

Financial Help for Landlords

Landlord Tenant Assistance Program (LTAP)

LTAP will allow small landlords who own eight units or less, who maintain rent levels that are affordable to residents, to apply for up to **\$25,000 per unit for repairs** to their rental properties.

To be eligible, landlords/owners must charge rents for households earning between 60% and 100% of the Area Median Income (AMI).

Home improvements may include **roof replacement**, or upgrades to **electrical, windows, accessibility ramps, plumbing and heating systems**.

To learn more, please visit:

<https://homes.westchestergov.com/landlord-tenant-assistance-program-ltap>

Program Guidelines

Landlord Tenant Assistance Program (LTAP)

Description

Westchester County funds may be used for needed repairs of rental properties up to eight units in a single building in exchange for Landlords or Owners maintaining rents at certain levels. A soft mortgage for ten years and a Declaration of Restrictive Covenant will be recorded against the property. Repairs should include correcting any physical condition related to the health or safety and other improvements to prolong the life of the building. Essential improvements may include but is not limited to, replacement of a roof, upgrade of electrical, windows, accessibility ramps, plumbing, and heating systems. Cosmetic remodeling or substantial reconstruction are not covered.

Eligible Areas

All regions within Westchester County are eligible.

Eligibility

Landlords/Owners who can demonstrate they charge rents at levels that are affordable to tenants up to 100% of the Area Median Income (AMI) are eligible. Priority consideration will be given to Landlords/Owners with units located in low and moderate income census tracts as well as rents at or below the 60% AMI levels as detailed in the chart below. To be eligible, current rent levels with utilities included must be below the following 2022 HUD Guidelines: *

Bedroom Size	60% AMI Rent Levels	80% AMI Rent Levels	100% AMI Rent Levels
Studio	\$1,457	\$1,942	\$2,427
1 Bedroom	\$1,665	\$2,219	\$2,773
2 Bedroom	\$1,873	\$2,497	\$3,119
3 Bedroom	\$2,080	\$2,773	\$3,465

Landlords must use leases going forward if they are not already being utilized. A rider will need to be attached to the lease acknowledged by the owner and tenant explaining the allowable rent increases. Westchester County will request copies of the leases annually to determine continued compliance with program guidelines.

Funds

Eligible Landlords/Owners may receive up to \$25,000 per rental unit that qualifies towards needed repairs under this program in exchange for maintaining rent increases at certain levels. Westchester County reserves the right to reject an application when, in its judgement, rehabilitation of the property is not economically feasible, or not in the best interest of current tenants, the Landlord/ Owner or Westchester County.

Project Planning Assistance

A Westchester County Rehabilitation Specialist will inspect the property after receipt of a complete application. The property will be evaluated based on repairs requested and determine if the work is in keeping with the objectives of this program as defined in the “Activities” section. The Rehab Specialist will develop a scope of work that will be reviewed with the Landlord/Owner. This scope will enable us to solicit bids from two or three contractors that are insured and licensed to work in Westchester County. Multiple quotes are required to ensure that funds are being spent on what is considered customary and reasonable expenses based on the agreed upon scope of work. Once the contractor is selected, Westchester County, Landlord/Owner and the Contractor must sign a three party contract. In addition, the Contractor must obtain insurance naming Westchester County as loss payee and additional insured before work can begin. If Westchester County is requested to disburse funds throughout the process, a payment schedule must be approved. Funds will be disbursed directly to the Contractor based on the approved schedule only **after** a progress inspection is completed. Final disbursement will be made only after the job is 100% complete with Westchester County and Landlord/Owner sign off.

Restrictions

A Note & Mortgage will be filed against the property. The funds become fully due upon sale or transfer of the property or non-compliance of the program guidelines within five years of the executed Note & Mortgage. During years, six through ten, it will be reduced by 1/5th per year on the anniversary date of the executed Note & Mortgage. The Note & Mortgage will self-liquidate after 10 years. In addition to the Note & Mortgage, a Declaration of Restrictive Covenant will be recorded against the property to ensure the affordability of the rental units during the ten-year period. If the building is already under restrictions, the more restrictive will be followed.

Rent increases at renewal can be no more than the percent change between the current year and prior year’s income for a household of four at 100% of Westchester County’s AMI. The maximum increase is 4% in any given year. If the AMI income limits should decrease from one year to another, no increase in rent is allowed and no decrease is required.

Example: For a current rent of \$2,000 the renewal rent would be determined by comparing the percent change in the AMI or the 4% cap, whichever is lower.

Calculating the percent change between 2020 & 2021 for a Household of four at 100% AMI:

$\$127,500 \div \$125,800 = 1.013$ or 1.3%

$\$2,000 \times 1.013 = \$2,026$ and $\$2,000 \times 4\% = \$2,080$. The percent change is less than 4% therefore the rent renewals effective 1/2022 to 12/31/2022 would be capped at \$2,026.

New Leases – At Tenant turn over, the new rent cannot exceed the most recent rent of the same unit after the current year’s increase is taken into account.

Contact Information – Interested Landlords/Owners should call or email for more information and application: Contact Gaitre Rambharose at 914-995-2429 or ggrh@westchestergov.com

*Note: Program guidelines and rental levels subject to change.



Landlord Tenant Assistance Program (LTAP) Frequently Asked Questions

1. What are eligible repairs?

Repairs should include correcting any physical condition related to the health or safety and other improvements to prolong the life of the building. Essential improvements may include but is not limited to, replacement of a roof, upgrade of electrical, windows, accessibility ramps, plumbing, and heating systems. The program does not cover cosmetic remodeling.

2. Are appliance upgrades eligible? Do the appliances have to be energy efficient?

The program is not specific to appliance replacement. The need for replacement appliances and type of appliance is determined based on the scope of work, as it relates to the overall rehab of the unit. We recommend energy efficient appliances.

3. What is a “Soft Mortgage” & “Declaration of Restrictive Covenant”?

These documents are tools that Westchester County will use to guarantee that the funds invested in these properties can be recaptured if the Owner decides to sell before the ten-year (10) term expires. Additionally, these documents ensure rent level parameters are followed throughout the ten-year (10) term as it relates to the program requirements. Both of these documents will prevent owners from using the program, as a means to *flip* properties after the rehabilitation has been funded by the County, and walking away with the increased value. The soft mortgage will be subordinate to any other mortgages currently against the property. Once the County’s mortgage is recorded, approval will be required from the County should the property owner refinance in the future.

4. Will Westchester County monitor the Landlord’s obligation of the 10-year term agreement?

Yes, the County will conduct annual monitoring to confirm funded units adhere to the program guidelines. As part of the monitoring process, we will collect copies of leases, annual rent rolls and any other documentation deemed necessary to assure compliance with program restrictions throughout the ten-year (10) term.

5. Are Cooperative apartments eligible for participation in LTAP Program?

No. Multiple units owned by a sponsor or individual shareholders are not eligible.

6. Are Condominium rental units eligible?

Maybe, if the Unit meets the guidelines of the program. The Owner must obtain approval from the Condominium Board for the requested repairs, and must have the consent of the Board to maintain the unit as a rental unit for 10 years. The tenant cannot be an immediate family member of the Owner.



7. Are Single-Family rental properties eligible?

Yes, however, the tenant cannot be a related party, whether immediate family or business relationship that could benefit financially from the funding. During the 10-year obligation, the Owner must continue to rent to a non-family member. The Owner will be required to repay the funds, if during the 10-year affordability period they decide to occupy the home and stop renting it. Additionally, single-family properties with “room rentals” are not eligible. A copy of a lease is required and owners will be required to provide proof of rent receipts. In addition, the Owners Federal Tax Return must reflect the property as a rental.

8. Are Multi-Family properties where the Owner rents to immediate family members eligible?

Yes, however, only the units **not** rented to an immediate family member are eligible for funding. Additionally, the tenant cannot be a related party, whether family or business relationship that could benefit financially from the funding. Prior to approval for participation in the LTAP program Owners will be required to certify which units are rented to immediate family members. A copy of a lease is required and owners will be required to provide proof of rent receipts. In addition, the Owners Federal Tax Return must reflect the property as a rental.

9. If I own a Multi-Family property, and live in one unit and rent the other unit(s), is the Owner's unit eligible for funding?

No, Owner units are not eligible for funding. The program is to assist with tenant units only.

10. Why are units occupied by immediate family members not eligible?

Units occupied by immediate family member are not eligible as there is a potential for a conflict of interest. A conflict of interest exists when a family member or business relationship that could benefit from funding personally, directly or indirectly, from his or her relationship with the owner conducting a transaction with the County.

11. Are legal Accessory Dwelling Unit (ADU) eligible?

Yes, but only if the ADU is not rented to an immediate family member.

12. Is a Single Room Occupancy (SRO) building eligible?

Yes, as long as it is a legal SRO dwelling.

13. Are “Mother-Daughter” properties eligible? No.

14. Are only eight (8) units from one owner eligible?

No, an owner of multiple properties can qualify, as long as each building has eight (8) units or less. Owners are required to complete a separate application for each building. If a single owner applies for multiple buildings, priority consideration will be to the unit(s) with the lower AMI rent levels. Owners should prioritize their application for the buildings with the most need. The County reserves the right to limit the number of buildings assisted by a single owner.

15. Will the program reimburse Landlords for work already completed in their rental property?

No, LTAP is not a reimbursement program and does not cover expenses incurred prior to program approval.

16. Are Owners able to use their own contractor?

Yes, but only if that contractor has the lowest responsible bid. We are required to follow Westchester County's Procurement Policies. All Westchester County licensed and insured contractors are encouraged to submit a bid for the scope of work prepared by the County's Rehabilitation Specialist, who will oversee the bidding process.

17. During repairs, is the relocation of tenants considered? Will LTAP cover tenant relocation?

No, repairs will be limited to avoid the displacement of tenants. If there is a need for tenant relocation during the rehabilitation, it is the responsibility of the Owner to cover the cost of the relocation and to arrange with the tenant(s) a mutually acceptable relocation site.

18. Are energy efficiency products such as solar panels, eligible?

No, the program addresses health and safety issues that prolongs the life of the property. Solar panels are not an essential improvement.

19. Are weatherization improvements eligible?

Yes, as long as the repairs include correcting any physical condition related to the health or safety and other improvements to prolong the life of the building.

Definitions:

Accessory Dwelling Unit (ADU) refers to a habitable living unit added to, created within, or detached from a primary one-unit Single Family dwelling, which together constitute a single interest in real estate. It is a separate additional living unit, including kitchen, sleeping, and bathroom facilities.

Immediate family member is a spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in loco parentis (in place of a parent); or any other person living in the household of that person and related to that person by blood or marriage.

Single Room Occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant, but requires that the occupant share sanitary and/or food preparation facilities with others.

Unit is any room or group of rooms located within a structure and forming a single habitable unit with facilities, which are used, or intended to be used for living, sleeping, cooking and eating.

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