



Lexington-Fayette Urban County Government  
DIVISION OF GRANTS AND SPECIAL PROGRAMS

Jim Gray  
Mayor

Sally Hamilton  
CAO

**TO: JIM GRAY, MAYOR  
URBAN COUNTY COUNCIL**

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

**DATE: APRIL 14, 2014**

**SUBJECT: Request Council authorization to amend Resolution 320-2013 and to execute HOME Agreement With Lexington Community Land Trust, Inc. and 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**

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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. On June 20, 2013 (Resolution No. 320-2013), Council approved HOME Agreement with Davis Park View, LLLP for project development. The organizations involved in the project have requested that the Agreement be revised to reflect a three-party agreement that includes the Lexington Community Land Trust.

The revised agreement will provide HOME funds as a 0 percent loan to Lexington Community Land Trust who will then re-lend these funds 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. After the initial period of affordability, HOME funds will remain in the project to ensure continuation of affordability.

Funds for this project are budgeted as follows

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 amend Resolution 320-2013 and to execute HOME Agreement with Lexington Community Land Trust, Inc. and Davis Park View, LLLP, is hereby requested.



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Irene Gooding, Director

Xc: Sally Hamilton, Chief Administrative Officer