

DATE January 11, 2010

TO: Board of Acquisition and Contract

FROM: Edward Buroughs
Acting Commissioner

SUBJECT: Resolution Authorizing an Amendment to the Agreement Between the County of Westchester and Apropos Housing Opportunities and Management Enterprises, Inc., (A-HOME) in Order to Change the Amount and Term for the No-Interest Loan to Supplement the Cost of the Rehabilitation of a Single-Family House Located at 39 Mill River Road in the Town of New Castle.

The attached resolution authorizes the County of Westchester to amend the agreement with Apropos Housing Opportunities and Management Enterprises, Inc. (A-HOME) in order to change the amount and the term of the no interest loan agreement through the Community Development Block Grant Program. A-HOME will use the loan to supplement the cost of the rehabilitation of a single family house located at 39 Mill River Road in the Town of New Castle. The amendment will reduce the loan amount from One Hundred Sixty-Three Thousand Four Hundred Dollars (\$163,400.00) to Fifty Nine Thousand Eight Hundred Eighty Nine Dollars and Ninety Five Cents (\$59,889.95) and change the term of the loan agreement from a thirty-six (36) months no interest mortgage and note against the property to a conventional deferred loan for an interest rate of three (3%) percent for fifteen (15) years. All other terms and conditions of the agreement will remain the same.

A-HOME is requesting a change in the loan agreement and term because they are currently in default, as they are experiencing a cash flow problem. A-HOME did not use the full principal amount of the loan for the rehabilitation project at 39 Mill River Road in the Town of New Castle that was completed in 2006 and has requested a new three percent deferred loan agreement for a 15 year period. The reduction of the principal will properly reflect the true amount borrowed and will also guarantee that Westchester County will earn accrued interest and be fully reimbursed for both principal and accrued interest when the property is sold or title changes.

The agreement will serve the public purposes of fiscal responsibility and preserving low-income senior housing units.

The goal and objective of this amendment is to insure Westchester County will receive the \$59,889.95 amount due. It will also assure that the three low income senior citizen residents at the rehabilitated property will remain in their home. The project will be monitored by the Westchester County Department of Planning staff, who will monitor the monthly payments.

Should the amendment not be authorized, three low income senior citizens will become homeless, and Westchester County will have to foreclose on the property due to default.

On April 29, 2004, your Honorable Board approved a resolution authorizing the County of Westchester to enter into an agreement with A-HOME for a no-interest loan to supplement the rehabilitation of a single family house located at 39 Mill River Road in the Town of New Castle.

I recommend approval of this amendment.

EEB/dg
Attachment

RESOLUTION

AMENDMENT

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

RESOLVED, that the County is authorized to amend the agreement between the County of Westchester with Apropos Housing Opportunities and Management Enterprises, Inc. (A-HOME) in order to change the amount and the term of the no interest loan agreement through the Community Development Block Grant Program. The loan was used to supplement the cost of the rehabilitation of a single family house located at 39 Mill River Road in the Town of New Castle. The amendment will reduce the loan amount of One Hundred Sixty-Three Thousand Four Hundred Dollars (\$163,400.00) to Fifty-Nine Thousand Eight Hundred Eighty-Nine Dollars and Ninety-Five Cents (\$59,889.95) and change the term of the loan agreement from a thirty-six (36) months no interest mortgage and note against the property to a conventional deferred loan for an interest rate of three (3%) percent for fifteen (15) years; and it is further

RESOLVED, that all the other terms and conditions of the agreement will remain the same; 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.

Recommended for Approval.

Original Agreement \$163,400.00
 This Amendment \$ 59,889.95

REVISED TOTAL \$ 59,889.95

AGREEMENT NUMBER C-6703-N95

Account to be Charged/Credited

		Major Program, Program & Phase,	Object/	Trust	
Fund	Dept	Unit or Balance Sheet	Sub Object	Account	Dollars
276	19	1421	N/A	N/A	\$59,889.95

Budget Funding Year(s) FY 2003 Start Date April 30, 2004 End Date December 31, 2006
(must match resolution)

Funding Source Tax Dollars _____

 State Aid _____

\$59,889.95 Federal Aid \$59,889.95 – U.S. Department of Housing and Urban Development
(must match resolution)

 Other _____