

RESOLUTION NO. _____

AUTHORIZATION TO SUBMIT 3600, 3602, 3618 & 3620 MANSLICK ROAD TO THE HOUSING & URBAN DEVELOPMENT SPECIAL APPLICATIONS CENTER (HUD SAC) FOR DISPOSITION APPROVAL

Item No. 5B

WHEREAS, the Louisville Metro Housing Authority (LMHA) is seeking authorization to submit property located at 3600, 3602, 3618 and 3620 Manslick Road to the Housing & Urban Development Special Applications Center (HUD SAC) for disposition approval; and

WHEREAS, the vacant apartments are located in four (4) two story buildings, with each building consisting of four (4) 2-bedroom apartment units for a total of sixteen units; and

WHEREAS, based on the site review conducted on July 26, 2022, apartment unit interiors have deteriorated to a condition that will require substantial rehab of the apartment. Several units have had significant fire damage and others have been vandalized. The substantial rehab includes, but not limited to, removal of floor finishes to expose the subfloor, removal of all gypsum board on walls and ceilings to expose wood framing, remove all doors & hardware, remove all cabinets and appliances, remove all HVAC, plumbing and electrical systems, exterior siding, windows, and insulation; and

WHEREAS, the substantial rehab cost is estimated at \$3,545,600. This cost does not include reconfiguration of units, site remediation for drainage issues, mold remediation or materials that may be impacted due to environmental conditions. This property has been deemed too costly for LMHA to justify rehabilitation; and

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WHEREAS, HUD SAC disposition approval will permit LMHA to advertise the sixteen units for sale at Fair Market Value as determined by an April 2022 appraisal and to dispose of the property to a successful bidder.

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 submit to HUD SAC for disposition approval of 3600, 3602, 3618 and 3620 Manslick Road.

RESOLUTION BACKGROUND STATEMENT

AUTHORIZATION TO SUBMIT 3600, 3602, 3618 & 3620 MANSCLICK ROAD TO THE HOUSING & URBAN DEVELOPMENT SPECIAL APPLICATIONS CENTER (HUD SAC) FOR DISPOSITION APPROVAL

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I. STATEMENT OF FACTS:

LMHA is seeking authorization to submit property located at 3600, 3602, 3618 and 3620 Manslick Road to the Housing & Urban Development Special Applications Center (HUD SAC) for disposition approval. The buildings were purchased in 2008 for \$770,000. The apartments are in four (4) two story buildings, with each building consisting of four (4) 2-bedroom apartment units for a total of sixteen units. The site consists of two non-contiguous parcels that are separated by additional apartment buildings that are not owned by LMHA. All LMHA units are currently vacant. Due to safety concerns, the three tenants that remained at site were transferred to other affordable housing units.

Based on the site review conducted on July 26, 2022, apartment unit interiors have deteriorated to a condition that will require substantial rehab of the apartment. Several units have had significant fire damage and others have been vandalized. The substantial rehab includes, but not limited to, removal of floor finishes to expose the subfloor, removal of all gypsum board on walls and ceilings to expose wood framing, remove all doors & hardware, remove all cabinets and appliances, remove all HVAC, plumbing and electrical systems, exterior siding, windows, and insulation.

The substantial rehab cost is estimated at \$3,545,600. This cost does not include reconfiguration of unit, site remediation for drainage issues, mold remediation or materials that may be impacted due to environmental conditions. Site remediation is further complicated because the four buildings are not contiguous. Correcting drainage issues will also require improvements to the non-owned parcel. This property has been deemed too costly for LMHA to justify rehabilitation.

II. ALTERNATIVES:

- A. Authorize disposition submittal to HUD SAC.
- B. Do not authorize disposition submittal to HUD SAC.

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III. RECOMMENDATION:

Staff recommends Alternative "A"

IV. JUSTIFICATION:

- LMHA will receive Fair Market Value for units.
- The sale proceeds will be available to support affordable housing opportunities.
- LMHA will not have to maintain the disposed property.

V. PROCUREMENT CERTIFICATION:

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

Prepared by: Tonya M. Wise
Capital Improvements Planner

Submitted by: Jeff Ralph, Director
Strategic Initiatives Department
October 18, 2022