

ORDINANCE NO. 005, SERIES 2019

AN ORDINANCE APPROVING THE MODIFICATION OF THE TERMS OF TWO MORTGAGE LOAN AGREEMENTS BETWEEN NEW DIRECTIONS HOUSING CORPORATION AND LOUISVILLE/ JEFFERSON COUNTY METRO GOVERNMENT FOR BRANDEIS APARTMENTS.

SPONSORED BY: PRESIDENT DAVID JAMES

WHEREAS, Louisville Metro used federally allocated grant funds to provide two mortgage loans to New Directions Housing Corporation (“NDHC”) for Brandeis Apartments: 1) a mortgage loan in the original principal amount of \$513,334, dated February 3, 2011, bearing interest at a rate of 2 percent per annum with a maturity date of February 3, 2026; and 2) a mortgage loan in the original principal amount of \$521,000, dated February 24, 2011, bearing interest at a rate of 1 percent per annum with a maturity date of February 24, 2026;

WHEREAS, Brandeis Apartments is a 50-unit affordable housing complex that provides housing for low-income Louisville Metro residents;

WHEREAS, NDHC has requested the forgiveness of these mortgage loans in order to lower its financial obligation and thus be able to obtain a new loan with Community Housing Capital (“CHC”) to replace some of its aging infrastructure, namely the windows, at Brandeis Apartments;

WHEREAS, CHC has provided a formal commitment letter to NDHC for a \$1,000,000 loan for the improvements at Brandeis Apartments that expires on January 7, 2019;

WHEREAS, Louisville Metro, through its Office of Housing and Community Development, has determined that the improvements at Brandeis Apartments by NDHC

will further its goals for providing safe and affordable housing for low-income residents in the Louisville Metro area; and

WHEREAS, Metro Council has determined that modifying the mortgage loans is in furtherance of the public purposes of Louisville Metro.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (“COUNCIL”) AS FOLLOWS:

SECTION I: Louisville Metro Council hereby gives authority to forgive the loan in the amount of \$513,334 with New Directions Housing Corporation pursuant to Louisville Metro Code of Ordinances § 39.131.

SECTION II: Louisville Metro Council hereby gives authority to amend the loan in the amount of \$521,000 with New Directions Housing Corporation is modified pursuant to Louisville Metro Code of Ordinances § 39.131 with the terms set forth in the attached letter dated September 28, 2018 from the Office of Housing and Community Development.

SECTION III. The Mayor, OHCD, and other officials and employees of Louisville Metro 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 Resolution.

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

H. Stephen Ott
Metro Council Clerk

David James
President of the Council

Greg Fischer
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

By: _____

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