



Westchester County launches Housing Flex Fund

March 26, 2024 - Front Section

White Plains, NY Westchester County is now accepting applications for funding under the County's Housing Flex Fund (HFF) Program that provides financing for affordable housing developments.

Established in 2023 by the County of Westchester, HFF is a new affordable housing production tool that builds on the strengths of Westchester's existing programs to increase affordable units across the county. HFF will help facilitate the development of affordable housing projects within the county that are shovel ready. The units must serve households earning at or below 65% of the county Area Median Income (AMI).

"The Housing Flex Fund Program is yet another example of our ongoing commitment to address the critical shortage of affordable housing in Westchester County. By working collaboratively with our residential development community, we will be able to have a direct impact on the creation of much-needed affordable housing," said Westchester County executive George Latimer. He added, "We are grateful to senator Schumer and senator Gillibrand for appropriating the federal ARPA dollars directly to the county and including housing as one of the acceptable uses of ARPA funds."

"We are very pleased to begin accepting loan applications for affordable housing projects through the Housing Flex Fund Program. It is projected that this innovative program, which is the first of its kind in the nation, will double the County's typical annual production of affordable housing," said Westchester County director of operations and IDA chair Joan McDonald.

"The Department of Planning is proud to have played a role in designing and implementing the Housing Flex Fund Program. The Department looks forward to working with our affordable housing development partners, small and big, non-profit and for-profit to accelerate the development of affordable housing in our County. We look forward to receiving, reviewing and approving applications that will achieve this goal," said Westchester County commissioner of planning Blanca Lopez.

"We are thrilled to support Westchester in designing and launching the Housing Flex Fund. The fund is an innovative approach to deploying local public funding to leverage private, state and federal for affordable housing. It will create affordable housing in communities of opportunity throughout the county," said Phillip Kash, partner, HR&A Advisors.

HFF is made possible by a \$100 million contribution of American Rescue Plan Act (ARPA) funds over two years. It will focus on four main project types to achieve immediate impact and expedite the

delivery of new affordable housing units. They include:

- Last stop financing for stalled Low-Income Housing Tax Credits (“LIHTC”) developments.
- New gap source for future rental affordable housing developments of varying size, including new LIHTC and non-LIHTC developments, supportive housing and affordability preservation projects.
- Developments under construction or recently completed seeking funds to close gaps caused by construction cost and/or interest cost increases that create additional affordable homes.
- New development in areas of opportunity with limited supplies of affordable housing.

Internal review and issuance of Letters of Interest (LOIs) for eligible proposed developments will occur every six weeks following the initial Notice of Funding Availability on January 25. The first round of LOIs were issued on March 15, with a second round to be issued on June 30.

In accordance with U.S. Treasury Department requirements, Flex Funds will be disbursed by December 31, 2026. HFF allocations will be provided as loans to affordable housing developers, including non-profit and for-profit entities. The interest rate on loans is up to 5%.

It is anticipated that applicants will use HFF funds in conjunction with other County, State and Federal affordable housing programs. County programs include New Homes Land Acquisition, Housing Implementation Fund, HOME Investment Partnership Program, tax-exempt financing, tax exemptions and abatements from the Westchester County Industrial Development Agency.

Project funding awards are contingent upon approval by the Westchester County Department of Planning and the Westchester County Board of Acquisition and Contract. Awards are made in the sole and absolute discretion of Westchester County.

For more information about Westchester County’s Housing Flex Fund program, visit Housing Flex Fund (westchestergov.com)