

RESOLUTION NO. _____

**APPROVAL OF PROJECT BASED VOUCHER AWARD
TO PROSPECT COVE APARTMENTS**

Item No. 5b

WHEREAS, Louisville Metro Housing Authority staff have reviewed a request from LDG Development, for a Project Based Voucher (PBV) award for Prospect Cove Apartments, in conjunction with the Russell Choice Neighborhoods Initiative Program; and

WHEREAS, the property is under site control by LDG Development; and

WHEREAS, the property is a 178-unit to-be-built multifamily development located at 6500 Forest Cove Lane and 7301 River Road, Louisville, 40059; and

WHEREAS, the property will provide up to 178 units of PBV off-site replacement housing for seniors 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

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

WHEREAS, LMHA will not enter into an Agreement to Enter Into a Housing Assistance Payment Contract until Kentucky Housing Corporation has completed a satisfactory subsidy layering review; and

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WHEREAS, LMHA will not enter into an Agreement to Enter Into a Housing Assistance Payment Contract if construction has commenced after proposal submission.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that the Executive Director and Contracting Officer of LMHA is hereby authorized, empowered and directed to take any and all such related or ancillary actions necessary and appropriate to achieve the foregoing purpose as may be reasonably determined by the Executive Director including but not limited to issuing a Preliminary Award Letter stating the applicable conditions and timeframes to enter into an Agreement to Enter Into a Housing Assistance Payment Contract.

RESOLUTION BACKGROUND STATEMENT
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I. STATEMENT OF FACTS:

Bids were opened for a competitive Request for Proposals on September 15, 2020. Two competitive proposals were received. The PBV Evaluation Team scored the proposals separately and met to discuss the proposals. The PBV Evaluation Team agreed that Prospect Cove 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 Louisville Metro Housing Authority (LMHA) is proposing to award Project Based Vouchers (PBVs) to Prospect Cove Apartments, a 178-unit multifamily development located at 6500 Forest Cove Lane and 7301 River Road, Louisville, 40059. 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 located in either the Russell neighborhood or non-impacted census tracts within Jefferson County by September 30, 2023.

The development will provide up to 178 units (87 one-bedroom and 91 two-bedroom units) of replacement housing for the Beecher Terrace residents off-site in non-impacted census tract 75.02. The 178 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.

The site currently is not zoned for multifamily apartments. In 2017, the development was unanimously approved by the Louisville Metro Planning Commission. However, Metro Council went against the unanimous Planning Commission decision and voted against the development. LDG Development filed suit in Circuit Court appealing the Metro Council decision to deny the rezoning and included a Fair Housing claim. The City of Prospect is also included in the lawsuit. Oral arguments are scheduled for October 2020.

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I. STATEMENT OF FACTS (cont'd):

This resolution will authorize staff to issue a preliminary award letter to LDG Development stating the applicable conditions and timeframes to enter into an AHAP Contract. The preliminary award letter will state that the PBV award is contingent on zoning approval.

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 Project Based Voucher Contract award of up to 178 units for Prospect Cove Apartments.
- B. Do not approve a Resolution in support of a Project Based Voucher Contract award of up to 178 units for Prospect Cove Apartments.

III. RECOMMENDATION:

Staff recommends Alternative "A".

IV. JUSTIFICATION:

- Approval of this resolution will provide up to 178 households that have relocated from Beecher Terrace re-occupancy housing options in non-impacted census tract 75.02.
- A PBV award for 178 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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October 20, 2020