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Affordable housing requires title insurance expertise

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As any developer can tell you, building affordable housing isn't the most profitable work in the world - not by any stretch of the imagination. But it's indisputably a rewarding community service, especially on Long Island where the demand for affordable units far exceeds the supply.

That's why an experienced title insurance company plays an integral part in getting these deals done. Time is money in these kinds of developments because the profit margin is understandably very slim. The less time developers have to spend on title issues the better off they are. And in affordable housing the title issues can be very complicated indeed, as we know firsthand at Liberty Title Agency.

Unlike an ordinary home or commercial property purchase, affordable housing developments come with a host of complex concerns that require an inordinate amount of expertise, patience and perseverance. Problems may arise right from the start because developers rarely obtain the land with a clear title. Usually the property comes from tax arrears, foreclosure or eminent domain proceedings. There may be liens or other claims against the site, neighbors may have easements on it, or covenants might restrict its use.

And with the different parcels come the diverse sources of funding, from public to private to non-profit groups, that make the units affordable in the first place, all requiring timely title coverage. It can be daunting but not if you have a proven track record, a commitment to service, and an unshakable vision of the greater good. Because as we all know, Long Island faces a serious crisis in affordable housing that's driving young and old, families and businesses from the state. We must reverse this trend if we want to keep our region moving forward.

No one says it's going to be easy. It took a decade to make South Wind Village in Bay Shore a reality. Planning began in 1992 and it wasn't until 2003, a year after all the units were occupied, when all the title issue were resolved. The project, which involved the Town of Islip and the nonprofit Long Island Housing Partnership, produced 52 ownership units, 16 senior rental units and 10 family rental units. It required 16 funding sources and numerous municipal approvals to get it off the ground. Buildings on the 44 pre-existing parcels had to be demolished. A few had illegal rental units, which meant relocating 80 people. Unpaid mortgages and liens, ownership disputes and squatters slowed development, increasing the costs of acquisition and administration. Complicating the issue further was Community Development Block Grant funding with its necessary paperwork and escrow accounts.

By contrast, Copper Beech Village in Patchogue was a walk in the park to complete. The project, which involved building 80 townhouses to revitalize the downtown area, was the first one supported

by the Suffolk County Workforce Housing Commission, spearheaded by county executive Steve Levy at the behest of Mayor Paul Pontieri. This joint venture with Pulte Homes and the Long Island Housing Partnership broke ground in 2006 and closed on its final units this June. Twenty of the two-bedroom condos were allocated to families earning 80% of the median income (roughly \$86,000), 20 were for families making roughly 120% of the median, and the rest were at the prevailing market rate. The partnership screened the applicants.

Although the project did involve moving a 113 year old house two blocks and making sure a venerable beech tree survived the development, the overall process went comparatively smoothly once the 19 different parcels were acquired. Liberty Title was there every step of the way, from acquisition to the final sales. The result is that the village is renewed, young families get a break, and Long Island can nourish another generation. That's a formula for success we can all be proud of.

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