

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

**MODIFICATION OF APPROVAL OF PROJECT BASED VOUCHER AWARD TO  
OPPORTUNITY EAST, LLC**

Item No. 5k

WHEREAS, the LMHA Board of Commissioners approved a Board Resolution on March 17, 2020 to award Opportunity East, LLC, a Project Based Voucher (PBV) award for Opportunity East Apartments, in conjunction with the Russell Choice Neighborhoods Initiative Program; and

WHEREAS, the property is under contract by Opportunity East, LLC; and

WHEREAS, the original award was for an eight-unit existing multifamily scattered-site development located at 2505 Lindsay Avenue, Apartments 1 and 15, Louisville, 40206; 2503 Lindsay Avenue, Apartment 2, Louisville, 40207; 809, 904, 905 and 701 La Fontenay Court, Louisville, 40223; and 1312 Herr Lane, Louisville, 40222; and

WHEREAS, the owner would like to modify the approved Resolution by substituting three units located at 213, 216 and 218 Middletown Square, Louisville, 40243 for the two units located at 2505 Lindsay Avenue, Apartments 1 and 15, Louisville, 40206; and the one unit located at 2503 Lindsay Avenue, Apartment 2, Louisville, 40207; 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 approved MTW Activity #48-2018: Local PBV Program, PBV proposals may be selected per issuance of a Request for Proposals; and

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WHEREAS, LMHA will not enter into an Agreement to Enter into a Housing Assistance Payment Contract until Louisville Metro Government or HUD has completed a satisfactory Part 58 or Part 50 Environmental Review; and

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

## RESOLUTION BACKGROUND STATEMENT

### MODIFICATION OF APPROVAL OF PROJECT BASED VOUCHER AWARD TO OPPORTUNITY EAST, LLC

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#### I. STATEMENT OF FACTS:

Bids were opened for a competitive Request For Proposals on March 3, 2020. Six competitive proposals were received. The PBV Evaluation Team scored the proposals together on March 6, 2020. The PBV Evaluation Team agreed that Opportunity East Apartments meets the requirements of the LMHA Local PBV Program and agreed to proceed with a presentation to the LMHA Board of Directors for approval.

The three units at Lindsay Avenue are part of a condominium. Some members of the condominium learned that there would be PBVs in the units and they passed an HOA rule shortly thereafter stating that no Section 8 units are allowed in their condominiums. The owner has since leased those units to income-eligible households not on Section 8.

The owner recently acquired the three Middletown Square units under the same ownership entity that they used for the purchase of the previously approved eight units utilizing Louisville Affordable Housing Trust Funds. The three units at Middletown Square will be limited to households at 50% AMI.

Since receiving LMHA Board approval in March 2020, the owners have completed the requirements to enter into a HAP contract for the remaining five units which include Part 58 Environmental approval, rent reasonableness evaluation, and Housing Quality Standards inspection. All of the units have been offered to eligible original Beecher Terrace residents on the Beecher Terrace waiting list and all units have been or will soon be occupied by eligible households.

The PBV Evaluation Team has reviewed the three substitution units and agreed that they meet the requirements of the LMHA Local PBV Program. The Louisville Metro Housing Authority (LMHA) fully expects the addition of the three units proposed today to quickly meet the same HAP requirements and lease-up shortly thereafter.

Therefore, LMHA is proposing to modify the Project Based Voucher (PBV) award to Opportunity East Apartments, by removing the units located at 2505 Lindsay Avenue, Apartments 1 and 15, Louisville, 40206; and 2503 Lindsay

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#### I. STATEMENT OF FACTS (cont'd)

Avenue, Apartment 2, Louisville, 40207 and replacing them with the three units located at 213, 216 and 218 Middletown Square, Louisville, 40243. Per LMHA's agreement with HUD under the Choice Neighborhoods Initiative Program, all 758 units currently on-site at Beecher Terrace will be replaced with 316 PBV rental units on-site and 442 PBV rental units off-site located in Jefferson County by September 30, 2023.

The development will provide up to eight units (four (4) one-bedrooms, three (3) two-bedrooms and one (1) three-bedroom) of replacement housing for the Beecher Terrace residents off-site in census tracts 104.02, 104.05, and 100.04 which are in non-impacted census tracts in Jefferson County.

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 preliminary award letter to Opportunity East, LLC stating the applicable conditions and timeframes to enter into a HAP Contract for the three substitution units. 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 Modified Board Resolution in support of a Project Based Voucher award to replace three units for Opportunity East Apartments.
- B. Do not approve a Modified Board Resolution in support of a Project Based Voucher award to replace three units for Opportunity East Apartments.

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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 census tracts 104.02, 104.05, and 100.04.
- A PBV award for the three substitution units will help LMHA meet the requirement of providing one-for-one replacement housing under the Choice Neighborhoods Initiative Program.

Prepared and Submitted by:

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September 15, 2020