

BOARD OF LEGISLATORS
COUNTY OF WESTCHESTER

Your Committee is in receipt of “AN ACT to Authorize Litigation Relating to Affordable Housing to be Located at 98 Washington Ave in the Village of Pleasantville.”

Your Committee is informed that, in 2016, the County entered into contracts with MIGI Asset Acquisition, LLC (“the Developer”) to develop fourteen units of affordable housing located at 98 Washington Avenue, in the Village of Pleasantville. Through those contracts, the County subsidized the price of the development by: (1) purchasing the property for \$1.8 million and reselling it to the Developer for \$1; and (2) making available \$993,000 in construction funds, to be paid out on a reimbursement basis. The Developer agreed to complete the construction of the units by December 1, 2018.

Your Committee is further informed that, at the Developer’s request, the County extended the time to complete the construction from December 1, 2018 until June 30, 2020. No other extensions were requested or granted.

Your Committee is informed that, to date, construction of the units is not complete. Further, the Developer has breached its contract in multiple additional ways, including failing to pay property taxes and utility bills, and allowing the building permit to expire without having completed construction.

The County Attorney has noted that, despite repeated efforts by the County to advance the completion of these units, the Developer has essentially abandoned the project, and has made no

efforts over the last year to complete its obligations. The condition of the building has deteriorated which only serves to increase the costs of completion.

Your Committee is further informed that the County has paid out \$788,533.12 of the subsidy funds, and yet the development may now need work well in excess of the funds available as a result of the Developer's malfeasance. The County Attorney now seeks authorization to commence litigation against the Developer in order to recoup the subsidy payment and to obtain completion of the development through an order of specific performance.

In light of the aforementioned, your Committee recommends the adoption of the proposed Act.

Dated: April 25, 2022
White Plains, New York

Deputy for 2.
Nancy Barr
J. A. R.
Lenny B...
May...

Deputy for 2.
Nancy Barr
May...

Budget & Appropriations COMMITTEE ON Law & Major Contracts

Dated: April 25, 2022
White Plains, New York

The following members attended the meeting remotely pursuant to Chapter 1 of New York State Laws of 2022, and approved this item out of Committee with an affirmative vote. Their electronic signature was authorized and is below.

Committees on:

Budget & Appropriations

David A. Jablón

Jill Rein

Paul J. ...

Catherine F. Parker

Law & Major Contracts

Catherine F. Parker

ACT NO. – 2022

AN ACT to Authorize Litigation
Relating to Affordable Housing to be
Located at 98 Washington Ave in the
Village of Pleasantville.

BE IT ENACTED by the County Board of Legislators for the County of Westchester as follows:

Section 1. The County Attorney is hereby authorized, on behalf of the County of Westchester, to commence legal action, including litigation, against MIGI Asset Acquisition, LLC (“MIGI”), and any other party or entity that may have legal liability, and any other necessary or appropriate parties, relating to the agreements between the County and MIGI to develop affordable housing located at 98 Washington Avenue, in the Village of Pleasantville, County of Westchester, State of New York. The County Attorney is authorized to pursue any theories and relief he believes proper and available.

Section 2. The County Attorney is hereby authorized and empowered to undertake such legal proceedings and prepare all documents necessary or desirable to accomplish the purpose of this Act.

Section 3. This Act shall take effect immediately.