

RESOLUTION NO. _____

**APPROVAL OF INTERGOVERNMENTAL AGREEMENT BETWEEN THE
LOUISVILLE METRO HOUSING AUTHORITY AND THE OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT FOR HOME REPAIR PROGRAM**

Item No. 5e

WHEREAS, the Louisville Metro office of Housing and Community Development (OHCD) currently manages several home repair programs funded by the U. S. Department of Housing and Urban Development (HUD); and

WHEREAS, in the interest of promoting investment without displacement, the Louisville Metro Housing Authority (LMHA) through its Moving to Work (MTW) authority developed a local, non-traditional activity for homeownership assistance to existing, cost-burdened homeowners in the Russell, Park DuValle, Smoketown and Phoenix Hill neighborhoods who purchased their homes prior to HOPE VI or Choice Neighborhoods development, the Home Preservation Program (HPP); and

WHEREAS, the Housing Quality Standards (HQS) inspections of the majority of the initial applicants' homes for the above program showed significant deficiencies beyond the financial ability of the homeowners to repair; and

WHEREAS, HUD approved LMHA's request for an important change to HPP of providing forgivable loans of up to \$25,000 to assist low-income homeowners to complete repairs needed to bring their homes into compliance with HQS; and

WHEREAS, LMHA determined the most efficient method to administer this activity would be through the existing home repair programs of the OHCD.

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NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS that the Executive Director and Contracting Officer, Lisa Osanka, is hereby authorized to enter into an Intergovernmental Agreement with the Louisville Metro Office of Housing and Community Development to provide home repair services for an amount not to exceed \$2,500,000. The initial agreement will be for one year.

BE IT FURTHER RESOLVED that the Executive Director is authorized to extend this Intergovernmental Agreement as needed and as agreed to by both parties and to negotiate all contractual documents with the OCHD on behalf of LMHA.

RESOLUTION BACKGROUND STATEMENT

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I. STATEMENT OF FACTS:

The Louisville Metro Housing Authority (LMHA) has led the efforts through both HUD's HOPE VI and Choice Neighborhoods programs that resulted in substantial investments in the Park DuValle, Phoenix Hill, Smoketown and Russell neighborhoods.

Due to property tax and insurance rate increases, predatory lending and/or the loss of income, many homeowners who purchased in those neighborhoods prior to these investments now find themselves not only paying well over 30% of their income toward homeowner expenses, but also unable to afford the home repair needed to preserve the value of their investment and maintain a healthy living environment.

Once home repairs are completed, LMHA will be able to assist eligible homeowners with their monthly homeownership costs through the Home Preservation Program (HPP).

LMHA wishes to enter into an intergovernmental agreement with the Louisville Metro Office of Housing and Community Development (OHCD) to administer and manage the home repairs for families eligible to join HPP alongside OHCD's other home repair programs.

II. ALTERNATIVES:

- A. Approve an intergovernmental agreement with the Office of Housing and Community Development for home repairs.
- B. Do not approve the intergovernmental agreement at this time.

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III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

OHCD operates several home repair programs throughout Jefferson County. Bids for repairs to each individual residence are secured from a pool of qualified contractors and OHCD staff provides oversight of each project. This will protect homeowners from potential unscrupulous and predatory practices by contractors.

The expansion of LMHA's in-house capacity would require hiring and training additional personnel, purchase of additional equipment and the development of a pool of qualified contractors.

The utilization of OHCD home repair programs provides a seamless and proven source of assistance to eligible homeowners. This is in keeping with the intent of merged government.

The compensation is reasonable based on administration fees allowed by HUD for OHCD's home repair programs and the cost for LMHA in starting an in-house program.

V. BUDGET APPROVAL:

Funding for this project is provided by surplus MTW Section 8 Reserves.

Angela Larsson, Director of Finance

Date

Submitted by: Dan Farrell
Director of Special Programs
August 17, 2021