



111271

DATE June 9, 2025

TO: Board of Acquisition and Contract

FROM: Blanca P. Lopez, M.S.
Commissioner of Planning

SUBJECT: Amending a prior resolution which authorized the County of Westchester to enter into a loan agreement with Verus Development LLC, its successors and/or assigns, from the Westchester County Affordable Housing Investment Fund, also known as the Westchester County Housing Flex Fund Program to create 105 affordable rental housing units that will affirmatively further fair housing.

On November 27, 2024, your Honorable Board approved a resolution (the "November 27th Resolution") authorizing the County of Westchester (the "County"), acting by and through its Department of Planning (the "Department") to enter into a loan agreement (the "Agreement") with Verus Development LLC, its successors and/or assigns, or any entity created to carry out and fund the purposes of the proposed transaction (the "Developer"), in an amount not to exceed \$5,250,000 in loan funds (the "Loan Funds") from the County Housing Flex Fund ("HFF") Program ("HFF Loan"). The Loan Funds will be provided to the Developer from the County and will be used to supplement the cost of the construction of one hundred five (105) affordable rental units that will affirmatively further fair housing ("Affordable AFFH Units") to be located at 345 McLean Avenue in the City of Yonkers (the "Development"). The Loan Funds will be secured by a note and mortgage. Pursuant to the terms of the Agreement, the loan will accrue interest at 5% compounded annually. Payments on the loan shall be made annually based on 50% of the Developer's cash flow once the deferred developer fee is fully paid. Fifty percent of the cash flow shall be calculated based on an annual audited statement submitted by the Developer. The annual payment to the County will be equal to 50% of the remaining cash flow, after the Developer's payment of operating costs and any debt payments.

On May 29, 2025, your Honorable Board adopted a resolution ("November 27th Resolution") that specified that the Agreement will commence upon execution, and continue for a term of thirty-two years and nine months (32.75) including a two year and nine month (2.75) construction grace period. In the event that the senior loan maturity

may not align with the 30-year repayment period, the construction term can be extended at the discretion of the County for up to six (6) months, subject to your Honorable Board's further approval.

The May 29th Resolution extended the loan term to be consistent with the requirements of the New York Housing Finance Agency ("HFA") and coterminous with their loan for a permanent term of 35 years. With the construction period of two years and nine-months, the total loan term will be 37.75 years maturing on March 30, 2063. In addition the May 29th Resolution modified the interest calculation on the HFF Loan from compounding to simple interest.

The County was notified by the lender that the construction period loan term was recently modified from 33 to 35 months. One six-month extension remains and is consistent with previous approvals.

Therefore, it is requested that your Honorable Board approve an amendment to modify the term of the HFF loan.

Except as specifically provided herein, all remaining terms and conditions of the HFF loan shall remain in full force and effect.

Accordingly, I respectfully recommend your Honorable Board's approval of the attached Resolution.

BPL/lg/dlv
Attachment

RESOLUTION

UPON A COMMUNICATION FROM THE COMMISSIONER OF PLANNING, BE IT HEREBY

RESOLVED, that the Resolution approved on November 27, 2024 and May 29, 2025, authorizing the County of Westchester (the "County"), acting by and through its Department of Planning (the "Department") to enter into a loan agreement (the "Agreement") with Verus Development LLC, its successors and/or assigns, or any entity created to carry out and fund the purposes of the proposed transaction (the "Developer"), in an amount not to exceed \$5,250,000 in loan funds (the "Loan Funds") from the County Housing Flex Fund ("HFF") Program ("HFF Loan"), is hereby amended in order to change the length of the construction loan term to meet the requirements of the construction lender from a 33 month construction period to a 35 month construction period with the entire loan maturing from March 30, 2063 to May 31, 2063; and be it further

RESOLVED, that all of the remaining terms and conditions of the November 27, 2024 and the May 29, 2025 Resolution except as modified herein, shall remain in full force and effect; and be it further

RESOLVED, that the County Executive or his duly authorized designee is authorized to execute any documents and take any actions necessary to effectuate purposes hereof.

Account to be
Charged/Credited

		Major Program, Program & Phase	Object/ Sub Object	Trust Account	
Fund	Dept	Or Unit			Dollars
318	19	BPL42-1106-S	6050	N/A	\$0.00

Budget Funding Year(s) FY 2024 Start Date: upon execution End Date: 37.92 years thereafter

Funding Source Tax Dollars 0.00
State Aid _____
Federal Aid _____
Other _____

\$ 0.00
(must match resolution)