

# MINUTES } CITY OF PIKEVILLE

## HOUSING DEVELOPMENT GRANT PROGRAM PUBLIC HEARING

At 7:05 P.M., Monday, August 6, 1984, City Manager Frank Carlton called to order a public hearing for the Housing Development Grant Program in the downtown area of Pikeville, Kentucky. Planning Consultant, Wil Linder explained the program and the tight timing for submittal of the HODAG grant application. He explained the fact that it would be a 60 unit midrise made of cement and brick with a parking level under the building. It is hard to justify 100 units because of the low market rent level in Pike County due to rental of mobile homes and older or substandard dwelling units. Half of the units would be singles and half two bedroom units. The rents would be over \$500 per month if the HODAG Grant was not available. With the HODAG grant, the rents could be \$325 to \$375 per month. The midrise would cost an estimated \$3,500,000. The HODAG Grant would be received by the City of Pikeville. The City would, in turn, loan the grant monies to the developer. The Developer would pay the City back the grant funds plus interest when the building loan is paid back in 20 years. The City could spend that "windfall" in 2005 for whatever purposes it deemed necessary.

Mr. Linder then explained their rental market survey. They only found a 2 1/2% vacancy rate but only could find 6 units of comparable housing - i.e. College Square. No unsubsidized rental units have been built within a 15 mile radius of Pikeville due to the high cost of construction. The rents would be above the marketable rents. Frank Morris concurred with this financial analysis. Robert Page asked several questions regarding the City's involvement in the project. The reimbursement of the grant was also questioned. The land value question was also raised and answered. The parking garage issue was discussed next. Wil Linder talked about the options for the financing of the parking garage. He also discussed the other grants the City has or plans to apply for this year. HODAG will only grant 50% of the cost. The development will pay taxes in case it is a private development.

The Public Hearing was closed at 7:45 p.m.

## SPECIAL MEETING - AUGUST 6, 1984

There was A Special Meeting of the City of Pikeville Board of Commissioners held on August 6, 1984 at 7:30 P.M. in the Regular Meeting Place of said Board in the Old City Hall Meeting Room on Division Street.

The meeting was called to order at 7:45 p.m. by Mayor W. C. Hambley, M.D. The following members were present:

COMMISSIONER: RUSH DYE  
FRANK MORRIS  
ROBERT PAGE  
MAYOR: W. C. HAMBLEY, M.D.

Commissioner Dawahare was absent.

Mayor Hambley read the full text of a Municipal Order approving an inducement contract between the City of Pikeville and the W. B. Moore Land Company under which the City would finance a portion of the cost of a low and moderate income mid-rise housing project by issuance of approximately \$2,000,000. in Multi family housing revenue bonds. After discussion and in accordance with KRS 83A. 060 it was moved by Commissioner Frank Morris, seconded by Commissioner Rush Dye to adopt and enact said Order. 0-84-011

The motion carried 3 - 1 with Commissioner Page voting "no".

Mayor Hambley then read a Resolution of the City of Pikeville, Kentucky, authorizing the filing of a Housing Development Grant (HODAG) Application for \$2,000,000 for a 60 unit mid-rise housing project. After the matter was discussed, it was moved by Commissioner Frank Morris seconded by Commissioner Rush Dye to approve the resolution subject to the HODAG Grant being a loan to the developer as spelled out in the inducement contract as approved by the previous Municipal Order. The motion carried 3 - 1 with Commissioner Page voting "NO".

Commissioner Page made the motion, seconded by Commissioner Morris to adjourn the meeting. The motion carried 4 - 0.

APPROVED

*W.C. Hambley, M.D.*