



Multifamily Acquisition Fund

The Problem: Often older, naturally occurring affordable housing units can fall into disrepair and become attractive to investors who plan to upgrade the building. While the cost of acquisition might be considerably less than new construction, the investor still needs to generate a return to cover debt service. The only option after improvements are made is to raise rents. This means people living affordably in those buildings are displaced.

The Solution: An easy to use and reliable fund to acquire buildings that meet a set standard based on existing affordability and risk of displacement of current residents. In addition, the cost of rehabilitation should be considered before acquisition. Local governments could access the funds at first with the goal of transitioning the buildings to ownership by non-profit, community land trusts, or cooperatives.

Legislative Proposal: Create a \$10 million fund that would provide capital to acquire buildings vulnerable to sale, acquisition by investors, and displacement of existing residents.

Potential Partners: Local governments, community groups advocating for tenants, market rate and not-for-profit developers, and tenant groups seeking to start community land trusts and cooperatives.

Potential Opposition: None identified.

How will we pay for it? This proposal would need an appropriation as part of regular housing funding.