_assets.pdf).
- The Project was Asbury Terrace's only asset, therefore, Asbury Terrace was required to comply with the provisions of N-PCL Section 510 and 511 before it could sell the Project. The Charities Bureau issued its no objection letter to the sale on October 28, 2020. The petition was submitted to the Westchester County Supreme Court under Case # 63673/2020. The Order approving the sale was signed by Hon. Mary H. Smith on December 1, 2020. A copy of the petition and all exhibits submitted to the Attorney General and NYS Supreme

Court is available at:

<https://iapps.courts.state.ny.us/nyscef/DocumentList?docketId=EH0K24oMDQgtFrSi//4Gzw==&display=all&courtType=Westchester%20County%20Supreme%20Court&resultsPageNum=1>

- Pursuant to the N-PCL, any proceeds from the sale of assets must be used for purposes that are substantially similar to those of the not-for-profit corporation selling the assets. Asbury Terrace was formed as a housing development fund company (“HDFC”) and, therefore, any net proceeds from the sale must be used for the development, construction or rehabilitation of affordable housing projects in the Village of Tarrytown.
- Consistent with the statutory requirements, the net proceeds from the sale (approximately \$15 million) were distributed to the Housing Action Council to establish the Tarrytown Affordable Housing Fund to be used “for the development, construction or rehabilitation of affordable housing projects in the Village of Tarrytown consistent with the affordable housing components of the Village’s comprehensive plan.” This restriction is documented in an agreement between Asbury Terrace and the Housing Action Council.

Please let us know if you require anything further.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Anita Pelletier', with a stylized, cursive script.

Anita Pelletier  
Counsel