



Memorandum
Department of Planning



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Department of Planning

46731

DATE May 19, 2015

TO: Board of Acquisition and Contract

FROM: Edward Buroughs
Commissioner of Planning

SUBJECT: Resolution authorizing an amendment to the agreement between the County of Westchester and Housing Action Council Inc., to increase the dollar amount in order to provide funds for construction expenses related to the rehabilitation of an existing single-family residence located at 2 Spruce Road, South Salem in the Town of Lewisboro.

On January 22, 2015, your Honorable Board approved a resolution to enter into an agreement with Housing Action Council, Inc., its designee or assigns, to provide grants in the total not-to-exceed amounts of \$285,325.00 from FAH Community Development Block Grant Funds under Capital Project BPL50 and \$22,000.00 from the Federal HOME Investment Partnership Program (the "Agreement"). The initial funds were used towards the acquisition/engineering/architectural expenses needed to prepare this property for the rehabilitation of the existing single-family residence. Following completion of the renovations, this property, located at 2 Spruce Road, South Salem in the Town of Lewisboro will provide one affordable ownership unit and one affordable accessory rental unit, together, these two (2) units will each 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).

Pursuant to the Stipulation and Order of Settlement and Dismissal entered into in connection with a lawsuit titled U.S. ex rel. Anti-Discrimination Center vs. Westchester County (the "Settlement Agreement"), the County is required to ensure the development of 750 affordable AFFH units. In furtherance of these objectives, the County provides funding to assist in the development or rehabilitation of affordable AFFH housing units, including the affordable AFFH units proposed herein. The proposed affordable AFFH units will be located in a census block that conforms to Paragraph 7(a) of the Settlement Agreement.

Authority is now requested to amend the above referenced Agreement in order to increase the not-to-exceed dollar amount from \$285,325.00 to \$568,325.00, an increase of \$283,000.00 from program income received from previous loans made from the FAH Community Development Block Grant Acquisition Rehabilitation Revolving Loan Fund. These additional funds will be used to rehabilitate the existing house located at 2 Spruce Road, South Salem in the Town of Lewisboro. With the work done under the previous funding, the developer has been preparing construction documents to apply for building permits and expects the construction to begin in July 2015.

Included in the additional amount of \$283,000.00 will be a short term zero-interest loan in the amount of \$235,325.00 from program income received from previous loans made from the FAH Community Development Block Grant Acquisition Rehabilitation Revolving Loan Fund. Upon the sale of this property to an eligible household, the short term zero-interest loan will be repaid to the County into the revolving loan fund. The agreement shall specify that said funds will be allocated towards expenses to rehabilitate this existing house to provide these two (2) affordable AFFH Units, all in accordance with the Community Block Grant Program regulations.

The goal and objective of the original 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 home ownership and rental opportunities for lower and moderate income individuals and families who may not otherwise be able to afford to purchase a home or rent an apartment in Westchester County. The units 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 review all requests for payment to make sure all contract specifications are met and will monitor compliance with the ongoing affordability requirements.

I recommend approval to amend this Agreement.

EB/cp
Attachment

RESOLUTION

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

RESOLVED: that the County of Westchester is authorized to amend the agreement with Housing Action Council Inc., to increase the not-to-exceed amount from the FAH Community Development Block Grant Acquisition Rehabilitation Revolving Loan Funds from \$285,325.00 to \$568,325.00 an increase of \$283,000.00; and it is further

RESOLVED: that the funds will support the construction expenses to rehabilitate an existing house located at 2 Spruce Road in South Salem in the Town of Lewisboro to create one affordable ownership unit and one affordable accessory rental 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 amendment will provide an amount of \$283,000.00 which will be allocated to costs related to the rehabilitation of the property in the form of a grant in the amount of \$47,675.00 from the FAH Community Development Block Grant Acquisition Rehabilitation Revolving Loan Fund and a short term zero-interest loan in the amount of \$235,325.00 which will be repaid to the County upon the sale of the property to an eligible household into the revolving loan fund; and it is further

RESOLVED: that except as amended hereby, all remaining terms and conditions of the Agreement shall remain in full force and effect; and be it 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.

Original FAH Agreement	\$285,325.00
This Amendment	<u>\$283,000.00</u>
 TOTAL	 \$568,325.00
 AGREEMENT NUMBER	 C-FAH-15-30

Account to be Charged/Credited

		Major Program, Program & Phase	Object/ Sub Object	Trust Account	Dollars
Fund	Dept	Or Unit			
263	19	123M	4380	T123	\$283,000.00

Budget Funding Year(s) FY2015 Start Date February 20, 2015 End Date February 19, 2017

Funding Source Tax Dollars _____
State Aid _____

\$283,000.00 Federal Aid \$283,000.00 – U.S. Dept. of Housing & Urban Development

(must match resolution)

Other _____

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APPROVED BOARD OF ACQUISITION & CONTRACT - 06/25/2015 - JOMARY VIEIRA, SECRETARY