



TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: JUNE 20, 2016

SUBJECT: Amendment to Deed and Declaration of Restrictive Covenants providing for release of HOME-assisted rental unit at 325 Wilgus Avenue from twenty-year affordability period

Request:

Council authorization to execute amendment to Deed and Declaration of Restrictive Covenants providing for release of property at 325 Wilgus Avenue from requirement for twenty year affordability period

Purpose of Request:

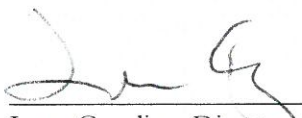
On October 3, 2003, Faith Community Housing Foundation, Inc. and LFUCG executed deed restrictions for four properties for which LFUCG provided HOME Investment Partnerships Program funds for construction and rehabilitation of rental units for low-income households. Deed restrictions provided for a period of affordability of twenty years for all units, during which period units will be rented to income-eligible tenants (below 60% of area median income) at rents determined by the U.S. Department of Housing and Urban Development. Federal regulations require that HOME-assisted newly constructed rental units be restricted for a period of at least 20 years, while a unit rehabilitated with HOME funds between \$15,000 and \$40,000 must be restricted for a period of at least ten years.

The rehabilitation of the property at 325 Wilgus Avenue, with HOME assistance of \$20,000, was completed on December 23, 2005. As of December 23, 2015, the required ten-year affordability period, by regulation, had been met; hence, the request to release the owner from a 20-year affordability period. On July 1, 2010, this property was deeded to the Lexington Home Ownership Commission II, Inc. who has responsibility for compliance with federal regulations and for operation of the property as a rental unit for low-income households. The organization has proposed use of this unit for homeless families and will be unable to fully comply with all HOME regulations applicable to rental units.

Cost in this budget year and future budget years: There is no cost to the LFUCG in this or future budget years.

File Number: 0779-16

Director/Commissioner: Gooding/Hamilton


Irene Gooding, Director

