

RESOLUTION NO. 17, SERIES 2022

A RESOLUTION APPROVING MODIFICATIONS RESULTING FROM THE RACIAL EQUITY REVIEW TO THE REAL ESTATE DISPOSITION PROGRAMS OF THE LOUISVILLE AND JEFFERSON COUNTY LANDBANK AUTHORITY, INC. APPROVED ON SEPTEMBER 11, 2017 AND MODIFIED ON FEBRUARY 12, 2018, MARCH 9, 2020, AND FEBRUARY 8, 2021.

WHEREAS, pursuant to KRS 65.355 (3), the Louisville and Jefferson County Landbank Authority, Inc. (the “Authority”) was established to acquire the tax delinquent properties of the parties, properties that have become blighted or deteriorated as defined by KRS 99.705 and properties that have local government liens filed against them, to facilitate the public purpose of returning property that is in a non-revenue generating, non-tax producing status to effective utilization, including but not limited to providing housing, new industry, and jobs for the citizens of Jefferson County, Kentucky; and

WHEREAS, the Authority passed Resolution 53, Series 2020 formalizing the procedures by which current and future programs will be examined through a racial equity lens; and

WHEREAS, the Authority received an update on the racial equity review of current programs on October 18, 2021; and

WHEREAS, the update presented to the Authority included recommendations resulting from the initial review phase of the Authority’s acquisition and disposition policies using the Louisville Metro Government’s Racial Equity Toolkit; and

WHEREAS, the Board wishes to modify the Authority’s Policy for Real Estate Disposition Programs approved on September 11, 2017, and modified on February 12, 2018, March 9, 2020, and February 8, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD MEMBERS OF THE LOUISVILLE AND JEFFERSON COUNTY LANDBANK AUTHORITY, INC.,

SECTION 1. That the Board Members, of the Louisville and Jefferson County Landbank Authority, Inc., hereby approve and authorize the modifications to the policy for the Real Estate Disposition Programs of the Louisville and Jefferson County Landbank Authority, Inc. as contained in Attachment A, attached and incorporated herein by reference, for the disposition of real property owned by the Authority:

SECTION 2. That this Resolution shall become effective upon its passage and approval.

APPROVED BY: _____ **DATE APPROVED:** _____

**William P. Schreck
Chairman and President
Louisville and Jefferson County
Landbank Authority, Inc.**

APPROVED AS TO FORM:

**Travis J. Fiechter
Counsel for Louisville and Jefferson County Landbank Authority, Inc.
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Landbank Disposition Program Policies – Updated September 2022

Section 1: Requirements/Information for All Landbank Disposition Policies

The Landbank disposes of properties using multiple disposition programs designed to meet a variety of goals. The following section includes requirements and information covering all Landbank disposition programs. Program-specific information follows in Section 2.

A. Applicants:

The Landbank is charged with returning formerly abandoned properties to responsible ownership for the benefit of the community. To ensure responsible ownership in the most effective manner, Landbank buyers will adhere to the following criteria.

1. All property owned by applicant and any related entities must be in compliance at the time of application with all Louisville Metro Government laws and regulations, including (but not limited to) payment of property taxes, property maintenance, rental registry, zoning regulations, good standing with Secretary of State and Revenue Commission (as required). Applicants will be asked to disclose all real estate owned individually or as a member of a company. Staff may conduct additional research to verify applicant's eligibility status.
2. Property owners at the time of Landbank acquisition or parties to any Louisville Metro Government-initiated foreclosure are not eligible to purchase Landbank properties.
3. Applicants are strongly encouraged to participate in all available Landbank educational sessions.
4. Applicants with a resolution on the Landbank's meeting agenda are strongly encouraged to attend the board meeting virtually or in person to answer questions from the board members or anyone present at the meeting. In an applicant's absence, the resolution approving the property sale may be tabled until a time when the applicant can attend the meeting.
5. Applicants out of compliance with any prior Landbank purchase for any reason may be prohibited from new Landbank purchases for a period of up to two years. Non-compliance includes project delays past the original timeline, change of end use, premature sales of properties, or other compliance issues impacting program goals.
6. Previous Landbank buyers may submit applications for a new property if the prior projects are complete, or if no more than one of them is incomplete. Projects include any properties approved for purchase in the same application. This requirement applies to all entities in which the individual is associated. The Landbank is currently piloting a "preferred developer" program in which neighborhood-focused nonprofit organizations with homeownership missions are approved to purchase multiple properties simultaneously. This program may be formalized once the pilot is completed and evaluated.



B. Buyers:

The Landbank staff understands that development of formerly abandoned properties is complex and are committed to working with Landbank buyers through those challenges. Communication between buyers and staff is imperative for successful projects. To ensure the highest possibility of success for each project, the following responsibilities are expected from each Landbank buyer.

1. Communicating regularly with Landbank staff via phone, email, or in person about project updates, revisions, cancelations, and unexpected delays.
2. Attending a real estate closing to finalize property transfer and provide funds for deed recording costs.
3. Following all Louisville Metro Government, state, federal, and other appropriate laws and regulations related to building, construction, rehab, and property ownership. This includes, but is not limited to, applying for, and receiving all required permits, maintaining properties, and payment of property taxes.
4. Buyers should regularly communicate with the appropriate Code Enforcement Officer on project updates and change of ownership to eliminate unnecessary fines and notices.
5. Buyers will be regularly monitored by Landbank staff to ensure project progress and adherence to project and program requirements. This monitoring is in addition to any regulatory inspections that may be necessary.
6. Gathering and supplying demographic information to Landbank staff on all contractors, subcontractors, other professionals working on project, and end users. This information will be used to revise and craft future Landbank programs.
7. The Landbank publishes a monthly newsletter, an annual report, and regularly updates the community through social media and other platforms. Buyers must submit before and after project photos, proposed and actual costs, and any other information that could showcase the Landbank's efforts and/or provide information to prospective Landbank buyers. If Buyers are unable to provide this information, they should notify Landbank staff so they can secure others means to obtain this information.



C. Properties:

The Landbank regularly acquires vacant and abandoned lots and structures through property donation and foreclosure. Each property is inspected after acquisition to determine its current condition as well as the appropriate sales program. While in the Landbank's possession, properties are regularly maintained by Louisville Metro Government. The Landbank makes many properties available for expedient return to productive use and is also able to hold properties temporarily in order to fulfill long-term land use goals.

1. All parcels available for disposition must be acquired through one of the disposition programs approved by the Landbank board.
2. All real estate dispositions must be approved by the Landbank board.
3. Any parcel selected for a Louisville Metro Government-funded project will have a minimum asking price of \$1.00.
4. At their discretion, the Landbank can reserve the right to exclude any of their parcels from the outlined disposition programs.
5. Preference on all vacant lots will be given to applications proposing home ownership.
6. Exceptions to previously approved disposition policies may be made by the Landbank board. Exception requests will be reviewed against racial equity goals, community benefits, and regulatory requirements.



Landbank Disposition Program Policies – Updated August 2022

Section 2: Program-specific Policies and Information

After a racial equity review of the Landbank’s sales programs, the Landbank board approved the creation of several new disposition programs and revisions of current programs. The approved programs are listed below and information about each is included in this section.

Vacant Lot Sales Programs

- A. My New Side Yard
- B. Lot On My Block
- C. Build Back Our Blocks
- D. Grow In Your Neighborhood

Vacant Structure Sales Programs

- E. Homeowners First
- F. Save Our Structures
- G. Demo For Deed

Vacant Property Program

- H. Community Impact

Application Review

- I. Scoring Criteria



A. My New Side Yard

Program Name	My New Side Yard
Program Goal	Create low-cost opportunities for owner-occupants to acquire adjacent vacant lot to expand the use of their property.
Intended Uses	Larger yard, fenced-in area, play space, personal garden
Eligible Parcels	Vacant lots up to 4,000 square feet with no existing structures.
Eligible Applicants	Adjacent property owners, churches, businesses, and nonprofit organizations may be eligible. Intended use must be in line with program goals and submitted with the application. Owner – occupants will be prioritized.
Application Process	Applications will be reviewed in the order received.
Cost	\$1.00
Type of Transaction	Deed
Restrictions	End use of property as side yard. Should buyer wish to build new construction, Landbank approval is required.
Other Program-Specific Information	Buyer is not required to consolidate parcels but doing so will reduce the number of tax bills. Should an applicant decide to build on side yard, they will return to Landbank to request release of restrictions.
Monitoring	Annually for 3 years to check for property maintenance violations, delinquent taxes, and unexpected construction.



B. Lot On My Block

Program Name	Lot On My Block
Program Goal	Create opportunities for nearby owner-occupants to increase property ownership and build wealth by acquiring a vacant lot on their block.
Intended Uses	Garden, new construction, fenced-in area, maintained community space.
Eligible Parcels	Vacant lots up to 5,000 square feet with no existing structures.
Eligible Applicants	<ul style="list-style-type: none"> • Owner-occupants or long-term renters on same block. <ul style="list-style-type: none"> ○ A block includes all properties on the same street, between cross streets and alleys. The buyer should be able to easily see the other lot from their front or back yards. ○ “Long-term renter” is a person who has legally and verifiably occupied the same rental unit for at least 5 years. • Applicants with documented family ownership or rental history of the parcel <ul style="list-style-type: none"> ○ Eligible applicants include children, grandchildren, or great-grandchildren of a previous owner or renter. ○ Must provide intended use, plan, and project timeline.
Application Process	Applications will be reviewed in the order they are received. If two or more applications are received within 5 days of each other, preference will be given to the first owner-occupant applicant.
Cost	\$250.00
Type of Transaction	Deed
Restrictions	Buyer is restricted from selling property for 3 years from the date of purchase.
Other Program-Specific Information	Buyer may build on property. Restrictions will be released if construction is completed within 3 years of date of purchase.
Monitoring	Annual check for property maintenance violations, delinquent taxes, and construction. Monitoring at 3 years from date of purchase prior to releasing restrictions.



C. Build Back Our Blocks

Program Name	Build Back Our Blocks
Program Goal	Create affordable homeownership opportunities for neighborhood residents to build wealth through new construction
Intended Uses	New residential or commercial construction
Eligible Parcels	Vacant lots up to 10,000 square feet with no existing structures
Eligible Applicants	Individuals and organizations with plans and capacity to construct new residential or commercial buildings. Preference given to neighborhood residents and those creating homeownership or local business opportunities.
Application Process	Applications can be submitted during open 14-day window and will be scored with standard program criteria. Applicants are encouraged to self-score prior to submission. Minimum scoring threshold: 57. Maximum score: 115.
Cost	<p>Build Back our Blocks has two convenient cost options, both at a reduced rate from the private market.</p> <p>Ready Rate: Buyer provides project plan, budget, timeline, and proof of funds:</p> <ul style="list-style-type: none"> • Properties under 5,000 square feet: \$500.00 • Properties 5,001-9,999 square feet: \$1,000.00 • Properties 10,000 square feet and above: n/a, will be offered for sale via Community Impact Solicitations. <p>Opportunity Rate: Buyer provides project plan, budget, and timeline (no proof of funds):</p> <ul style="list-style-type: none"> • Properties under 5,000 square feet: \$2,500.00 • Properties 5,001-9,999 square feet: \$5,000.00 • Properties 10,000 square feet and above: n/a, will be offered for sale via Community Impact Solicitations.
Type of Transaction	Deed
Restrictions	Restrictions will include end use and timeline. May be released after construction is complete and property is occupied.
Other Program-Specific Information	<p>Applicant must provide a project plan, budget, timeline, and proof of funds. Should buyer not have proof of funds, application may be submitted with project plan, budget, timeline, and plan for raising funds.</p> <p>Organizations providing proof of funding commitment from Louisville Metro Government or the Louisville Affordable Housing Trust Fund are eligible to purchase BBOB properties for \$1.</p>
Monitoring	Projects will be regularly monitored from date of purchase through construction until completion. Monitoring will include on-site inspections (in addition to required regulatory inspections) and desk reviews (review of LMG databases for permits, violations, etc.). At initial occupancy, buyer may request release of restrictions.



D. Grow in Your Neighborhood (Note: Agricultural Programs are under review in partnership with the Jefferson County Extension Service. Recommendations for program changes are expected in the future.)

Program Name	Grow In Your Neighborhood
Program Goal	Provide opportunities for vacant land re-use as urban agriculture.
Intended Uses	Community garden, market garden, other agricultural uses
Eligible Parcels	Vacant lots up to 7,000 square feet with no existing structures
Eligible Applicants	Individuals and organizations with the capacity to complete and maintain the proposed garden project for a minimum of 3 years.
Application Process	All applications must be reviewed by the UK Extension Office representative prior to being reviewed by the Landbank staff. Applications will be reviewed in the order they are received.
Cost	Lot may be leased for \$1.00 per year pending annual renewal.
Type of Transaction	Lease
Restrictions	Use for vacant lot is limited to the proposed garden project submitted by the applicant.
Other Program-Specific Information	Applicant must provide a project plan, budget, timeline, and proof of funds. Budget and proof of funds must include 3-year operating costs. Soil testing, liability insurance, staked survey completed by a licensed surveyor, and water for purposes of maintaining the garden shall be available on site.
Monitoring	Projects will be regularly monitored from the date of lease throughout the completion of the proposed project. The lease will be reviewed annually for renewal. Monitoring will include on-site inspections and desk reviews.



E. Homeowners First

Program Name	Homeowners First
Program Goal	Create affordable homeownership opportunities for neighborhood residents to build wealth using existing buildings.
Intended Uses	Residential rehabilitation
Eligible Parcels	Existing structures deemed feasible to be rehabilitated and otherwise appropriate for this program by Landbank staff.
Eligible Applicants	Individuals committing to reside in property as primary residence for 5 years, organizations/companies committing to create affordable homeownership opportunities. This program is not designed for rentals.
Application Process	<ul style="list-style-type: none"> • For 30 calendar days after the application window opens, applications will be accepted only from individuals committing to reside in property as primary residence. Appointments will be scheduled to provide opportunities for potential homebuyers to view property. • If no viable applications are received during the first 30-day window, organizations committing to create affordable homeownership opportunities may submit applications. • All applications will be scored using standard program criteria . Minimum scoring threshold: 65. Maximum score: 130.
Cost	Land value, as determined by the most recent PVA assessment.
Type of Transaction	Deed
Restrictions	Restrictions will include end use as primary residence and a 12-month rehab timeline.
Other Program-Specific Information	<ul style="list-style-type: none"> • Applications must include project plan, itemized budget, commitment to 12-month or less rehab timeline, commitment to reside in property as primary residence for 5 years or commitment to sell property to buyer committing to same, and proof of all rehab funds/financing. • Depending on funding availability, HOF program may include exterior replacements such as windows, siding, or roof prior to transfer to homebuyer. • Affordable homeownership is defined by the home sale price and must be listed under the HUD HOME homeownership value limits set annually. Please contact staff for information.
Monitoring	Projects will be regularly monitored from date of purchase through construction until completion. Monitoring will include on-site inspections (in addition to required regulatory inspections) and desk reviews. Homeowners (direct buyers or end users) will be annually monitored to ensure property continues to be used as primary residence for 5 years.



F. Save Our Structures

Program Name	Save Our Structures
Program Goal	Preserve historic fabric of older neighborhoods by rehabilitating demolition candidates for residential or commercial uses.
Intended Uses	Residential or commercial rehabilitation
Eligible Parcels	Existing structures deemed demolition candidates by Louisville Metro Government staff.
Eligible Applicants	Individuals, nonprofit or other organizations with proven capacity to complete major rehabilitation on residential or commercial structures. Preference given to neighborhood residents and buyers creating homeownership opportunities.
Application Process	Properties will be offered for 30 days under the Save Our Structures program before moving to the Demo For Deed program. Application window will remain open for 5 business days under the Demo For Deed program. Submissions will be scored against standard program criteria. Minimum scoring threshold: 65. Maximum score: 130.
Cost	\$1.00
Type of Transaction	Deed
Restrictions	Restrictions will include end use and timeline for completion, including 6 months from sale for exterior/structural elements and 18 months from sale for entire project and occupancy.
Other Program-Specific Information	<ul style="list-style-type: none"> • Applications must include project plan, itemized budget, commitment to timeline, planned end use, and proof of all rehab funds/financing. • Buyers may enter buildings with appointment after proposal acceptance.
Monitoring	Projects will be regularly monitored from date of purchase through construction until completion. Monitoring will include on-site inspections (in addition to required regulatory inspections) and desk reviews. At initial occupancy, buyer may request release of restrictions.



G. Demo for Deed

Program Name	Demo For Deed
Program Goal	Improve neighborhoods by reducing blighted properties and creating opportunities for new residential and commercial construction.
Intended Uses	Demolition to support future residential and commercial construction.
Eligible Parcels	Existing structures with no feasible proposals during the 30-day Save Our Structures program. Other existing structures deemed appropriate for this program by Louisville Metro Government staff.
Eligible Applicants	Individuals, nonprofits, or other organizations committing to demolish the property using a licensed demolition contractor within 45 days of sale.
Application Process	Applications will be reviewed in the order received.
Cost	\$1.00
Type of Transaction	Deed
Restrictions	Restrictions will include a 45-day demolition timeline and may, depending on the historic nature of the property, include new construction restrictions (LMCO 150.110).
Other Program-Specific Information	<ul style="list-style-type: none"> • Applications must include cost estimate from licensed demolition contractor to demolish property and intended property use. • Should buyer wish instead to save property, cost estimate and plan from structural engineer may be required along with proof of funds and timeline from applicant.
Monitoring	Projects will be regularly monitored from date of purchase through demolition. Monitoring may include on-site inspections (in addition to required regulatory inspections) and desk reviews. After demolition is completed, buyer may request release of Landbank restrictions.



H. Community Impact Solicitations

Program Name	Community Impact Solicitations
Program Goal	Create neighborhood amenities by offering larger or bundled properties for redevelopment.
Intended Uses	New commercial buildings, public facilities, residential uses.
Eligible Parcels	Vacant lots over 10,000 square feet or otherwise deemed of higher potential community value, multiple parcels located in close proximity, commercial or multi-family buildings.
Eligible Applicants	Individuals, nonprofits or other organizations with the capacity to create neighborhood amenities.
Application Process	Submittals will be reviewed against project-specific scoring criteria set by the Louisville Metro Government selection committee.
Cost	Offer to be submitted with submittal.
Type of Transaction	Deed
Restrictions	Restrictions will include project completion and timeline.
Other Program-Specific Information	Applicants should review Community Impact solicitations carefully as each will differ according to neighborhood assets and challenges. Submissions should follow Community Impact solicitation requests and should include detailed plans, timeline, budgets, and proof of funds, capacity to complete project, and letters of support from community residents.
Monitoring	Projects will be regularly monitored from date of purchase through completion and then annually to ensure proposed community impact.



I. Scoring Criteria

Several Landbank programs award properties to applicants based on a set of scoring criteria, designed to advance program goals. A threshold score of 50% of the maximum needs to be met for applications to be eligible for scoring. Ties will be determined based on the Community Value and Neighborhood Residency scores of the applications. The scoring criteria are outlined below. Applicants are strongly encouraged to self-score prior to application submission.

1. **Landbank Program Education** (15 points available)
 - a. Impacted programs
 - i. Build Back Our Blocks
 - ii. Homeowners First
 - iii. Save Our Structures
 - b. Scoring Opportunities
 - i. At least one Landbank class attended within the previous 12 months (15).
 - c. Scoring Verification Method
 - i. In person or virtual attendance will be verified by staff.
2. **Neighborhood Residency** (20 points available)
 - a. Impacted programs
 - i. Build Back Our Blocks
 - ii. Homeowners First
 - iii. Save Our Structures
 - b. Scoring Opportunities
 - i. Applicant resides in same zip code as parcel. (20)
 - ii. Applicant resides in neighboring zip code to parcel. (15)
 - iii. Applicant resides within Louisville Metropolitan Statistical Area (MSA) - (contact Landbank staff for included counties). (10)
 - c. Scoring Verification Method
 - i. Individual Applicants: Primary residence verified by state-issued ID or recent utility bill.
 - ii. Organizations: Address of main office verified by Secretary of State, Revenue Commission, or other official documents.



3. **Community Value** (40 points available)
 - a. Impacted programs
 - i. Build Back Our Blocks
 - ii. Homeowners First
 - iii. Save Our Structures
 - b. Scoring Opportunities
 - i. Buyer will own and occupy property as primary residence. (40)
 - ii. Buyer will sell property as affordable housing. (30)
 - iii. Buyer will rent property as affordable housing. (20) (not eligible in HOF program)
 - iv. Buyer will sell property at market rate. (15)
 - c. Scoring Verification Method
 - i. End use included on application and monitored prior to release of deed restriction. Future opportunities limited by non-compliance.
4. **Project Completion Timeframe** (15 points available)
 - a. Impacted programs
 - i. Build Back Our Blocks
 - ii. Homeowners First
 - iii. Save Our Structures
 - b. Scoring Opportunities
 - i. Project will be completed within 12 months. (15)
 - ii. Project will be completed between 13 and 18 months. (10)
 - c. Scoring Verification Method
 - i. Timeline included with application and monitored by Landbank staff. Future opportunities limited by non-compliance.
5. **Construction Budget** (15 points available)
 - a. Impacted programs
 - i. Homeowners First
 - ii. Save Our Structures
 - b. Scoring Opportunities
 - i. Budget is at least 85% of Landbank's cost estimate. (15)
 - ii. Budget is at least 70% of Landbank's cost estimate. (10)
 - iii. Budget is at least 60% of Landbank's cost estimate. (5)
 - c. Scoring Verification Method
 - i. Budget included with application. Final expense numbers expected to be provided by buyer to Landbank staff at project completion.



6. Energy-efficiency and Sustainability (25 points available)

- a. Impacted programs
 - i. Build Back Our Blocks
 - ii. Homeowners First
 - iii. Save Our Structures
- b. Scoring Opportunities
 - i. Project includes three or more sustainability features. (25)
 - ii. Project includes two sustainability features. (15)
 - iii. Project includes one sustainability feature. (5)
 - iv. Examples of energy efficient features include but are not limited to the following: Energy Efficient appliances, Double/Triple-pane windows, Solar Panels, Energy efficient water system, Ceiling fans (1 per bedroom), Insulation over requirements in walls and rafters, Metal or cool roof, High efficiency HVAC, Smart or programmable thermostat.
- c. Scoring Verification Method
 - i. Features included in project plan and budget. Will be verified by Landbank staff during construction.



7. Disposition Program Quick-Score Sheets

a. Build Back Our Blocks

Scoring Criteria	Total Points Available	Total Expected Project Points
Landbank Program Education	15	
Neighborhood Residency	20	
Community Value	40	
Project Completion Timeline	15	
Energy-Efficiency	25	
Total	115	

b. Homeowners First

Scoring Criteria	Total Points Available	Total Expected Project Points
Landbank Program Education	15	
Neighborhood Residency	20	
Community Value	40	
Project Completion Timeline	15	
Construction Budget	15	
Energy-Efficiency	25	
Total	130	

c. Save Our Structures

Scoring Criteria	Total Points Available	Total Expected Project Points
Landbank Program Education	15	
Neighborhood Residency	20	
Community Value	40	
Project Completion Timeline	15	
Construction Budget	15	
Energy-Efficiency	25	
Total	130	