

RESOLUTION NO. \_\_\_\_\_

**AUTHORIZATION TO ENTER INTO A DEVELOPER AGREEMENT WITH  
RIVER CITY HOUSING, INC. FOR  
SHEPPARD SQUARE LOTS #5, #6, #7, #8, #9, #10 AND #11**

Item No. 5K

WHEREAS, the Louisville Metro Housing Authority (LMHA) owned 23 lots on Hancock and John Little streets between Jacob and Lampton streets that were reserved for homeownership development in conjunction with the Sheppard Square HOPE VI Revitalization initiative; and

WHEREAS, LMHA issued a *Request for Letters of Interest* (RLI) for developers of these homeownership lots via the Courier Journal, Louisville Defender, and the LMHA web page; and

WHEREAS, River City Housing, Inc. responded to LMHA's RLI and is proposing to develop seven lots (#5, #6, #7, #8, #9, #10 and #11) to be used for the construction of affordable single-family homes for low income-eligible families; and

WHEREAS, River City Housing, Inc. is a partner, along with REBOUND, Inc. and Bates Community Development Corporation, in creating the Smoketown Community Land Trust (SCLT), and the SCLT has selected River City Housing to develop their first homeownership units; and

WHEREAS, River City Housing wishes to enter into a Development Agreement with LMHA, which will provide River City Housing the opportunity to reserve the seven (7) aforementioned lots for the construction of seven single-

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family homes that meet the design criteria outlined in the development agreement and allow LMHA and River City Housing to convey the land at the cost of \$1.00 and improvements respectively, to income-eligible homebuyers that are participating in the Smoketown Community Land Trust program.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that the Executive Director and Contracting Officer is hereby authorized to enter into a Development Agreement with River City Housing and to execute any documents necessary to sell and improve lots #5, #6, #7, #8, #9, #10 and #11 at \$1.00 each, to low-income eligible buyers of the seven single-family affordable homes built on these lots.

## RESOLUTION BACKGROUND STATEMENT

### AUTHORIZATION TO ENTER INTO A DEVELOPER AGREEMENT WITH RIVER CITY HOUSING, INC. FOR SHEPPARD SQUARE LOTS #5, #6, #7, #8, #9, #10 AND #11

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#### I. STATEMENT OF FACTS:

The Louisville Metro Housing Authority (LMHA) owned 23 lots for homeownership in Sheppard Square on Hancock and John Little streets between Jacob and Lampton streets. Homeownership is one of the commitments in the Authority's Sheppard Square HOPE VI revitalization plan.

To develop these lots, LMHA issued a *Request for Letters of Interest* (RLI) for homeownership developers via the Courier Journal, Louisville Defender, and the LMHA web page. The RLI noted that lots will be sold to affordable homebuyers for \$1.00. Sixteen of these 23 lots have previously been committed to Habitat for Humanity of Louisville at \$1.00 each and are being used for the construction of affordable single-family homes for families earning at or below 80% of Area Median Income.

River City Housing, Inc. also responded to LMHA's RLI and is proposing to develop the remaining seven lots (#5, #6, #7, #8, #9, #10 and #11) at the purchase price of \$1.00 each. Lots will be used for the construction of affordable single-family homes for low-income-eligible families.

River City Housing, Inc. recently partnered with REBOUND, Inc, and Bates Community Development Corporation to establish the Smoketown Community Land Trust (SCLT). For their first homeownership project, the SCLT plans to develop 10 single-family units. Towards that end, River City Housing would like to enter into a Development Agreement with LMHA that provides River City Housing the opportunity to reserve the seven (7) aforementioned lots and construct single-family homes on those lots that meet the design criteria outlined in the development agreement. Once improvements are complete, LMHA and River City Housing will then convey the parcel and improvements, respectively, to income-eligible homebuyers that are participating in the Smoketown Community Land Trust program.

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#### II. ALTERNATIVES:

- A. Approve entering into the Development Agreement with River City Housing for Sheppard Square lots #5, #6, #7, #8, #9, #10 AND #11 at the cost of \$1.00 each (total of \$7.00), to be conveyed to low income-eligible homebuyers.
- B. Do not enter into the Development Agreement and pursue other options.

#### III. RECOMMENDATION:

Staff recommends Alternative "A."

#### IV. JUSTIFICATION:

- LMHA committed to the creation of 23 homeownership units as part of its HOPE VI redevelopment plan for the Sheppard Square site.
- River City Housing, Inc. (RCH) is a longstanding non-profit, single-family home developer focused on providing affordable, high-quality, and energy-efficient homes for their home buyers, and strengthening neighborhoods by developing safe and affordable housing.
- As the housing development partner of the Smoketown Community Land Trust, River City Housing Inc. can bring homebuyer financing and subsidies to the table.

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**V. PROCUREMENT CERTIFICATION:**

This Asset Disposition is in compliance with the Louisville Metro Housing Authority's Disposition Policy.

\_\_\_\_\_  
Steve Webb, Purchasing Agent

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Date

Prepared and Submitted by:

Kathleen O'Neil  
Director of Strategic Initiatives  
November 21, 2023