

RESOLUTION NO. _____

AUTHORIZATION TO SELL 1638 W KENTUCKY STREET #15 TO REBOUND, INC.

Item No. 5D

WHEREAS, On December 7, 2015, the Louisville Metro Housing Authority (LMHA) received approval for disposition application #DDA0006949 from the Housing and Urban Development (HUD) Special Applications Center (SAC) to dispose of 23 units on West Kentucky Street to Simmons College. However, the sale to Simmons College ultimately resulted in the sale of only six of these units. On July 13, 2018, LMHA received an amended approval from the SAC to sell the remaining 17 units to an “unidentified” buyer via a competitive bid process. REBOUND, Inc. ultimately purchased these 17 units, which included seven (7) units at 1644 W. Kentucky Street and 10 units at 1638 W. Kentucky Street; and

WHEREAS, LMHA continues to own one unit #15 at 1638 W. Kentucky Street, which REBOUND also wanted to purchase when they bought the other 17. LMHA was not able to include this unit in the 2018 amendment because the Authority’s ownership of the unit had not been finalized at that time due to complications related to the previous owner’s death. Negotiations with the grantor’s spouse took several years to finalize as the spouse lived in a different state and became ill during the process, so it was February 2020 before the transfer was able to take place; and

WHEREAS, to expedite the sale of this unit to REBOUND, Inc., LMHA has requested that the HUD SAC amend their previous approval to include 1638 W. Kentucky #15. Pending approval of this amendment, REBOUND, Inc., will purchase 1638 W. Kentucky #15 for \$20,500.00, the Fair Market Value and the price paid for the other 10 units purchased at this address; and

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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, after HUD SAC approval is received, is hereby authorized to execute documents necessary to sell 1638 W. Kentucky Street #15 for \$20,500.00 to REBOUND, Inc.

RESOLUTION BACKGROUND STATEMENT

AUTHORIZATION TO SELL 1638 W KENTUCKY STREET #15 TO REBOUND, INC.

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I. STATEMENT OF FACTS:

On December 7, 2015, the Louisville Metro Housing Authority (LMHA) received approval for disposition application #DDA0006949 from the Housing and Urban Development (HUD) Special Applications Center (SAC) to dispose of 23 units on West Kentucky Street to Simmons College. However, the sale to Simmons College ultimately included only six of these units. On July 13, 2018, LMHA received an amended approval from the SAC to sell the remaining 17 units to an “unidentified” buyer via a competitive bid process. REBOUND, Inc. ultimately purchased these 17 units, which included seven (7) units at 1644 W. Kentucky Street and 10 units at 1638 W. Kentucky Street.

LMHA continues to own one unit #15 at 1638 W. Kentucky Street, which REBOUND also wanted to purchase when they bought the other 17. LMHA was not able to include this unit in the 2018 amendment because the Authority’s ownership of the unit had not been finalized at that time due to complications related to the previous owner’s death. Negotiations with the grantor’s spouse took several years to finalize as the spouse lived in a different state and became ill during the process, so it was February 2020 before the transfer was able to take place.

To expedite the sale of this unit to REBOUND, Inc., LMHA has requested that the HUD SAC amend their previous approval to include 1638 W. Kentucky #15. Pending approval of this amendment, REBOUND, Inc., will purchase 1638 W. Kentucky #15 for \$20,500.00, the Fair Market Value and the price paid for the other 10 units purchased at this address.

If approved, this amendment will alleviate the need for LMHA to manage and maintain a lone unit at this site and provide LMHA with additional funds toward the purchase or development of additional replacement housing. The sale of this unit will also assist REBOUND Inc. in promoting community development and improving housing stability in low-income and vulnerable families by expanding affordable rental opportunities.

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II. ALTERNATIVES:

- A. Approve selling the property to REBOUND, Inc. for \$20,500.00.
- B. Do not sell the property and pursue other options.

III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

- The cost to renovate the condominium unit would be excessive.
- LMHA will not have to maintain the disposed unit.
- LMHA will receive a fair market value for the disposed unit.
- The buyer proposes to renovate the condominium unit and subsequently market the unit 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 and submitted by:

Tonya M. Wise, Capital Improvements Planner
Kathleen O'Neil, Director Strategic Initiatives Dept.
October 17, 2023