



City of Lawrence

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CITY COMMISSION

MAYOR
MIKE AMYX

COMMISSIONERS
LESLIE SODEN
STUART BOLEY
MATTHEW J. HERBERT
LISA LARSEN

I, Mike Amyx, Mayor (name and title), duly authorized to act on behalf
of the City of Lawrence (name of jurisdiction),
hereby approve the following project(s) proposed by The City of Lawrence / Tenants to Homeowners

Request for Neighborhood Stabilization Program (NSP) Income Funds

NSP Program Income—908 La Salle Street

Request Background: Tenants to Homeowners, Inc. administers the Lawrence Community Housing Trust (LCHT). The LCHT Redeveloped Homes has re-purchased a vacated property at 908 La Salle Street (NSP eligible use “B”). TTH is requesting funds to demolish the abandoned dwelling (NSP eligible use “D”) and rebuild 2 new homes on this property. The abandoned property was owned by a man who passed away in 2009 without any heirs. The house sat vacant for three years until the courts started the tax foreclosure process. The city had a small mortgage on the property because of a homeowner rehabilitation loan for a furnace put in right before the gentlemen passed away, so the city donated the mortgage to TTH and they were able to foreclose on the mortgage and receive insurable title and a sheriff’s deed. The property sits on 3 lots combined in the past, but this allows TTH to have three buildable lots once the unit is demolished.

Request (submitted by Rebecca Buford, TTH): The City of Lawrence and Tenants to Homeowners, Inc. are requesting an additional \$215,000 from NSP I Program Income to complete the building of two homes (\$7,000 in demolition, 8,000 in administration and \$100,000 for each of the two homes that have a building hard cost of \$136,500 each). TTH will match this funding with \$75,000—25,000 for costs in the lot the agency already put in to acquire it and 25,000 for each house. City waivers and community contributions will add another \$15,000 for a total match of \$90,000 (a 42% match). TTH has revolving project funds to utilize along with city permit waivers, and community donations. This NSP project will build two Energy Star 3-certified 1600-square foot homes for families. Given the unique circumstance of how TTH was able to obtain the lot, there is a greater match to this project, as the cost of three buildable lots on the market would range from \$75,000 to \$100,000 anywhere else in Lawrence, but they were able to acquire the lot for only 25,000. This will enable TTH to put more subsidy into the construction and build 4-bedroom homes that will serve larger families that need housing. TTH will partner with several other nonprofits that provide supportive services and they hope to show the community what housing can do for families who have jobs but are struggling to find housing after a transition. These homes will be rented to low or moderate income families that make below 80% MFI and 50% MFI. These homes will be the 11th and 12th homes funded in Lawrence with NSP money and when these are complete TTH will have four homes out of the 12 total set aside for those under 50% MFI (33%), exceeding our 25% requirement to serve tenants under 50% MFI.



The need for affordable family rental housing is great in Lawrence and there has been a great community discussion on the need to create more opportunities for families in transition. As federal funding has decreased, this has become more of a challenge, but these funds would help us build an affordable project on a lot that is shovel-ready. The city's Affordable Housing Advisory Board, which TTH has a seat on, is working toward a demonstration project and this cooperative project could be a highlight of how the city can work together to create affordable housing and leverage funds like NSP.

Thank you for your consideration.

908 LaSalle Budget:

Total Uses:

25,000	Land Acquisition
7,000	Demolition
<u>273,000</u>	<u>Build two 4-bedroom homes (hard and soft costs)</u>
\$305,000	Total Uses

NSP Sources:

\$7,000	Demolition of the current abandoned property at 908 La Salle Street that sits on 3 lots
\$200,000	Build two 4-bedroom, 2.5 bath 1600 sq. ft. energy efficient homes on two of the lots
<u>8,000</u>	<u>3.8% administration for developer fee and soft costs</u>
\$215,000	TOTAL requested from NSP

Other Sources:

75,000	TTH project fund match (25K for lot, 25K per house)
5,000	City waive building permit fees
<u>10,000</u>	<u>From community donors interested in supporting affordable housing</u>
\$90,000	Total Other Sources
\$215,000	NSP
<u>\$90,000</u>	<u>Other Match</u>
\$305,000	Total Sources

By: Mike Amyx
Name of Local Government Official

Signature

November 10, 2015
Date

Mayor
Title

