



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: JANUARY 4, 2016**

**SUBJECT: HOME agreement with KDVA Homes 2, LLLP in the amount of  
\$499,240**

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**Request:**

Request Council authorization to execute HOME Agreement with KDVA HOMES 2, LLLP for use of federal HOME Investment Partnerships Program funds in the amount of \$499,240 for construction of twelve affordable rental housing units at 4400 Briar Hill Road for victims of domestic violence.

**Purpose of the Request:**

The Lexington-Fayette Urban County Government's approved 2015 Consolidated Plan provides for the use of federal HOME Investment Partnerships Program funds for the development of rental housing for low-income households. The Kentucky Domestic Violence Association project is specifically supported by the 2015 Consolidated Plan, approved by Council on April 16, 2015 (Resolution 177-2015). This project provides for new construction of 12 units at 4400 Briar Hill Road and for the acquisition and rehabilitation of 12 existing units at 2517-2525 MacKenzie Lane and 2001 Cambridge Drive. HOME funds will only be used on the Briar Hill Road construction.

The total estimated cost of the housing development is \$4,642,338. Sources of funds are: Low-Income Housing Tax Credit equity in the amount of \$3,356,412, Kentucky Affordable Housing Trust Fund deferred loan in the amount of \$226,000, LFUCG Affordable Housing Trust Fund loan (repayable) in the amount of \$415,686, LFUCG Affordable Housing Trust Fund deferred loan in the amount of \$145,000 and HOME deferred loan in the amount of \$499,240. Development shall consist of 24 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 KDVA HOMES 2, 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.

**Cost in this budget year and future budget years:**

Federal funds in the amount of \$499,240 will be expended in Fiscal Years 2016-2017.

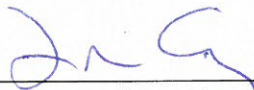
**Are the funds budgeted?**

Budget amendment 7096 is in process providing the following funds for the project:

FUND	DEPT ID	SECT	ACCOUNT	ACTIVITY	PROJECT	BUD REF	AMOUNT
3120	900257	0001	71101	H03	HOME_2016	2014	\$499,240

**File Number:** 1605-16

**Director/Commissioner:** Irene Gooding/Sally Hamilton

  
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Irene Gooding, Director