

MEMORANDUM

To: Marilyn Fenollosa, Chair, Community Preservation Committee
From: Sarah Morrison, Executive Director, LexHAB
Re: Change to funding request

LexHAB submitted an application to the Community Preservation Committee for \$400,000 to assist with converting a market rate three-bedroom home to an affordable unit. LexHAB planned to purchase the home by the end of 2022 using ARPA funds for the down payment, and then finance the remaining \$400,000 and begin needed upgrades to the property. LexHab proposed paying off the mortgage upon receipt of CPA funds in the summer of 2023. Due to a recent grant award of an additional \$400,000 from ARPA, LexHAB will now be able to purchase the home, located at 9 Kimball Road, without financing. As a result, **LexHAB would like to edit its request to the CPC for \$400,000 to be used for the purchase of a future property to convert from market rate to affordable.**

LexHAB is actively pursuing the purchase of small homes in the range of \$600,000- \$800,000 to convert to affordable units. To compete effectively with developers who, have funds on hand to purchase small home to demolish and build large new construction homes, LexHAB needs funds immediately available for a down payment to be able to move quickly to purchase an available property.

LexHAB plans to pursue larger multi-family development as well once it has become an independent nonprofit organization, including completing the Vine Street development. This transition will take up to two years to complete due to the timeline of the legislative cycle. Over the next two years, converting existing smaller market rate properties into affordable units will be the most economical way for LexHAB to add to its affordable housing inventory until new development becomes more cost effective as an independent nonprofit.

Thank you for your kind consideration.

FY 24 LexHAB Request Acquisition of New Unit

Address undisclosed until Purchase and Sale Complete 3 bedroom home (mortgage payoff)	\$400,000
Total request for acquisition of new affordable housing unit	\$400,000