

ORDINANCE NO. 071, SERIES 2021

AN ORDINANCE APPROVING A PARTIAL FORGIVENESS OF A LOAN TO DIRECTIONS APARTMENTS, LLC PURSUANT TO LOUISVILLE METRO CODE OF ORDINANCES (“LMCO”) SECTION 39.131(B) (AS AMENDED).

SPONSORED BY: COUNCIL MEMBER PURVIS

WHEREAS, Directions Apartments, LLC and Louisville/Jefferson County Metro Government, on behalf of the Office of Develop Louisville, by and through its Office of Housing (“Metro Government” or “Office of Housing”) entered that certain Loan Assumption and Modification Agreement (“Agreement”) dated the 28th day of April, 2003 and recorded on May 12, 2003 in Deed Book 08138, Page 0470 in the Office of the Jefferson County Clerk, Jefferson County Kentucky; and

WHEREAS, pursuant to the Agreement, Metro Government assumed a certain Note and Mortgage referenced therein, whereby Directions Apartments, LLC became indebted to Metro Government in the amount of \$1,427,871.00; and

WHEREAS, Directions Apartments, LLC’s outstanding balance to Metro Government on ~~February 16, 2021~~ December 21, 2020 was \$1,986,990 (See letter from New Directions Housing Corporation attached as Exhibit “A”); and

WHEREAS, Directions Apartments, LLC has approached mortgage lenders in an effort to refinance its indebtedness; and

WHEREAS, to refinance its indebtedness, Directions Apartments, LLC requests Metro Government, as the holder of the Note and Mortgage, to forgive ~~Eight Hundred Eighty-One Thousand Eight Hundred and Forty Eight and 00/100 (\$881,848)~~ One Million Seventy-Nine Thousand Four Hundred and Ninety and 00/100 (\$1,079,490) Dollars of its current indebtedness, plus current interest, and a reduction of future interest to zero to

Metro Government (See Exhibit "A"); and

WHEREAS, under LMCO 39.131(B), the Mayor, by and through, Develop Louisville, on behalf of Metro Government may forgive a note in excess of \$150,000 with Metro Council approval by ordinance; and

WHEREAS, Office of Housing desires to partially forgive Directions Apartments, LLC's current indebtedness to Metro Government in the amount of ~~\$881,848~~ \$1,079,490, plus current interest, and a reduction of future interest to zero; and

WHEREAS, for the funds to be forgiven under the program, Directions Apartments, LLC shall continue to comply with the affordability and wealth building goals of the underlying Agreements.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:

SECTION I: Metro Government approves a partial forgiveness in the amount of ~~\$881,848.00~~ \$1,079,490, plus current interest, and a reduction of future interest to zero, of Directions Apartments, LLC's indebtedness to Metro Government, as evidenced in DB 08138, PG 0470 in the Office of the Jefferson County Clerk, Jefferson County Kentucky.

SECTION II: That the Mayor and other officials and employees of Develop Louisville and its Department of Housing are authorized and directed to execute all necessary agreements, notes, affidavits and other documents and to do and perform all necessary or convenient actions to carry out the purposes authorized by this Ordinance.

SECTION III: This Ordinance shall take effect upon its passage and approval.

Sonya Harward

Sonya Harward
Metro Council Clerk

David James

David James
Metro Council President

Greg Fisher

Greg Fisher
Mayor

6/14/2021

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

LOUISVILLE METRO COUNCIL
READ AND PASSED
June 10, 2021

By: *Karen M. Ferguson*