

**59571**

DATE: October 26, 2017

TO: Board of Acquisition and Contract

FROM: Eileen Mildenberger  
Acting Commissioner of Planning

SUBJECT: Resolution authorizing the County of Westchester County to enter into any agreements needed in order to release any rights deemed necessary to subordinate the HOME Mortgages (defined below) on the residential portion of the 0.8+/- acre of real property located at 2 Main Street in the Village of Irvington, New York.

On December 12, 1996, your Honorable Board approved a resolution authorizing an agreement between the County of Westchester ("County") and Burnham Building, L.P. ("Owner"), to provide a development subsidy in the total amount of \$900,000.00 in the form of two low interest loans from the federal HOME Investment Partnership Program ("HOME") funds in the amounts of \$750,000.00 to subsidize acquisition costs and \$150,000.00 to subsidize rehabilitation soft costs in order to provide 22 affordable rental units located at 2 Main Street in the Village of Irvington, New York ("Development").

On September 25, 2017 the Westchester County Board of Legislators approved Act No. 176-2017 which authorized the County of Westchester to release any rights deemed necessary to subordinate the HOME mortgages to a new first Mortgage on the Development.

The HOME Loans are subject and subordinate to a mortgage between the Owner and New York State Housing Trust Fund Corporation in the amount of \$386,544.00 dated October 11, 2000. The HOME Loans are in a co-second lien position with mortgage agreements made between the Owner and a.) the Village of Irvington in the amount of \$287,902.00 dated April 27, 1998; and b.) Chase Community Development Corporation in the amounts of \$500,000.00 and \$386,544.00 dated October 11, 2000. Subordinate and subject to the HOME loans and above referenced mortgages is a third mortgage between the Owner and Sunnyside Federal Saving and Loan Association of Irvington in the amount of \$192,000.00 dated October 11, 2000.

The attached resolution authorizes the County to enter into any agreements needed in order to release any rights deemed necessary to subordinate the HOME mortgages to a new first mortgage on the Development.

The refinancing of the current first mortgages will enable the Owner to pursue the options to sell the Development and/or restructure the existing financing to provide additional capital for necessary renovations to ensure the ongoing viability of the Development by subordinating all of the HOME Mortgages to a new first mortgage and to comply with the U.S. Department of Housing and Urban Development (“HUD”) requirements, including without limitation, to condition the Developer’s obligation to make mortgage payments on available cash flow, as delineated by HUD, after payment of other monthly expenses.

The subordination will not affect the Development’s Affordability Requirements as defined in the Declaration of Restrictive Covenants which provides for an affordability period of 40 years.

The goal and objective of subordinating the initial HOME Mortgages to a new first mortgage to allow for the Development’s long term viability and to pursue the options to sell the Development and/or restructure the existing financing. The Department of Planning staff will monitor compliance with the affordability requirements.

I recommend approval of this resolution.

EM/cp/jrc  
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT ADMINISTRATION  
11/22/2011 - USA MRSA STUDY

## RESOLUTION

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

RESOLVED: that the County of Westchester is authorized to enter into any agreements needed in order to release any rights deemed necessary to subordinate the federal HOME Investment Partnership Program mortgages on the real property located at 2 Main Street in the Village of Irvington, New York to a new first mortgage, and it is 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.

	<u>HOME</u>
Original Agreement	\$900,000.00
This Amendment	\$0.00
TOTAL	\$900,000.00

AGREEMENT NUMBER      C-HOME-96-30

Account to be Charged/Credited

		Major Program, Program & Phase	Object/	Trust	
Fund	Dept.	Or Unit	Sub Object	Account	Dollars
263	19	1735/1736	8000	T173	\$0.00

Budget Funding Year(s) (must match resolution)      FY 1995 & 1996 HOME      Start Date \_\_\_\_\_ End Date \_\_\_\_\_

Funding Source      Tax Dollars \_\_\_\_\_

State Aid \_\_\_\_\_

**\$0.00**      Federal Aid \$0.00 – U.S. Department of Housing and Urban Development

(must match resolution)

Other \_\_\_\_\_