

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

**APPROVAL OF LIBERTY GREEN SECOND AMENDED AND RESTATED  
DEVELOPMENT AGREEMENT EXTENSION**

**Item No. 5c**

WHEREAS, the Louisville Metro Housing Authority (LMHA) and Downtown Edge, LLC (Edge) entered into the Liberty Green Second Amended and Restated Development Agreement (Agreement) on August 19, 2015; and

WHEREAS, in order to allow negotiation to modify certain terms of the Agreement, the Parties have extended the termination date with short-term extensions (30 or 60 days) which are currently due to expire on December 20, 2020; and

WHEREAS, as a result of negotiations with the Downtown Edge, LLC, a revised Liberty Green development build-out proposal has been developed that embraces the goals and objectives developed by the LMHA Board of Commissioners; and

WHEREAS, all Parties have agreed to extend the Agreement with the inclusion of an Addendum that reflects the attached revised Proposal requirements; and

WHEREAS, the revised Downtown Edge, LLC Proposal (Proposal) provides for the inclusion of a 58-unit affordable housing development; and

WHEREAS, the revised Proposal provides for the adoption of the established LMHA participation goals to include a monthly reporting reflecting the accomplished goals; and

WHEREAS, except as specifically modified by the development build-out Proposal, all the existing terms and conditions within the 2015 Second Amended and Restated Development Agreement remain in full force and effect.

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NOW, THEREFORE BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that the Liberty Green Second Amended and Restated Development Agreement is amended to substitute the provisions of the revised Proposal for conflicting provisions of the existing Agreement and the term of the Agreement be treated as if Downtown Edge, LLC had exercised the extension option prior to the February 20, 2020 notification due date.

BE IT FURTHER RESOLVED that the Authority's Executive Director and Contracting Officer, Lisa Osanka, is authorized on behalf of the Louisville Metro Housing Authority to enter into such Agreements necessary to implement this Resolution.

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**I. STATEMENT OF FACTS:**

The Louisville Metro Housing Authority (LMHA) and Downtown Edge, LLC (Edge) entered into the Second Amended and Restated Development Agreement (Agreement) on August 19, 2015 with an expiration date of August 18, 2020. The Agreement provided for one 5-year extension which had to be exercised no later than February 20, 2020. Edge attempted to exercise the option; however, the attempted exercise was not submitted prior to February 20, 2020 as was required. The Authority has approved the extension of the Agreement in short-term intervals (30 or 60 days) since August 20, 2020 to allow for negotiations with Edge for Agreement modifications prescribed by the LMHA Board of Commissioners. More specifically, the LMHA Board expressed a desire for the remaining Liberty Green build-out to include an affordable housing component that provides for resident income levels comparable to LMHA public housing residents at 30-60% Area Medium Income. Additionally, the Board reiterated its commitment to the established Participation Goals for MBE/WBE/DBE requirements and also the HUD established Section 3 requirements which must also be emphasized within the Agreement extension. During the time period subsequent to the August 18, 2020 expiration date, the LMHA Staff and the Authority's Stites & Harbison, legal counsel, have worked to negotiate the attached Proposal as an Addendum to the Agreement.

The specifics of the Agreement Addendum are:

-Downtown Edge, LLC has demonstrated a commitment to affordable housing within the overall project build-out that includes 209 units (out of a total unit build out of 711 units) at 80% of Area Medium Income rent levels. The 209 units represents a 29% total unit commitment to affordable housing units.

-The attached Proposal provides for the construction of an additional 58 units of low-income affordable housing units at 30-60% Area Medium Income rent levels. The 58 units represent an additional 8% commitment to affordable housing unit from the total unit build out.

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**I. STATEMENT OF FACTS (cont'd):**

-The attached Proposal provides a commitment to all the LMHA Participation Goals to include utilizing LMHA's already established outreach policies for the MBE/WBE/DBE and Section 3 requirements. The attached proposal requires a monthly reporting to LMHA for all the Participation Goal requirements for all current and future construction projects.

-Except as specifically modified by the Proposal, the previously negotiated Terms and Conditions within the Second Amended and Restated Development Agreement remain in full force and effect.

The attached Proposal was reviewed with the Board's Choice Committee on December 3, 2020 and received approval for submission to the full Board of Commissioners at their regularly scheduled meeting on December 15, 2020.

**II. ALTERNATIVES:**

A. Approve the Second Amended and Restated Development Agreement extension to include the attached Proposal.

B. Approve an iteration of the Second Amended and Restated Development Agreement extension different from the attached Proposal.

C. Do not approve the Second Amended and Restated Development Agreement extension at this time.

**III. RECOMMENDATION**

Staff recommends Alternative "A".

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**IV. JUSTIFICATION FOR THIS RECOMMENDATION:**

- The attached Agreement Proposal reflects the primary project objectives as outlined by the LMHA Board of Commissioners.
- The Agreement extension will allow for continuity of the Liberty Green project build-out without any interruption in the project construction timeline.
- The Terms and Conditions of the existing Agreement requires the LMHA Board of Commissioners' approval prior to the implementation and commencement of all future Liberty Green projects.
- The attached Agreement Proposal was reviewed with the Board's Choice Committee on December 3, 2020 and received approval for submission to the LMHA full Board of Commissioners at their regularly scheduled meeting on December 15, 2020.

Prepared By: Wavid C. Wray, Deputy Executive Director, Finance  
December 15, 2020