

CITY OF NEWTON, MASSACHUSETTS

Newton Housing Partnership

January 2, 2015

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

Setti D. Warren
Mayor

Re: Support for 54 Taft Avenue Project

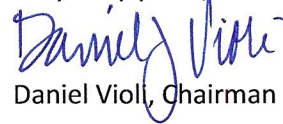
Dear Planning and Development Board Members:

At the Newton Housing Partnership meeting on December 10, 2014 the four eligible members present unanimously agreed to support \$360,000 in Community Development Block Grant (CDBG) and \$125,000 in HOME funds requested by CAN-DO for the acquisition buydown, rehabilitation and construction of 54 Taft Avenue.

The Partnership's Project Review Committee and then the full Partnership have reviewed the proposal with CAN-DO prior to this action. After consideration of both the Taft Avenue proposal and the overall CAN-DO portfolio, we concluded that Taft Avenue should eliminate the \$120,000 of senior debt and replace it with an increase of CDBG funds in order to free up cash flow. The additional cash flow would fund supportive services for the project, enabling targeting of one unit to a homeless household at or below 50% of AMI, a priority category in the City's Consolidated Plan. The Partnership also recommended that the Developer consider a 10% vacancy rate in its operating pro forma to account for higher turnover, longer vacancy and leasing costs associated with properties containing a smaller number of units.

In sum, the Partnership recommends the approval of \$360,000 in CDBG funds and \$125,000 in HOME for this development. If there are further questions for the Partnership please let me know.

Very truly yours,


Daniel Violi, Chairman

Cc James Freas, Acting Director
Eve Tapper, Acting Associate Director
Josephine McNeil, CAN-DO

