

Tax Delinquency Diversion Program November 2022

Community Affairs, Housing, Health and
Education Committee

Presented by
Laura Grabowski, Director,
Office of Housing and Community Development



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Tax Delinquency Diversion Program (TDDP)

Background

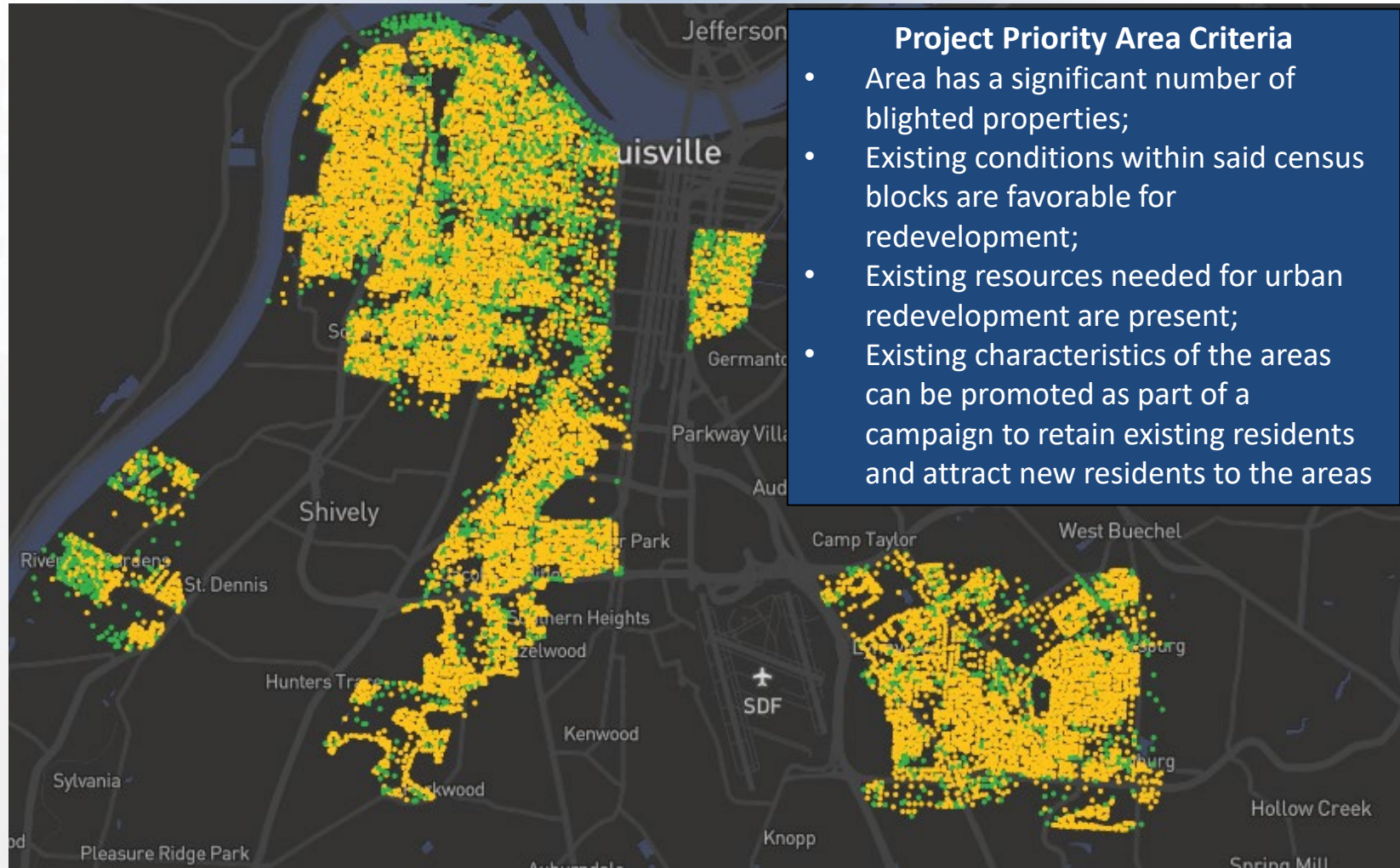
- Prevents the sale of certificates of tax delinquency in designated priority project areas to third parties for up to five years.
- Certification of priority project areas by the Landbank Authority is required prior to approval by Metro Council. The areas recommended today were certified by the Landbank in October 2022.
- Metro Council previously designated priority project areas in 2017. Designation will expire at end of 2022.



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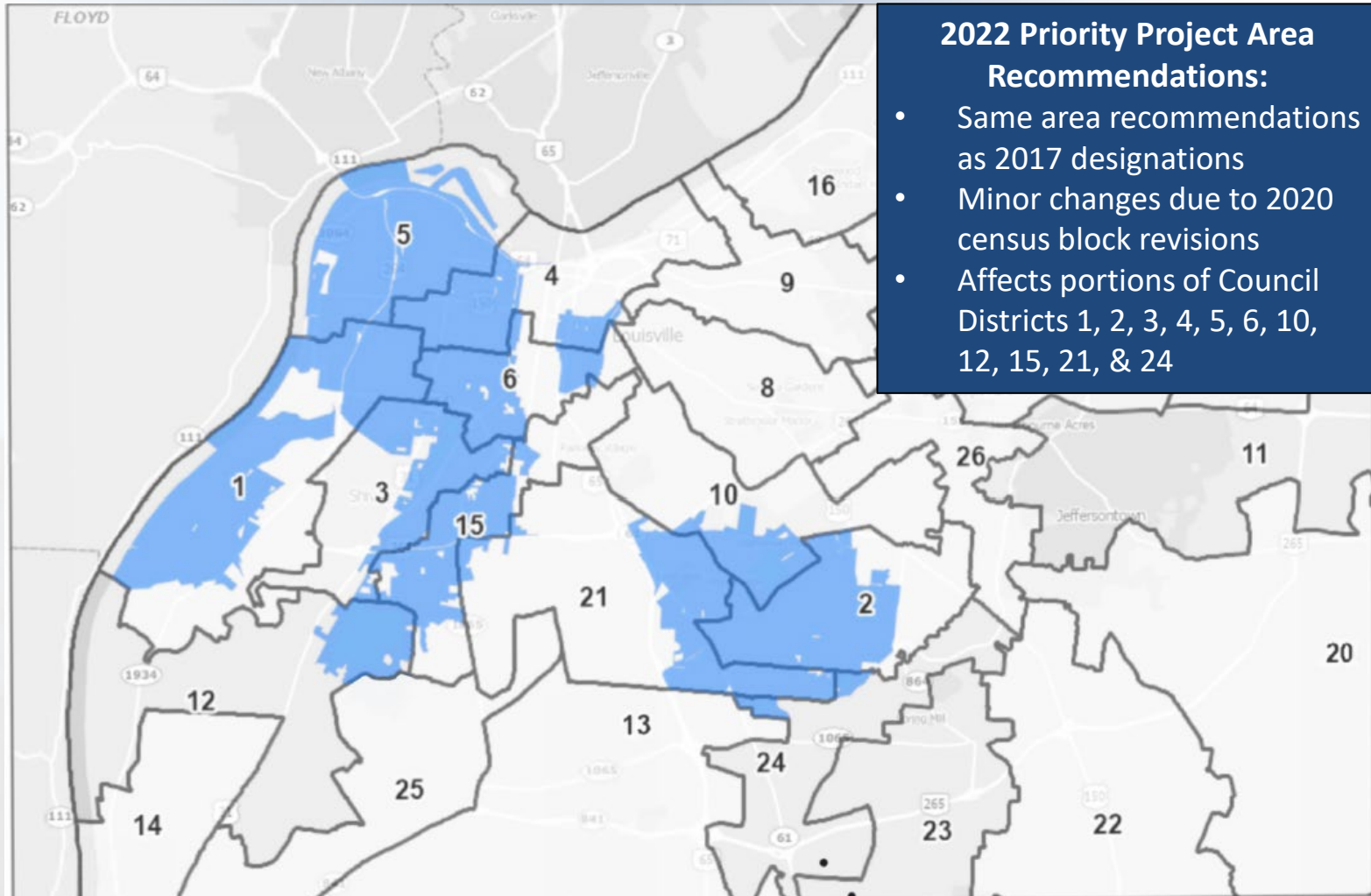
2017 Priority Project Areas



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Recommendation: 2022 Priority Project Areas



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Priority Project Area Criteria

Area has a significant number of blighted properties

- Areas have higher VAP concentrations than remainder of County
- Over 1,350 annual cut list properties in proposed areas (93% of entire list)

Existing conditions within said census blocks are favorable for redevelopment

- Large investments planned, underway, and completed – public and private
- Increasing property sales and median home prices

Existing resources needed for urban redevelopment are present

- HUD CDBG, HOME, Choice
- Other Metro funds, including Parks, Public Works, Develop Louisville (general funds and ARP)
- RAISE grant awarded – Reimagine 9th Street
- Private and nonprofit development communities

Existing characteristics of the areas can be promoted as part of a campaign to retain existing residents and attract new residents to the areas

- Historically solid stable residential neighborhoods
- Significant amount of housing stock and population density
- Served by existing infrastructure and transit
- Neighborhoods include existing parks, schools, churches, and historic attributes



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Project Priority Area Changes

2017

- Sales of delinquent tax certificates declined for several years prior to 2017
- Low median home prices compared to remainder of county
- Areas beginning to see plans for development

2022

- Approximately 800 Metro-initiated foreclosures since 2017
- Conservatorship law enacted, providing additional tool to address VAPs
- Areas seeing public and private investments
- Out of town investment companies purchasing batches of properties on private market
- Number of property sales increasing
- Median home sales prices dramatically increased in last several years
- Commissioner's sales steadily increased, including foreclosures initiated by third-party tax lien companies



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Questions?

Vacant Property and Landbank Inquiries

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