



514 W. Liberty Street
Louisville, KY 40202

Louisville Metro Government

Minutes - Final

Special Meeting of the Louisville and Jefferson County Landbank Authority, Inc.

Tuesday, May 24, 2022

4:00 p.m.

Old Jail Auditorium

This special meeting of the **Louisville and Jefferson County Landbank Authority, Inc.** (hereinafter referred to as “**LBA**”) was held via video teleconference pursuant to KRS 61.826 due to the states of emergency declared by federal, state, and local Chief Executives due to the COVID-19 pandemic. The agenda and agenda items for this meeting were electronically provided to the Board Members and the public prior to the meeting.

BOARDS OF DIRECTORS PRESENT:

William P. Schreck, Chairperson
Reverend Jamesetta Ferguson, Vice Chair
Edward D. Muns, Treasurer

LOUISVILLE METRO GOVERNMENT STAFF PRESENT:

Office of Housing and Community Development (hereinafter referred to as “**OHCD**”)

Laura Grabowski, Director
Richard Ballard, Real Estate Coordinator
Tia Bowman, Real Estate Program Supervisor
Elaine Osorio, Real Estate Coordinator
Christopher Robinson, Community Engagement Manager
Connie Sutton, Real Estate Program Coordinator
Latondra Yates, Property & Leasing Administrator

Jefferson County Attorney’s Office

Anne Scholtz, Assistant Jefferson County Attorney, (Substituting for Travis J. Fiechter, Assistant Jefferson County Attorney)

Welcome and Introductions:

Ms. Grabowski welcomed all the board members and guests and announced that this special meeting of LBA was called to discuss the results of the staff’s Racial Equity Review of the LBA’s current policies and procedures and to make recommendations as to suggested changes that the staff would like to implement based on this review to the LBA’s Real Estate Disposition Programs that were approved as of February 8, 2021.

Call to Order:

The meeting was called to order at approximately 4:04 p.m. by Chairman Schreck.

Establish Quorum:

Roll call was taken and three (3) Board members were present establishing a quorum necessary to conduct business: Dr. Ferguson, Mr. Muns, and Mr. Schreck.

New Business:

i. Racial Equity Review Results

Using a PowerPoint presentation, Ms. Grabowski updated the Board as to the status of the Racial Equity Review of the LBA's programs, using the Louisville Metro Government's Racial Equity Toolkit, initiated per Resolution 53, Series 2020 approved on September 14, 2020. Ms. Grabowski also reminded the Board that the goal of this review is to examine the impacts of the LBA's sales programs through a racial equity lens. To effectively conduct this review, a decision was made to divide it into phases described below.

- Identify four (4) stakeholder groups and draft racial equity vision for each.
 1. Neighboring residents of LBA properties
 2. LBA buyers (direct)
 3. Professionals/Contractors working on LBA projects
 4. LBA End Users
- Perform initial racial equity analysis using available information and stakeholder input.
- Recommend initial revisions to current practices.
- Present suggested organizational and sales program changes to LBA.

Ms. Grabowski then re-iterated to the Board the following Racial Equity Impact Visions for each of the four (4) stakeholder groups and the recommendations that the OHCD staff plan to perform to achieve each of these visions.

Stakeholder Identification and Racial Equity Vision

Stakeholder: Landbank Buyers	Stakeholder: Landbank End Users
<u>Racial Equity Vision:</u> Landbank programs decrease the racial wealth gap by selling directly to an increased number of Black/African American buyers.	<u>Racial Equity Vision:</u> Landbank programs through their end uses regularly support displacement prevention, improved homeownership rates, and/or improved condition of affordable rentals.
Stakeholder: Neighboring Residents	Stakeholder: Contractors/Professionals
<u>Racial Equity Vision:</u> Neighboring residents are positively impacted by Landbank property transfers. Residents receive consistent communication about Landbank properties, programs, and projects through various channels.	<u>Racial Equity Vision:</u> Landbank programs decrease the racial wealth gap by contracting directly and indirectly to an increased number of Black/African American-owned companies.

ii. Racial Equity Review Recommendations

Ms. Grabowski then discussed the following recommendations that the OHCD staff would like to implement due to its Racial Equity Review:

Recommendations	Purpose	Targeted Stakeholder Group
1. Develop an LBA-specific logo and associated marketing materials.	To improve community awareness and engagement around the Landbank and its mission.	Neighboring residents
2. Develop a community engagement program similar to Omaha's Ambassador Program .	To improve community awareness and engagement around the Landbank and its mission.	Neighboring residents
3. Developing a partnership with a technical school.	To improve community awareness and engagement around the Landbank and its mission.	Neighboring residents
4. Revise Landbank disposition programs.	Incorporate racial equity goals into disposition program design to improve racially equitable outcomes.	Landbank Buyers and End Users

Dr. Ferguson then asked if the proposed LBA logo could be changed to show a male and female figure to which Ms. Grabowski then concurred can be done. Ms. Grabowski also advised that the LBA logo will replace the Metro Government logo on all the LBA's communication and marketing materials.

Dr. Ferguson also inquired if the OHCD staff had any plans to get with the local Community Development Corporations ("CDCs") for their input relating to the Racial Equity Review to which Ms. Grabowski replied she is willing to do so if Dr. Ferguson would be willing to spread the word to the CDCs interested in such a discussion. Ms. Grabowski also added that staff would like to institute a program similar to "Brightside Champion", a community engagement program sponsored by Brightside, whose members would spread additional information about the LBA within their neighborhoods.

Ms. Grabowski also stated that there are plans in place to begin an LBA Education Class that all the applicants must take when applying for a parcel. The purpose of the class is to educate applicants of their responsibilities when applying for and owning LBA properties. It will be made available online for applicants that are not able to attend the class in-person.

The class will consist of, but not be limited to, the following topics:

- LBA's Real Estate Disposition Programs,
- LBA's application process,
- Timelines to complete a project,
- End-User Demographics,
- LBA's expectations to complete a project,
- Required maintenance of a property,
- Permits and licenses required prior to releasing deed restrictions,
- Contacting Codes & Regulations' staff upon ownership,
- Project extension requests, and.
- Deed restrictions relating to "Right of Entry".

Dr. Ferguson then suggested that the Metro Council may be willing to advertise the proposed changes in their newsletters to which Ms. Grabowski concurred and added that the OHCD staff will check into that option.

iii. Proposed Modifications to LBA's Disposition Programs

Ms. Grabowski next discussed the results of the data relating to the demographics of the LBA's buyers and how it affected the Racial Equity Review. As expected, African Americans are participating in the disposition programs at more than 50% of the time, however, they are most likely to succeed when the sale price is less costly (i.e., Adjacent Side Yard and Cut It Keep It disposition programs). Thus, the proposed recommendations to the LBA's disposition programs focus on these facts.

Ms. Grabowski then discussed with the Board the following recommendations relating to the LBA's Disposition Programs due to the Racial Equity Review:

Disposition Program Recommendations	Goal of Recommendation
A. The current terms and conditions of the " <i>Adjacent Side Yard</i> " and " <i>Last Look – Demo For Deed</i> " disposition programs would remain the same.	These programs meet racial equity goals.
B. The disposition program currently referred to as " <i>Cut It Keep It</i> " would be renamed as " <i>Lot on My Block</i> " and its Applicants can only be "individuals" who own and occupy a structure or have been long-term renters of 5 years or more on the same block as the LBA's parcel.	LBA properties would be transferred to neighborhood residents, as a business entity would not be allowed to apply for this disposition program.
C. The disposition program currently referred to as " <i>Request for Proposals ("RFP")</i> " would be renamed as the " <i>Homeowners First Program (HOF)</i> " and the following modifications will be implemented to its application review process: • A new scoring-criteria will be implemented to determine its buyers. The previous scoring-criteria favored cash buyers which put most neighboring residents at a disadvantage. • The Application window will be open for 30 days to owner-occupants only. • Developers will be eligible to purchase starting at Day 31, if committed to selling to owner-occupants. • As needed, LBA will make exterior repairs to properties to aid potential homeowners in obtaining financing. • <u>No</u> applications will be accepted if the intended end use for the rehabbed structure is "<i>rental property</i>".	Increase the LBA's homeowner rates.

Disposition Program Recommendations (con't)	Goal of Recommendation
D. The disposition program currently referred to as “ <i>Last Look – Save The Structure</i> ” would be renamed as “ <i>Last Look – Save Our Structures</i> ” and its application review process would use a new scoring criteria designed to encourage homeownership, instead of its “approved” Applicants being selected on a first-come, first-served basis.	Increase the LBA’s homeowner rates and place applicants on an equal playing field through the implementation of a scoring criteria.
E. The current terms and conditions of the “ <i>Basic Policy for Agricultural Projects Involving Community or Market Gardens</i> ” disposition program are currently being reviewed through a partnership with the UK Extension Office.	* Recommendations to be presented to the Board in Summer 2022.
F. All staff-approved applicants must attend the LBA meeting at which their resolution is being presented.	Board of Directors can address their questions directly to the applicants and keep a resolution from being tabled by the Board due to unanswered questions relating to the development project.
G. Any projects not completed within the time stated on the deed will be prohibited from future LBA purchases for a period of up to two (2) years unless an extension has been granted.	Improve compliance by LBA Buyers and prevent uncompleted development projects.
H. Applicants not adhering to the proposed end use of the property, as referred to under the proposed Scoring-Criteria, “ <i>Value to Community</i> ”, will be prohibited from future LBA purchases for a period of up to two (2) years.	Improve compliance by LBA Buyers and prevent uncompleted development projects.
I. Applicants may <u>not</u> have more than one (1) incomplete project in order to be considered for additional LBA properties.	Improve compliance by the LBA Buyers and prevent uncompleted development projects.

Mr. Muns reminded everyone that a resolution could be tabled if the staff-approved applicant cannot make it to the scheduled meeting to which Chairman Schreck agreed. Mr. Muns went on to add that he definitely would like any staff-approved applicant to know that their attendance is needed at the meeting.

Chairman Schreck then brought up the Preferred Developer Pilot to which Ms. Grabowski advised, that since that program allows up to four (4) vacant lots to be acquired at one time for new construction projects, we will have to take a look to see if we can examine this pilot to find a way to counter-act the recommendation that applicants may not have more than one (1) incomplete project in order to be considered for additional LBA properties.

iv. Proposed Scoring-Criteria to be implemented to the LBA’s Disposition Programs

Ms. Grabowski then turned the presentation over to Mr. Robinson to outline the proposed Scoring-Criteria. Mr. Robinson began the discussion by acknowledging Tia Bowman who provided valuable input in the formation of the proposed Scoring-Criteria which can award a maximum of 130 points to each application submitted to purchase an LBA property under the disposition programs to be referred to as “*Build Back Our Blocks*”, “*Homeowners First Program (HOF)*”, and “*Last Look – Save Our Structures*”.

The Scoring-Criteria will consist of the following types of measures:

Types of Measures	Scores Awarded
LBA Education Class * Maximum of 15 points awarded to each Applicant.	15 = Applicant has attended the LBA's Education Class. 0 = Applicant has <u>not</u> attended the LBA's Education Class.
Applicant's Residing Zip Code * Maximum of 20 points awarded to each Applicant.	20 = Applicant's zip code is the same as the LBA's parcel. 15 = Applicant's zip code is adjacent to the LBA's parcel. 10 = Applicant's zip code is within Metro Louisville. 5 = Applicant's zip code is outside of Metro Louisville. <i>Notes: Within Metro Louisville includes the Louisville Metropolitan Statistical Area and a Business/Organization's zip code will be determined by tax billing address or principal business address per Kentucky Secretary of State records.</i>
Value to the Community * Maximum of 40 points awarded to each Applicant.	40 = Applicant is the Owner-Occupant. 30 = Applicant sells parcel as Affordable Housing per HUD's current regulations. 20 = Applicant rents parcel as Affordable Housing per HUD current regulations. 15 = Applicant sells parcel at Market Rate. 10 = Applicant rents parcel at Market Rate. <i>Notes: All point allocations for Value to the Community will be used in determining the approved applicant submitting under the disposition programs referred to as "Build Back Our Blocks" and "Last Look – Save Our Structures". The Homeowners First Program will <u>not</u> award any points if the Applicant intends to rent the parcel as Affordable Housing or rents the parcel at Market Rate.</i>
Sustainability * Maximum of 25 points awarded to each Applicant for any improvements to the parcel that can be passed down to the buyer and have longevity benefits to the structure. <i>Examples include, but are not limited to:</i> Triple Pane Windows, TIFF application, Solar Panels, Energy Efficient HVAC and/or water system, Smart Thermostat, Metal Roof, etc.	25 = Applicant's submitted budget shows three (3) or more Sustainability Improvements. 15 = Applicant's submitted budget shows two (2) Sustainability Improvements. 5 = Applicant's submitted budget shows one (1) Sustainability Improvement.

Types of Measures	Scores Awarded
Construction Budget * Maximum of 15 points awarded to each Applicant.	15 = Applicant's submitted budget equals 85% of the construction budget determined by the OHCD's current building inspector. 10 = Applicant's submitted budget equals 70% of the construction budget determined by the OHCD's current building inspector. 5 = Applicant's submitted budget equals 60% of the construction budget determined by the OHCD's current building inspector. <i>Construction Budget Example: OHCD's building inspector proposes a construction budget of \$110,000 for the parcel. Applicant submits a budget of \$95,000 which equals 87% of the OHCD's building inspector's proposed budget (\$95,000 divided by \$110,000 = 87%). Thus, the Applicant would be awarded 15 points for Construction Budget.</i>
Completion Time Frame * Maximum of 15 points awarded to each Applicant to encourage timely completion of a construction or rehab project.	15 = Applicant's construction project to be completed within 0-12 months. 10 = Applicant's construction project to be completed within 12-18 months. 5 = Applicant's construction project to be completed after 18 months.

Mr. Robinson then presented an example of a possible Scorecard using the proposed Scoring-Criteria if an Applicant submitted an application under the “*Last Look – Save Our Structures*” disposition program.

Scoring-Criteria Scorecard	
LBA Education Class	15 = Applicant attended the class.
Applicant's Residing Zip Code	15 = Applicant's zip code is adjacent to the LBA's parcel.
Value to the Community	30 = Applicant sells parcel as Affordable Housing.
Sustainability	15 = Applicant's submitted budget shows two (2) sustainability improvements.
Construction Budget	10 = Applicant's submitted budget equals 70% of the construction budget determined by the OHCD's current building inspector.
Completion Time Frame	10 = Applicant's construction project to be completed within 12-18 months.
Total Awarded Score:	95/130

In response to the proposed Scoring-Criteria, the Board agreed that any applicant who does not follow the “*Value to Community*” scoring measure should be restricted from acquiring any other LBA properties. Mr. Muns suggested that he would prefer to see weight added to the “*Applicant's Residing Zip Code*” measure if the applicant resides in a nearby county or in Southern Indiana to which Ms. Grabowski replied that any applicant who had those types of the zip codes could fall under the Louisville Metropolitan Statistical Area. Mr. Muns and Chairman Schreck also pointed out that they would prefer to see a weight added to the “*Construction Budget*” measure if the applicant is supplying most of the labor and/or materials to complete the project. Mr. Muns also stated that he is hesitant to use “*Completion Timeframe*” as a scoring measure, when one applicant may have the capability to complete a project faster than another. Thus, Chairman Schreck recommended using milestones within an Applicant's construction timeline instead to which Ms. Grabowski replied staff can definitely consider the use of milestones as that measure is being used when reviewing applications submitted for Solicitations of Interest.

Mr. Robinson concluded the presentation by stating that over this summer OHCD staff plan to present a future resolution to the Board to formally recommend the proposed changes to the LBA's policies and procedures relating to its Real Estate Disposition Programs, incorporating the Board's input; develop and implement a communication plan around the program changes; and launch a Landbank Homeownership Fund with the assistance of local financial institutions.

The Board then expressed their appreciation for all the hard work done by the OHCD staff to complete the Racial Equity Review and come up with its proposed recommendations.

Ms. Grabowski then stated, if the public is interested in giving their input as to the proposed recommendations, please send an email to vapstat@louisvilleky.gov.

Announcements:

There were no announcements.

Adjourn:

As there were no more items of business to discuss, on a motion by Dr. Ferguson, seconded by Mr. Muns, and unanimously passed, this meeting of the LBA was adjourned at 5:20 p.m.

Closing Remarks:

Ms. Grabowski expressed her appreciation to everyone for their attendance and participation. She also reminded the board that the next meeting of the LBA will be conducted on June 13, 2022, at 3:00 p.m., at the Old Jail Building Auditorium. If the pending states of emergency declared by federal, state, and local Chief Executives due to the COVID-19 pandemic are reenacted, another video teleconference may take place.

CHAIRPERSON
LOUISVILLE AND JEFFERSON COUNTY LANDBANK AUTHORITY, INC.

OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT STAFF

DATE