I, Ariana Levinson, am sharing this opinion after reviewing several of the Louisville Metro Housing Authority (LMHA) contracts with housing owners and a couple of contracts between owners and managers. I am not an attorney or a housing law expert and am not providing legal advice. Instead as a concerned citizen who reads regularly in the mainstream press about the atrocious conditions that my neighbors in Louisville who live in public housing face, I was curious if there is a way LMHA can terminate its relationship with the owners and managers who continue to do nothing about these unacceptable living conditions. I am convinced LMHA can, by following the terms of the contracts, terminate these harmful relationships.

Two types of contracts are involved. First, there is a contract between LMHA and an owner such as Clarksdale Rental 1 Limited Partnership. Second, there is a contract between an owner and a manager, such as CT Associates, Inc. Reading the contracts reveals how the owner can terminate its relationship with the manager and how LMHA can terminate is relationship with either the manager or owner.

As to the owner terminating its relationship with the manager, the owner can terminate the relationship without cause simply by providing written notice within a specified time period. For example, Section 28 Term of Agreement B in the management agreement related to Liberty Green states the owner can provide 30-days notice. Additionally, LHMA can direct the owner to terminate the relationship with the manager if the manager engages in willful misconduct, such as repeated violation of state and local safety laws, or simply a repeated failure to maintain the project in good repair as required by the contract, if the manager does not rectify the situation in 30 days. Similarly, the management agreement related to Sheppard Square in Article 3 Term 3.1 Term b) enables the owner to terminate the contract without cause after 60-days notice. The LMHA can terminate the agreement with the manager without cause upon 60-days notice as well. If the manager engages in willful misconduct, such as the repeated failure to maintain the property in good repair, LMHA can require the owner to immediately terminate the contract.

There is also a contractual process LMHA can use to force the owner to appoint LMHA or a manager of its selection to run the housing. For example, the contract for Liberty Green between LMHA and Clarksdale Rental 1 Limited Partnership, in Section 3 Operation of the Public Housing Units, requires maintaining the property. Under section (h) Minimum Management Standards, LMHA has the power to require the owner to terminate the management contract if there is “material physical deterioration” of the housing units. LMHA must give notice and let the owner attempt to fix the situation. Then if LMHA and the owner cannot agree on a new manager, LMHA can direct the owner to appoint itself or an entity selected by it to serve as interim manager. Then if LMHA and the owner still cannot agree, LMHA can direct selection of itself or another entity as permanent manager.

There is also a contractual process LMHA can take to terminate the owner and enter into an agreement with an owner who will insure the property is maintained in good repair. For example, in the Liberty Green contract, the owner promises it “shall at all times maintain the Development in good operating order and condition and will promptly make, from time to time, all repairs, renewals, replacements, additions and improvements in connection therewith which are necessary or desirable.” This is an additional covenant of the owner in section ii. If the owner breaches this duty to repair the properties or fails to comply with the law (even if it is the manager who fails to make the repairs although if the management agent is not an owner affiliate then the owner can try to correct the situation before being

deemed in default) then the owner is in default. If the owner fails after notice to cure the default to the satisfaction of LMHA within 30 days then LMHA can terminate the agreement.

These are three different options to terminate agreements with owners and agents who are failing to keep our public housing in acceptable conditions.