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Candace Havens
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Newton Housing Partnership

February 3, 2012

Community Preservation Committee
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

Re: Funding Recommendation for “Myrtle Village” Housing Proposal (12 and 18-20 Curve St.)

Dear Community Preservation Committee members:

At the Newton Housing Partnership meeting on January 11, 2012, the ten eligible members present unanimously agreed to support the request by Myrtle Village, LLC. for \$795,584 in Community Development Block Grant (CDBG) funds and \$990,000 in Community Preservation Act (CPA) funding related to the rehabilitation, construction and rental of seven units of affordable housing, including one fully accessible unit, at 12 and 18-20 Curve Street.

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 Partnership recognized that the proposal addresses a number of City priorities and exhibits many of the goals the Partnership seeks projects to achieve, including:

Affordability:

- The critical need for additional affordable housing, especially for rentals priced below the 80% of Area Median Income (AMI) level, which is identified as a priority in the *2011 – 2015 Consolidated Plan* and the *FY12 Annual Action Plan*.
- At rents affordable to households earning 50%, 70%, and 85% of Area Median Income, the rent structure is targeted for maximum affordability and marketability.

Livability:

- The need for accessible affordable units, which, in this case is being proposed consistent with the City’s “Accessibility in Affordable Housing” policy guidance, although providing this level of accessibility is not required.
- The proposed project consists of one, two, and three bedroom units, which provides opportunity to a variety of household sizes.

Suitability:

- Utilizing existing housing stock in addressing the City’s housing needs and avoiding demolition and improving the efficiency of energy use in the existing structure.

Feasibility:

- The proposed project appears financially feasible on the basis of estimated development costs and operating budget.
- The proposed financing is reasonable and total profit and fees appear to be below the established Chapter 40B requirements for Comprehensive Permit rental projects.

Sustainability:

- The proposed housing design and land use plan is generally appropriate for the site and site location.
- The proposed design features energy efficient units with enhanced landscaping and minimal negative impact on the surrounding environment.

The financial information relied upon by the Partnership in reaching its recommendations is detailed in the spreadsheet titled “Curve St. Newton, MA Development Proforma” as revised January 9, 2012. Our understanding of the building proposal relied upon a set of five sheets of drawings included in the Affordable Housing Development One-Stop Application, dated December 15, 2011, and also provided by the project Architect at the January 11, 2012 meeting.

The Partnership acknowledged the need for public funding, and supports the use of CDBG and other City resources such as Community Preservation Act funds as needed to support this worthwhile project.

Further, our recommendation reflects our understanding that:

- One unit will be design and constructed as meeting the Group II accessibility standards of the Massachusetts Architectural Access Board Regulations, although not required by law.
- The first floor of the newly constructed units at grade will be designed and constructed to incorporate accessibility features, although not required by law.

The Partnership also particularly commended the project for drawing on the distinctly different, but equally important strengths of two long-standing Newton-based entities: Myrtle Baptist Church and Newton Community Development Foundation. The Partnership also noted that the per-unit public subsidy costs of the development compares quite favorably to many other rental proposals that have been advanced to the Partnership for review and comment.

In sum, the Partnership recommends approval of CPA funds for this development. If there are further questions for the Partnership please let me know.

Very truly yours,

W. Bart Lloyd, Chairman

Cc: Howard Haywood, Manager, Myrtle Village, LLC.
Alice Ingerson, Community Preservation Program Manager
Trisha Guditz, Housing Programs Manager
Robert Muollo, Housing Planner