

Ad Hoc Committee on Efficiencies
April 24, 2019



LOUISVILLE FORWARD

City-Controlled Vacant Property: Ownership

Close to 2,400 parcels throughout the county are controlled by Louisville Metro Government. Most are owned by LMG directly, while the Louisville/Jefferson County Landbank Authority owns the rest. Listed below are key differences between the two entities to provide context for disposition discussions. Details on each disposition process are provided later in presentation.

Louisville Metro Government

- Owns nearly 1,900 parcels across the county.
- Most are occupied by employees or used for storage.
- Less than 1% are not in use and available for sale.
- Metro cross-functional team recently revised the disposition process for Metro-owned parcels to improve efficiencies.

Louisville/Jefferson County Landbank

- Partnership between Louisville Metro, the Commonwealth of Kentucky, and the Jefferson Co. School board
- Goal is to put abandoned property back into tax-generating use.
- Owns approx. 600 parcels, mostly vacant residential lots.
- Acquires vacant and formerly abandoned properties through donations and foreclosure sales.
- Disposes of properties through competitive programs, requiring Landbank board approval.



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City-Controlled Vacant Property: Metro-owned Vacant Property Disposition Process

Disposition Process Overview

Metro Asset Team conducts research to ensure parcel is not needed for governmental purpose.

Solicitation of Interest is developed, issued, and publicized.

Once proposals are received, they are reviewed and negotiations begin related to price, use, and restrictions.

Metro Council reviews surplus resolution, determining whether property is needed for a governmental purpose.

Once approved, disposition process continues through property closing.

Disposition process improvements:

- Multiple department-level parcel inventories are combined into one centralized listing. Through inventory review, very few disposable parcels were found.
- Metro Asset Team, consisting of staff from Economic Development, Parks, Public Works, Facilities, and Vacant & Public Property Administration, communicates regularly to share information about parcel maintenance and disposition status.
- Parties interested in acquiring Metro-owned properties are routed through one agency – Vacant and Public Property Administration – for questions about Metro vacant property disposition.
- All available parcels go through a public, competitive process and will be published on the www.louisvilleky.gov website.



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City-Controlled Vacant Property: Metro-owned Vacant Properties Available for Sale

Metro has only a few properties available for sale. The largest site is Rhodia, which contains 11 parcels at 11th and Hill that are subject to environmental covenant and ongoing groundwater monitoring. To the right is the first page of the sales sheet used by Economic Development to market the Rhodia property.

AVAILABLE FOR SALE OR LEASE

1495 S. 11th Street
Louisville, KY 40210



**Unique opportunity for 16-acre redevelopment
near University of Louisville**

- 16.8-acre site (subject to survey)
- Unique Art Deco style building (4,800 sq. ft.)
- Potential uses include commercial, industrial, and office space.



This spacious site is located at the southeast intersection of 11th and Hill Streets, just south of the University of Louisville and close to downtown Louisville. This property provides easy access to the region's interstate systems, Louisville International Airport, UPS WorldHub, and Norfolk Southern rail line. Nearly 17% of Jefferson County's population lives within 3 miles of this site.



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City-Controlled Vacant Property: Landbank Property Disposition Process

The Landbank offers properties for sale via several programs designed to ensure that the formerly abandoned properties are repurposed and tax-generating. Vacant lots turn into new housing, new commercial space, sideyards for residents, or gardens. Vacant buildings are rehabilitated into occupied housing or commercial space. Sales programs are detailed on the following slide.

Acquisitions occur through property donations or through city-initiated foreclosures (based on code enforcement liens). Properties in the Landbank inventory are generally small, residential lots. Structures acquired by the Landbank are significantly deteriorated and often in need of demolition or major rehabilitation.

Landbank Inventory as of April, 2019:

Vacant Lots: 508

Vacant Structures: 66 (22 in need of demolition)



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City-Controlled Vacant Property: Landbank Property Disposition Process

Below is a listing of the Landbank sales programs, along with details and basic data. All applicants must be in compliance with Codes and Regs and have no delinquent taxes owed on any properties they own. For more information, constituents can visit our website at www.louisvilleky.gov/vacant or call us directly at 574-4200.

Program Name (lot or structure)	Program Details	FY18 & FY19 sales (207 total)
Adjacent Sideyard (lot)	Available for \$1 to owners of occupied adjacent property	48
Cut it Keep it (lot)	Maintenance program for vacant lots. Available for \$500 to owners of occupied property on same block. Deed restricted against sale for 3 years unless developed.	44
New Construction Budget Rate (lot)	Applicants provide development plans, budget, proof of funds for sale/construction, and timeline. Deeds are restricted based on proposal. Sale price \$500 or \$1,000, depending on lot size.	19
New Construction Flex Rate (lot)	Applicants provide development plans and budget. Sale price is \$.80/sq foot or assessed value of land (whichever is greater)	17
Request for Proposals (Structure)	Properties are deteriorated, but not yet demolition candidates. Open houses are held for walk-throughs. Applications scored on multiple factors, including end use, offer price, rehab cost, financing, and timeline.	29
Last Look – Save the Structure (Structure)	Properties are demolition candidates with 30 days to be saved. \$1 sales price, plus proof of funds for exterior/structural repairs. Over \$500K in demolition funds saved since 10/17.	47
Last Look – Demo for Deed (Structure)	Properties not rehabbed through “save the structure” offered for 30 days for \$1 plus the cost of demolition. City demolition costs are decreased when buyers fund demolitions.	3



Privately-Owned Vacant Property: Vacant and Abandoned Property Strategies

In addition to Landbank sales, the Office of Redevelopment and Vacant & Public Property Administration works with Codes and Regs, the Office of Management and Budget, Jefferson County Attorney's Office, and Police/Fire as needed to resolve vacant and abandoned properties using multiple strategies.

Legal tools like foreclosure are used to clean liens from the property, allowing it to be resold and repurposed. Since 2012, over 800 foreclosures were initiated by Metro, most of which end at the Commissioner's sale to be sold to the highest bidder. Legal tools are now being used in areas targeted for redevelopment and resident retention to accelerate VAP resolution efforts. Foreclosure cases average a \$6,000 initial cost to Metro, but provide revenue by collecting code enforcement/tax liens and creating future tax-generating properties.

Other strategies like demolition help neighbors by resolving the negative effects of an abandoned structure, though the ownership of the property does not change. Properties are referred for demolition by Codes and Regs and prioritized based on structural condition and other factors. FY19 demolitions to date total 105, with another 101 in process. Metro's demolition costs average \$8,500 per structure (\$12,500 for emergencies).



Vacant Property Strategies: 2012-2019 Successes

- Initiated foreclosure on over 800 properties, providing an opportunity for vacant properties to become occupied and tax-generating.
- Demolished close to 800 vacant properties, improving quality of life for neighborhood residents.
- Sold 375 properties through the Landbank, reducing drain on city maintenance resources and repurposing vacant houses and lots.
- Introduced Landbank's Last Look sales program, offering Landbank demolition candidates a chance to be rehabbed and saving the city over \$500,000 in demolition costs.



304 N. 41st St.
Before & After



New Habitat
homeowner
on Parthenia



Questions?

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