



514 W. Liberty Street
Louisville, KY 40202

Louisville Metro Government

Minutes - Final

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

Monday, October 18, 2021

3:00 p.m.

Video Teleconference

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.

BOARD OF DIRECTORS PRESENT:

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

LOUISVILLE METRO GOVERNMENT STAFF PRESENT:

Office of Community Development (hereinafter referred to as “OCD”)

Laura Grabowski, Director
Linette Huelsman, Real Estate Coordinator
Kevin Manring, Real Estate Coordinator
Ell Arnold, Project Manager
Christopher Robinson, Community Engagement Manager
Connie Sutton, Administrative Coordinator
Latondra Yates, Property & Leasing Administrator

Jefferson County Attorney’s Office

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 is being conducted via video teleconferencing pursuant to KRS 61.826. She also advised that a staff member will be monitoring the Q&A chat box at the bottom, left-hand corner of this WebEx event and respond to any questions or comments, as needed.

Call to Order:

The meeting was called to order at approximately 3:09 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. Resolution 60, Series 2021, of the Louisville and Jefferson County Landbank Authority, Inc.

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.

Initial Phase (September 2020 through September 2021):

- 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.
- Recommend initial revisions to current practices.

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

LBA Programs Racial Equity Review

Neighboring Residents of LBA Properties	
<p>Racial Equity Impact Vision: Neighboring residents are positively impacted by LBA property transfers. Residents receive consistent communication about LBA properties, programs, and projects through various channels.</p> <p>Analysis Summary:</p> <ul style="list-style-type: none">• Current communication methods focus on potential buyers.• With the location of the LBA's properties primarily in predominantly African American neighborhoods, ensuring consistent communication with neighboring residents is a racial equity issue.	<p>Recommendations:</p> <ol style="list-style-type: none">1. Develop LBA logo/marketing materials.2. Develop monthly newsletter and distribute electronically and physically.3. Improve physical signage on LBA properties.4. Create annual report and distribute electronically and physically.5. Regularly attend neighborhood meetings.6. Distribute mailers to neighboring residents when properties are acquired by LBA.7. Review best practices on project input by residents and incorporate changes, as feasible.8. Distribute information on proposed gardens to neighboring residents, partnering with University of Kentucky Cooperative Extension Service.

LBA Property Buyers	
<p>Racial Equity Impact Vision: LBA programs decrease the racial wealth gap by selling properties directly to an increased number of Black/African American buyers.</p> <p>Analysis Summary:</p> <ul style="list-style-type: none"> • Applications do not currently collect demographic information on buyers, preventing full equity analysis. • African American residents have been negatively impacted by redlining and other institutionally racist policies, preventing access to wealth. • Effects of these policies can be seen through lower homeownership rates, limited access to capital, and increased foreclosure rates. • This reality creates a gap between white and black real estate buyers, which can be presumed to apply to LBA buyers as well. 	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Revise property applications to collect demographic data on buyers. 2. Engage with financial institutions to create partnerships designed to increase capital to African American buyers. 3. Review each sales program to find and implement opportunities to decrease the racial property ownership gap.

Contractors/Professionals	
<p>Racial Equity Impact Vision: LBA programs decrease the racial wealth gap by providing contracting opportunities to an increased number of Black/African American-owned companies.</p> <p>Analysis Summary:</p> <ul style="list-style-type: none"> • LBA projects need professional services, both during LBA ownership (stabilization, lock changes, cleanouts, etc.) and once transferred to buyers (legal, realty, contractors). • Limited data collection currently exists, preventing full data analysis. 	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Collect demographic data on professional services used by LBA buyers. 2. Where possible and in line with Metro's procurement policy, contract directly with African American-owned businesses for professional services. 3. Increase engagement with African American professional service providers. 4. Review opportunities through its sales programs to incentivize LBA buyers to use African American professional service providers.

LBA End Users	
<p>Racial Equity Impact Vision: LBA programs through their end uses regularly support displacement prevention, improved homeownership rates, and/or improved condition of affordable rentals.</p> <p>Analysis Summary:</p> <ul style="list-style-type: none"> • Critics allege LBA policies contribute to gentrification, theorizing that when LBA properties are improved, the surrounding property values often increase. • Increased property values can help neighborhood residents, but not when those values increase too quickly or when financial benefits are gained only by those residing outside the neighborhood. • Current policies lack clear definition of proposed benefits to individuals and the community. • No current datapoints are collected on end users. • Not all programs require applicants to report intended end use. • One sales program (RFP) currently incentivizes owner-occupants, but they can be outscored by well-financed investors. 	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Collect data on all LBA end users. 2. Review each sales program to clarify its racial equity goals and implement revisions to the programs to meet additional goals, including improve homeownership rates among African American households, improve affordable rental conditions, and prevent displacement of long-term residents occurring due to neighborhood investment. 3. Improve partnerships with funding institutions to provide incentives to create affordable homeownership opportunities and affordable rental opportunities for African American buyers. 4. Partner with organizations to help break down barriers to property ownership. 5. Research “residents first” models of property sales and incorporate changes, as feasible, into sales programs.

The Board then had the following questions/comments as to the Racial Equity Impact Visions and the respective recommendations for the four (4) stakeholder groups:

1. Neighboring residents of LBA properties - Chairman Schreck agreed that, if regular communications are not being done with the neighboring residents when properties are acquired, more marketing and communication does need to occur. Mr. Muns concurred with Chairman Schreck and added that neighboring residents need to know how to acquire an LBA property and how to get rid of a blighted property next to them. Dr. Ferguson agreed and then added that physical signage on every available LBA property is needed, pending the costs involved, and more communication with the neighboring residents may bring more participants to the LBA’s monthly meetings.

In reply to Chairman Schreck’s inquiry relating to the LBA structures being treated for lead, Ms. Grabowski replied this service is provided when we demolish a LBA structure through a partnership between Lockup Lead and Youth Build. Ms. Grabowski also pointed out that the UK Cooperative Extension Service is currently doing soil testing for certain chemicals on various LBA properties.

2. LBA Property Buyers – Chairman Schreck agreed that we need to determine the demographics of the buyers, as well as the end users and inquired if there was any way to obtain data from the files of the properties that have already been sold, to which Ms. Grabowski replied the sold files that have not been archived can be used to gather that data. However, there is no way right now to gather the demographic data for those applicants that have been previously denied unless their contact information is still current. That is why we have added a field on our applications to collect an applicant’s demographic data, unless the applicant prefers not to supply.

3. Professionals/contractors working on LBA projects - In reply to Chairman Schreck's inquiry as to the LBA certifying a professional service provider, Ms. Grabowski stated that we only want to gather the demographic data relating to the professional service providers being hired by our buyers. Referrals are being made to the Human Relations Commission so that any minority contractor can become certified as a minority business enterprise through their office.

4. LBA End Users – All of the Board members agree that demographic data is also needed for the end users. Dr. Ferguson then asked if there is a timeline established as to when data will be collected for identified stakeholders to which Ms. Grabowski supplied the subsequent phases and their timelines:

- Implement recommendations, including improved data collection and research on best practices. (October 2021 – November 2021)
- Draft proposal with specific sale program changes. (December 2021)
- Obtain stakeholder input on proposed sales program changes, revising proposals as necessary. (December 2021 – February 2022)
- Recommend sales program changes to LBA board. (March 2022)

Chairman Schreck also commented that he would prefer that the LBA hold its properties for development and not wholesale them as it's doing now. However, he also acknowledged that there are properties in the LBA inventory that are unbuildable or have been in the inventory over 20 years with no interest shown. All the Board members acknowledged that they know the taxpayers are essentially paying for the maintenance of the LBA's properties and holding properties may not be advantageous.

Mr. Muns then suggested that another way to gain more owner-occupants may be to ease the rehab timeframe and the minimum amount of funds needed to rehab a structure to go along with the possible partnering of the professional service providers.

Chairman Schreck then pointed out that he would like to see the acceptance of our applications to purchase on a first come, first serve basis be reviewed to see if a better offer could come along for a property. Ms. Grabowski then informed the Board that the OCD's application processes will be reviewed as part of the racial equity review to see which disposition programs can be tweaked to allow a scoring criteria similar to what we are doing with our Request for Proposals program for our structures.

Chairman Schreck then inquired as to whether or not any steps have been taken to assist property owners whose tax assessments go up once their property or a neighboring property has been rehabbed and reassessed at a much higher value by the Jefferson County Property Valuation Administrator ("PVA"), to which Ms. Grabowski stated that we have added information relating to anti-displacement strategies to our website and discussions are on-going with PVA as to the tax assessment process. In addition, a local ordinance was recently changed to set a five (5) year tax moratorium as to the taxes collected solely for Jefferson County if a residence is rehabbed, leaving the tax collections for Jefferson County Public Schools and the Commonwealth of Kentucky unaffected.

Ms. Grabowski concluded the presentation by stating that the OCD will be presenting more updates and recommendations to the Board and plans to gain stakeholder input before the end of December. If anyone is interested in participating, they can send an email to vapstat@louisvilleky.gov. The OCD's list serv will also be used to send out invitations to participate.

Motion: On a motion by Mr. Muns, seconded by Dr. Ferguson, and unanimously passed, LBA Resolution 60, Series 2021, was approved. A copy of Resolution 60, Series 2021, is attached hereto and made a part hereof.

Announcements:

There were no announcements.

Adjourn:

As there were no more items of business to discuss, on a motion by Mr. Muns, seconded by Dr. Ferguson, and unanimously passed, this meeting of the LBA was adjourned at 4:12 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 November 8, 2021, 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 still in effect, another video teleconference may take place.

CHAIRPERSON
LOUISVILLE AND JEFFERSON COUNTY LANDBANK AUTHORITY, INC.

STAFF

DATE