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DATE: May 15, 2025

TO: Board of Acquisition and Contract

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

SUBJECT: Resolution authorizing the County of Westchester to amend certain Loan Documents with Lifting Up Westchester, Inc. in order to modify certain loan provisions, including interest calculations, the income level and type of households for four of the units, and the establishment of a reserve account for a development located at 98 Washington Avenue in the Village of Pleasantville containing fourteen (14) units of affordable rental housing units that will affirmatively further fair housing.

On February 3, 2025, your Honorable Board approved a resolution (the February 3rd Resolution") that authorized the County to amend a certain Declaration of Restrictive Covenants ("DRC") that was executed on December 28, 2016 by Migi Asset Acquisition, LLC ("Migi") and filed in the Office of the County Clerk, in order to replace Migi with Lifting Up Westchester, Inc., its successors and/or assigns or any entity created to carry out the purposes of the transaction ("LUW") as the Developer, amend certain terms and conditions contained in the DRC including, but not limited to the affordability requirements, dates for construction completion, type of residential rental housing, and marketing requirements all as described below for a development ("Development") located at 98 Washington Avenue in the Village of Pleasantville ("Property").

Further, the February 3rd Resolution authorized the County to enter into an agreement with LUW in an amount not to exceed \$3,250,000 from the United States Department of Housing and Urban Development ("HUD") HOME-American Rescue Plan ("HOME-ARP") Program to assist in the purchase of the Property and the completion of the construction of the Development ("HOME-ARP Agreement"). The HOME-ARP Agreement was to commence upon execution and terminate fifty years thereafter. Completion of the Development would occur within one year of the execution of the HOME-ARP Agreement. Further, pursuant to the requirements of the HOME-ARP Program, ten (10) of the Affordable AFFH Units would be available to households that are homeless and have an income at or below fifty (50%) percent of the Westchester County Area Median Income ("AMI"), with priority given to those who are employed full time. Marketing of these units would be conducted through the County Continuum of Care program. The remaining four (4) units would be available to households with incomes at or below sixty (60%) percent of AMI. These units would be marketed through the County's approved marketing plan. In addition to the HOME-ARP Agreement, LUW would execute a Note and Mortgage as security (the DRC, HOME-ARP Agreement, Note

and Mortgage together the "Loan Documents").

Pursuant to the terms of the Loan Documents, interest would accrue at 1%, compounded annually, commencing at closing and continuing for a term of fifty years ("HOME-ARP Loan Term"). At the end of the HOME-ARP Loan Term, the principal and accrued interest due and owing to the County would be payable to the County, unless LUW extended the Period of Affordability for a specified term, and only if such extension is approved by the County in its sole discretion at that time. The Loan Documents were subsequently executed on February 28, 2025.

LUW has requested the following modifications to the Loan Documents: 1.) allow for the County, at its sole option, to forgive the repayment of the loan at the end of the thirty (30) year loan term; 2.) change the current interest calculation for the loan from 1% compounded annually to a simple annual interest calculation of 1%; 3) allow for the establishment of a capital and operating account to assist with future capital and operating needs in an amount of \$300,000 which represents the amount of County funds that were advanced at closing and held in escrow pending a determination of the construction costs of the Development, which funds are now anticipated to be released by the escrow agent; and 4.) change the requirements for the four units that were anticipated to be available for households earning up to 60% of AMI and marketed through the County's approved marketing plan, to be now available to households that are homeless and have an income at or below fifty (50%) percent of AMI, with priority given to those who are employed full time so that the requirements are the same for all fourteen (14) units.

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

Based upon the foregoing, I respectfully recommend that your Honorable Board approve the attached Resolution in order to amend the Loan Documents.

BPL/Ig/lac
Attachment

RESOLUTION

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

RESOLVED, that the County of Westchester (the "County") is hereby authorized to amend that certain Amended Declaration of Restrictive Covenants, Note and Mortgage, and HOME-ARP Agreement dated February 28, 2025 (together the "Loan Documents") in connection with the construction of 14 affordable rental housing units that affirmatively further fair housing by Lifting Up Westchester, Inc. located at 98 Washington Avenue, in the Village of Pleasantville (the "Development") in order to 1.) allow for the County, at its sole option, to forgive the repayment of the loan at the end of the thirty (30) year loan term; 2.) change the current interest calculation for the loan from 1% compounded annually to a simple annual interest calculation of 1%; 3) allow for the establishment of a capital and operating account to assist with future capital and operating needs in an amount of \$300,000 which represents the amount of County funds that were advanced at closing and held in escrow pending a determination of the construction costs of the Development, which funds are now anticipated to be released by the escrow agent; and 4.) change the requirements for the four units that were anticipated to be available for households earning up to 60% of AMI and marketed through the County's approved marketing plan, to be now available to households that are homeless and have an income at or below fifty (50%) percent of AMI, with priority given to those who are employed full time so that the requirements are the same for all fourteen (14) units; and be it further

RESOLVED, that all of the remaining terms and conditions of the Loan Documents 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.

Original Agreement	\$3,250,000.00
This Amendment	\$ 0.00
	\$3,250,000.00

AGREEMENT NUMBER: C-HOME-ARP-21-01

Account to be
Charged/Credited

		Major Program, Program & Phase	Object/ Sub Object	Trust	
Fund	Dept	Or Unit		Account	Dollars
263	19	173W	4998	T173	\$0.00

Budget Funding Year(s) FY2021 Start Date: upon execution End Date: 50 years thereafter

Funding Source: Tax Dollars _____
State Aid _____
Federal Aid \$0.00
Other _____

\$ 0.00
(must match resolution)