



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: FEBRUARY 8, 2013

SUBJECT: Request Council authorization to execute Amendment to Agreement with REACH, Inc., providing for pass-through of HOME Investment Partnerships Program funds to Fayette County Local Development Corporation for development of a rental property at 442 Georgetown Street

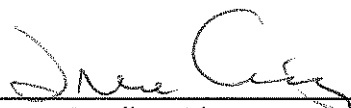
On April 23, 2009 (Ordinance No. 52-2009), Council authorized submission of the 2010 Consolidated Plan to the U.S. Department of Housing and Urban Development, and acceptance of federal funds for the HOME Investment Partnerships Program, and Emergency Shelter Grants Program. The same ordinance also provided for the execution of agreements with the entities named in the plan. Subsequently, a CHDO (Community Housing Development Organization) agreement was executed with REACH, Inc., for the use of \$62,000 for the construction of a single family residential unit for sale as a first-time homebuyer unit. Due to changes in the homebuyer market, REACH is unable to complete the project as a homeownership unit and has asked for an amendment to the agreement to provide for pass-through of property and HOME funds to the Fayette County Local Development Corporation (FCLDC), a subsidiary of the Fayette County Urban League. FCLDC, also a designated CHDO will develop the property, constructing a single family unit and operating it as a rental unit for households with median incomes of less than 60% of area median income for a period of 20 years.

The proposed Amendment to Agreement also provides REACH with an additional \$12,789 in HOME funds to complete the unit, subsidizing it so that the organization can efficiently operate it as a unit for low-income households for the 20-year period of affordability.

Funds for this amendment are in process of being budgeted as:

FUND	DEPT ID	SECT	ACCOUNT	BUD REF	ACTIVITY	PROJECT
3120	900202	0001	71101	2013	H02	HOME 2013

Council authorization to execute Amendment to Agreement is hereby requested.


Irene Gooding, Director

Xc: Sally Hamilton, Chief Administrative Officer

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