

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

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

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



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

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
Total	\$36,341,320

Expenses

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

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



Financial Report and Projections

SLFRF (ARPA) Allocation

Revenue

Total Allocations	\$13,125,000
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Total	\$13,125,000
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Expenses

Funding Commitments	\$11,678,802
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Funds Available	\$1,446,198
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Fund Activity—General Fund

Allocations

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



Fund Activity—SLFRF

Allocations

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

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

Units

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



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

Unit Type	Average Rent Paid by Tenants
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
Total special needs units funded (34.9%)	1,117



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
 - 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



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

- 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



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



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



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



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

