

ORDINANCE NO. \_\_\_\_\_, 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 28<sup>th</sup> 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.

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Sonya Harward  
Metro Council Clerk

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David James  
Metro Council President

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Greg Fisher  
Mayor

\_\_\_\_\_  
Approval Date

**APPROVED AS TO FORM AND LEGALITY:**

Michael J. O'Connell  
Jefferson County Attorney

By: \_\_\_\_\_