



Affordable Housing Fund Annual Report

Rick McQuady, Affordable Housing Manager

Social Services and Public Safety Committee

November 12, 2024





Purpose of Fund

- Leverage public and private investment to preserve and produce safe, quality, affordable housing for Fayette County residents whose incomes are at or below 80% of the area median income.
- Housing is considered affordable when housing costs are no more than 30% of gross household income.
- Quality is important as affordable housing results from reduced debt service.





Area Median Income - 2024

Household Size	80% of AMI	60% of AMI	50% of AMI	30% of AMI
1	\$53,350	\$40,013	\$33,350	\$20,000
2	\$60,950	\$45,713	\$38,100	\$22,850
3	\$68,550	\$51,413	\$42,850	\$25,820
4	\$76,150	\$57,120	\$47,600	\$31,200





Affordable Housing Board

- Tiffany Masden
- Jordan Owens
- Laura Boison
- Janet Beard
- Christina Dudek
- Jordan Parker
- Dan WU
- Hannah Legris
- Andrew Walker
- Barry Holmes
- Kyle Wicker
- John Atchison
- Vacant (1)





Advisory Committee

- Lexington Fair Housing Council
- Lexington Housing Authority
- Urban League
- AU Associates
- Central KY Homeless and Housing Initiative
- PVA Office
- Habitat For Humanity
- LexTran
- Community Ventures
- REACH
- New Hope Consulting
- Winterwood Property Management and Development
- New Beginnings
- Hodge Properties





Application Process

1. Initial contact and review of program guidelines
2. Application submission and review
3. Technical submission
4. Board of Directors review
5. Pre-Construction conference and closing
6. Construction and placed in service/Inspections
7. Compliance monitoring
8. Loan Servicing/Asset Management





Evaluation Criteria

- Need/Market
- Design of Development
- Financial Feasibility
- Capacity of Development Team
- Readiness to Proceed





Annual Compliance Objectives

- **Review of financial condition and performance**
 - Overall review of the financial condition of the property
 - Review of vacancy rate
 - Rents being charged
 - Compare actual to pro forma projections
 - Review of the reserve for the replacement account
 - Adherence to project requirements as outlined in legal agreements
- **Property Inspection**
 - Overall condition of property
 - REAC score, if applicable
 - Condition of pledged amenities
 - Proof of LFUCG as loss payee on Insurance Policy
- **Tenant Eligibility**
 - Tenant Selection Plan
 - Review new tenant files to ensure income eligibility
- **Adherence to requirements of the affordable housing program**
 - Outlined in legal agreements
 - Outlined in program guidelines





Allocations and Funding---General Fund and SLFRF

Fiscal Year 2015-2024	\$26,373,210
Fiscal Year 2025	\$ 4,795,035
ARPA Funds (SLFRF)	\$17,126,790
Loan and Fee Receipts	\$ 6,713,401
Funding Commitments	\$49,240,055
Units Funded	3,522
Funding Per Unit	\$13,980
Outside Funding	\$ 441,266,021





Financial Report and Projections – General Fund

9/24 – 6/25

Revenue

Total Allocations	\$31,168,245
Fee Income Earned	\$244,438
Loan Receipts	\$6,468,963
Total	\$37,881,646

Expenses

Administrative Expenses	\$1,456,004
Funding Commitments	\$32,113,265

Funds Available **\$4,312,377**





Fund Activity – General Fund

Allocations

Amortizing loans (34 currently outstanding)	\$14,951,061
Forgivable loans and grants	\$17,162,204

Total Allocations **\$32,113,265**

Affordable Housing Fund Allocation Per Unit (3,126 Units) **\$10,273**

Note: Once all approved units are placed in service, projected annual loan receipts from SLFRF and General Fund loans will be \$803,000 (assuming cash flow from some housing credit developments as projected in the underwriting model).





Financial Report and Projections – SLFRF (ARPA) Allocation

Revenue

Total Allocations \$17,126,790

Total **\$17,126,790**

Expenses

Funding Commitments \$17,126,790

Funds Available **\$0**





Fund Activity—SLFRF

Allocations

Amortizing loans	\$9,985,988
Forgivable loans and grants	\$7,140,802
Total Allocations	\$17,126,790
SLFRF Allocation Per Unit (696 Units---all at or below 60% of AMI)	\$24,607

*300 of the funded units also received General Fund dollars.
363 units housed those at or below 50% of area median income
34 units of permanent supportive housing
45 fully accessible units for seniors ages 55 and over*





Affordable Housing Units – General and SLFRF

Units

Affordable units preserved (previously Deed Restricted)	1,190
Existing units preserved and restricted for affordable housing (new Deed Restrictions)	644
New affordable housing units constructed	1,688
Total units funded	3,522
Average income of households at initial lease	\$24,221





Number of affordable housing units and maximum allowable incomes

<u>Housing Units</u>	<u>Maximum Allowable Incomes</u>
167	30%
349	50%
2,504	60%
502	80%

85.7% of the units funded are for households with incomes below 60% of the area median income.





Special Needs Populations Housed

Elderly and/or disabled	1,068
Homeless	114
Veterans	50
Substance addiction	48
Youth (ages 18-24)	6
Mentally and physically disabled	54
Medically vulnerable	26
Severe mental illness	28
Survivors of domestic violence	24
Total special needs units funded (40.3%)	1,418
Permanent Supportive Units Included	240





Development Challenges

- Rising Interest Rates
- Increased costs of Property Management
- Escalating Construction Costs
- Acquiring Viable and Affordable Land





Program Goals

- Additional Permanent Supportive Housing Units and Units for Households at or below 30% of Area Median Income
- Additional Homeownership Units
- Transylvania Development
- Continue to Address Needs Identified in Needs Analysis



Questions?



LEXINGTON





Projects

- **St. James Place Apartments**
 - 169 Deweese Street
 - Preservation of 102 units
 - Homeless
 - \$769,500 grant (three separate allocations)
 - Rehab work completed
- **Wilson Street Apartments**
 - 329 Wilson Street
 - Rehab of 4 units
 - 3 units for 80% of area median income and below; 1 unit for 50% and below
 - \$41,044 deferred loan
 - Rehab work completed





Projects

- Parkway Manor Apartments
 - 431 Rogers Road
 - Rehabilitation of 180 units
 - Households at or below 60% of area median income
 - \$159,374 pre-development loan
 - Rehab work completed
- Stonebridge Apartments
 - 1261 Village Drive
 - Rehabilitation of 47 units
 - Households at or below 80% of area median income (referrals from homeless providers)
 - \$411,749 deferred loan
 - Rehab work completed





Projects

- Kentucky Council Against Domestic Violence
 - Briar Hill Road, Mackenzie Lane, Cambridge Drive
 - New construction of 12 units, rehabilitation of 12 units
 - Survivors of domestic violence (referrals from Greenhouse 17); at or below 60% of area median income
 - \$415,686 loan; \$165,000 grant
 - Development completed in 2017
- Community Ventures
 - Various East Lexington locations
 - Acquisition, new construction and rehabilitation of 11 units
 - Households at or below 80% of area median income
 - \$285,134 loan, \$66,385 grant
 - Development completed in 2018





Projects

- Habitat for Humanity
 - 301 Ash Street
 - Acquisition of site to build home
 - Households at or below 50% of area median income
 - \$5,290 grant
 - Development completed in 2016
- North Limestone Community Development Corporation
 - York Street
 - Acquisition and construction of 6 homeownership units
 - Households at or below 80% of area median income
 - Loan for \$159,103; grant for \$163,096
 - Development completed in 2017





Projects

- Lexington Housing Authority
 - 325 Wilgus Avenue
 - Acquisition and rehabilitation of single-family home
 - Homeless family
 - \$35,000 loan; \$47,350 grant
 - Development completed in 2016
- 7 Upper Apartments
 - 7th and Upper Streets
 - Acquisition and rehabilitation of 7 units
 - Households at or below 80% of area median income (taking referrals from various nonprofit agencies)
 - \$252,000 loan
 - Development completed in 2016





Projects

- Parkside III
 - 1048 Cross Keys Drive
 - New construction of 36 units
 - Households at or below 60% of area median income
 - \$1,165,656 loan
 - Development completed in 2018
- Ferrill Square Apartments
 - 471 Price Road
 - Renovation of 59 units
 - Elderly and disabled; 60% of area median income
 - \$447,768 loan; \$458,000 grant
 - Development completed in 2017





Projects

- 5th Street Apartments
 - 5th and Smith Streets
 - Acquisition and rehabilitation of 4 units
 - Households at or below 80% of area median income
 - \$212,000 loan, \$54,000 grant
 - Development completed in 2016
- Independence Homes (Bob Brown House)
 - 507 Rogers Road
 - Rehabilitation of 14 units
 - Mentally and physically disabled
 - \$227,000 grant
 - Rehab work completed in 2017





Projects

- **New Beginnings, Bluegrass Inc.**
 - Rehabilitation of existing building to create 4 units
 - Households with severe mental illness
 - \$88,018 Grant
 - Development completed in 2017
- **Lexington Urban League**
 - Chestnut Street and Eastern Avenue
 - Acquisition and rehabilitation of 2 duplexes
 - Households at or below 80% of area median income
 - \$356,525 Loan
 - Development completed in 2017





Projects

- **Arlington Lofts**
 - 1001 and 1021 North Limestone Street
 - New construction of 81 units
 - Households at or below 60% of area median income
 - \$700,000 Loan and \$500,000 forgivable loan
 - Development completed in 2021
- **North Limestone Community Development Corp**
 - York Street
 - New Construction of 5 units for homeownership
 - Households at or below 80% of area median income
 - \$250,000 loan and \$140,260 grant
 - Development completed in 2017





Projects

- Two Way Prayer, LLC/Now owned by Grand Properties, LLC
 - Charles Avenue and Whitney Avenue
 - Acquisition/Rehabilitation of 2 units
 - Families at or below 80% of area median income
 - \$60,000 grant
 - Development completed in 2017

Community Initiatives LLC/Community Action

- Anderson Street, Greenwood Avenue, Corral Street, Carlisle Avenue
- Acquisition/Rehabilitation of 4 units
- Households who were formerly homeless
- \$102,000 loan and \$10,600 grant
- Development completed in 2017
- Anderson Street, Greenwood Avenue and Corral Street currently owned by Community Action Council in addition to 7 other properties
- Carlisle Avenue home now owned by Grand Properties, LLC





Projects

- Saddle Run Apartments
(formerly Downing Place)
 - Spangler Avenue
 - Acquisition/Rehabilitation of 155 Units
 - Households at or below 60% of area median income
 - \$300,000 loan and \$300,000 grant
 - Development completed in 2018
- Victory Point
 - Opportunity Way and Leestown Road
 - New Construction/Rehabilitation 50 Units
 - Veterans and their families (60% and below area median income)
 - \$330,000 pre-development loan; \$100,000 deferred loan
 - Development completed in 2020





Projects

- Ash Street Development
 - 458 Ash Street
 - New construction of duplex for households at or below 80% of area median income
 - \$157,045 repayable loan
 - Development completed in 2018
- Hope Center Permanent Housing
 - Loudon Avenue
 - New Construction of 48 units for those recovering from addiction
 - \$400,000 deferred loan
 - Development completed in 2019





Projects

- **Derby Pointe Apartments**
 - 1218 Winburn Drive
 - Rehabilitation of 73 units
 - Households at or below 80% of area median income
 - \$175,000 interest only loan (loan was repaid at sale)
 - \$275,000 Deferred/Forgivable Loan to new owners
 - Rehab work completed in 2021
- **Whitney Woods Apartments**
 - 700 Whitney Woods Place
 - Rehabilitation of 40 units
 - Households at or below 60% of area median income
 - \$400,000 deferred loan and \$54,710 pre-development loan
 - Rehab work completed in 2019





Projects

- Meadowthorpe Landing
 - Antique Way
 - New Construction of 71 units
 - Elderly at 60% and below area median income
 - \$1,212,671 amortizing loan (all has been repaid)
 - Development completed in 2019
- Emerson Center Apartments
 - Garden Springs Drive
 - Elevator modernization
 - Low income elderly; 178 units
 - \$250,000 amortizing loan
 - Rehab work completed in 2018





Projects

- Fayette County Local Development Corporation
 - 466-468 Ash Street
 - New construction of 4 units for families at or below 80% of area median income
 - \$83,248 forgivable loan
 - Development completed in 2019
- Independence Homes (Bob Brown House)
 - 507 Rogers Road
 - New construction of 24 units for physically and mentally handicapped
 - Households at or below 60% of area median income (most at 30% and below)
 - \$425,000 deferred loan
 - Development completed in 2021





Projects

- Arbor Youth Services
 - 1807 Dalton Court
 - Rehabilitation of home-to-house 6 youth (ages 18-24) at or below 50% of the area median income
 - \$250,000 grant
 - Rehab work completed in 2019
- Ballard Apartments—Lexington Housing Authority
 - 650 Tower Plaza
 - Rehabilitation of 134 units for low-income elderly at or below 60% of area median income
 - \$300,000 interest-only loan
 - Development completed in 2021





Projects

- Cambridge Apartments
 - 1980, 1988, 1992, 2000, 2008 and 2016 Cambridge Drive
 - Rehabilitation of 70 units for households at or below 80% of area median income
 - \$200,000 forgivable loan and \$200,000 amortizing loan
 - Rehab work completed in 2020
- Westminster Apartments
 - 1510 Versailles Road
 - Rehabilitation of 132 units for households at or below 60% of area median income
 - \$200,000 deferred loan and \$200,000 amortizing loan
 - Rehab work completed in 2020





Projects

- Lexington Habitat for Humanity
 - Rehab of 748 Florida and 764 Maple; new construction at 612 Breckinridge, 131 Betty Hope Lane and 697 Georgetown Street
 - Households at or below 50% of area median income
 - \$96,200 grant
 - Single family homes and Maple Street property completed in 2020. Florida Street house completed in 2022.
- Grand Properties, LLC
 - 405 Lenny Drive
 - Rehabilitation of 4 units
 - 2 units for households at or below 80% of area median income and 2 units for households at or below 50% of area median income
 - \$51,306 forgivable loan
 - Rehab work completed in 2019





Projects

- Chimera Properties
 - 2925 and 2949 Winter Garden and 2833 and 2844 Snow Road
 - Rehabilitation of 20 units for households at or below 80% of area median income
 - \$84,700 amortizing loan and \$21,175 deferred loan
 - Rehab work completed in 2021
- Oasis at Kearney Creek
 - Meadowsweet Lane
 - New construction of 96 units for elderly households whose income is at or below 60% of area median income
 - \$394,295 deferred loan
 - Development completed in 2021





Projects

- **Lexington Opportunity Partners**
 - Various East End addresses
 - Reconstruction of 6 units for households at or below 80% of area median income and 5 units for households at or below 60% of area median income
 - \$163,668 deferred loan and \$163,668 amortizing loan
 - Development completed in 2022
- **Fayette County Local Development Corporation**
 - 756 Florence Avenue
 - New Construction of two duplexes (4 units) for households at or below 80% of area median income
 - \$100,000 amortizing loan and \$100,000 deferred/forgivable loan
 - Development ongoing





Projects

- AU Associates
 - Polo Club Senior Apartments
 - 6411 Polo Club Lane
 - New construction of 24 units for seniors at or below 60% of area median income
 - \$676,591 deferred loan
 - Development completed in 2023
- AVOL and Winterwood
 - Stonewall Terrace
 - 1812 Versailles Road
 - New construction of 24 units of permanent supportive housing for households with medical vulnerabilities and income at or below 60% of area median income
 - \$500,000 deferred loan
 - Development completed in 2022





Projects

- **LDG Development**
 - Alcove at Russell
 - 1975 Russell Cave Road
 - New construction of 202 units for households at or below 60% of area median income
 - \$625,000 amortizing loan and \$625,000 deferred loan
 - Development completed in 2023
- **Rahsaan Berry**
 - Single family home at 745 Chiles Avenue
 - Rehabilitation of single family homes for households at or below 80% of area median income
 - \$25,000 deferred/forgivable loan
 - Development completed in 2024





Projects

- Bluegrass Living Properties, LLC/Now owned by DMS Holdings, LLC
 - 734 North Broadway
 - Rehab of 5 units for households at or below 80% of area median income
 - \$50,000 deferred/forgivable loan
 - Completed in 2022
- Chimera Properties
 - 2916, 2920, 2924 and 2928 Winter Garden
 - Acquisition and rehab of 16 units for households at or below 80% of area median income
 - \$75,000 amortizing loan and \$75,000 deferred/forgivable loan
 - Rehab completed in 2022





Projects

- Lexington Housing for the Handicapped
 - 3057 North Cleveland Road
 - Acquisition and rehab of 16 units for households with mental/physical disabilities
 - \$358,750 grant
 - Development completed in 2023
- KBJ Construction Management
 - 458 Price Road
 - Rehab of a single-family home for households at or below 80% of the area median income
 - \$20,000 deferred/forgivable loan
 - Development completed in 2021





Projects

- Winterwood Development
 - 330 Newtown Pike
 - New construction of 208 units for households at or below 60% of area median income
 - \$450,000 amortizing loan, \$450,000 deferred loan and \$600,000 construction/bridge loan
 - Development completed in 2024
- Mansemar Development (Georgia)
 - Christian Towers Apartments
 - 1511 Versailles Road
 - Rehab of 92 units and new construction of 40 units for elderly and 18+ mobility impaired at 60% or below area median income
 - \$250,000 amortizing loan and \$250,000 deferred loan
 - Development completed in 2024





Projects

- AU Associates
 - Kearney Ridge Apartments
 - 2559 Kearney Ridge Blvd.
 - New construction of 252 units for households at or below 60% of area median income
 - \$800,000 amortizing loan and \$800,000 deferred loan
 - Development completed in 2024
- Fair Oaks Apartments
 - 1285 Centre Parkway
 - Rehab of 40 units for households at or below 80% of area median income
 - \$700,000 deferred/forgivable loan
 - Rehab work completed in 2023





Projects

- Joshua Holdings
 - Rehab of single-family home at 558 Elm Tree Lane into a duplex for households at or below 80% of area median income
 - \$50,000 deferred forgivable loan
 - Rehab work ongoing
- Martha Court
 - Rehab of stairwells and walkways for 73 units serving households at or below 80% of area median income
 - \$400,000 amortizing loan and \$50,000 forgivable loan
 - Rehab work completed in 2022
- The Baxter Apartments





Projects

- Nest A-Lexington
 - Rehab of former hotel at 917 Georgetown Road
 - 29 units for households at or below 80% of area median income
 - \$75,000 forgivable loan and \$75,000 amortizing loan
 - Construction completed in 2022
- AU Associates
 - Richwood Bend Apartments
 - 100 Codell Drive
 - Construction of 83 multifamily units for households at or below 60% of area median income
 - State and Local Fiscal Recovery Funds
 - \$3,500,000 repayable loan and \$1,325,000 deferred loan
 - Development completed in 2024





Projects

- Lexington Habitat for Humanity
 - Construction of five single-family homes on Perry Street for households at or below 50% of the area median income
 - \$100,000 grant
 - Completed in 2023
- KBJ Management (Keith Jones)
 - Construction of duplex at 775 North Upper Street for households at or below 80% of area median income
 - \$40,000 deferred forgivable loan
 - Development completed in 2024





Projects

- Main Street Baptist Manor Apartments
 - 428 Darby Creek Road
 - Rehabilitation of 63 multifamily units for elderly whose incomes are at or below 50% of area median income
 - \$1,413,350 grant and \$344,000 repayable loan
 - State and Local Fiscal Recovery Funds
 - Rehab work completed in 2023
- Fayette County Local Development Corporation
 - Elm Tree Lane Apartments
 - 302 Gunn Street
 - Rehabilitation of 17 multifamily units for elderly at or below 60% of area median income
 - \$1,686,000 forgivable loan
 - State and Local Fiscal Recovery Funds
 - Rehab work completed in 2024





Projects

- Lexington Housing Authority
 - 572 Pemberton Street
 - New construction of 5 townhomes for households referred by Continuum of Care---permanent supportive housing
 - \$516,452 forgivable loan
 - State and Local Fiscal Recovery Funds
 - Construction Completed in 2024
- 1665 Maywick View LLC
 - 1657 and 1665 Maywick View Lane
 - Rehabilitation of 16 units for households at or below 80% of area median income
 - \$745,000 forgivable loan; \$90,000 repayable loan from Neighborhood Investment Funds
 - Completed in 2023





Projects

- **Ashland Terrace**
 - 475 S. Ashland Avenue
 - Rehabilitation of 7 units for seniors in assisted living
 - \$310,000 grant
 - Development completed in 2024
- **Beargrass Development**
 - Oakdale Apartments
 - Construction of 144 multifamily units at 1201 Greendale Road for households at or below 60% of area median income
 - \$600,000 deferred loan and \$1,100,000 amortizing loan
 - \$800,000 deferred loan from State and Local Fiscal Recovery Funds
 - Under construction/Some units occupied





Projects

- AU Associates
 - Davis Park Station
 - Construction of 73 multifamily units on DeRoode Street. The development includes Workforce Training components.
 - Households at or below 60% of area median income, with 5 of the units reserved for households at or below 30%
 - \$2,900,000 deferred loan and \$1,300,000 amortizing loan. State and Local Fiscal Recovery Funds
 - Under construction
- New Beginnings, Bluegrass, Inc.
 - Acquisition and Rehabilitation of 24 units at 1662, 1666, and 1670 Alexandria Drive
 - Households with Severe Mental Illness, are homeless or at risk of homelessness whose incomes are at or below 50% of area median income
 - Permanent Supportive Housing
 - \$700,000 forgivable loan and \$180,000 amortizing loan. State and Local Fiscal Recovery Funds
 - Property has been acquired, and rehab work is ongoing





Projects

■ Glick Development Company

- Briarwood Apartments
- Rehabilitation of 204 units located at 1349 Centre Parkway
- State and Local Fiscal Recovery Funds
- Seniors 55 and over. Project-based Rentals.
- \$500,000 deferred loan.
- Rehab work is ongoing

■ Qureshi Development Group

- Acquisition and adaptive re-use of the former church located at 530 North Martin Luther King Blvd
- Twenty (20) units for households at or below 50% of area median income
- Some units will be permanent supportive housing
- \$500,000 forgivable loan, \$500,000 repayable loan, \$314,487 in Neighborhood Investment Funds
- Property has been acquired, and rehab work is ongoing





Projects

- AU Associates
 - Wellington Park Apartments
 - \$2,113,020 for the construction of 45 fully accessible units for seniors ages 55 and over
 - \$1,661,988 repayable loan, \$38,012 deferred loan, and \$413,020 land acquisition loan that has been repaid
 - Households at or below 50% of area median income
 - State and Local Fiscal Recovery Funds (\$1,661,988)
 - Under construction
- Winterwood Development
 - The Flats at Woodland
 - Construction of 38 multifamily units for seniors ages 55 and over at 530 High Street—Woodland Christian Church
 - Households at or below 60% of area median income
 - State and Local Fiscal Recovery Funds
 - \$3,000,000 repayable loan, \$200,000 deferred loan, \$1,000,000 repayable bridge loan
 - Will close in November 2024





Projects

- **O.C. Property Company LLC**
 - Acquisition of a 4-plex located at 4004 Expo Court for households whose incomes are at or below 80% of area median income.
 - Rents charged must be affordable for households at or below 50% of area median income
 - \$125,000 repayable loan and \$75,000 forgivable loan
 - Units placed in service in 2024
- **40 Acres and the Mule LLC**
 - Acquisition of a 4-plex located at 2817 Snow Road for households whose incomes are at or below 80% of area median income.
 - Rents charged must be affordable for households at or below 50% of area median income
 - \$200,000 repayable loan and \$50,000 forgivable loan
 - Units placed in service in 2024





Projects

■ Powerful Properties

- New construction of a single-family home to be leased to a household with income at or below 80% of area median income.
- Rents charged must be affordable for households at or below 60% of area median income
- \$150,000 repayable loan and \$15,000 forgivable loan
- Under construction

■ Lexington Habitat for Humanity

- New construction of 7 single family homes to households whose incomes are at or below 60% of area median income.
- Homes will be located on Florence Avenue, Harrison Trace, Chiles Avenue, East 7th Street and Maple Avenue
- \$280,000 grant
- Under construction

