

## Rebuttal of Market-Rate Issues

In response to the characterization of our organization that the Petitioners presented on January 29 and February 8, 2007 we offer the following:

While we feel that the planned development is not appropriate based solely on the reasons given in our testimony before the Zoning Commission, our early discussions with the developers did include discussions about including market-rate units in the planned development. The reasons for this were because we were concerned about the economic segregation of creating a “community within a community”, and also because we felt that it would create an economic incentive for the building owners and management to keep the building up to “market rate standards”.

In his testimony Mr. Orzechowski stated:

“And the reality is that for every unit that we do not take tax credits and make it market rate, we lose \$50- to \$53,000 in tax credits. We would have to privately finance that difference, adding approximately \$425 to \$450 per month to make that unit a market unit. Our market study indicated that we could rent in the neighborhood in that area \$1,300 for a two-bedroom is what the current market is going for. We would have to charge \$1,500, just a couple of dollars shy of \$1,500 in order to make up that difference. We simply could not take that risk, **since now we would have to compete with the market around us. But most importantly, that's not our mission.**”

Based on this testimony submitted by the developers, our initial concerns were not wholly without merit. The developers themselves have stated that they are not using the same standards for the St. Martin's Project that they would for a market-rate project of comparable location and size. We maintain our concerns that the composition of the building (mostly vinyl siding) and the design of the development (a large, impenetrable complex) are not in keeping with the style and spirit of the surrounding neighborhood, and we believe that decisions about the design and composition were made based on the fact that the planned development is for affordable housing, not market-rate units.

We believe that an alternative building design, that was more in fitting with the neighborhood, and that allowed open interaction between the community and future residents of the complex, would satisfy many of our concerns. *Thus please understand that our concern has never been with the types of residents that the building would house, but rather with the manner in which the developer has chosen to house them, and with the effect that decision will have on us as the surrounding community. Thank you.*

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