

# AFFORDABLE HOUSING FUND REPORT

*Rick McQuady*  
*Social Services & Public Safety Committee*  
*November 2023*

**Office of Affordable Housing**



**LEXINGTON**



## 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 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---2023

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Household Size	80% of AMI	60% of AMI	50% of AMI	30% of AMI
1	\$50,050	\$37,560	\$31,300	\$18,800
2	\$57,200	\$42,900	\$35,750	\$21,450
3	\$64,350	\$48,240	\$40,200	\$24,860
4	\$71,450	\$53,580	\$44,650	\$30,000

# Affordable Housing Costs Per Month

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Household Size	80% of AMI	60% of AMI	50% of AMI	30% of AMI
1	\$1,251	\$939	\$783	\$470
2	\$1,430	\$1,073	\$894	\$536
3	\$1,609	\$1,206	\$1,005	\$622
4	\$1,786	\$1,340	\$1,116	\$750



## Affordable Housing Board

- Jeff Fugate, Chair
- Paul Thornsberry, Vice Chair
- Laura Boison
- Janet Beard
- Vacant
- Jordan Parker
- Dan WU
- Hannah Legris
- Andrew Walker
- Barry Holmes
- Charlie Lanter
- Kyle Wicker
- John Atchison



## Advisory Committee

- Lexington Fair Housing Commission
- Lexington Housing Authority
- Urban League
- AU Associates
- Central KY Homeless and Housing Initiative
- Hope Center
- Habitat For Humanity
- Home Builders Association
- Community Ventures
- REACH
- Community Action Council
- Winterwood Property Management and Development



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## **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 financial condition of property
  - Review of vacancy rate
  - Rents being charged
  - Compare actual to pro forma projections
  - Review of reserve for 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 affordable housing program**
  - Outlined in legal agreements
  - Outlined in program guidelines



## Funding History (\$43.5 Million Total)

- Fiscal Year 2015 \$3 Million
- Fiscal Years 2016-2021 \$12 Million
- Fiscal Year 2022 \$3.5 Million
- Fiscal Year 2023 \$4.875 Million
- Fiscal Year 2024 \$ 7 Million
  
- ARPA Funds (SLFRF) \$13.125 Million



## Financial Report and Projections September 2014- June 30, 2024—General Fund Allocation

### Revenue

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Total Allocations (Includes recent addition of \$5,000,000 from Fund Balance)	\$30,375,000
Fee Income Earned	\$239,438
Loan Receipts	\$5,726,882
<b>Total</b>	<b>\$36,341,320</b>

### Expenses

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Administrative Expenses	\$1,216,372
Funding Commitments	\$28,622,233

**Funds Available** **\$6,502,715**



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# Financial Report and Projections

## SLFRF (ARPA) Allocation

### Revenue

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Total Allocations	\$13,125,000
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<b>Total</b>	<b>\$13,125,000</b>
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### Expenses

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Funding Commitments	\$11,678,802
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<b>Funds Available</b>	<b>\$1,446,198</b>
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## Fund Activity—General Fund

### **Allocations**

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Amortizing loans	\$12,563,041
Forgivable loans and grants	\$16,059,192
<b>Total Allocations</b>	<b>\$28,622,233</b>
Affordable Housing Fund Allocation Per Unit (2,988 Units)	\$9,579

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## Fund Activity—SLFRF

### **Allocations**

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Amortizing loans	\$5,324,000
Forgivable loans and grants	\$6,354,802

**Total Allocations** \$11,678,802

SLFRF Allocation Per Unit (409 Units) \$28,555

217 of the funded units also received General Fund dollars.

### **Leverage---General Fund and SLFRF**

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Outside Funding in Developments	\$390,130,970
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## Affordable Housing Units-General and SLFRF

### Units

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Affordable units preserved	966
Existing units preserved for affordable housing	627
New affordable housing units constructed	1,587
<b>Total units funded</b>	<b>3,180</b>

## Number of affordable housing units and maximum allowable incomes

Housing Units	Maximum Allowable Incomes
161	30%
318	50%
2,232	60%
469	80%

85.3% of the units funded are for households whose incomes are at or below 60% of area median income.





## **Averages: Rents and Annual Income Based on Units Placed In Service—2022**

<b>Unit Type</b>	<b>Average Rent Paid by Tenants</b>
Studio	\$439
1 Bedroom	\$407
2 Bedroom	\$588
3 Bedroom	\$626

**Average Annual Household Income: \$15,946.00**

**Updating numbers for 2023 and will send to  
Committee**



## Special Needs Populations Housed

Elderly and/or disabled	774
Homeless	107
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
<b>Total special needs units funded (34.9%)</b>	<b>1,117</b>



## Development Challenges

- Rising Interest Rates
- Operating Expense Increases
- Escalating Construction Costs
- Acquiring Viable and Affordable Land



## Projects

- St. James Place Apartments
  - 169 Deweese Street
  - Preservation of 96 units
  - Homeless
  - \$769,500 grant (Three separate allocations)
  - Rehab work ongoing—7 units and elevator improvements remain to be completed



## Projects

- 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 in 2016



## 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 in 2016



## Projects

- 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 in 2018



## 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





## Projects

- 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



## Projects

- 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



## Projects

- 7 Upper Apartments
  - 7<sup>th</sup> 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



## Projects

- 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

- 5<sup>th</sup> Street Apartments
  - 5<sup>th</sup> 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





## Projects

- 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

- 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



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## 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



## 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 grant
  - Development completed in 2021

## Projects

- 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



## Projects

- Community Initiatives LLC
  - 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
  - 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





## Projects

- 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



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## Projects

- Ash Street Development
  - 458 Ash Street
  - New construction of duplex for households at or below 80% of area median income
  - \$157,045 loan
  - Development completed in 2018



## Projects

- 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



## Projects

- 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

- Emerson Center Apartments
  - Garden Springs Drive
  - Elevator modernization
  - Low income elderly; 178 units
  - \$250,000 amortizing loan
  - Rehab work completed in 2018



## 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



## 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 deferred loan
  - Development completed in 2019





## Projects

- 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

- 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

- Arbor Youth Services
  - 1807 Dalton Court
  - Rehabilitation of home to house 6 youth (ages 18-24) at or below 50% of area median income
  - \$250,000 grant
  - Rehab work completed in 2019



## 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



## Projects

- 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.



## Projects

- 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





## Projects

- 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



## Projects

- 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



## Projects

- 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



## Projects

- **Rahsaan Berry**
  - Single family home at 745 Chiles Avenue
  - Rehabilitation of single family home for household at or below 80% of area median income
  - \$25,000 deferred/forgivable loan
  - Development ongoing



## 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





## Projects

- 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

- KBJ Construction Management
  - 458 Price Road
  - Rehab of single family home for households at or below 80% of area median income
  - \$20,000 deferred/forgivable loan
  - Development completed in 2021



## Projects

- Lexington Housing for the Handicapped
  - 3057 North Cleveland Road
  - Acquisition and rehab of 16 units for households with mental/physical disabilities
  - \$106,250 deferred/forgivable loan
  - Development ongoing



## Projects

- Winterwood Development
  - 330 Newtown Pike
  - New construction of 208 units for households at or below 60% of area median income
  - \$250,000 amortizing loan and \$250,000 deferred loan
  - Under construction



## Projects

- Christian Towers
  - Mansemar Development (Georgia)
  - 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
  - Under construction



## 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
  - Under construction



## Projects

- 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





## Projects

- The Baxter Apartments
  - 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



## 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



## Projects

- AU Associates
  - Richwood Bend Apartments
  - 100 Codell Drive
  - Construction of 84 multifamily units for households at or below 60% of area median income
  - \$840,000 deferred loan and \$420,000 amortizing loan
  - Under construction



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## Projects

- 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
  - Under Construction



## Projects

- Lexington Habitat for Humanity
  - Construction of five single family homes on Perry Street for households at or below 50% of area median income
  - \$100,000 grant
  - Completed in 2023



## 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



## Projects

- 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
  - \$1,600,000 forgivable loan
  - State and Local Fiscal Recovery Funds
  - Rehab work ongoing



## Projects

- Lexington Housing Authority
  - 572 Pemberton Street
  - New Construction of 5 townhomes for households referred by Continuum of Care
  - \$516,452 Forgivable Loan
  - State and Local Fiscal Recovery Funds
  - Under Construction





## Projects

- 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
  - Completed in 2023



## Projects

- Ashland Terrace
  - 475 S. Ashland Avenue
  - Rehabilitation of 3 units
  - \$165,000 grant
  - Construction ongoing



## Projects

- 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



## Projects

- AU Associates
  - Davis Park Station
  - Construction of 73 multifamily units on DeRoode Street. 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
  - Under construction



## Projects

- 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
  - Property has been acquired and rehab work is ongoing

