



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: JUNE 3, 2014**

**SUBJECT: REQUEST COUNCIL AUTHORIZATION TO EXECUTE HOME  
AGREEMENT WITH PARKSIDE DEVELOPMENT GROUP II,  
LLP FOR USE OF FEDERAL HOME INVESTMENT  
PARTNERSHIPS PROGRAM FUNDS IN THE AMOUNT OF  
\$400,000 FOR CONSTRUCTION OF AFFORDABLE RENTAL  
HOUSING PROJECT**

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The Lexington-Fayette Urban County Government's approved 2013 Consolidated Plan provides for the use of federal HOME Investment Partnerships Program funds for the development of rental housing for low-income household. The Parkside II development is specifically supported by the 2013 Consolidated Plan. The 2014 Consolidated Plan, approved by Council on April 24, 2014 (Resolution 205-2014) also provides funding for this project.

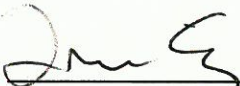
The total estimated cost of the housing development is \$6,237,854. Sources of funds are: Low-Income Housing Tax Credit equity in the amount of \$4,877,854, permanent bank loan in the amount of \$960,000, and HOME funds in the amount of \$400,000. Development shall consist of 36 residential units. HOME regulations require that units be rented to eligible low-income households for a 20-year period at or below rents published annually by the U.S. Department of Housing and Urban Development.

HOME funds will be loaned to Parkside Development Group II, LLLP in the form of a Deferred Payment Loan for the term of thirty (30) 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.

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

FUND	DEPT ID	SECT	ACCOUNT	ACTIVITY	PROJECT	BUD REF	AMOUNT
3120	900253	0001	71101	H03	HOME 2014	2014	\$234,222
3120	900253	0001	71101	H03	HOME 2015	2015	\$165,778

Council authorization to execute HOME Agreement with Parkside Development Group II, LLLP, is hereby requested.

  
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Irene Gooding, Director

Xc: Sally Hamilton, Chief Administrative Officer