



**TO: LINDA GORTON, MAYOR
URBAN COUNTY COUNCIL**

**FROM: THERESA REYNOLDS, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS**

DATE: APRIL 13, 2025

SUBJECT: Second Amendment to HOME Agreement with REACH, INC.

Request: Council authorization to execute a second amendment to the agreement with REACH, Inc. under the HOME Investment Partnerships Program to further improve affordability for first-time homebuyers, the subsidy amount was increased to \$50,000 per household and loans will be deferred as long as households remain in the home during the required period of affordability, determined by HUD. These adjustments are intended to reduce financial barriers and make homeownership more attainable for residents entering the housing market for the first time.

Purpose of Request: On May 11, 2023 (Resolution No. 256-2023), Council approved the 2023 Consolidated Plan HOME Investment Partnerships Program funds. REACH, Inc. was awarded \$100,000 for down-payment assistance for REACH's First-Time Homebuyers Program for low-income families and \$10,000 Administrative funds for the operation of the First-Time Homebuyer Program. The policy revisions are to increase the subsidy amount to \$50,000 per household and eliminate all repayable loans by removing the related language from the agreement and loan documentation were implemented to support a greater number of first-time homebuyers. These changes were prompted by sustained increases in housing prices within the Lexington area, which have made homeownership less attainable for many residents.

What is the cost in this budget year and future budget years? No impact on FY26 budget. No impact on future budget years.

Are the funds budgeted? N/A

File Number: 0310-26

Director/Commissioner: Reynolds/Lanter

