



Louisville Metro Government

Legislation Text

File #: R-226-18, Version: 1

RESOLUTION NO. _____, SERIES 2018
A RESOLUTION AUTHORIZING EARLY FORGIVENESS OF A FORGIVABLE LOAN
APPROVED FOR IMPROVEMENTS AT PURITAN APARTMENTS.
SPONSORED BY: METRO COUNCIL PRESIDENT DAVID JAMES

WHEREAS, the Office of Housing and Community Development approved a \$500,000 forgivable loan with the Puritan Organized Labor Senior House, Inc. to be forgiven as of June 30, 2021;

WHEREAS, this loan consists of HOME Investment Partnership Program funds used to make improvements to Puritan Apartments, a 249-unit affordable housing complex for seniors 62+ years old with limited income located at 1244 S. 4th Street;

WHEREAS, Puritan Apartments are now set to be purchased and completely renovated through bonds that will include Low Income Housing Tax Credits, and the apartment complex will remain as affordable housing for 30 years from the time of its completion (2019-2049);

WHEREAS, the new owners will consist of a Partnership that includes: Puritan Organized Labor Senior House, Inc., the current owner who will remain a 50 percent partner; Beacon Property Management, the property managers; SOCA YR (Spirit of Christmas All Year Round), the developer; and Boston Financial, an Investor Limited Partner;

WHEREAS, the Partnership is requesting early forgiveness of this loan because if this loan is assumed by the Partnership, in 2021 when it is forgiven it will show as "income" to the Partnership and the tax to be paid on this "income" will be a cash event that will negatively impact the construction budget as the tax payment would come from the operating funds for the project;

WHEREAS, Louisville Metro has determined that early forgiveness of this loan will further its

goals for providing safe and affordable housing for seniors with limited income in the Louisville Metro area; and

WHEREAS, Metro Council has determined that early forgiveness of this loan is in furtherance of the public purposes in Louisville Metro.

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

SECTION I: Louisville Metro Council hereby gives authority to forgive the loan in the amount of \$500,000 to Puritan Organized Labor Senior House, Inc. pursuant to Louisville Metro Code of Ordinances § 39.131.

SECTION II: The Mayor and other officials and employees of Louisville Metro are authorized and directed to execute all necessary agreements, affidavits, and other documents, and to do and perform all necessary or convenient actions to carry out the purposes authorized by this Resolution.

SECTION III: This Resolution 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: _____