

49208

DATE October 28, 2015

TO: Board of Acquisition and Contract

FROM: Edward Buroughs
Commissioner of Planning

SUBJECT: Resolution authorizing an agreement by and between the County of Westchester and Housing Action Council, Inc. ("HAC"), or a nonprofit organization affiliated with HAC, currently anticipated to be North Street Senior Housing Development Fund Corp., and/or its designee, to provide a Community Development Block Grant loan to fund a portion of costs related to infrastructure improvements in support of the construction of an affordable affirmatively furthering fair housing development located at the intersection of 150 North Street and Theodore Fremd Avenue in the City of Rye for the purpose of developing thereon

The attached resolution authorizes the County of Westchester to enter into an agreement with Housing Action Council, Inc. ("HAC"), or a nonprofit organization affiliated with HAC, currently anticipated to be North Street Senior Housing Development Fund Corp., and/or its designee, (the "Non-Profit") to provide a loan in the not-to-exceed amount of \$1,000,000.00 in Community Development Block Grant Non-County shares from Capital Project BPL50 - Fair and Affordable Housing ("FAH"). The funds will support the development of a four story building containing 40 affordable rental apartments which will be affordable for seniors of at least 55 years of age and one affordable superintendent's unit to be located at the intersection of 150 North Street and Theodore Fremd Avenue in the City of Rye (the "Development") for a total of 41 affordable units that will affirmatively further fair housing (AFFH) as set forth in 42 U.S.C. Section 5304(b)(2) and in accordance with the Settlement Agreement (defined below). The proposed agreement shall have a term commencing upon execution and ending upon the satisfaction of the loan.

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 (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 Section 7(a) of the Settlement Agreement.

It should be noted that, prior to the execution of this agreement, the County will file a Declaration of Restrictive Covenants against the property located at the intersection of 150 North Street and Theodore Fremd Avenue in the City of Rye (the "Property") requiring that the AFFH Units constructed thereon will have rents that are affordable to seniors age 55 or older with incomes at or below 50% and 60% of the Westchester County Area Median Income for a period of affordability of not less than 50 years.

The agreement will provide a not-to-exceed total of \$1,000,000.00 of Community Development Block Grant funds in the form of a loan to the Non-Profit at an interest rate of 0.25% until 30 years after the permanent loan closing which shall occur upon completion and occupancy of the Development in accordance with the project schedule. Thereafter, the loan shall be re-paid based on a 0.25% annual interest rate and a 20 year fully amortizing loan schedule. The agreement shall specify that said funds will be allocated to costs related to infrastructure improvements necessary for the Development in support of the creation of the affordable AFFH Units, all in accordance with the Community Development Block Grant Program regulations.

To effectuate the creation of this AFFH Development, on September 8, 2015, the Westchester County Board of Legislators (the "Board") authorized, through Act No. 156-2015, an amendment of the County's 2015 Capital Budget to add the fair and affordable housing development to be constructed on the Property to capital project BPL50. Also on September 8, 2015, through Act No. 157-2015, the Board authorized the County to convey the Property to Pawling Holdings LLC, its successor or assign (the "Developer") and through Act No.158-2015, authorized the County to enter into Inter-Municipal/ Developer Agreement with the City of Rye and the Developer to construct infrastructure improvements for the Development. On September 21, 2015 by Bond Act No.170-2015, the Board approved the funds for the costs of those infrastructure improvements.

The goal and objective of this agreement is to carry out the County's obligations under the Settlement Agreement by constructing affordable AFFH units in accordance with the terms of said Settlement Agreement. In addition, the Development, which is safe, secure and energy efficient, will provide rental opportunities for lower and moderate income individuals and families who may not otherwise be able to afford to live in Westchester County. The Development will also enhance the neighborhood through its design and landscaping. Department of Planning staff will monitor and track construction of the Development, as well as monitor compliance with the affordability requirements.

This procurement is in compliance with the County of Westchester Procurement Policy Procedures, pursuant to Section 3(a)xvi, which states that contracts with recipients for disbursement of grants or loans under the Community Development Block Grant Program are exempt.

I recommend approval of this Agreement.

EB/cp/lk/jpi
Attachment

RESOLUTION

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

RESOLVED: that the County of Westchester is hereby authorized to enter into an agreement with Housing Action Council, Inc. ("HAC"), or a nonprofit organization affiliated with HAC, currently anticipated to be North Street Senior Housing Development Fund Corp., and/or its designee, (the "Non-Profit") to provide a loan in the not-to-exceed total amount of \$1,000,000.00 from Community Development Block Grant Non-County shares of Capital Project BPL50 - Fair and Affordable Housing. The proposed agreement shall have a term, commencing upon execution and ending upon the satisfaction of the loan; and it is further

RESOLVED: that the Development, which will be located at the intersection of 150 North Street and Theodore Fremd Avenue in the City of Rye (the "Property"), will contain 40 affordable rental apartments which will be affordable for seniors of at least 55 years of age and one affordable superintendent's unit for a total of 41 affordable AFFH Units that will affirmatively further fair housing 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 entitled U.S. x rel. Anti-Discrimination Center vs. Westchester; and be it further

RESOLVED: that the agreement will provide a not-to-exceed total of \$1,000,000.00 of Community Development Block Grant Funds which will be allocated to costs related to the construction of infrastructure improvements necessary for the Development in accordance with the Community Development Block Grant Program regulations and will be in the form of a loan to the Non-Profit at an interest rate of 0.25% until 30 years after the permanent loan closing which shall occur upon completion and occupancy of the Development in accordance with the project schedule. Thereafter, the loan shall be re-paid based on a 0.25% annual interest rate and a 20 year fully amortizing loan schedule; and it is further

RESOLVED: that prior to the execution of this agreement, the County will file a Declaration of Restrictive Covenants against the Property requiring that the AFFH Units constructed thereon will have rents that are affordable to seniors age 55 or older with incomes at or below 50% and 60% of the Westchester County Area Median Income for a period of affordability 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 & Bond Act	Object/ Sub Object	Trust Account	Dollars
318	19	BPL50-27-S	6050	N/A	\$1,000,000.00

Budget Funding Year(s) FY2015 Start Date Upon Execution End Date Upon the satisfaction of the loan

Funding Source Tax Dollars _____

State Aid _____

\$1,000,000.00 Federal Aid \$1,000,000.00

(must match resolution)

Other _____