



January 3, 2018

Community Action Council
Attn: Malcolm Ratchford, Executive Director
P.O. Box 11610
Lexington, Kentucky 40576

Dear Mr. Ratchford:

Community Action Council (“CAC”) plays a vital role in the collaborative effort to prevent, reduce, and eliminate poverty in Lexington-Fayette County. As an expression of the city’s gratitude for your organization’s work and an investment in your ongoing mission, the Lexington-Fayette Urban County Government (“LFUCG”), is interested in transferring the property located at 913 Georgetown Road—valued at \$500,000.00—to CAC at no cost. As you know, Community Development Block Grant (“CDBG”) funds were used in the purchase of the property. Therefore, LFUCG will be required by law to place some conditions on the transfer of the property to CAC.

Prior to transfer, LFUCG will ensure that all repairs currently underway are completed. In order to accept the property, CAC will be required to sign a Subrecipient Agreement with LFUCG stating that CAC will continue using the property for eligible activities in the CDBG program, as outlined in Section 570.201 of the Code of Federal Regulations. The Agreement will require that if CAC ever changes the use of the property to a non-eligible purpose or if CAC ever sells the property, then CAC will be required to repay to the Community Development Block Grant program the current fair market value of the property, less the value of any improvements made to the property with other funds. This process is outlined in Section 570.505 of the Code of Federal Regulations.

If CAC is interested in accepting the property, please notify **Jamshid Baradaran** in writing at your earliest convenience. Ultimately, your Board of Directors will have to approve acceptance of the property before the property can be transferred. Additionally, please note that this offer is conditioned upon the approval of the Urban County Council, in addition to the terms and conditions stated above.

Sincerely,

Sally Hamilton
Chief Administrative Officer

