

113234

DATE: March 13, 2026

TO: Board of Acquisition and Contract

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

RE: Authority for The County of Westchester to enter into a subordination agreement with Luxury Mortgage Corp. pursuant to which, the County, in order to ensure the continued affordability and viability of the rehabilitation of the property located at 1 Hale Hollow Road, Village of Croton on Hudson, will subordinate its rights under the County's Mortgage to a new mortgage given by Luxury Mortgage Corp.

Attached for your consideration is a Resolution which, if approved by your Honorable Board, would authorize the County of Westchester (the "County") to enter into a subordination agreement (the "Agreement") with LUXURY MORTGAGE CORP. (the "New Lender"), pursuant to which the County, in order to ensure the continued affordability and viability of the rehabilitation of the 2 +/- acre parcel of real property improved with a five (5) unit building located at 1 Hale Hollow Road, Village of Croton on Hudson identified on the Town of Cortlandt, County of Westchester tax maps as Section 55.20, Block 2, Lot 15 (the Property"), will subordinate its rights under the County's Mortgage (defined below) to a new mortgage given by the New Lender.

By way of background, on June 22, 2023, your Honorable Board authorized the County to enter into an agreement with 1 Hale Hollow Road LLC (the "Property Owner") and IQ Contracting Inc. & Associates (Contractor), pursuant to which the Property Owner and the Contractor would renovate the Property and make various repairs to and for the benefit of the low and moderate income households of Assisted Units 1,2,3,4,& 5 at the Property, including but not limited to, exterior siding replacement, window replacement, roof repairs, leaders and gutters clean up and obtaining building permit and other work as required, for a term commencing on July 1, 2023 to June 20, 2024, in an amount not to exceed \$70,000 in Landlord Tenant Assistance Program funds (LTAP Funds)("LTAP Agreement").

On or about October 15, 2023, the County, Property Owner and Contractor subsequently entered into the LTAP Agreement. Pursuant to the terms of the LTAP Agreement, the Property Owner agreed, among other terms and conditions, to (1) execute a Declaration of Restrictive Covenants ("DRC") assuring that the Assisted Units remain affordable for a ten-year term with proportional repayment of principal if the Property Owner sells or conveys any interest in the Property within the ten-year term or if other default occurs; and (2) execute in favor of and deliver to the County simultaneous with the execution of the LTAP Agreement, an Enforcement Note and Mortgage in the amount of \$70,000.00 Dollars (the "County's Mortgage").

It should be noted that pursuant to the County's Mortgage, the County and the Property Owner acknowledged that the Property is subject to a lien of a first loan made by the Property Owner to People's United Bank, N.A. in the amount of \$675,000 dated March 16, 2017 and recorded March 23, 2017 in Control No. 570803385 (People's Mortgage), and the parties agreed that all terms and provisions of the County's Mortgage will be subject and subordinate to the People's Mortgage. The County's Mortgage was recorded on the 1st day of December 2023 in Control No. 633323137 in the office of the Clerk of Westchester County.

The Property Owner now desires to enter into a new mortgage with New Lender in the amount of \$970,000 Dollars and interest, covering the Property ("Luxury Mortgage"). New Lender has indicated to Property Owner that New Lender has refused to accept Luxury Mortgage unless the County's Mortgage is subordinate to Luxury Mortgage. The County has been told by the Property Owner that the Luxury Mortgage funds will be used to satisfy the People's Mortgage and be used to maintain and improve the Assisted Units on the Property.

After such careful analysis, the County's Planning Department ("Department") has determined that the subordination for the County's Mortgage to the Luxury mortgage will not affect the County's rights or repayment and will not affect the Property's affordability requirements under the County's DRC.

The goal and objective of this Subordination Agreement is to continue to carry out the County's initiative to provide affordable housing rental units in Westchester County to low and moderate income households. Department staff will monitor compliance with the ongoing affordable housing requirements.

Accordingly, your favorable action on the annexed Resolution is most respectfully urged and recommended.

BPL/TF/mb
Attachment

APPROVED BOARD OF ACQUISITION & CONTROL - 03/19/2025 - RAYMOND SCULLY, 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 agreement with LUXURY MORTGAGE CORP. (the “New Lender”), pursuant to which the County, in order to ensure the continued affordability and viability of the rehabilitation of the 2 +/- acre parcel of real property improved with a five (5) unit building located at 1 Hale Hollow Road, Village of Croton on Hudson identified on the Town of Cortlandt, County of Westchester tax maps as Section 55.20, Block 2, Lot 15 (the Property”), will subordinate its rights under the County’s Mortgage recorded on the 1st day of December 2023 in Control No. 633323137 in the office of the Clerk of Westchester County, to a new mortgage given by the New Lender, in the amount of \$970,000 Dollars and interest, covering the Property (“Luxury Mortgage”); and

RESOLVED, that the County Executive or his duly authorized designee, is hereby authorized to execute any documents and take such actions reasonably necessary and appropriate to effectuate the purposes of this Resolution.

Account to be Charged / Credited:

Fund	Dept.	Major Program, Program & Phase, or Unit	Object/ Sub Object	Trust Account	Dollars
101	19	0100	5125	N/A	\$0.00

Budget Funding Year(s): FY2023 Start Date N/A End Date N/A
 (must match resolution)
 Funding Source Tax Dollars \$0.00
 State Aid _____
\$0.00 Federal Aid _____
 (must match resolution) Other _____

APPROVED BOARD OF ACQUISITION & CONTRACTS - 03/10/2026 - RAYMOND SCULLY, CLERK