



514 W. Liberty Street
Louisville, KY 40202

Louisville Metro Government

Minutes - Final

VAPStat Joint Meeting

Monday, February 12, 2018

3:00 p.m.

Old Jail Auditorium

The agenda and agenda items for the regular meeting of the Louisville and Jefferson County Landbank Authority, Inc. (hereinafter referred to as "LBA") were electronically provided to its Board Members prior to the meeting.

BOARDS OF DIRECTORS PRESENT:

William P. Schreck, Chairperson
Lisa Butcher, Vice Chair
Franklin Jones, Treasurer

LOUISVILLE METRO GOVERNMENT STAFF PRESENT:

Develop Louisville and Vacant & Public Property Administration (hereinafter referred to as "VPPA")

Linette Huelsman, Real Estate Coordinator
Connie Sutton, Administrative Coordinator
Joshua Watkins, Real Estate Coordinator
Latondra Yates, Property & Leasing Supervisor

Jefferson County Attorney's Office

Stephanie Malone, LBA Legal Counsel

GUESTS:

Brent Gorter, Kentucky Equity, LLC
Jeremy Dyer, The Housing Partnership, Inc.

Welcome, Introductions, and Announcements:

Ms. Yates welcomed all of the Board Members and guests, and announced that Ms. Grabowski and the rest of the VPPA staff is currently attending a standing-room only, community meeting relating to vacant and abandoned properties sponsored by the Metro Council's Community Affairs and Housing Committee at the Shawnee Golf Course. Ms. Yates added that this meeting also focused on all of the good things that VPPA has been doing in the past year relating to LBA's new disposition programs and the use of clearboarding on various vacant buildings in the Louisville Metro area.

Vacant and Abandoned Property Statistics:

Using a PowerPoint presentation, Ms. Yates provided and explained the LouieStat KPI Report for February 12, 2018. In response to Chairman Schreck's question as to the data describing the VAP Statistics and Council District VAP Ratios, Ms. Yates and Mr. Watkins replied that they are as of March, 2017 and that the recently-hired Operations Coordinator for Develop Louisville is working on getting updates that will hopefully be reported to the Board at the next meeting. Ms. Yates also stated that she will check with the pertinent divisions to see if the data relating to their monthly goals for boarding and cleaning and collections from fines, abatement costs and liens can be revised to show more realistic goals. Mr. Schreck recommended that the report be kept current as it is a good resource and that he refers interested parties to it.

Call to Order:

The meeting was called to order at approximately 3:38 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: Mr. Jones, Ms. Butcher, and Mr. Schreck.

Approval of Minutes:

Motion: On motion of Ms. Butcher, seconded by Mr. Jones, the minutes of the December 20, 2017 special meeting were unanimously approved.

New Business:

i. Resolution 2, Series 2018, of the Louisville and Jefferson County Landbank Authority, Inc.

Using a PowerPoint presentation, Ms. Yates provided an overview of the proposed criteria that will allow the Chair to sign on donations of real property accepted by LBA. The criteria to be used to accept donated property will be as follows:

- The Property is located within Jefferson County, Kentucky (Louisville Metro).
- Title to the Property is free and clear of liens or encumbrances (except delinquent property taxes owed to Louisville Metro Government and/or Louisville Metro Government assessed fines and/or fees).
- The Property is vacant.
- The Property is suitable for rehabilitation or redevelopment.

Ms. Yates re-iterated that this same criteria is currently being followed, but on the advice of Legal Counsel, is being formalized through this resolution.

Motion: On a motion of Mr. Jones, seconded by Ms. Butcher, LBA Resolution 2, Series 2018, was unanimously approved. A copy of said Resolution 2, Series 2018, is attached hereto and made a part hereof.

ii. Resolution 3, Series 2018, of the Louisville and Jefferson County Landbank Authority, Inc.

Using a PowerPoint presentation, Ms. Huelsman informed the Board that the resolution in front of them for approval consists of a listing of applicants who have submitted the appropriate documentation to purchase three (3) vacant lots up to 5,000 square feet for **\$500.00** without a plan for redevelopment. These lots have been made available through the **Vacant Lots on the Block** disposition program, also referred to as "Cut It, Keep It".

Ms. Huelsman added that these properties will be sold for **\$500.00** and that these applicants must comply with the requirements of the LBA's Pricing Policy for Vacant Lots on the Block which was approved on September 11, 2017. Those requirements are to not sell the property for three (3) years from the date of the deed and maintain the lot in a manner consistent with the codes and ordinances of the Louisville/Jefferson County Metro Government. If an applicant builds on the lot within three (3) years from the date of the Deed, the sale restriction will be released. The subsequent Deeds will list these requirements and will restrict the applicants from selling the property within three (3) years from the date of the Deed.

In reply to Mr. Jones's question as to the return of the property to LBA if the applicants failed to meet the deed restrictions, Ms. Malone stated that we would request that the property be returned, but if the applicant fails to return the property, a lawsuit may have to be initiated.

Motion: On a motion of Mr. Jones, seconded by Ms. Butcher, and unanimously passed, Resolution 3, Series 2018, was approved.

iii. Resolution 4, Series 2018, of the Louisville and Jefferson County Landbank Authority, Inc.

Using a PowerPoint presentation, Ms. Huelsman informed the Board that one (1) additional structure has been made available to purchase through the **Demolition Candidates -Phases 1 and 2** disposition programs, also referred to as the "Last Look Initiative".

Ms. Huelsman added that the property located at 327 North 22nd Street will be sold for **\$1.00** and that any applicants must comply with the requirements of the LBA's Pricing Policy for Demolition Candidates – Phases 1 and 2 which were approved on September 11, 2017. Those requirements are that the applicants submitting for Phase 1, i.e., "Save the Structure", must complete the structure's required renovations within 18 months from the date of sale - 6 months for exterior and structural repairs and 12 months for the remaining interior repairs. The approval of this resolution will allow the VPPA to convey the available property to a qualified applicant. Ms. Huelsman also stated that the amount of minimum funds required for the subject property, \$13,780, was suggested by a Codes and Regulations' Building Inspector and should complete the external renovations of the structure.

Motion: On a motion of Ms. Butcher, seconded by Mr. Jones, and unanimously passed, LBA Resolution 4, Series 2018, was approved.

iv. Resolution 5, Series 2018, of the Louisville and Jefferson County Landbank Authority, Inc.

Using a PowerPoint presentation, Mr. Watkins provided an overview of the proposed transfer of the real properties located at 2816 South 6th Street, 1501 Bicknell Avenue, and 702 M Street.

In addition, Mr. Watkins detailed how the actual sales price was set for the properties, how the construction designs will work within the property at 1501 Bicknell Avenue due to its odd shape, how each residence will be occupied based on the building designs and budget provided by The Housing Partnership, Inc., and what he believed would happen to the pending funding if the board could not approve the resolution today.

This motion was then tabled by the Board to allow Jeremy Dyer, of The Housing Partnership, Inc., time to arrive and provide additional information as to the proposed construction project.

Once Mr. Dyer was in attendance, he explained to the board that a three (3) bedroom, three (3) bath, single-family residence separately housing three (3) disabled individuals is planned to be built on each of the subject properties. The construction budget also takes into account for each residence the requirements of the Americans with Disability Act.

Mr. Dyer also confirmed that the project's financing through the Louisville Metro Affordable Housing Trust Fund and the Federal Home Loan Bank is dependent on his corporation having site control of the subject properties before February 22nd. Mr. Dyer added that the Federal Home Loan Bank is requiring a resubmission of their application before they will release any funds. Therefore, the Board must approve this purchase for the project to move forward.

Mr. Dyer also informed the Board that their partner, Day Spring Community Living, is a non-profit organization whose staff will be on site to aid the occupants in adapting to their new surroundings. Plus, Day Spring Community Living manages other assisted living homes in the Louisville Metro area.

Each of the assisted living homes according to Mr. Dyer will be rented as nine (9) separate units per the income requirements set out by the Louisville Metro Affordable Housing Trust Fund. Mr. Dyer believes these terms and conditions are very similar to those currently in place for Section 8 housing and sees no problem in obtaining renters for the units.

Motion: On a motion of Ms. Butcher, seconded by Mr. Jones, and unanimously passed, LBA Resolution 5, Series 2018, was approved.

v. Resolution 6, Series 2018, of the Louisville and Jefferson County Landbank Authority, Inc.

Using a PowerPoint presentation, Mr. Watkins provided an overview of the proposed transfer of the real property located at 1133 South 2nd Street which is the subject matter of the Resolution.

Mr. Gorter then explained the intent behind his company's purchase of the subject property and answered questions from the Board relating to its construction plans to build a multi-family dwelling of four (4) units in Old Louisville for qualified, high-end renters. Mr. Gorter also stated that, since the former structure located on the property was demolished by Louisville Metro Government, he did not see any reason for concern once construction begins.

Motion: On a motion of Mr. Jones, seconded by Ms. Butcher, and unanimously passed, LBA Resolution 6, Series 2018, was approved.

vi. Resolution 7, Series 2018, of the Louisville and Jefferson County Landbank Authority, Inc.

Using a PowerPoint presentation, Mr. Watkins provided an overview of the proposed transfer of the real property located at 2705 West Jefferson Street which is the subject matter of the Resolution.

Mr. Watkins then explained the intent behind Woodville, LCC's purchase of the subject property under the LBA's Market Rate Policy and answered questions from the Board relating to the applicant's plans to construct a multi-family dwelling and parking on the adjoining property owned by the applicant which has already been presented to Planning & Design Services.

Mr. Watkins also stated that the applicant has done new construction before outside the city, and although the managing member of Woodyville, LLC lives in New York, he currently owns a rental property here in Louisville. The managing member became interested in this property due to the development going on right now in the Russell neighborhood where this property and his rental property are situated.

Ms. Malone then asked Mr. Watkins for confirmation that the Market Rate Policy does not require a timeframe for the completion of the multi-family dwelling to which Mr. Watkins concurred. Ms. Malone then pointed out to the Board that a correction needed to be made to the resolution to remove the eighteen (18) month construction deadline in Section 4.

Motion: On a motion of Mr. Jones to approve Resolution 7, Series 2018 with a correction to Section 4 to remove the construction deadline, seconded by Ms. Butcher, and unanimously passed, LBA Resolution 7, Series 2018, was approved.

Old Business:

i. Resolution 1, Series 2018, of the Louisville and Jefferson County Landbank Authority, Inc.

Using a PowerPoint presentation, Mr. Watkins provided an overview of the proposed changes to the Minimum Pricing Policy of the LBA that was approved on September 11, 2017. Those requested modifications are as follows:

1. Names of the Real Estate Disposition Programs to be changed to:
 - a) "Basic Policy" for Agricultural/New Construction Projects to "Budget Rate Policy" for Agricultural/New Construction Projects,
 - b) "Vacant Lots on the Block" to "Cut It Keep It",
 - c) "Market Rate Policy" for Agricultural/New Construction Projects to "Flex Rate Policy" for Agricultural/New Construction Projects,
 - d) "Last Look – Demolition Candidates – Phase 1" to "Last Look – Save The Structure", and
 - e) "Last Look – Demolition Candidates – Phase 2" to "Last Look – Demo For Deed".
2. Increase the lot size for Vacant Lots on the Block to 7,000 square feet and remove the payment of property taxes as a deed restriction since property taxes are required to be paid by all property owners unless they are tax exempt.

Mr. Watkins also presented an illustration as to how the increase to 7,000 square feet for a parcel's required lot size will affect the number of properties that can be sold under the Cut It Keep It program. Based on the properties currently available for sale in LBA's inventory, 42 new properties will be available to sell under Cut It Keep It. Mr. Watkins added that Cut It Keep It has been very popular since its inception in October, 2017.

In response to Chairman Schreck's concerns as to whether or not these 42 lots would be eliminated for new construction, Mr. Watkins replied that five (5) applications submitted for Cut It Keep It could not be approved due to the lot size of the requested parcels being over 5,000 square feet. Plus, this change does not eliminate any future applications for new construction on these lots. The applicants are being given the option to choose a second disposition program to submit under.

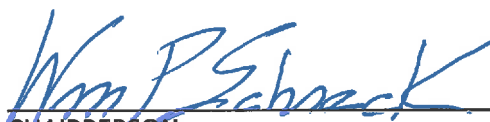
Motion: On a motion of Mr. Jones, seconded by Ms. Butcher, LBA Resolution 1, Series 2018, was unanimously approved. A copy of said Resolution 1, Series 2018, is attached hereto and made a part hereof.

Adjourn:

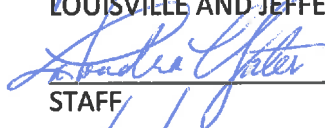
As there were no more items of business to discuss, on a motion by Mr. Jones, seconded by Ms. Butcher, and unanimously passed, the meeting of the Louisville and Jefferson County Landbank Authority, Inc. was adjourned at 4:52 p.m.

Closing Remarks:

Mr. Watkins expressed his appreciation to everyone for their attendance and participation, and added that the next VAPStat Joint Meeting is scheduled for 3:00 p.m., on March 12, 2018, at the Old Jail Building Auditorium.



CHAIRPERSON
LOUISVILLE AND JEFFERSON COUNTY LANDBANK AUTHORITY, INC.



STAFF

3/21/18

DATE