

Special Town Meeting

*Warrant Article #14
LexHAB Reorganization*

Presented by Sarah Morrison, LexHAB Executive Director



Warrant Article #14

The purpose of this article is to allow the Select Board to petition the General Court for special legislation that will reorganize the Lexington Housing Assistance Board (LexHAB) as an independent, nonprofit housing corporation. This will allow LexHAB to more efficiently and effectively carry out its mission of developing, managing and preserving affordable housing in Lexington.

To see if the Town will vote to authorize the Select Board to petition the General Court for legislation reorganizing the Lexington Housing Assistance Board (LexHAB) as an independent nonprofit housing corporation; and further to authorize the Select Board to approve amendments to said act before its enactment by the General Court that are within the scope of the general objectives of the petition; or act in any other manner in relation thereto.

Affordable Housing in Lexington



Housing Development and Management: LexHAB, Lexington Housing Authority, Inclusionary Zoning with Private For-Profit Developers



Advocacy: Housing Partnership Board



Funding: Community Preservation Act and Affordable Housing Trust (if passed)



- Founded in 1983, chartered by the Town to address growing concern about housing affordability
- 78 units throughout the town house 212 people
- Inventory includes one, two, three, and four bedroom units
- 3 part-time staff
- 9 board members
- New Executive Director is MSW with 20 + years experience community organizing, non-profit management, homelessness and affordable housing sectors

Warrant Article #14 will allow LexHAB to more efficiently and effectively carry out its mission of developing, managing and preserving affordable housing in Lexington

More efficient housing production

More robust funding opportunities



More
efficient
housing
production

- As a 501c3 LexHAB could produce affordable housing more quickly, efficiently and economically than is currently being produced



Development Costs Increased Significantly Due to Public Procurement

Fairview built privately 2017

- 3 units in one building and renovation of 1 house
- Stick build
- Construction \$1,125,000
- Cost/unit \$385,000

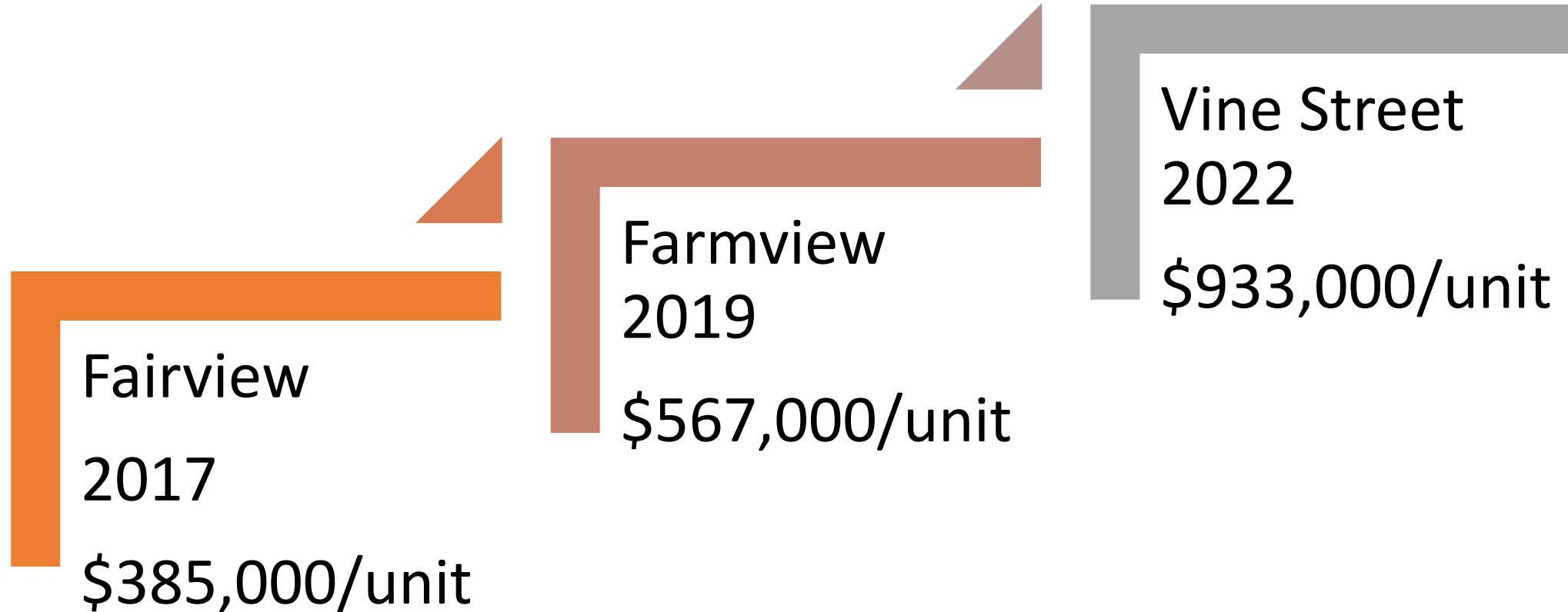


Farmview built with public bidding 2019

- 6 units in two buildings
- Modular build
- Construction \$3,400,000
- Cost/unit \$567,000




Unsustainable Development Costs





More Robust Funding Opportunities

- As a 501c3 LexHAB would be in a better position for fundraising from individuals, foundations, and accessing state and federal funds because of clear tax-exempt status and clear division from Town
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Impact on Fundraising and Donated Goods

Quasi-municipal

- Donations 'may be tax deductible-check with your accountant'
- Development exclusively funded by CPA, Town funds

Independent 501c3

- Donations clearly tax deductible
- Diversified funding streams for development: local, state, federal, private
- Option to become Community Development Corporation and access Community Investment Tax Credit Program
- Eligible for partnering with larger developers without the constraints of municipal finance, real estate and procurement law

Recommended Path to 501c3 and Timeline

Warrant Article Special
Fall Town Meeting

Redraft the Special Act
that created LexHAB

File Home Rule Petition
in State Legislature by
3rd week of January
2023 to be considered
'timely file'

Create MOU
Outlining Affordability
Housing Restrictions
and other details

A Tale of Two Towns: Different Pathways to Affordable Housing

Lexington



- 1983 LexHAB chartered by Town of Lexington
- Quasi-municipal organization
- 3 part-time staff
- Self-Managed Property
- 78 units
- 6 units ready for bidding on hold due to high cost of public procurement
- Local and private funds

Arlington



- 1986 HCA founded by group of residents
- Non-profit 501c3 CDC
- 4 full-time, 1 part-time staff
- Property Management company
- 150 units
- More than doubled units with 3 most recent developments 2014-2021
- Local, state, federal, private funds

Draft of Special Act

- Clearly Separates LexHAB from Town
- Transfers ownership of 78 units to LexHAB nonprofit organization
- If LexHAB dissolves, properties will revert to Town or affordable housing organization of the Town's choosing
- Clearly exempts LexHAB from public bidding requirements
- Maintains connections to the Town for reporting
- LexHAB's mission and organizational structure remains the same

**SUPPORT
AFFORDABLE HOUSING**

YIMBY

YES! IN MY BACK YARD!

lexhab.org