

RESOLUTION NO. _____
MODIFICATION OF PROJECT BASED VOUCHER AWARD
TO MARKET STREET PROPERTIES

Item No. 5e

WHEREAS, in March 2020 the Louisville Metro Housing Board of Commissioners approved a request from New Directions for a Project Based Voucher (PBV) award of four PBVs for the eight-unit existing Market Street Properties development in conjunction with the Russell Choice Neighborhoods Initiative Program; and

WHEREAS, New Directions has requested a modification to the original PBV award to include the remaining four units; and

WHEREAS, the property is an eight-unit existing multifamily development owned by New Directions located at 1506 to 1508 West Market Street, Louisville, KY 40212 which is in impacted census tract 24 within the Russell neighborhood; and

WHEREAS, the property will provide up to eight units of PBV off-site replacement housing in conjunction with the Russell Choice Neighborhoods Initiative Program; and

WHEREAS, per Notice PIH 2017-21(HA): Implementation Guidance: Housing Opportunity Through Modernization Act of 2016 (HOTMA) – Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) Provisions, the limit on the number of PBS in a project is the greater of 25 units or 25 percent of the units in a project; and

WHEREAS, LMHA will not enter into a Housing Assistance Payment Contract until Louisville Metro Government or HUD has completed a satisfactory Part 58 or Part 50 environmental review.

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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 issue a modified Preliminary Award Letter stating the applicable conditions and timeframes to enter into a Housing Assistance Payment Contract.

RESOLUTION BACKGROUND STATEMENT

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I. STATEMENT OF FACTS:

In March 2020, the LMHA Board of Commissioners voted to approve a request from New Directions for a Project-Based Voucher (PBV) award of one (1) one-bedroom unit and three (3) two-bedroom units for the eight-unit existing Market Street Properties development. The LMHA is proposing to modify the previous award of four PBVs to up to eight PBVs to Market Street Properties, located at 1506 to 1508 West Market Street, Louisville, KY 40212.

Per LMHA's agreement with HUD under the Choice Neighborhoods Initiative Program, all 758 units currently on-site at Beecher Terrace will be replaced by 316 PBV rental units on-site and 442 PBV rental units off-site within Jefferson County by September 30, 2023. The development will provide up to two (2) one-bedroom units and six (6) two-bedroom units of replacement housing for the Beecher Terrace residents off-site in census tract 24 which is located in the Russell neighborhood, the subject neighborhood of the Choice Neighborhoods Initiative grant.

The eight units designated as PBV rental units will be deed restricted to require that the units remain affordable to households at 80% AMI or below for a period of 40 years. Relocated Beecher Terrace residents will receive an admissions preference. Tenants will not be required to pay more than 30% of their monthly gross income.

This resolution will authorize staff to issue a modified preliminary award letter to New Directions stating the applicable conditions and timeframes to enter into a Housing Assistance Payment Contract. In addition, staff will publish notification of the award in The Courier Journal and The Louisville Defender per the owner proposal selection procedures in 24 CFR 983.51.

II. ALTERNATIVES:

- A. Approve a Resolution in support of a PBV award of up to eight units for New Directions Properties.
- B. Do not approve a Resolution in support of a PBV award of up to eight units for New Directions Properties.

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III. RECOMMENDATION:

Staff recommends Alternative "A".

IV. JUSTIFICATION:

- Approval of this resolution will provide up to eight households that have relocated from Beecher Terrace re-occupancy options within the Russell neighborhood.
- A PBV award for eight units will help LMHA meet the requirement of providing one-for-one replacement housing under the Choice Neighborhoods Initiative Program.

Prepared and Submitted by:

Heather Hairgrove
Special Programs Consultant
May 19, 2020