

42102

DATE: September 8, 2014

TO: Board of Acquisition and Contract

FROM: Edward Burroughs
Commissioner of Planning

SUBJECT: Resolution authorizing an Amendment to a proposed agreement by and between the County of Westchester and Allied Community Enterprises, its designee or assigns, to provide funds for a portion of costs related to the acquisition and rehabilitation of a single-family residence at 602 Route 22 in the Town of North Salem to reduce the amount of funds as well as the number of AFFH units to create one affordable ownership unit that will affirmatively further fair housing.

On July 17, 2014, your Honorable Board approved a resolution to enter into an agreement with Allied Community Enterprises, its designee or assigns, to provide a combination of a grant and a loan in the total not-to-exceed amount of \$440,000 from capital project BPL50 – Fair and Affordable Housing under the County’s Acquisition and Rehabilitation Revolving Loan Fund Program. The funds were to be used in support of the acquisition and rehabilitation of an existing single-family residence at 602 Route 22 in the Town of North Salem to create one affordable three-bedroom ownership unit and one affordable rental unit that will both affirmatively further fair housing (AFFH) as set forth in 42 U.S.C. Section 5304(b)(2) and as required pursuant to the Settlement Agreement (defined below). This agreement was not executed.

The attached resolution amends the July 17, 2014 approval to authorize the County of Westchester to enter into an agreement with Allied Community Enterprises, its designee or assigns, (the “Developer”) to reduce the combination of a grant and a loan to a new total not-to-exceed amount of \$373,000.00 from capital project BPL50 - Fair and Affordable Housing under the County’s Acquisition and Rehabilitation Revolving Loan Fund Program. The funds will support the acquisition and rehabilitation of an existing single-family residence at 602 Route 22 in the Town of North Salem to create one affordable three-bedroom ownership unit that will affirmatively further fair housing (AFFH) as set forth in 42 U.S.C. Section 5304(b)(2) and as required pursuant to the Settlement Agreement (defined below). The proposed agreement shall have a term of two years, commencing upon execution.

Pursuant to the Stipulation and Order of Settlement of Dismissal entered into in connection with a lawsuit titled U.S. ex rel. Anti-Discrimination Center of Metro New York, Inc. vs. Westchester, the County is required to ensure the development of 750 affordable AFFH units. The proposed affordable AFFH Unit is anticipated to constitute an eligible unit under Section 7(a) of the Settlement Agreement. Pursuant to a letter from the federal monitor dated October 25, 2011, the County has been advised that the proposed use of these funds would further the goals of the Settlement Agreement.

The agreement will require that upon acquisition of the property, the Developer will file a Declaration of Restrictive Covenants against the property requiring that the affordable ownership AFFH Unit established thereon will be affordable to households with incomes at or below 80% (for the ownership unit) of the

Westchester County Area Median Income and who have been selected pursuant to an approved Affirmative Fair Housing Marketing Plan. The period of affordability is 50 years.

The agreement will provide a not-to-exceed total of \$373,000.00 of Fair and Affordable Housing funds in the form of a grant in the amount of \$150,000.00 and a short term zero-interest loan in the amount of \$223,000, which will be repaid to the County into the revolving loan fund upon the sale of the property to an eligible family. The agreement shall specify that said funds will be allocated to costs related to the acquisition and rehabilitation of the existing house to create the AFFH Units, all in accordance with the Community Block Grant Program regulations.

The goal and objective of this agreement is to carry out the County's obligations under the Settlement Agreement by ensuring the development of affordable AFFH Units in accordance with the terms of said Settlement Agreement. In addition, the development will create a home ownership opportunity for lower and moderate income individuals and families who may not otherwise be able to afford to purchase a home in Westchester County. The unit will be safe, secure and energy efficient and will also enhance the neighborhood by rehabilitating a vacant and distressed residence. Department of Planning staff will make site visits to ensure that the renovations are being conducted according to contract specifications and will monitor compliance with the ongoing affordability requirements.

I certify that my department, a) has copies of, or access to, all applicable laws, rules, regulations, grant applications and grant agreements (including any master grant agreement), as well as any guidance or instructions received from the agency making the grant (the "Grant Terms"), b) has reviewed the Grant Terms, c) is aware of and understands all of the Grant Terms, and d) can and will comply with all of the Grant Terms.

I recommend approval to amend the proposed Agreement.

EB/lk/cp
Attachment

RESOLUTION

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

RESOLVED: that the County of Westchester hereby amends a resolution approved on July 17, 2014 that authorized the County to enter into an agreement with Allied Community Enterprises, its designee or assigns, (the "Developer") so as to now provide a combination of a grant and a loan in the total not-to-exceed reduced amount of \$373,000.00 from capital project BPL50 - Fair and Affordable Housing under the County's Acquisition and Rehabilitation Revolving Loan Fund Program. The proposed agreement shall have a term of two years, commencing upon execution; and it is further

RESOLVED: that the funds will support the acquisition and rehabilitation of a single-family residence at 602 Route 22 in the Town of North Salem to create one affordable three-bedroom ownership unit that will affirmatively further fair housing (AFFH) as set forth in 42 U.S.C. Section 5304(b)(2) and as required pursuant to the Stipulation and Order of Settlement of Dismissal entered into in connection with a lawsuit titled U.S. ex rel. Anti-Discrimination Center vs. Westchester; and be it further

RESOLVED: that the agreement will provide a not-to-exceed total of \$373,000.00 of Fair and Affordable Housing Funds which will be allocated to costs related to the acquisition and/or rehabilitation of the property in accordance with the Community Block Grant Program regulations in the form of a grant in the amount of \$150,000.00 and a short term zero-interest loan in the amount of \$223,000.00 which will be repaid to the County upon the sale of the property; and it is further

RESOLVED: upon acquisition of the property, the Developer will file a Declaration of Restrictive Covenants against the property requiring that the AFFH Unit established thereon will be affordable to households with incomes at or below 80% (for the ownership unit) of the Westchester County Area Median Income for a period of not less than 50 years; 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.

Account to be Charged/Credited

Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
318	19	BPL50-90S	6050	N/A	\$373,000.00

Budget Funding Year(s) FY2014 Start Date Upon Execution End Date Two Years from Execution

Funding Source Tax Dollars _____
 State Aid _____
\$373,000.00 Federal Aid \$373,000.00
 (must match resolution) Other _____