

RESOLUTION NO. _____

**AUTHORIZATION TO SELL 1638 W KENTUCKY STREET
CONDO UNITS #1, 4, 5, 7, 8, 9, 10, 11, 14, & 16**

Item No. 5a

WHEREAS, the Louisville Metro Housing Authority (LMHA) owns ten Condominium Units located at 1638 W. Kentucky; and

WHEREAS, LMHA requested and received an amended approval from the HUD Special Applications Center on July 13, 2018 to advertise the units for sale. LMHA considered several options, including retaining ownership of the subject units as well as listing with a real estate agent and selling to a successful bidder, but such efforts were unsuccessful. LMHA advertised the units on July 2, 2021 and two bids were received. One bidder was responsive but declined to proceed with purchase. The units were re-advertised on September 22, 2021. One responsive bid was received; and

WHEREAS, REBOUND, Inc. was the responsive bidder and has agreed to purchase the units for a sum of \$205,000.00. The appraised value is \$205,000.

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 execute documents necessary to sell 1638 W. Kentucky Street (10 units) to REBOUND, Inc. for \$205,000.00.

RESOLUTION BACKGROUND STATEMENT

AUTHORIZATION TO SELL 1638 W KENTUCKY STREET CONDO UNITS #1, 4, 5, 7, 8, 9, 10, 11, 14, & 16

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I. STATEMENT OF FACTS:

LMHA proposes to sell 1638 W. Kentucky Street (10 Condo units), to REBOUND, Inc.

LMHA received original HUD approval on December 7, 2015. The units were slated to be disposed and used as student housing. LMHA relocated the residents between January 8, 2016 and May 19, 2016 in anticipation of the sale.

Over a two-year span, LMHA gave the negotiated buyer numerous extensions. However, they were unable to secure funding. During this timeframe, the resulting vacant units experienced extreme vandalism. It was determined that rehabilitation of the units would be too costly for LMHA to justify.

LMHA requested and received an amended HUD approval on July 13, 2018 to advertise the units for sale. At this time, LMHA considered several options to address the units such as selling the subject units or retaining ownership of the units and attempt to purchase the privately owned units, which would allow the condominium regime to be dissolved and LMHA could operate the site as typical public housing.

In 2019 LMHA used realtor services to reach out to each of the private owners. Efforts to acquire the privately owned units were not successful. In early 2020 LMHA requested a realtor to list and sell units on the open market. Shortly after this request, the COVID-19 pandemic occurred, and the listing was unable to proceed.

The units were advertised on July 2, 2021 and two bids were received. One bidder was responsive but declined to proceed with purchase. The units were re-advertised on September 22, 2021. One responsive bid was received.

The responsive bidder has agreed to purchase the units for a sum of \$205,000.00. The appraised value is \$205,000.

<u>Bidder</u>	<u>Bid Amount</u>
REBOUND, Inc.	\$205,000

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II. ALTERNATIVES:

- A. Approve selling the property to REBOUND, Inc. for \$205,000.00.
- B. Do not sell the property and pursue other options.

III. RECOMMENDATION:

Staff recommends Alternative "A".

IV. JUSTIFICATION:

- The cost to renovate the condo units would be excessive.
- LMHA will not have to maintain the disposed units.
- LMHA will receive fair market value for disposed units.
- Buyer proposes to renovate each condo unit and subsequently market these units to low-to-moderate households earning at or below 80 percent of the median family income for Louisville-Jefferson County. It is the intention of the buyer to hire General Contractors for the construction that will be comprised of minority-owned small businesses.

V. PROCUREMENT CERTIFICATION:

This sale is in compliance with Louisville Metro Housing Authority policy.

Steve Webb, Purchasing Agent

Date

Prepared by: Tonya M. Wise
Capital Improvements Planner

Submitted by: Jeff Ralph, Director
Strategic Initiatives Department
November 16, 2021