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Candace Havens
Director

August 24, 2012

Planning and Development Board
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

Re: Request for funds for 54 Eddy Street

Dear Planning and Development Board members:

At the Newton Housing Partnership meeting on August 8, 2012, the nine eligible members present unanimously agreed to recommend that the Planning and Development Board approve the request by Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO) for the allocation of \$690,250 in Community Development Block Grant (CDBG) funds to assist with acquisition-mortgage buy down, lead and asbestos abatement, and rehabilitation of an existing two family property to create two units of affordable rental housing at 54 Eddy Street. In addition, the developer is requesting \$255,000 in Community Preservation Act (CPA) funding for the development.

The Partnership's Project Review Committee and then the full Partnership have reviewed and discussed the proposal with the developer prior to this action. The financial information relied upon by the Partnership in reaching its recommendation is detailed in the spreadsheets titled "54 Eddy Street Development Budget" revised July 30, 2012, the spreadsheet titled "54 Eddy Street Operating Budget," revised July 15, 2012, and "54 Eddy Street Operating Proforma 2F," revised July 15, 2012.

We support and endorse the developer's concept of providing 100% affordability in a well-located existing building without reliance on housing rental assistance. We also support and endorse the proposed rehabilitation, including the conversion of the heat delivery system from steam to forced hot water for the purpose and expectation of increased energy efficiency, tenant safety, cost savings to the tenants and energy rebates to the developer.

The Partnership recognized that the proposal addresses a number of City priorities:

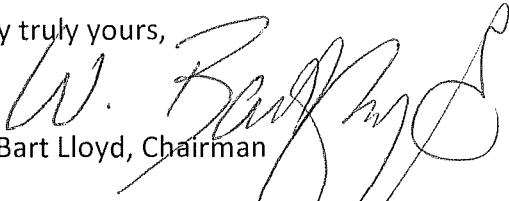
- The critical need for additional affordable housing, especially for rental units priced at a level that households without rental assistance can afford, which is identified as a priority in the *City of Newton 2011–2015 Consolidated Plan and FY13 Annual Action Plan*;

- Provide deeper development subsidies per unit in affordable housing projects so that low-income renter households ($\leq 50\%$ AMI) have a greater range of housing choices; and
- Utilizing existing housing stock in addressing the City's rental housing needs while maintaining improving energy performance by improving the efficiency of energy use in the existing structure.

The Partnership acknowledged the need for public funding given the level of affordability proposed, and supports the use of Newton CDBG funds and Community Preservation Act funds to support this worthwhile project. Our recommendation reflects the understanding that the developer is actively seeking funding outside of City sources and energy rebates from the proposed rehabilitation. Should such additional funds be received, it is our expectation to furnish a recommendation at that time on its application with possibilities including increasing the range of affordability, or reducing the amount of City-funded public subsidy. Further, our recommendation includes broadening affirmative marketing to capture prospective tenants currently living in transitional housing throughout the regional Continuum of Care system.

If there are further questions for the Partnership please let me know.

Very truly yours,



W. Bart Lloyd, Chairman

Cc: Josephine McNeil, Executive Director, CAN-DO, Inc.
Trisha Guditz, Housing Programs Manager
Robert Muollo, Housing Planner