

110017

DATE: November 25, 2024

TO: Board of Acquisition and Contract

FROM: Blanca P. Lopez
Commissioner of Planning

SUBJECT: Resolution authorizing the County of Westchester to enter into an Inter-Municipal Developer Agreement with the City of White Plains, White Plains Housing Authority and Trinity Financial, Inc., its successors and/or assigns, to fund the construction of certain infrastructure improvements located at 161 South Lexington Avenue in the City of White Plains through the Housing Implementation Fund II Program and to enter into a loan agreement with Trinity Financial Inc., its successors and/or assigns, from the Westchester County Housing Flex Fund Program, to create 174 affordable rental housing units that will affirmatively further fair housing.

On August 5, 2024, the Westchester County Board of Legislators approved Act No. 146-2024 authorizing the County of Westchester (the "County") by and through its Department of Planning (the "Department") to enter into an Inter-Municipal Developer Agreement (the "IMDA") with the City of White Plains (the "City"), White Plains Housing Authority and Trinity Financial, Inc., its successors or assigns, collectively the "Developer") for the construction of certain infrastructure improvements in support of the affordable housing development to be constructed at 161 South Lexington Avenue (the "Development") in the City in an amount not to exceed \$8,134,000.00 for a term commencing upon execution and continuing for fifteen (15) years, or until the County has retired the Bonds, whichever comes later, and to grant and accept all necessary property rights in connection therewith.

The attached resolution authorizes the County to enter into an IMDA with the City and the Developer, its successors or assigns, for the construction of certain infrastructure improvements, including, but not limited to, to on-site and off-site street paving, curbing, sidewalks, retaining walls, storm water detention, drainage systems, sanitary sewer system, water lines, lighting, signage, landscaping, construction management, County administrative costs and other related work from Capital Project BPL1A-Housing Implementation Fund II, and to grant and accept all necessary property rights in connection therewith and other related work. The IMDA will commence upon execution and continue for a term that will not exceed fifteen years.

In addition, the attached resolution would also authorize the County to enter into a loan agreement (the "Agreement") with the Developer in an amount not to exceed \$11,840,000 in loan funds from the County Housing Flex Fund ("HFF") Program ("HFF Loan"). The HFF Loan will be provided to the Developer from the County and will be used

to supplement the cost of the construction of the Affordable AFFH Units. The HFF Loan will be secured by a note and mortgage. Pursuant to the terms of the Agreement, the HFF Loan will accrue interest at 5% compounded annually commencing at closing. After the three and a half (3.5) year construction grace period, annual principal payments will begin after the payment of the deferred developer fee on year thirteen (13) of the HFF Loan payment period and continuing through the end of the HFF Loan term. The annual principal payments will be in the amount of 50% of available cash flow of the Development after debt service payments (if any) and operating expenses have been paid. The Developer must supply annual audited financials for the Development at the end of each fiscal year of the Developer, and the County will calculate the principal payment amount owed by the Developer for such year. At the end of the thirty (30)-year HFF Loan term, the principal and accrued interest due and owing to the County will be payable to the County into account(s) maintained by the County, unless Developer extends the Affordability Period for a specified term to be approved by the County in its sole discretion.

The Agreement will commence upon execution, and continue for a term of thirty-three and a half (33.5) years including a three and a half (3.5) year 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.

All one hundred seventy-four (174) of the Affordable AFFH Units will be affordable to households with incomes at or below 30% and up to 90% of the County Area Median Income ("AMI") as defined by the U.S. Department of Housing and Urban Development, including one employee unit. Eight (8) of the affordable AFFH units will be affordable to households with incomes at or below 30% of the Westchester County Area Median Income ("AMI") as published by the U.S. Department of Housing and Urban Development. Thirty-five (35) of the Affordable AFFH Units will be available to eligible households with incomes at or below 50% of the AMI and one hundred twelve (112) of the Affordable AFFH Units will be available to eligible households with incomes at or below 60% of the AMI. The remaining eighteen (18) Affordable AFFH Units will be affordable to households that earn at or below 90% of AMI. One unit will be an employee unit restricted at 90% of AMI. All of the Affordable AFFH Units will remain affordable for a period of not less than fifty (50) years ("Period of Affordability"). A Declaration of Restrictive Covenants ("DRC") assuring that the Affordable AFFH Units remain affordable and an Infrastructure Easement to enable the County to finance the infrastructure improvements, will both be filed with the Office of the Westchester County Clerk when this transaction closes. A separate DRC with the same Period of Affordability and the same marketing plan will be recorded by the Developer in connection with the HFF Loan restricting one hundred fifty-five- (155) of the Affordable AFFH Units to be affordable for eligible households with incomes that are at or below 65% of AMI.

Your Honorable Board's authority is now requested to authorize the County to enter into any and all agreements including the IMDA and to grant and accept all necessary property rights to allow for the construction of certain infrastructure improvements in support of the affordable housing Development to be constructed in an amount not to exceed \$8,134,000, which will be funded from Capital Project BPL1A

Housing Implementation Fund Program II, and to enter into the Agreement with the Developer for the HFF Loan all as described herein.

The goal and objective of the IMDA and the Agreement is to provide affordable housing rental units in Westchester County to low and moderate income households. Department staff will monitor and track the IMDA, the construction of the Development and compliance with the ongoing affordable housing requirements.

Your Honorable Board's approval of the attached Resolution is respectfully requested.

BPL/CDS/Ig
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT - 12/05/2024 - RAYMOND SCULKY, SECRETARY

RESOLUTION

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

RESOLVED, that the County of Westchester (the "County") is hereby authorized to enter into an Inter-municipal Developer Agreement (the "IMDA") with the City of White Plains and Trinity Financial, Inc., its successors or assigns, (the "Developer") to fund the construction of certain infrastructure improvements, including but not limited to on-site and street paving, curbing, sidewalks, storm water detention, drainage systems, sanitary sewer system, water lines, lighting, signage, landscaping, construction management, County administrative costs and other related work in support of the affordable housing Development to be constructed at 161 South Lexington Avenue in the City of White Plains in an amount not to exceed \$8,134,000.00 from Capital Project BPL1A-Housing Implementation Fund II and to grant and accept all necessary property rights in connection therewith for the purpose of creating 174 rental housing units that affirmatively further fair housing (the "Affordable AFFH Units" or the "Development"); and be it further

RESOLVED, that the funding for the infrastructure work will be governed by an IMDA and the acceptance of all necessary property rights as shall be approved by the County Attorney; and be it further

RESOLVED, that upon execution of the IMDA, the Developer will record a Declaration of Restrictive Covenants ("DRC") against the Property, in connection with the County's Housing Implementation Program II ("HIF Program") requiring that the Affordable AFFH Units be affordable to eligible households with incomes at or below 30% and up to 90% of the Westchester County area median income ("AMI"), and adjusted for family size for a period of not less than fifty (50) years ("Period of Affordability"), and that the Affordable AFFH Units will be marketed and leased pursuant to an approved affirmative fair housing marketing plan; and be it further

RESOLVED, the Developer will record a separate DRC with the same Period of Affordability and the same marketing plan in connection with the "HFF Loan" (as defined below) restricting one hundred fifty-five (155) of the Affordable AFFH Units be affordable to eligible households with incomes at or below 65% of AMI; and be it further

RESOLVED, that the County is hereby further authorized to enter into a loan agreement (the "Agreement") with the Developer, whereby the County will loan the Developer an amount not to exceed \$11,840,000 in loan funds ("HFF Loan") from the County Housing Flex Fund Program, having a term commencing upon execution, and continuing for a term of thirty-three and a half (33.5) years including a three and a half (3.5) year 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 HFF loan will be secured by a note and mortgage; and be it further

RESOLVED, that pursuant to the terms of the Agreement, the HFF Loans will accrue interest at 5% compounded annually commencing at closing; and be it further

RESOLVED, that after the three and a half (3.5) year construction grace period, annual principal payments will begin after the payment of the deferred developer fee on year thirteen (13) of the HFF Loan payment period and continuing through the end of the HFF Loan term. The annual principal payments will be in the amount of 50% of available cash flow of the Development after debt service payments (if any) and operating expenses have been paid. The Developer must supply annual audited financials for the Development at the end of each fiscal year of the Developer, and the County will calculate the principal payment amount owed by the Developer for such year. At the end of the thirty (30)-year HFF Loan term, the principal and accrued interest due and owing to the County will be payable to the County into account(s) maintained by the County unless Developer extends the Affordability Period for a specified term to be approved by the County in its sole discretion; and be it further

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

Account to be Charged/Credited

Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Bond Act	Dollars
318	19	BPL1A-18-S	6050	145-2024	\$8,134,000
318	19	BPL42-08-S	6050		\$11,840,000

Budget Funding Year(s) FY 2024 Start Date: Upon Execution End Date: Fifteen years from execution

Funding Source Tax Dollars \$19,974,000
 State Aid _____
\$19,974,000 Federal Aid _____
 (must match resolution) Other _____

APPROVED BOARD OF ACQUISITION & CONTRACTS 1/2/05/2024 - RAYMOND SCULLY DEPUTY