



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Grants and Special Programs

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: MAY 24, 2013

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO EXECUTE HOME AGREEMENT WITH DAVIS PARK VIEW, LLLP. FOR USE OF FEDERAL HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS IN THE AMOUNT OF \$627,138 FOR CONSTRUCTION OF RENTAL HOUSING PROJECT IN THE NEWTOWN PIKE EXTENSION AREA

The Lexington-Fayette Urban County Government's approved Consolidated Plans from years 2010, 2011, and 2012 provide for the use of federal HOME Investment Partnerships Program funds for the development of rental housing for low-income households who have been permanently displaced by the Newtown Pike Extension Project. The Environmental Impact Statement made a finding of environmental justice requiring that efforts be made to mitigate the effects of the Newtown Pike Extension Project on the low-income residents of the project area. The Record of Decision provided for mitigation that included the formation of a Community Land Trust in the area and the new construction of affordable rental housing in the area so that affected residents can remain permanently.

The total estimated cost of the housing redevelopment is \$2,342,966. Sources of funds are: Low-Income Housing Tax Credit equity in the amount of \$1,715,828, and HOME funds in the amount of \$627,138. The Kentucky Transportation Cabinet is supporting the costs of land and new infrastructure.

HOME funds will be loaned to Davis Park View, LLLP in the form of a Deferred Payment Loan for the term of twenty (20) years. The Deferred Payment Loan shall be at zero percent (0%) interest for the duration of the loan, with no repayment of principal, unless an event of default occurs prior to the maturity date. During this term, the organization is required to rent to income eligible persons at affordable rents as determined by the U.S. Department of Housing and Urban Development.

HORSE CAPITAL OF THE WORLD

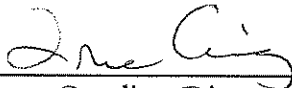
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Budget amendments are in process providing the following funds for the project:

FUND	DEPT ID	SECT	ACCOUNT	ACTIVITY	PROJECT	BUD REF	AMOUNT
3120	900251	0001	71101	H03	HOME 2010	2010	\$65,478
3120	900251	0001	71101	H03	HOME 2012	2012	\$319,660
3120	900251	0001	71101	H03	HOME 2013	2013	\$242,000

Council authorization to execute HOME Agreement with Davis Park View, LLLP, is hereby requested.



Irene Gooding, Director

Xc: Sally Hamilton, Chief Administrative Officer