

HOUSING COMMITTEE

DATE: June 5, 2018 (Tuesday)

TIME: 5:30 pm – 8:00 pm

LOCATION:

**City Hall Room 209** 5:30 to 6:30 Joint meeting with Economic Development Committee

**City Hall Room 24** 6:30 to 8:00 Housing Committee

1. Agenda - June 5, 2018 Housing Committee Meeting

Documents:

[AGENDA HC MEETING 06.05.2018.PDF](#)

2. Review And Recommend To The City Council Affordable Housing TIF Requests.

Joint meeting with the Economic Development Committee to review and recommend to the City Council Affordable Housing TIF Requests. ***This is an actionable item and public comment will be taken***

178 Kennebec Street and 977 Brighton Avenue

Documents:

[01.1 178 KENNEBEC STREET AHTIF REQUEST 06.01.2018.PDF](#)

[01.2 977 BRIGHTON AVENUE AHTIF REQUEST 06.01.2018.PDF](#)

3. Review And Accept Minutes Of Previous Meeting Held On May 23, 2018

Documents:

[02 MINUTES HOUSING COMMITTEE 5-23-18.PDF](#)

3.I. Public Comment Received Since Last Meeting

Documents:

[02.A. PUBLIC COMMENT.PDF](#)

4. Review And Recommendation To The City Council HOME Affordable Housing Development Funding Requests. This Is An Actionable Item And Public Comment Will Be Taken

Documents:

[03 HOME APPLICATIONS MEMO 06.01.2018.PDF](#)

4.I. HOME Applications Scoring Matrix

Documents:

[03.0 HOME APPLICATIONS SCORING MATRIX.PDF](#)

4.II. Front Street Underwriting Report

Documents:

[03.1 FRONT ST UNDERWRITING MEMO FINAL.PDF](#)

4.III. Deering Place Underwriting Report

Documents:

[03.2 DEERING PLACE UNDERWRITING MEMO WITH ATTACHMENTS.PDF](#)

4.IV. Kennebec Street Underwriting Report

Documents:

[03.3 KENNEBEC UNDERWRITING LOAN MEMO.PDF](#)

5. Review And Recommendation To The City Council Of Amendments To Ordinance: Section 6-225 Of The Tenant Housing Rights Ordinance. This Is An Actionable Item And Public Comment May Be Taken.

Documents:

[04 AMENDMENTS TO ORDINANCE 6-225 TENANTS HUSING RIGHTS MEMO.PDF](#)

6. Review Of Hotel Linkage Fee.

Documents:

[05 HOTEL LINKAGE.PDF](#)

7. Committee Discussion Re: 2018 Work Plan

Documents:

[06 2018 HC WORKPLAN 06.01.2018.PDF](#)

**Councilor Jill Duson, Chair**

Next Meeting Date: Wednesday July 25, 2018



Planning &amp; Urban Development Department

**HOUSING COMMITTEE**

**DATE:** Tuesday June 5, 2018  
**TIME:** 5:30 p.m. – 8:00 p.m.  
**LOCATION:** City Hall Room 209  
5:30 to 6:30 Joint meeting with Economic Development Committee  
City Hall Room 24  
6:30 to 8:00 Housing Committee

**AGENDA**

1. Joint meeting with the Economic Development Committee to review and recommend to the City Council Affordable Housing TIF Requests. See attached memo from Mary Davis, Housing and Community Development Division Director. *This is an actionable item and public comment will be taken*
2. Review and accept Minutes of previous meeting held on May 23, 2018
  - a. Public Comment on item from previous meeting agenda
3. Review and Recommendation to the City Council HOME Affordable Housing Development Funding Requests. See attached memo from Mary Davis, Housing and Community Development Division Director. *This is an actionable item and public comment will be taken*
4. Review and Recommendation to the City Council of Amendments to Ordinance: Section 6-225 of the Tenant Housing Rights Ordinance. See attached memo from Victoria Volent, Housing Programs Manager. *This is an actionable item and public comment may be taken.*
5. Review of Hotel Linkage Fee. See attached memo from Jeff Levine, Director Planning and Urban Development Department.
6. Discussion re: 2018 Work Plan

**Councilor Jill C. Duson, Chair**

**Next Meeting Date:**  
**Wednesday, June 27, 2018**



Mary Davis

Division Director, Housing &amp; Community Development Division

**TO:** Councilor Duson, Chair  
Members of the Housing Committee

Councilor Costa, Chair  
Members of the Economic Development Committee

**FROM:** Mary Davis, Division Director, Housing & Community Development

**DATE:** June 1, 2018

**SUBJECT:** Maine Workforce Housing – 178 Kennebec Street  
Affordable Housing Tax Increment Financing Request

## I. SUMMARY OF ISSUE

Maine Workforce Housing (MWH) is proposing to construct 46 1-bedroom units for seniors (55+) on a site located at 178 Kennebec Street. MWH is requesting financial assistance from the City in the form of an Affordable Housing TIF (AHTIF) to assist with the project. If approved, the AHTIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at an average \$96,305 annually over 30 years.

The developer has requested two forms of financial assistance.

(1) HOME funds request: \$400,000, 0% interest rate loan, deferred for 30 years.

Total City HOME Investment of \$400,000/unit - \$8,696.

Total City HOME Investment of \$400,000/affordable unit = \$11,111

The Housing Committee will make final HOME funding recommendations at their June 5<sup>th</sup> meeting. The final loan terms will be determined based on the results of the underwriting which is anticipated to be completed by the June 5<sup>th</sup> committee meeting.

(2) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30 year annual average of \$96,305, with an estimated total of \$2,889,164 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable, with an estimated annual assessment of \$4,300,000 and estimated annual tax of \$93,095. The remaining increased taxable value will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.



Mary Davis

Division Director, Housing &amp; Community Development Division

Maine Workforce Housing is proposing to construct 46 1-bedroom units for seniors (55+). The development will include:

178 Kennebec Street		
<b>1-Bedroom Units (46)</b>	at or below 40% area median income	0
	at or below 50% area median income	15
	at or below 60% area median income	21
	Market Rate	10
<b>Total Units</b>		<b>46</b>

As stated in the developer's application, the project:

*"...includes ground-level retail and/or artist studio space with 46 units of housing on the upper floors. The housing will be rental; all 1-bedroom units, set aside for households whose head of household is aged 55+.*

*"We expect the income mix targeted for this development will be 22% market rate, and 78% affordable (aimed at those at or below 60% of the area median income), creating economic diversity both in the building and in the neighborhood."*

The developer will submit an application with MaineHousing's Low Income Housing Tax Credit program contingent upon a reduction in operating costs through a tax increment financing program that provides for a minimum of 75% of the projects annual property tax revenue to be returned to the developer.

## II. REASON FOR SUBMISSION

TIF Agreements require a recommendation from both the Housing Committee and the Economic Development Committee as well as approval and authorization from the City Council.

## III. INTENDED RESULT

Establish an Affordable Housing TIF District to support the development of 46 new units of rental housing.



Mary Davis

Division Director, Housing &amp; Community Development Division

#### **IV. COMMITTEE GOAL/COUNCIL GOAL ADDRESSED**

Increase access to rental and ownership housing that is safe and affordable for working and low-income families.

#### **V. FINANCIAL IMPACT**

When completed, this project's new assessed value is estimated at \$4.3 million, which will yield the same amount in increased annual assessed property value as the project is currently city-owned property. Seventy-Five (75%) percent of the increased tax revenue will be captured revenue returned to the developer. The remaining 25% will be general fund revenue.

A Credit Enhancement Agreement will return approximately \$2,889,164 in captured revenue to the project (averaged at \$96,305 annually over thirty years) to off-set project operating costs. The proposed project will be taxable. TIF projections and proposed district map are included in the backup to this memo.

Total development costs are estimated at \$11.9 million. At full build out, the development is projected to pay an average \$96,305 annually in projected new taxes captured. Non-captured general fund revenues are estimated at an average \$32,102 annually.

In addition, with the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$26,919+, or \$807,579 + over the life of the district.

#### **VI. STAFF ANALYSIS AND RECOMMENDATION**

The Housing and Community Development Division works with an independent consultant who performs third party underwriting reviews of all requests for City funding (local and federal resources), including Affordable Housing Tax Increment Financing requests. The third party analysis will show a positive recommendation for the both the TIF and HOME funds investment. A detailed written analysis will be made available prior to the meeting on Tuesday evening.

Public Benefits In reviewing this TIF request, staff notes the public benefit associated with the TIF District of 46 units of 55+ housing, seventy-eighty percent (78%) of which will be affordable to households at or below sixty percent (60%) of the area median income. Additionally, the TIF will create tax sheltering benefits estimated at an average \$26,919 annually.

Portland, Maine



Yes. Life's good here.

Mary Davis

Division Director, Housing & Community Development Division

The Housing Committee will review and make a recommendation regarding HOME and TIF financing conditioned upon receipt of a satisfactory underwriting review.

Staff is requesting the Housing Committee and the Economic Development Committee approve and recommend to the City Council support of this Affordable Housing TIF proposal which meets the City's policy goal of increasing access to safe, location-efficient housing that is affordable for working and low-income families.

### **ATTACHMENTS**

178 Kennebec Street Project Description

TIF Projection Table

TIF District Map

Underwriting Analysis (will be provided prior to the June 5<sup>th</sup> meeting)

**Maine Workforce Housing, LLC**  
**482 Congress Street, Suite 203**  
**Portland, ME 04101**

Project Summary

Maine Workforce Housing is applying for \$400,000 in City of Portland HOME funding in this application, to fill a gap for a project at 178 Kennebec Street.

Project Team

The principals and staff of Maine Workforce Housing have successfully developed nine (9) mixed-income housing projects in Maine and New Hampshire over the last fourteen (14) years. These properties, the oldest of which has been open since 2004, have never had a single year of operating deficits. All of them are 100% leased with long waiting lists.

We are working with Ross Furman's team to incorporate housing into their multi-phase development of the block. The first phase includes the area closest to Kennebec Street. It includes ground-level retail and/or artist studio space with 46-51 units of housing on the upper floors. The housing will be rental; all 1-bedroom units, set aside for households whose head of household is aged 55+. We've included a concept floor-plan of Phase 1.

The site has some unique advantages for residential development:

- The City has identified the Bayside neighborhood as a priority for redevelopment. Kennebec Street is a prominent street in Bayside, and street-level retail will dovetail well with surrounding buildings.
- A mixed-use residential/retail building will bring new residents to live, work, and shop in Bayside, reinforcing the urban fabric and adding new vitality to the core of the City.
- The site is within walking distance of a variety of services and destinations for daily living (e.g., banks, library, schools, etc.) as well as employers and public transportation.
- The site is within steps of a major park (Deering Oaks Park). Yet, it is also just a minute from an entrance to and exit from I-295, a highway that takes residents throughout Maine.

We expect the income mix targeted for this development will be 22% market rate, and 78% affordable (aimed at those at or below 60% of the area median income), creating economic diversity both in the building and in the neighborhood. Our attached proforma shows a mix of 22% market rate and 78% affordable. If construction costs come down from the conceptual estimate included in our application, this mix may shift slightly. As a business model, we find a more even mix of low-income and market-rate renters is more acceptable to renters and neighbors.

The residents will be a mix of people, incomes, and occupations in Portland. We expect the tenants in income-restricted units will include retired people on social security and also those with jobs at the lower end of the wage scale. The market-rate units are likely to also include retired people, and also professionals who are downsizing from larger homes.

This project, like all of our projects to date, will be completely non-smoking. Smoking will be prohibited both inside units and in the interior and exterior common areas of the project. This will be outlined both

as an addendum to each lease, and also stated in the House Rules. Our Resident Services Coordinator will have materials on tobacco cessation programs available to residents.

The project incorporates smart growth, affordable housing, green building design, brownfield redevelopment, downtown revitalization, urban outdoor recreation, and alternative transportation.

### Amenities

We propose to provide our residents with the following amenities:

- Heat and hot water included in rent
- Community room with kitchen
- Coin-operated laundry facility
- Wireless internet throughout the building at no extra charge;
- Resident Services Coordinator on staff;
- Telemedicine room

### Resident Services Coordination

Our RSC's mission is to foster an environment in which elderly persons and people with disabilities can live independently and remain in their communities. As this project is proposed to be elderly, and with the Portland Shelter set-aside requirement, we are proposing to increase the number of hours an RSC is on the property. The Low Income Housing Tax Credit Program, as administered by MaineHousing, requires one (1) hour per week for every five (5) low-income units, or six (6) hours in this case. We would schedule an RSC for twelve (12) hours – double what is required. Our experience in other properties with a Homeless Preference has given us an appreciation for the staff levels needed onsite. This is reflected in our operating budget which is part of this application.

### Transportation

The site is wonderfully located for service by public transportation. The METRO bus system, with scheduled service all over downtown Portland and connections to the neighboring cities, stops 2/10 of a mile from our site.

### Photos and Renderings

We urge you to look at the set of photos of the site and “before” and “after” renderings, found immediately after this Executive Summary. They convey information about the project which simply cannot be expressed in narrative form. Thank you.



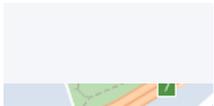
Image capture: Aug 2017 © 2018 Google

Portland, Maine



Google, Inc.

Street View - Aug 2017









## **178 Kennebec Timeline**

April 2018 – July 2018

- Full Site Plan and Subdivision Approval
- City HOME Application
- City Tax Increment Financing Application
- Market study

September 2018

- Submit Affordable Housing Tax Credit Application to MaineHousing

November 2018 – May 2019 (if successful on MaineHousing Application):

- Full design
- Finalize investor agreement
- Finalize construction loan

June 2019:

- Close and begin construction

Summer 2020:

- Open for occupancy

178 Kennebec Street

Portland, Maine

Developer: Maine Workforce Housing, LLC (Nathan S. Szanton  
and Robert C.S. Monks, Principals)

04/27/18

46 Resident Units  
36 Low-Income Units  
10 Market-Rate Units  
5 Residential Stories

**DEVELOPMENT BUDGET - SOURCES OF FUNDS**

**Sources of Funds**

Equity Raise from Sale of LIHTC	6,192,000					
MaineHousing Mortgage - Interest Only	2,646,603	6.00%	Interest Only	30 years		
MaineHousing Deferred Debt	1,080,000	0%	int., principal and interest deferred until sale or transfer.		30,000 per unit.	1,200,000 per project cap.
Deferred Developer Fee	758,262	Net Fee =	774,939	\$34,939		
City HOME	400,000	30-year deferred loan, in 2nd position				
Furman LLL Buyout of Commercial Space at PLC	829,943					
GAP (EXCESS)	<u>0</u>					
TOTAL	11,906,808					

178 Kennebec Street

Portland, Maine

Developer: Maine Workforce Housing, LLC (Nathan S. Szanton and Robert C.S. Monks, Principals)

46 Resident Units

36 Affordable

10 Market-Rate

Constr. cost/sq. ft. - finished space (not counting demolition, sitework, and contingency)

46,669 Number of square feet of space in building

41,215 Number of square feet of space - finished residential

5,454 Number of square feet of space - vanilla box commercial

Residential square footage, buildout at \$ 175.00 psf Commercial at \$ 132.00 psf

7,932,553 Total Construction Cost (not including construction contingency)

\$156,796 per residential unit of construction cost

DEVELOPMENT BUDGET - USES OF FUNDS

	Total Funds	Retail Unit Costs	Notes
Land Acquisition	215,000		4,674 per unit 33% 2 points Need to be less than 3,500 to get 3 points
Parking requirement buy-out	80,600		Assuming a need for 0.5 space per unit (23), less the 10 we have onsite (Housing only)
Demolition	0		Existing building, landscaping, etc.
Site Preparation	0		Included in Construction Cost
Off-Site Improvements (paid by Owner)	0		
Construction of finished space	7,932,553	709,020	Includes utility hook-ups and all construction except demolition & site work. See note above re assumed cost per sq. ft.
Construction Contingency	396,628	35,451	5.0% of finished construction cost.
Utility Back-Charges	40,000	3,575	
Furnishings, Fixtures & Equipment	85,000		Common area furnishings, laundry equipment, signage, wi-fi equipment, surveillance cameras, wall hangings, etc.
Architectural and Engineering	299,000	26,725	6,500 per unit 3.77%
Civil Engineering	45,000	4,022	Not included in architect's contract
Landscape Architecture	0	0	Included in Civil Eng. Contract
Geoen지니어ing	10,000	894	Not included in architect's contract. Includes test borings, test pits, soil test processing and report preparations.
Testing and Special Inspections	15,000	1,341	
Legal and Title, Non-TC Related	82,000	7,329	Negotiated fee: land use and title opinions; services in connection with land acquisition; etc. Additional \$15K for condo documentation
Legal, TC Syndication-Related	33,000		Negotiated fee: creation of all documents, provision of due diligence, and conducting closings of LIHTC-related matters
Title Insurance	20,000		Based on our negotiated rate with TICOR title insurance agency for simultaneous owner's and lender's coverage.
Cost Certification/Audit	6,500		Budgeting \$1,000 for Carryover Allocation certification and \$5,500 for final cost certification
Appraisal	7,500		
Surveyor	5,600	501	To establish boundaries
Market Study	6,500		To substantiate demand and determine proper rent levels.
Environmental Testing & Remediation	8,000	715	
City and State Permits and Fees	50,000	4,469	
MSHA Financing Application Fee	2,500		
MSHA Financing Commitment Fee	2,000		Non-refundable, due at execution of commitment
MSHA Financing Fee	52,932		2% of tax-exempt debt amount, due at construction loan close.
MSHA Review Fee	2,500		
Tax Credit Monitoring Fee	36,000		\$1,000 per tax credit unit paid before issuance of an 8609.
Tax Credit Allocation Fee	54,000		7.5% annual allocation of 720,000 798,887
Soft Cost Contingency	50,000	4,469	For unforeseen and/or underbudgeted soft costs
Developer Overhead and Fee (Gross)	1,533,201		MSHA Net Fee formula: \$17,500 for first 20 units, & \$15,000 each unit thereafter Net: 740000
Tax and Insurance Reserve Pre-Funding	64,393		Six months of property taxes and insurance premium expense.
Rent-up Deficit Reserve	46,000		MSHA Max = \$1,000 per unit NTE \$50,000
Operating Reserve	286,500		MSHA requirement, 6 months of operating and residential debt service
Pre-Funding of Replacement Reserve	72,235		1% of cost of construction
City of Portland Legal Fees	15,000		TIF / CEA documents
Construction Loan Orig. Fee	16,298	1,457	0.2% of construction loan but not less than 16,000
Construction Loan Interest	235,168	21,020	Based on loan of \$8.149 million at 4.5% for 14 months (12 month construction)
Letter of Credit Fee for Performance Guaranty	5,000	447	Based on LOC value of \$500,000 at 1%
Constr. Lender, Equity Provider Legal Fees	27,000	2,413	
Constr. Lender Plan Review, Inspection	9,200	822	\$600/inspection for 12 inspections plus \$2000 for plans review
Construction Period Insurance	55,000	4,916	Builder's Risk and General Liability Insurance
Construction Period Taxes	4,000	358	15 months of pre-construction assessment
<b>TOTALS</b>	<b>11,906,808</b>	<b>829,943</b>	

**178 Kennebec Street**

Portland, Maine

Developer: Maine Workforce Housing, LLC (Nathan S. Szanton  
and Robert C.S. Monks, Principals)

	50%	32.6%
	60%	45.7%
market	<u>21.7%</u>	
		100%

**OPERATING INCOME SCHEDULE****Income From Units**

Unit Type	# of Units	Square Footage	Gross Rent	Less Utility Allowance	<b>Net Rent</b>	Gross Potential Monthly Revenue From These Units
0-BR LIHTC unit at/below 50% of AMI	0	500	788	-30	<b>758</b>	-
1-BR LIHTC unit at/below 50% of AMI	15	650	845	-40	<b>805</b>	12,075
0-BR LIHTC unit at/below 60% of AMI	0	500	946	-30	<b>916</b>	-
1-BR LIHTC unit at/below 60% of AMI	21	650	1,014	-40	<b>974</b>	20,454
0-BR Market Rate unit (avg. market rate rent for all 1-BR units within the bldg)	0	500			<b>925</b>	-
1-BR Market Rate unit (avg. market rate rent for all 1-BR units within the bldg)	10	650			<b>1195</b>	11,950
<b>Total Units</b>	<b>46</b>	<b>29,900</b>				<b>44,479</b>

(note that total number of units may not appear to equal the sum of the unit types due to formula rounding)

x 12 months =  
**Gross Annual Revenue from Unit Rents**                      **533,748**

**Laundry Income**

Based on experience at 53 Danforth at \$15 per unit per month

**8,280****SUMMARY OF INCOME**

Gross Potential Annual Unit Rental Income	533,748		
Gross Potential Annual Laundry Income	8,280		
<b>Total Gross Potential Annual Income</b>	<b>542,028</b>		
Less Vacancy & Collection Loss at 5%	-26,687		
Property Taxes Returned from The City (TIF)	52,110	75%	CEA
<b>Net Annual Revenue</b>	<b>567,450</b>		

**178 Kennebec Street**

Portland, Maine

Developer: Maine Workforce Housing, LLC (Nathan S. Szanton  
and Robert C.S. Monks, Principals)**46 Resident Units**

41,215 sq. ft. of finished space

**OPERATING EXPENSE SCHEDULE****Administrative Expenses**

Management Fee	42,086	8.30%	of gross receipts
Marketing	1,012	\$22	per unit per year.
Legal	2,300	\$50	per unit per year One eviction costs \$650-\$800. Appeals are more.
Management Software Fees	1,557	\$2.8	per unit per month
Audit	6,600		For annual audit of the project in MSHA format and tax return in format required by tax credit investor.
Telemedicine Room	1,800		For dedicated phone service and upgraded internet for the Telemedicine Room
Resident Services Coordination	32,120	Based on	16 hours per week \$35 /hr to the project, 52 weeks per year. Plus \$250/mo for supplies.
Portland Fire Inspection Fee	1,610	\$35	per unit per year <b>**additional RSC hours due to homeless set-aside management</b>

**Utilities**

Fuel	34,500	\$750	per unit per year
Common Area Electricity	16,100	\$350	pupy. Elevator, laundries, corridor & garage lights.
Water and Sewer	16,100	\$350	per unit per year
On-site phone and internet	8,000		Phone service for elevator/office/alarm and internet access for office

**Maintenance Expenses**

Elevator Maintenance	6,000		
Contract Maintenance	23,000	\$500	per unit per year. Includes pest control, electrical, plumbing & HVAC repair.
Common Area Cleaning	16,100	\$350	per unit per year 1342 per month
Trash Removal	11,500	\$250	per unit per year 958 per month
Snow Removal	5,000		
Work Orders/Turnovers	29,900	\$650	per unit per year
Parking Lease	18,000	\$150	per unit per month for 10 spaces
Maintenance Supplies	3,450	\$75	per unit per year

**Taxes, Insurance, Other**

Taxes	73,600		
Insurance - Property and Liability & Umbrella	13,800	\$300	pupy.
LIHTC Monitoring Fee			Prepaid as a development expense.
Replacement Reserve	20,700	\$450	pupy.
<b>Real Estate Expenses w/o Debt Service</b>	<b>384,835</b>		

<b>Annual Debt Service - Amortizing Loan</b>		0	Amortizing	6.0%	20 years	\$0	per month.
<b>Annual Debt Service - Interest Only Loan</b>	<b>158,796</b>	2,646,603	Interest Only	6.00%	30 years	\$13,233	per month.

**TOTAL REAL ESTATE EXPENSES 543,631****TOTAL ANNUAL REAL ESTATE INCOME 567,450**

<b>Annual Cash Flow from Real Estate</b>	<b>23,819</b>	Cash flow of	500 PUPY minimum is required by MSHA
MH Debt Service Coverage Ratio	1.150	Debt Service Coverage Ratio of 1.15 is required by MSHA.	
Annual Real Estate Operating Cost Per Unit	7,916	Not including debt service and replacement reserve, but includes resident services coordination.	
Monthly Real Estate Operating Cost Per Unit	660	Not including debt service and replacement reserve, but includes resident services coordination.	

City of Portland - TIF Model of 5/16/2018

OAV: \$0 as of 4/1/2017

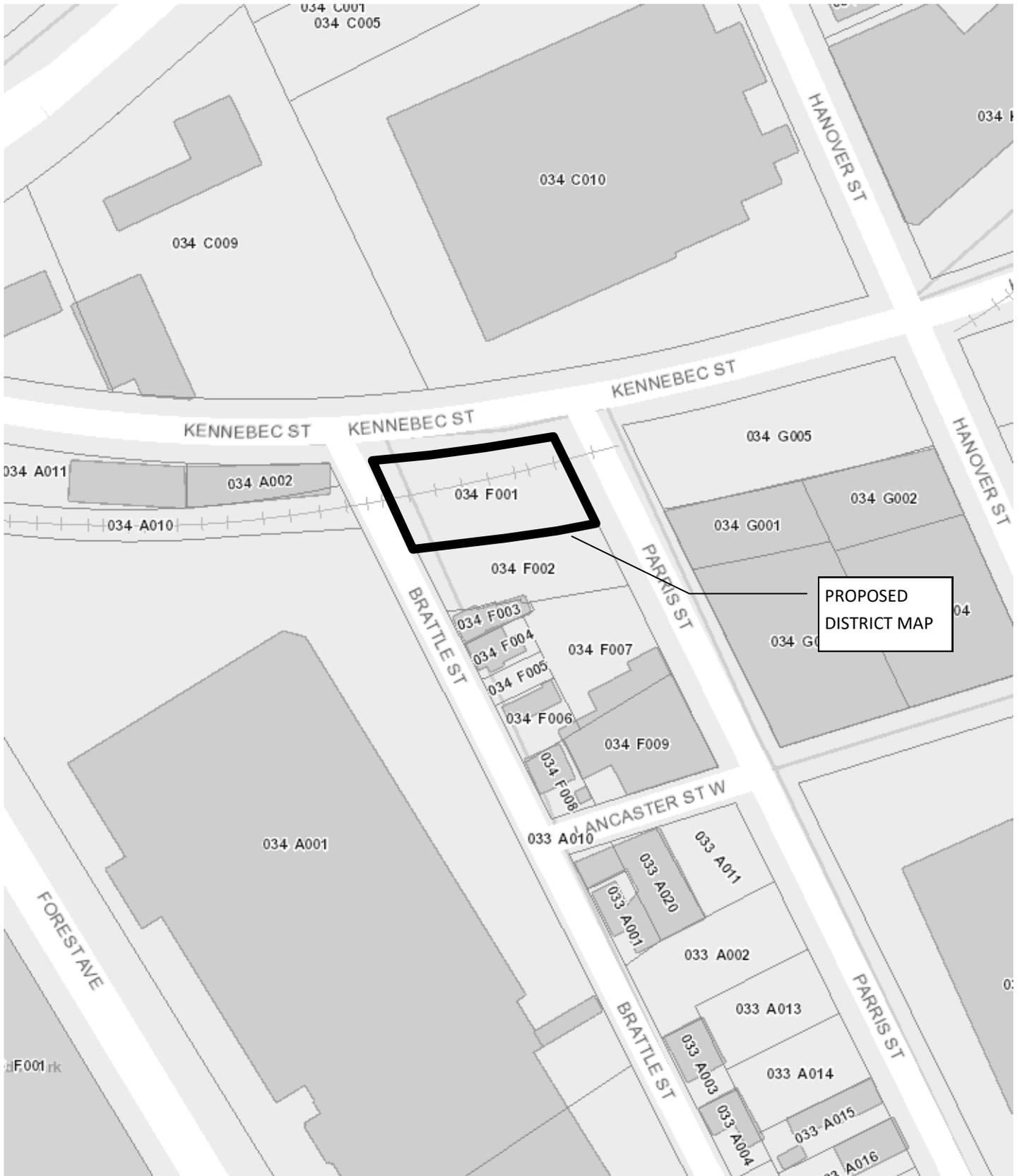
CBL: 34-F-1

City of Portland- TIF Projection Table - 178 Kennebec Street									
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues
1	2019	\$4,300,000	75.00%	\$3,225,000	22.08	\$71,218	\$71,218	\$0	\$23,739
2	2020	\$4,300,000	75.00%	\$3,225,000	22.52	\$72,642	\$72,642	\$0	\$24,214
3	2021	\$4,300,000	75.00%	\$3,225,000	22.98	\$74,095	\$74,095	\$0	\$24,698
4	2022	\$4,300,000	75.00%	\$3,225,000	23.43	\$75,577	\$75,577	\$0	\$25,192
5	2023	\$4,300,000	75.00%	\$3,225,000	23.90	\$77,088	\$77,088	\$0	\$25,696
6	2024	\$4,300,000	75.00%	\$3,225,000	24.38	\$78,630	\$78,630	\$0	\$26,210
7	2025	\$4,300,000	75.00%	\$3,225,000	24.87	\$80,203	\$80,203	\$0	\$26,734
8	2026	\$4,300,000	75.00%	\$3,225,000	25.37	\$81,807	\$81,807	\$0	\$27,269
9	2027	\$4,300,000	75.00%	\$3,225,000	25.87	\$83,443	\$83,443	\$0	\$27,814
10	2028	\$4,300,000	75.00%	\$3,225,000	26.39	\$85,112	\$85,112	\$0	\$28,371
11	2029	\$4,300,000	75.00%	\$3,225,000	26.92	\$86,814	\$86,814	\$0	\$28,938
12	2030	\$4,300,000	75.00%	\$3,225,000	27.46	\$88,550	\$88,550	\$0	\$29,517
13	2031	\$4,300,000	75.00%	\$3,225,000	28.01	\$90,321	\$90,321	\$0	\$30,107
14	2032	\$4,300,000	75.00%	\$3,225,000	28.57	\$92,128	\$92,128	\$0	\$30,709
15	2033	\$4,300,000	75.00%	\$3,225,000	29.14	\$93,970	\$93,970	\$0	\$31,323
16	2034	\$4,300,000	75.00%	\$3,225,000	29.72	\$95,850	\$95,850	\$0	\$31,950
17	2035	\$4,300,000	75.00%	\$3,225,000	30.32	\$97,767	\$97,767	\$0	\$32,589
18	2036	\$4,300,000	75.00%	\$3,225,000	30.92	\$99,722	\$99,722	\$0	\$33,241
19	2037	\$4,300,000	75.00%	\$3,225,000	31.54	\$101,716	\$101,716	\$0	\$33,905
20	2038	\$4,300,000	75.00%	\$3,225,000	32.17	\$103,751	\$103,751	\$0	\$34,584
21	2039	\$4,300,000	75.00%	\$3,225,000	32.81	\$105,826	\$105,826	\$0	\$35,275
22	2040	\$4,300,000	75.00%	\$3,225,000	33.47	\$107,942	\$107,942	\$0	\$35,981
23	2041	\$4,300,000	75.00%	\$3,225,000	34.14	\$110,101	\$110,101	\$0	\$36,700
24	2042	\$4,300,000	75.00%	\$3,225,000	34.82	\$112,303	\$112,303	\$0	\$37,434
25	2043	\$4,300,000	75.00%	\$3,225,000	35.52	\$114,549	\$114,549	\$0	\$38,183
26	2044	\$4,300,000	75.00%	\$3,225,000	36.23	\$116,840	\$116,840	\$0	\$38,947
27	2045	\$4,300,000	75.00%	\$3,225,000	36.95	\$119,177	\$119,177	\$0	\$39,726
28	2046	\$4,300,000	75.00%	\$3,225,000	37.69	\$121,560	\$121,560	\$0	\$40,520
29	2047	\$4,300,000	75.00%	\$3,225,000	38.45	\$123,992	\$123,992	\$0	\$41,331
30	2048	\$4,300,000	75.00%	\$3,225,000	39.22	\$126,472	\$126,472	\$0	\$42,157
<b>30 Year TIF Total</b>		<b>\$129,000,000</b>		<b>\$96,750,000</b>		<b>\$2,889,164</b>	<b>\$2,889,164</b>	<b>\$0</b>	<b>\$963,055</b>
<b>30 Year Average</b>						<b>\$96,305</b>	<b>\$96,305</b>	<b>\$0</b>	<b>\$32,102</b>

**Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model  
178 Kennebec St.**

**75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund**

TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2019	\$4,300,000	\$3,225,000	\$0	\$1,964	\$1,757	\$3,721
2	2020	\$4,300,000	\$3,225,000	\$0	\$1,964	\$1,757	\$3,721
3	2021	\$4,300,000	\$3,225,000	\$0	\$1,964	\$1,757	\$3,721
4	2022	\$4,300,000	\$3,225,000	\$8,923	\$1,964	\$1,757	\$12,643
5	2023	\$4,300,000	\$3,225,000	\$17,845	\$1,964	\$1,757	\$21,566
6	2024	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
7	2025	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
8	2026	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
9	2027	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
10	2028	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
11	2029	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
12	2030	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
13	2031	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
14	2032	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
15	2033	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
16	2034	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
17	2035	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
18	2036	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
19	2037	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
20	2038	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
21	2039	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
22	2040	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
23	2041	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
24	2042	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
25	2043	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
26	2044	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
27	2045	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
28	2046	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
29	2047	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
30	2048	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
<b>30 Year TIF Total</b>		<b>\$129,000,000</b>	<b>\$96,750,000</b>	<b>\$695,955</b>	<b>\$58,928</b>	<b>\$52,695</b>	<b>\$807,579</b>
<b>30 Year Average</b>				<b>\$23,199</b>	<b>\$1,964</b>	<b>\$1,757</b>	<b>\$26,919</b>



PROPOSED  
DISTRICT MAP

034 C001  
034 C005

034 C010

034 C009

034 F

HANOVER ST

KENNEBEC ST KENNEBEC ST

KENNEBEC ST

HANOVER ST

034 A011

034 A002

034 F001

034 G005

034 G001

034 G002

034 A010

034 F002

PROPOSED  
DISTRICT MAP



034 F003

034 F004

034 F007

034 F005

034 F006

034 F009

033 A010

033 A020

033 A011

FOREST AVE

034 A001

LANCASTER ST W

BRATTLE ST

PARRIS ST

034 F001rk

033 A002

033 A013

033 A014

033 A003

033 A004

033 A015

033 A016



*Note: Islands not shown to improve map legibility.*

PROPOSED  
DISTRICT



Mary Davis

Division Director, Housing &amp; Community Development Division

**TO:** Councilor Duson, Chair  
Members of the Housing Committee

Councilor Costa, Chair  
Members of the Economic Development Committee

**FROM:** Mary Davis, Division Director, Housing & Community Development

**DATE:** June 1, 2018

**SUBJECT:** Avesta Housing Development Corporation – 977 Brighton Avenue  
Affordable Housing Tax Increment Financing Request

## I. SUMMARY OF ISSUE

Avesta Housing Development Corporation (AHDC) is proposing to construct 40 1-bedroom units for seniors (55+) on a site they own located at 977 Brighton Avenue. AHDC is requesting financial assistance from the City in the form of an Affordable Housing TIF (AHTIF) to assist with the project. If approved, the AHTIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at an average \$65,150 annually over 30 years.

AHDC has requested two forms of financial assistance.

(1) HOME funds request: \$300,000, 0% interest rate loan, deferred for 30 years.

Total City HOME Investment of \$300,000/unit - \$7,500.

Total City HOME Investment of \$300,000/affordable unit = \$8,824.

The Housing Committee will make final HOME funding recommendations at their June 5<sup>th</sup> meeting. The final loan terms will be determined based on the results of the underwriting.

(2) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30 year annual average of \$65,150, with an estimated total of \$1,954,486 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable with an estimated annual assessment of \$3,200,000 and estimated annual taxes of \$69,280. The remaining increased taxable value will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.



Mary Davis

Division Director, Housing & Community Development Division

The development will include:

977 Brighton Avenue		
<b>1-Bedroom Units (40)</b>	at or below 50% area median income	24
	at or below 60% area median income	10
	Market Rate	6
<b>Total Units</b>		<b>40</b>

Eight (8) units will have project based rental assistance. As stated in the developer's application:

*“The 0.73 acre site currently contains a single-family home and a garage, both of which will be demolished and cleared prior to construction. The project consists of one 4-story building, placed at the front of the property so as to create maximum active street frontage. There will also be a parking lot of 32 cars and an external gathering area or patio for residents. Vegetative screening will be used to create a level of privacy for residents.”*

The developer will submit an application with MaineHousing's Low Income Housing Tax Credit program contingent upon a reduction in operating costs through a tax increment financing program that provides for a minimum of 75% of the projects annual property tax revenue to be returned to the developer.

**II. REASON FOR SUBMISSION**

TIF Agreements require a recommendation from both the Housing Committee and the Economic Development Committee as well as approval and authorization from the City Council.

**III. INTENDED RESULT**

Establish an Affordable Housing TIF District to support the development of 40 new units of rental housing.

**IV. COMMITTEE GOAL/COUNCIL GOAL ADDRESSED**

Increase access to rental and ownership housing that is safe and affordable for working and low-income families.



Mary Davis

Division Director, Housing &amp; Community Development Division

## V. FINANCIAL IMPACT

When completed, this project's new assessed value is estimated at \$3.2 million, which will yield approximately \$2.9 million in increased annual assessed property value. Seventy-Five (75%) percent of the increased tax revenue will be captured revenue returned to the developer. The remaining 25% will be general fund revenue.

A Credit Enhancement Agreement will return approximately \$1,954,486 in captured revenue to the project (averaged at \$65,150 annually over thirty years) to off-set project operating costs. The proposed project will be taxable. TIF projections and proposed district map are included in the backup to this memo.

Total development costs are estimated at \$8.2 million. At full build out, the development is projected to pay an average \$65,150 annually in projected new taxes captured. Non-captured general fund revenues are estimated at an average \$21,717 annually.

In addition, with the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$18,211+, or \$546,319 + over the life of the district.

## VI. STAFF ANALYSIS AND RECOMMENDATION

The Housing and Community Development Division works with an independent consultant who performs third party underwriting reviews of all requests for City funding (local and federal resources), including Affordable Housing Tax Increment Financing requests. The third party analysis will be made available prior to any council action on this request.

*Public Benefits* In reviewing this TIF request, staff notes the public benefit associated with the TIF District of 40 units of 55+ housing, eighty-five percent (85%) of which will be affordable to households at or below sixty percent (60%) of the area median income. Additionally, the TIF will create tax sheltering benefits estimated at an average \$18,211 annually.

Committee recommendation regarding HOME and TIF financing will be conditioned upon receipt of a satisfactory underwriting review.

Staff is requesting the Housing Committee and the Economic Development Committee approve and recommend to the City Council support of this Affordable Housing TIF

Portland, Maine



Yes. Life's good here.

Mary Davis

Division Director, Housing & Community Development Division

proposal which meets the City's policy goal of increasing access to safe housing that is affordable for working and low-income families.

## **ATTACHMENTS**

Copy of 977 Brighton Avenue Tax Increment Financing Application  
TIF Projection Table  
TIF District Map



## City of Portland HOME Funds Application

### Project: 977 Brighton Avenue Apartments

Avesta Housing is requesting \$300,000 of HOME funds from the City of Portland for our 977 Brighton Avenue Apartments project ("977 Brighton") at 977 Brighton Avenue in Portland, Maine.

The development involves the new construction of 40 1-bedroom rental apartments for seniors (55+ years of age), in one 4-story building. 34 of the apartments will be affordable and 6 will be market rate. 24 units will be affordable to households at or below 50% of area median income and 10 will be affordable to households at or below 60% of area median income. Portland Housing Authority has awarded project-based rental assistance to eight of the units at the project. All units with affordability restrictions will have a utility allowance factored into the tenant rent payment.

977 Brighton represents an opportunity to create much-needed affordable senior housing in an accessible location within Portland. The development site contains eight contiguous lots located in a highly walkable area in the Nasons Corner section of Portland. The project is located near many amenities and services, making it a prime location for housing; retail stores, a pharmacy, trails and restaurants are all located within a half mile. The site is also located within a tenth of a mile to a bus stop on the extensive Portland public transportation bus system, connecting residents with Portland's downtown as well as adjoining communities.

See the attached maps for more information about the project's siting within the City and relative to numerous nearby amenities.

As shown in the attached pictures, the 0.73-acre site currently contains a single-family home and a garage, both of which will be demolished and cleared prior to construction. The project will consist of one 4-story building, placed at the front of the property so as to create maximum active street frontage. There will also be a parking lot for 32 cars and an external gathering area or patio for residents. Vegetative screening will be used to create a level of privacy for residents. Storm water management systems will be used to ensure that the project does not adversely impact the vicinity of the subject parcel. Avesta will work with City staff and the Planning Board to ensure that the design of the project is consistent with neighborhood design characteristics.

Each apartment will be approximately 600 square feet and all accessibility requirements will be met. Additional amenities will include on-site laundry, a health room, a community room and resident service coordination.

977 Brighton Avenue Apartments will continue Avesta Housing's commitment to construct and manage buildings designed to maximize energy performance, minimize adverse environmental impacts, provide healthy living spaces, conserve natural resources, and promote smart growth and sustainable development. All requirements of the City of Portland's Green Building Ordinance will be met. Additionally, as alluded to in the attached information provided by the property manager, Avesta Housing Development Corporation, smoking at the project will be prohibited and educational materials on tobacco treatment programs will be provided to tenants.

These affordable units at 977 Brighton Avenue come at a critical time for the City. Vacancies in Portland are at historic lows while rents remain too high for thousands of local renter households. In 2017, Avesta alone received requests for affordable housing from nearly 3,800 households (over 1,300 of which were senior-led households) but was only able to provide housing to 393.

977 Brighton Avenue Apartments will create much-needed senior affordable rental housing in an area of the city that is rich with transit, services, and neighborhood amenities.





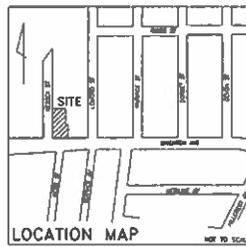
**ZONE INFORMATION**

ZONE INFORMATION	R-3	R-P	M-488 DOWNS	ALLOWED	PROVIDED
SPACE STANDARDS					
LOW INCOME UNITS			8%		34
WORKFORCE UNITS			0%		0
MARKET UNITS			8%		4
TOTAL NUMBER OF UNITS			100%		40
LOT AREA PER UNIT	6,500 SQ. FT.	8,000 SQ. FT.	23,000 SQ. FT.	6,500	800
MINIMUM LOT SIZE	6,500 SQ. FT.	6,500 SQ. FT.			32,000
MINIMUM STREET FRONTAGE	50 FEET	50 FEET			400 FEET
MINIMUM FRONT YARD	10 FEET	10 FEET			11 FEET
MINIMUM FRONT YARD	35 FEET	17.5 FEET	5 FEET	0.50 FEET	10 FEET
MINIMUM REAR YARD	75 FEET	75 FEET			140 FEET
MINIMUM SIDE YARD					
2 1/2 STORY STRUCTURE	16 FEET	16 FEET	5 FEET	0 FEET	20 FEET
SIDE YARD ON A SIDE STREET	30 FEET	30 FEET	5 FEET	0 FEET	0 FEET
MINIMUM UNIT SIZE					825 SQ. FT.
OVERALL BUILDING AREA (GROSS)					30,000 SQ. FT.
ACTUAL LOT COVERAGE (FOOTPRINT)					1,000 SQ. FT.
MINIMUM LOT COVERAGE	30%	30%			
MINIMUM LOT WIDTH	44 FEET	44 FEET			50 FEET
MINIMUM BUILDING HEIGHT	30 FEET	30 FEET	0 FEET	0 FEET	40 FEET

175% OR AVERAGE OF ADJUTING FRONT YARDS AVERAGE OF YARDS ADJUTING 1:1 = 1:1.50

**GENERAL NOTES**

- ONE-DEVELOPER, AVESTA HOUSING DEVELOPMENT CORPORATION, 307 CUMBERLAND AVENUE, PORTLAND, OREGON, CUMBERLAND COUNTY, REGISTRY OF DEEDS BOOK 3085, PAGE 362 / BOOK 3085, PAGE 360, RECORDED DATE 04/14/10.
- ENGINEER, PROGRAM 4 GREEN CIVIL ENGINEERS, 28 VANAM AVENUE, PORTLAND, OREGON.
- ARCHITECT, CWS ARCHITECTS, 304 U.S. ROUTE ONE 9A, SCARBOROUGH, MAINE.
- TOPOGRAPHIC, UTILITY AND BOUNDARY INFORMATION TAKEN FROM BOUNDARY & TOPOGRAPHIC SURVEY AT 977 BRIGHTON AVENUE, PORTLAND, MAINE MADE FOR AVESTA HOUSING 307 CUMBERLAND AVENUE, PORTLAND, MAINE BY OWEN HASKELL, INC. 350 U.S. ROUTE ONE, FALMOUTH, MAINE, PLAN DATED 01/13/2016. BENCHMARK: 3 CORNET POINT AT ROCK AND MARINE STREET, ELEVATION 65.61.
- WETLAND MAPPING PROVIDED BY ALBERT PRICK ASSOCIATES, INC. 184 GORHAM ROAD, GORHAM, MAINE.
- SOILS MAPPING TAKEN FROM SOIL CONSERVATION STUDY OF CUMBERLAND COUNTY AND AISE SCOTT (8) 801 LOT, AT THE SOUTH HALF OF THE SITE AND ELWOOD (8) 801 PINE SANDY LOAM AT THE NORTH HALF OF THE PARCEL.
- ZONE: RESIDENTIAL PROFESSIONAL AND RESIDENTIAL 3 PROPOSED USE: AFFORDABLE SENIOR HOUSING
- TAX MAP REFERENCE: MAP 278 / BLOCK C / LOTS 1, 2, 3, 4, 5 AND 6
- TOTAL PARCEL: 0.234 ACRES
- CALL ONE-SAFE PRIOR TO COMMENCING WORK ON OR 1-800-ONE-SAFE
- BUILDING SHALL HAVE A NUMBER CLEARLY VISIBLE FROM THE ROAD
- LOT TO BE SERVICED BY PUBLIC WATER AND SEWER THESE SERVICES, INCLUDING HYDRANTS, ARE AS SHOWN ON SHEET C23, GRADING AND UTILITIES PLAN.
- POWER TELEPHONE AND CABLE ARE TO BE UNDERGROUND FROM AN EXISTING POLE. THESE SERVICES ARE SHOWN ON SHEET C23, GRADING AND UTILITIES PLAN.
- ALL CONSTRUCTION AND SITE ALTERATIONS SHALL BE DONE IN ACCORDANCE WITH THE "MAINE EROSION AND SEDIMENT CONTROL BMP'S" PUBLISHED BY THE BUREAU OF LAND AND WATER QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, LATEST EDITION, MARCH 2016.
- NO CONSTRUCTION OR FILLING OF WETLANDS OTHER THAN THAT SHOWN ON THE PLAN ARE ALLOWED. NPRA PERMIT IS REQUIRED FOR THIS PROJECT.
- ALL WORK WITHIN THE PUBLIC RIGHT OF WAY SHALL MEET CITY OF PORTLAND TECHNICAL MANUAL STANDARDS.
- THE SUBJECT PARCEL KNOWN AS 977 BRIGHTON AVENUE IS SUBJECT TO A CITY OF PORTLAND LEVEL III SITE PLAN AND SUBDIVISION PERMIT.
- DETAILS OF STREET TREES ARE INCLUDED ON THE LANDSCAPE PLAN AS PART OF THE APPROVAL FOR 977 BRIGHTON SITE PLAN.
- FLOODPLAIN: THIS PROPERTY IS IN ZONE X OF THE FLOOD INSURANCE RATE MAP, COMMUNITY PANEL 13068I 0808 C, EFFECTIVE DATE DECEMBER 6, 1984. IT IS NOT IN A SPECIAL FLOOD HAZARD ZONE.
- SHOW CLEARANCE REQUIREMENTS ARE AS NOTED ON SHEET C23 UNDER SHOW CLEARANCE NOTES.
- MECHANICAL EQUIPMENT IS TO BE INSTALLED ON THE ROOF.
- NEW PROPERTY PINS TO BE SET AT THE EXPENSE OF THE OWNER AT THE END OF CONSTRUCTION. ANY DIMENSIONAL DAMAGE BY CONSTRUCTION IS TO BE REPLACED.
- ALL CONSTRUCTION AND SITE ALTERATIONS SHALL BE DONE IN ACCORDANCE WITH THE "MAINE EROSION AND SEDIMENT CONTROL BMP'S" PUBLISHED BY THE BUREAU OF LAND AND WATER QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, LATEST EDITION 2016.
- THIS PROJECT HAS A GEOTECHNICAL REPORT BY BIL COLU ENGINEERING, INC. ALL RECOMMENDATIONS OF THE REPORT ARE TO BE FOLLOWED WHILE CONDUCTING AND COMPLETING SITE EARTHWORK.



**CITY OF PORTLAND SITE PLAN NOTES**

- LANDSCAPING SHALL MEET THE "ARBORICULTURAL SPECIFICATIONS AND STANDARDS OF PRACTICE AND LANDSCAPE GUIDELINES" OF THE CITY OF PORTLAND TECHNICAL AND DESIGN STANDARDS AND GUIDELINES.
- THE ENTIRE SITE SHALL BE DEVELOPED AND/OR MAINTAINED AS DEPICED ON THE SITE PLAN. APPROVAL OF THE PLANNING AUTHORITY OR PLANNING BOARD SHALL BE REQUIRED FOR ANY ALTERATION TO OR DEVIATION FROM THE APPROVED SITE PLAN, INCLUDING BUT NOT LIMITED TO: CHANGING LANDSCAPING, RETENTION OF EXISTING OR LUSH AREAS, ACCESS, SIZE, LOCATION AND SURFACING OF PARKING AREAS AND LOCATION AND SIZE OF BUILDINGS.
- ALL POTENTIAL UTILITIES SHALL BE OVERSEEN.
- STREETS AND CURBS SHALL BE DESIGNED AND BUILT WITH TYPICAL RAFFS AT ALL STREET CORNERS, CROSSWALKS AND DRIVEWAYS IN CONFORMANCE WITH THE CITY OF PORTLAND TECHNICAL AND DESIGN STANDARDS AND GUIDELINES.
- ALL EROSION CONTROL MEASURES SHALL BE CONSTRUCTED AND MAINTAINED IN ACCORDANCE WITH THE MAINE EROSION AND SEDIMENT CONTROL BMP'S PUBLISHED BY THE BUREAU OF LAND AND WATER QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, MARCH 2016.
- ALL EROSION CONTROL MEASURES SHALL BE INSTALLED PRIOR TO ANY SITE EXCAVATION OR REGRADING.
- ALL DISTURBED AREAS ON THE SITE NOT COVERED BY BUILDINGS OR PAVED AREAS SHALL BE STABILIZED WITH LOAM AND SEED OR OTHER METHODS AS REQUIRED BY BEST MANAGEMENT PRACTICES (SEE ABOVE).
- PRIOR TO CONSTRUCTION A PRECONSTRUCTION MEETING SHALL BE HELD AT THE PROJECT SITE WITH THE CONTRACTOR, DEVELOPMENT REVIEW COORDINATOR, PUBLIC WORKS REPRESENTATIVE AND OWNER TO REVIEW THE CONSTRUCTION SCHEDULE AND CRITICAL ASPECTS OF THE SITE WORK. AT THAT TIME THE SITEWORKING CONTRACTOR SHALL PROVIDE THREE (3) COPIES OF A DETAILED CONSTRUCTION SCHEDULE TO THE ATTENDING CITY REPRESENTATIVE. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO ARRANGE A MUTUALLY AGREABLE TIME FOR THE PRECONSTRUCTION MEETING.
- EXISTING VEGETATION SHALL BE CONSERVED IN AREAS SHOWN ON THIS SITE. FENCING OR OTHER PROTECTIVE BARRIERS SHALL BE ERRECTED OUTSIDE THE DROP-LINE OF INDIVIDUAL GROUPINGS OF TREES DESIGNATED FOR PRESERVATION PRIOR TO THE ONSET OF CONSTRUCTION. REGRADING SHALL NOT TAKE PLACE WITHIN THE DROP-LINE OF TREES DESIGNATED FOR PRESERVATION. NO STORAGE OR CONSTRUCTION MATERIALS SHALL BE PERMITTED WITHIN THE DROP-LINE OF TREES TO BE PRESERVED.

**PARKING & BICYCLES**

PARKING SPACES PROVIDED:	32	
STANDARD SPACES:		
8'x10'	8	
8'x10' (COMPACT)	4	
ACCESSIBLE SPACES:		
8'x10'	4	
8'x10' (COMPACT)	4	
BICYCLE SPACES PROVIDED: (1/8 RACKS)		
BIKE SPACES REQUIRED:	7	
BIKE SPACES PER	9 DWELLING UNITS (40/324)	16

**WAIVERS REQUESTED**

- THE PLANNING BOARD WAIVES / DOES NOT MAKE SECTION 14-826 (1) 4 (IV) OF THE CITY OF PORTLAND CHAPTER 3 LAND USE ORDINANCE FOR REDUCTION OF DRIVE ABLE FROM 24 FEET TO 20 FEET.
- THE PLANNING BOARD WAIVES / DOES NOT MAKE SECTION 14.4 OF THE CITY OF PORTLAND TECHNICAL MANUAL STANDARD THAT PARKING LOTS WITH GREATER THAN 10 SPACES MAY BE COMPROMISED UP TO 20% COMPACT PARKING SPACES TO ALLOW 10 COMPACT SPACES WHICH IS 31% OF THE TOTAL NUMBER.

**IMPERVIOUS INFORMATION**

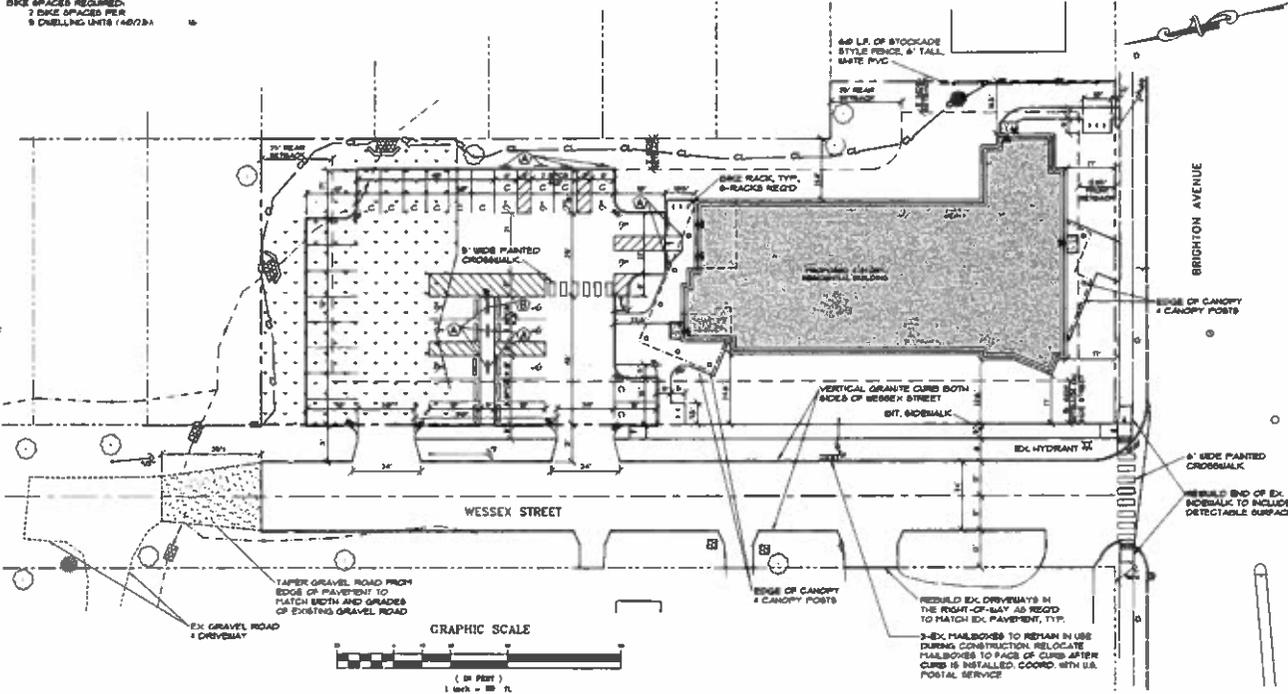
	EXISTING	PROPOSED
BUILDING PAVEMENT	320 SQ. FT.	1,200 SQ. FT.
PAVEMENT	8,000 SQ. FT.	80 SQ. FT.
	8,320 SQ. FT.	1,280 SQ. FT.
NET IMPERVIOUS		+ 457.6 SQ. FT.

**PROJECT DRAWINGS**

- C21 SUBDIVISION RECORDING PLAT, SHEET 1 of 2
- C22 SUBDIVISION RECORDING PLAT, SHEET 2 of 2
- C23 SITE PLAN
- C24 EXISTING CONDITIONS AND DEMOLITION PLAN
- C25 GRADING AND UTILITIES PLAN
- C26 EROSION CONTROL PLAN, NOTES AND DETAILS
- C27 LANDSCAPE PLAN, NOTES AND DETAILS
- C28 SITE LIGHTING
- C29 SITE DETAILS
- C30 SITE DETAILS
- C31 DRAINAGE ANALYSIS
- C32 BOUNDARY & TOPOGRAPHIC SURVEY

**LEGEND**

EXISTING	PROPOSED
PROPERTY LINE	EDGE OF PAVEMENT
ADJUTING PROPERTY	FLOPED CONCRETE CURB
BUILDING SETBACK CURB	VERTICAL GRANITE CURB
EDGE OF PAVEMENT	GRADE BREAKS AT PLAZAS
BUILDING	GRADE BREAKS AT SIDEWALK
EDGE OF GRAVEL	EDGE OF GRAVEL
WATERCOURSE	BUILDING
WETLAND LEFT	BUILDING ENTRY/ACCESS
BUILDING	TRUCK CANOPY
CATCH BASIN	CLEARING LIFT
DRAIN MANHOLE	STOCKADE FENCE
TELEPHONE MANHOLE	STONE HEADWALL
WATER DISTRICT MANHOLE	LIGHT MOUNTED LIGHT
TRANSFORMER	UTILITY POLE
SEWER MANHOLE	8"X8" SIGN IDENTIFICATION
UTILITY POLE	RELOCATED MAILBOX
UTILITY POLE BY CITY WIRE	BIKE RACK
8"X8"	CONCRETE SHELLTOPS
TREES	MANHOLE PARKING
	NO PARKING AREA
	PAINTED CROSSWALK
	DETECTABLE SURFACE
	AT RAFF
	REPRAP
	CONCRETE PAVEMENT
	EXISTING PAVEMENT
	BUILDING MATCH



**CWS ARCHITECTS**  
ARCHITECTURE INTERIOR DESIGN

434 Commercial Avenue, Portland, ME 04101  
TEL: 603.767.0444 FAX: 603.767.0424

**DESIGNER**  
PINHEIRO & GREEN  
ARCHITECTS  
1000 BRIGHTON AVENUE, SUITE 200  
PORTLAND, ME 04107

**OWNER**  
AVESTA HOUSING  
C/O AVESTA HOUSING

**PROJECT**  
977 BRIGHTON AVE ELDERLY APARTMENTS

**DRAWING**  
SITE PLAN

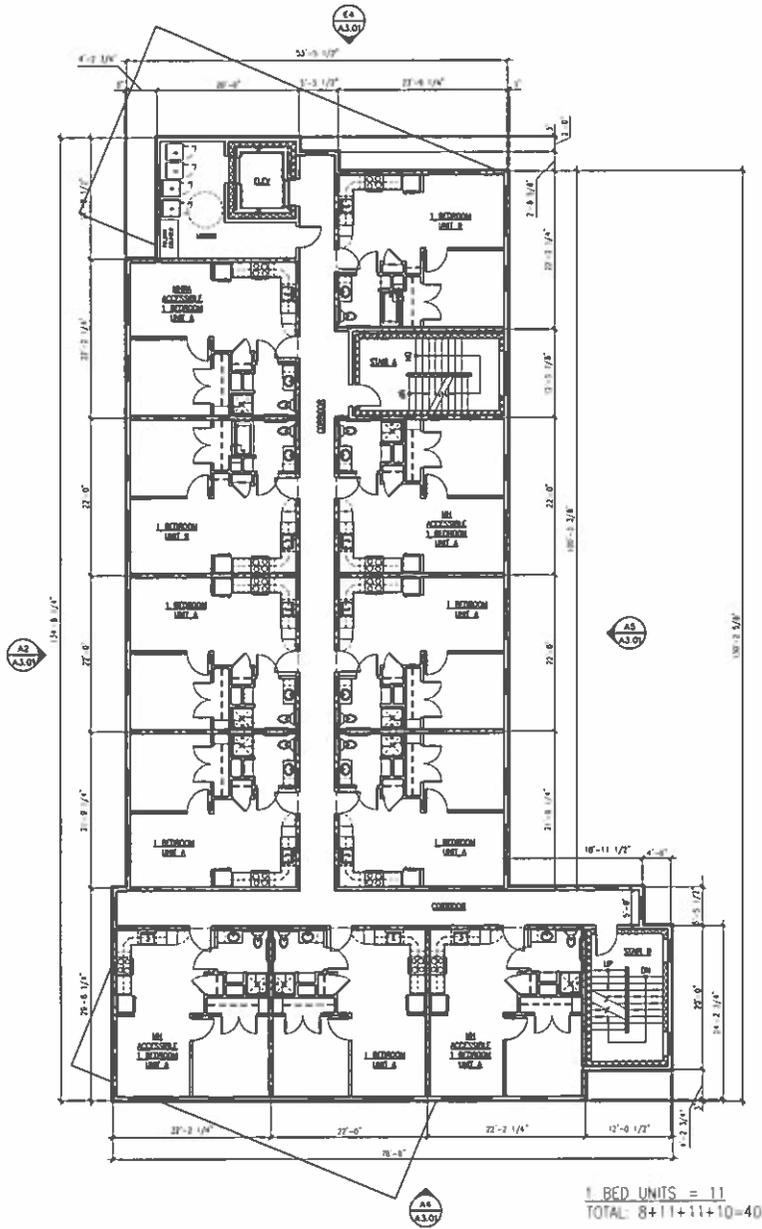
**REVISIONS**

NO.	DESCRIPTION

DRAWING NUMBER  
**C2.1**

SCALE: AS SHOWN  
DATE: 12/21/2017





SECOND FLOOR PLAN  
7684 SQ. FT.

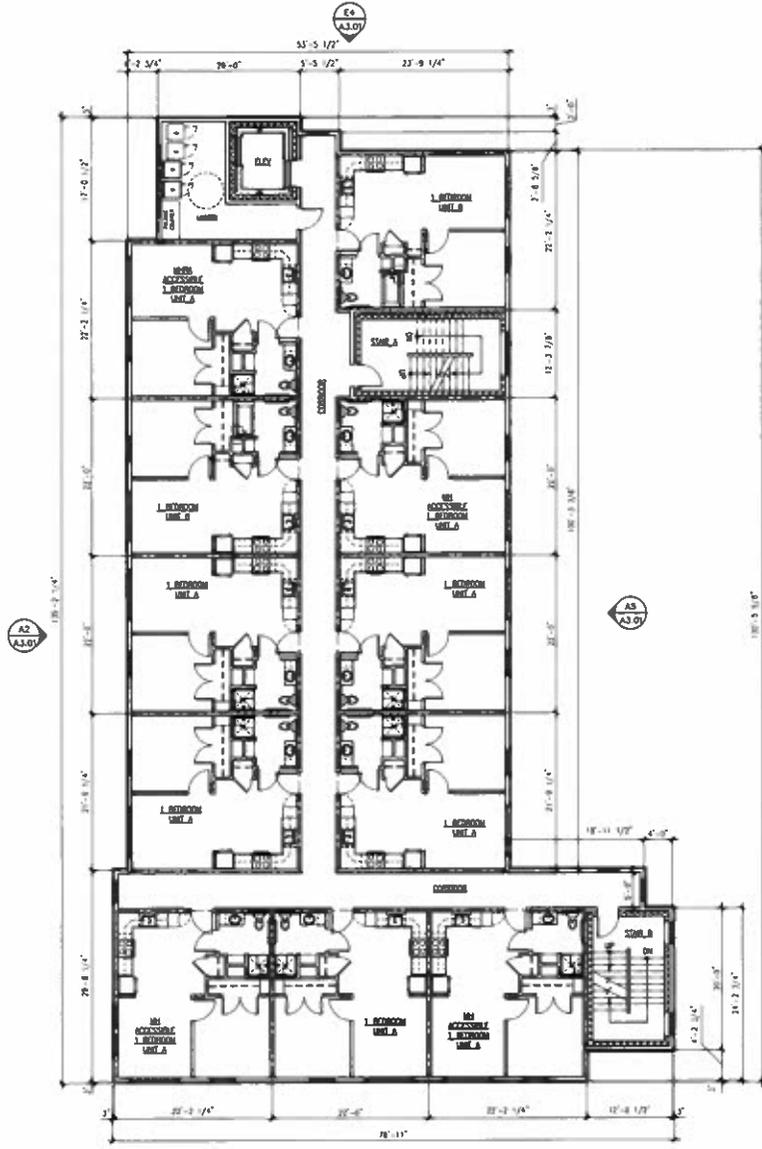
1 BED UNITS = 11  
TOTAL: 8+11+11+10=40

ALL UNITS DESIGNED WITH THE SAME AMOUNT FOR ADAPTABLE OR ACCESSIBLE UNIT. DESIGNATION OF ACCESSIBLE UNIT QUANTITY AND LOCATION TO BE PROVIDED WITH APPROVAL. ALL UNITS MEET DIMENSIONAL REQUIREMENTS.



A5 SECOND FLOOR PLAN  
REFERENCED FROM SCALE: 1/8" = 0'

<b>CWS ARCHITECTS</b> ARCHITECTS AT PETERLIN SQUARE 238 Commercial Avenue, Suite 201 OFFICE: 207.771.4441   CWSARCH.COM																					
DESIGNER	<b>CWS ARCHITECTS</b> 238 COMMERCIAL AVENUE, SUITE 201 BALTIMORE, MD 21201 WWW.CWSARCH.COM																				
OWNER	<b>AVESTA 977 BRIGHTON LP</b> c/o AVESTA HOUSING 2677 LAMAR BLVD, SUITE 100 BOSTON, MA 02128																				
PROJECT	<b>977 BRIGHTON AVE SENIOR APARTMENTS</b> 977 BRIGHTON AVE, SUITE 100 BOSTON, MA 02128																				
DRAWING	<b>SECOND FLOOR PLAN</b>																				
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DRAWING NUMBER	<b>A1.20</b>																				
SCALE	AS SHOWN																				
DATE	12/21/2017																				



**A1**  
A3.01  
THIRD FLOOR PLAN  
7684 SQ. FT.

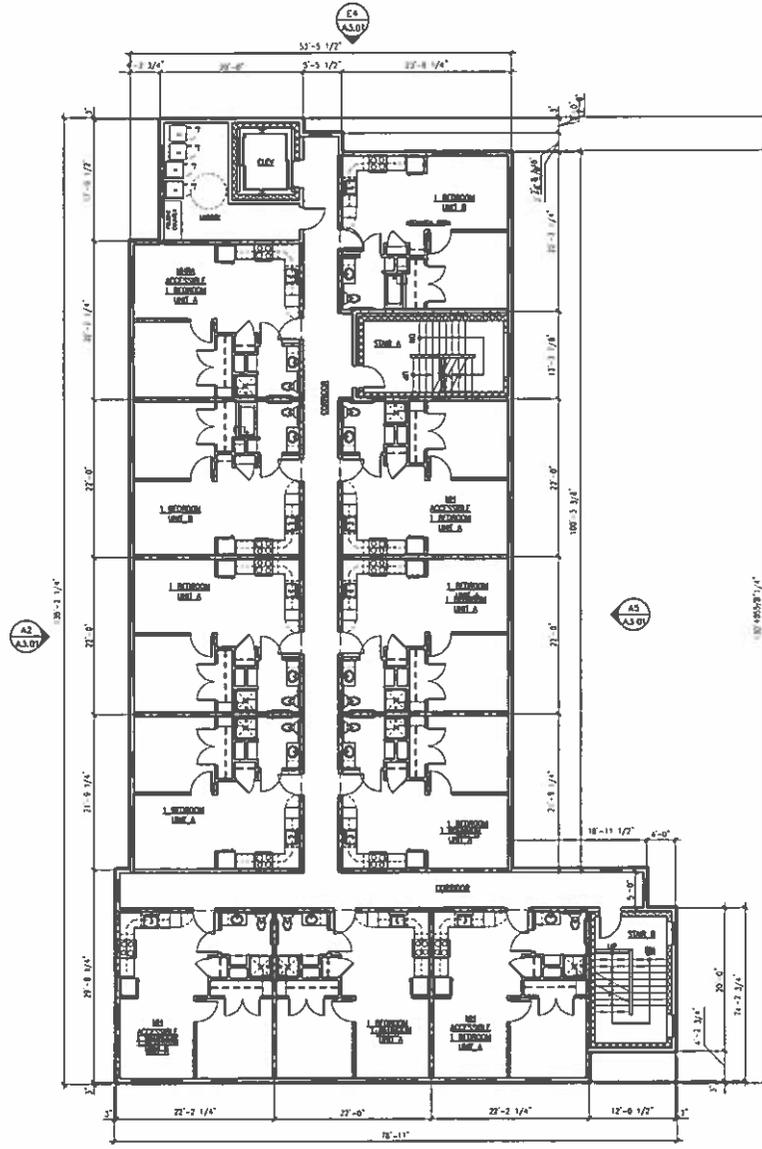
ALL UNITS DESIGNED WITH THE SAME LAYOUT FOR ADAPTABLE OR ACCESSIBLE UNIT. DESIGNATION OF ACCESSIBLE UNIT QUANTITY AND LOCATION TO BE PROVIDED WITH APPLICATION. ALL UNITS MEET DIMENSIONAL REQUIREMENTS.



**A5** THIRD FLOOR PLAN

SCALE: 1/8" = 1'-0"

REVISIONS	DRAWING	PROJECT	OWNER	DESIGNER	<p>CWS ARCHITECTS ARCHITECTURE   1111 MAIN STREET, SUITE 200 DENVER, CO 80202</p>
					<p>977 BRIGHTON AVE SENIOR APARTMENTS</p>
DRAWING NUMBER		DRAWING NUMBER		DRAWING NUMBER	
A1.30		A1.30		A1.30	
SCALE		SCALE		SCALE	
1/8" = 1'-0"		1/8" = 1'-0"		1/8" = 1'-0"	

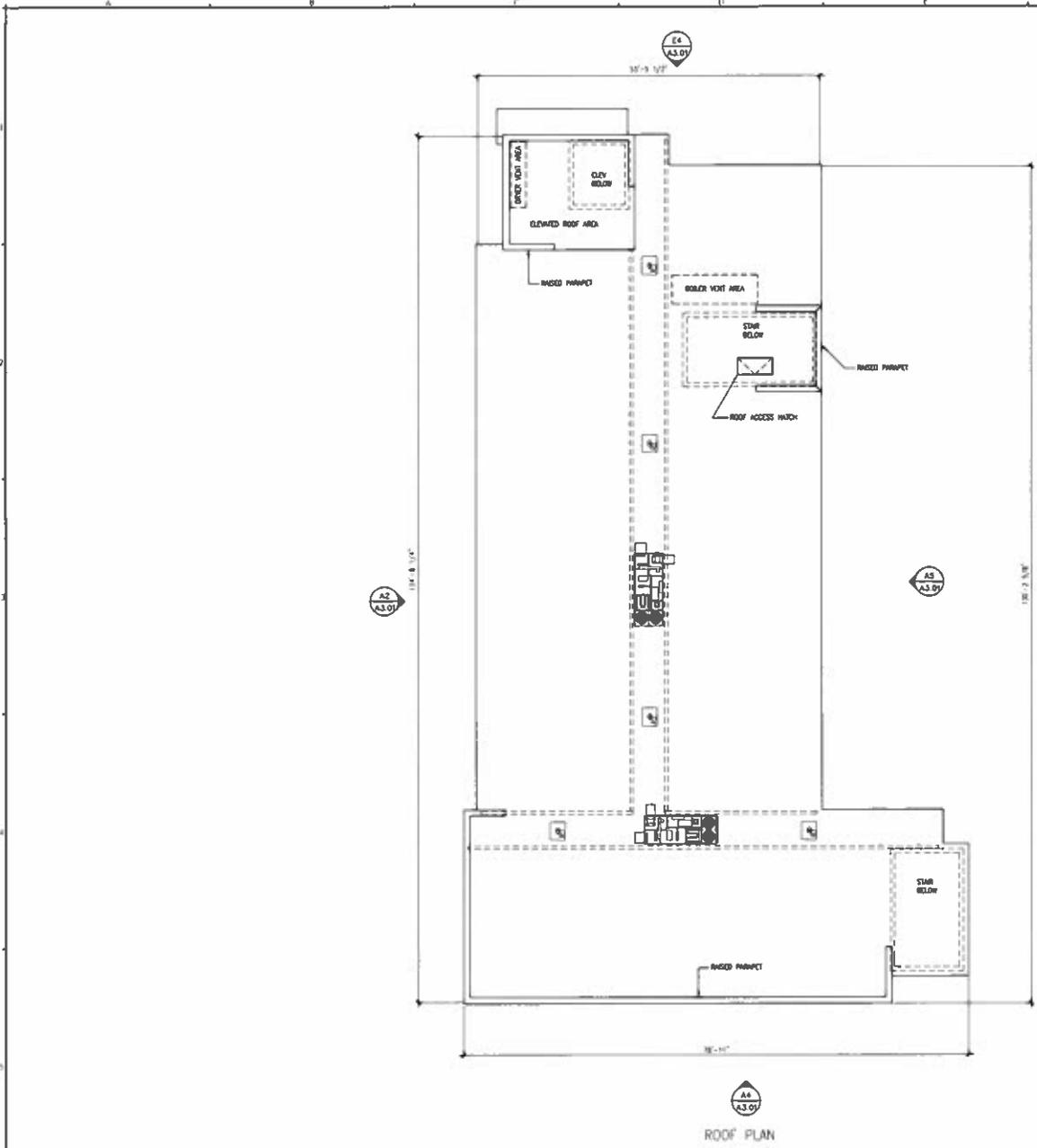


FOURTH FLOOR PLAN  
7684 SQ. FT.

ALL UNITS DESIGNED WITH THE SAME LAYOUT FOR ADAPTABLE OR ACCESSIBLE UNIT. DETERMINATION OF ACCESSIBLE UNIT QUANTITY AND LOCATION TO BE PROVIDED WITH APPLICATION. ALL UNITS MEET OVERSIGHT REQUIREMENTS.

**A5** FOURTH FLOOR PLAN  
SCALE: 1/8" = 1'-0"

<b>CWS ARCHITECTS</b> ARCHITECTURE INTERIOR DESIGN 1711 Cambridge Avenue, Berkeley, CA 94709 OFFICE: 925.721.4444 FAX: 925.721.4444																					
DESIGNER	<b>CWS ARCHITECTS</b> 1445 CUMBERLAND AVENUE SUITE 200, BERKELEY, CA 94702 TEL: 925.721.4444 FAX: 925.721.4444 WWW.CWSARCHITECTS.COM																				
OWNER	<b>AVESTA 977 BRIGHTON LP</b> c/o AVESTA HOUSING 1475 BRIGHTON AVENUE, SUITE 100 BERKELEY, CA 94702																				
PROJECT	<b>977 BRIGHTON AVE SENIOR APARTMENTS</b> 1475 BRIGHTON AVENUE, SUITE 100 BERKELEY, CA 94702																				
DRAWING	<b>FOURTH FLOOR PLAN</b> CWS ARCHITECTS - 12/21/2017																				
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DRAWING NUMBER																					
<b>A1.40</b>																					
SCALE	AS NOTED																				
DATE	12/21/2017																				



ROOF PLAN

**A5** ROOF PLAN

SCALE: 1/8" = 1'-0"

**CWS ARCHITECTS**  
 ARCHITECTURE | INTERIOR DESIGN  
 434 Commercial Avenue, Portland, ME 04101  
 PHONE: 207.771.4441 FAX: 207.771.4444

REVISIONS	DRAWING	PROJECT	OWNER	DESIGNER
	ROOF PLAN	977 BRIGHTON AVE SENIOR APARTMENTS	AVESTIA 977 BRIGHTON LP c/o AVESTA HOUSING	CWS ARCHITECTS 434 COMMERCIAL AVENUE PORTLAND, ME 04101 PHONE: 207.771.4441 WWW.CWSARCH.COM

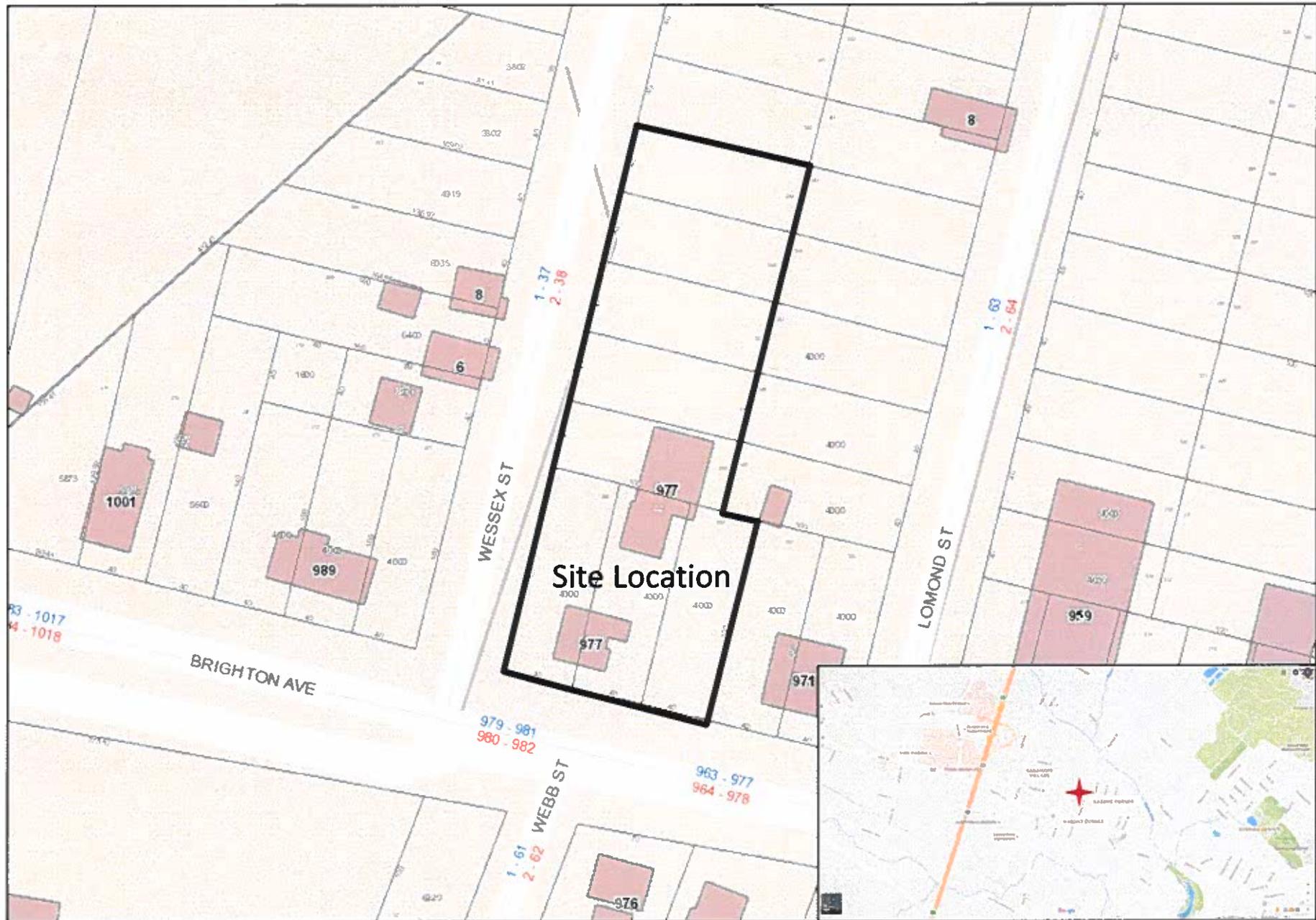
DRAWING NUMBER  
**A1.50**  
 SCALE: AS NOTED  
 DATE: 12/21/2017

**977 BRIGHTON AVENUE APARTMENTS**

**Project Completion Schedule**

Activity	Actual/Scheduled Date Month/Year
<b>A. SITE</b>	
Option/Contract	07/13/15
Site Acquisition	10/06/15
Municipal Approval	06/01/18
<b>B. FINANCING</b>	
Construction Loan Commitment	09/01/18
Permanent Loan Commitment	09/01/18
Other Sources Committed	12/01/18
<b>C. PLANS AND SPECIFICATIONS</b>	
50%	02/01/19
90%	03/01/19
100%	04/01/19
<b>D. CONSTRUCTION LOAN CLOSING</b>	<b>05/01/19</b>
<b>E. CONSTRUCTION START</b>	05/01/19
<b>F. SUBSTANTIAL COMPLETION</b>	05/01/20
<b>G. COMPLETION OF CONSTRUCTION</b>	<b>06/01/20</b>
<b>H. LEASE-UP</b>	
Lease-up Begins	<b>05/01/20</b>
Sustained (95%) Occupancy	<b>11/01/20</b>

# 977 Brighton Avenue, Portland, Me.



DEVELOPMENT ASSUMPTIONS						
Total Units		40	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 50% AMI (PBVs)	20.0%	8	Rent	2.00%	2.50%	2.00%
# @ 50% AMI (LIHTC/High HOME)	40.0%	16	Operating Expense	3.00%	3.00%	3.00%
# @ 60% AMI (LIHTC/High HOME)	0.0%	0	Other Income	2.00%	2.50%	2.00%
# @ 60% AMI (LIHTC)	25.0%	10	Debt Coverage Ratio	0.00		
# @ Market	15.0%	6	Vacancy	5%		
Appraised Market Value			Market Value/Unit			

4,590,846

LIHTC Alloc.	638,000
Equity yield	0.830
Synd. %	99.99%
Equity Raise	5,294,870

Historic Credit FED	0
Equity yield	0.99
Synd. %	99.99%
Equity Raise	0

Number of Tax-payers	1
Historic Credit STATE	0
Equity yield	0
Synd. %	99.99%
Equity Raise	0

Total Equity:	5,294,870
---------------	-----------

Gross Square Footage	0
Construction Cost/Sq ft.	\$0

#DIV/0!

PRO FORMA DEVELOPMENT BUDGET				
	Residential	Per Unit	Commercial	Total
Site Improvements	572,194	14,305		572,194
Construction	5,227,444	130,686		5,227,444
Solar	0	0		0
General Requirements	0	0		0
Builder Overhead	0	0		0
Builder Profit	0	0		0
Bond Premium	0	0		0
Construction Contingency	5% 289,982	7,250		289,982
<b>Subtotal Construction Costs</b>	<b>6,089,620</b>	<b>152,240</b>	<b>0</b>	<b>6,089,620</b>
Building Permits and Fees	81,936	2,048		81,936
Survey & Engineering	38,000	950		38,000
Architectural & Design	461,000	11,525		461,000
Legal	65,000	1,625		65,000
Title & Recording	5,885	147		5,885
Accounting	10,000	250		10,000
Construction Period Tax	12,000	300		12,000
Construction Period Insurance	12,000	300		12,000
<b>Subtotal Soft Costs</b>	<b>685,821</b>	<b>17,146</b>	<b>0</b>	<b>685,821</b>
Construction Loan Origination Fees	10,000	250		10,000
Construction Loan Interest	157,266	3,932		157,266
Letter of Credit Fee	3,630	91		3,630
Escrow Agent Fee	0	0		0
Perm Loan Commitment Fee	10,000	250		10,000
Construction Lender Legal	12,000	300		12,000
<b>Subtotal Finance Costs</b>	<b>192,896</b>	<b>4,822</b>	<b>0</b>	<b>192,896</b>
Market Survey	3,500	88		3,500
Appraisal	6,200	155		6,200
Environmental	12,700	318		12,700
LIHTC Fees	40,000	1,000		40,000
Soft Cost Contingency	25,000	625		25,000
3rd Party Consultants	18,000	450		18,000
FF&E	61,000	1,525		61,000
<b>Subtotal Miscellaneous</b>	<b>166,400</b>	<b>4,160</b>	<b>0</b>	<b>166,400</b>
Acquisition: Buildings	0	0		0
Acquisition: Land	280,000	7,000		280,000
Carrying Costs	0	0		0
<b>Subtotal Acquisition</b>	<b>280,000</b>	<b>7,000</b>	<b>0</b>	<b>280,000</b>
Operating Deficit Escrow	141,859	3,546		141,859
Pre-funded Replacements	52,274	1,307		52,274
Tax & Insurance Escrow	28,500	713		28,500
Developer Overhead	487,500	12,188		487,500
Developer Profit	0	0		0
Marketing & Rent-Up Reserve	40,000	1,000		40,000
<b>Subtotal Fee and Reserves</b>	<b>750,133</b>	<b>18,753</b>	<b>0</b>	<b>750,133</b>
<b>Total Development</b>	<b>8,164,870</b>	<b>204,122</b>	<b>0</b>	<b>8,164,870</b>

Notes:

MAXIMUM DEVELOPER FEE AVAILABLE	650,000
ACTUAL DEVELOPER FEE	1,208,430
% OF MAXIMUM DEVELOPER FEE	185.9%
NET DEVELOPER FEE COLLECTED	1,208,430
% OF MAXIMUM DEVELOPER FEE	17 of 2285.9%

7,983,011

199,575

< 175000 = 4PTS

FLOW OF FUNDS									
Sources	CLC	During Construction				PLC	Mar-21	Aug-21	Total
	May-19	Jul-19	Oct-19	Jan-20	Apr-20	Jul-20			
Beginning Cash	0	0	0	0	0	0	0	0	0
Capital Contribution	1,058,974		1,058,974			2,956,922	170,000	50,000	5,294,870
Construction Loan	406,143	1,272,405	213,431	1,522,405	1,522,405				4,936,788
GP Bridge Loan									0
MSHA Subsidy									0
MSHA Amortizing Mortgage						0			0
AHP Grant	0	250,000	250,000						500,000
AHP Loan						2,070,000			2,070,000
City HOME	0	0				300,000			300,000
Solar Equity	0	0				0			0
Other: Sponsor Loan	0								0
Other									0
Development Fee Loan	0								0
<b>TOTAL SOURCES</b>	<b>1,465,117</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>5,326,922</b>	<b>170,000</b>	<b>50,000</b>	<b>13,101,659</b>
<b>Uses</b>									
Acquisition	280,000								280,000
Construction		1,522,405	1,522,405	1,522,405	1,522,405				6,089,620
Soft Costs	685,821								685,821
Financing Costs	192,896								192,896
Miscellaneous	166,400					40,000			206,400
Dev Fee	140,000					127,500	170,000	50,000	487,500
Reserves						222,633			222,633
<b>TOTAL DEV. COSTS</b>	<b>1,465,117</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>390,133</b>	<b>170,000</b>	<b>50,000</b>	<b>8,164,870</b>
Repay GP Bridge Loan						0			0
Repay Construction Loan						4,936,788			4,936,788
SUBTOTAL OTHER ITEMS	0	0	0	0	0	4,936,788	0	0	4,936,788
<b>TOTAL USES OF FUNDS</b>	<b>1,465,117</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>5,326,922</b>	<b>170,000</b>	<b>50,000</b>	<b>13,101,658</b>
Ending Cash	0	0	0	0	0	0	0	0	0

PROJECT FINANCING								
Source	Amount	Rate	Term	Lien	Annual D/S			
					Yr. 1-5	Yr. 6-15	Yr. 16-30	
Source 1:	MSHA Subsidy	0	0.00%	30		0	0	0
Source 2:	MSHA Interest Only Mortgage	0	6.00%	30		0	0	0
Source 3:	AHP Grant	500,000	0.00%	30	Co-First	0	0	0
Source 4:	AHP Loan	2,070,000	3.50%	30	First	112,934	112,934	112,934
Source 5:	City HOME	300,000	0.00%	30	Co-First		Grant	
Source 6:	Solar Equity	0						
Source 7:	Other: Sponsor Loan							
Source 8:	Development Fee Loan	0					Cash Flow	
Source 9:	Net Syndication	5,294,870	\$0.83					
	Capitalization Gap (Surplus)	(0)						
	<b>Total</b>	<b>8,164,870</b>						


\$0.0706

PROPOSED RENT SCHEDULE								
Type	AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow	Total Rent
Efficiency	50% PBVs	0		911	911	\$955	0	0
	50% LIHTC	0		718	718	\$955	0	0
	60% HOME						0	0
	60% LIHTC	0		862	862	\$955	0	0
0	Market						0	
1BR	50% PBVs	8		1028	1,028	\$1,050		98,688
	50% LIHTC	16		770	770	\$1,050	0	147,840
	60% HOME					\$1,050		0
	60% LIHTC	10		924	924	\$1,050	0	110,880
40	Market	6		1,050	\$1,050		75,600	
2BR	50% HOME						0	0
	50% LIHTC			923	923	\$1,250	0	0
	60% HOME						0	0
	60% LIHTC			1108	1,108	\$1,250	0	0
0	Market						0	
3BR	50% HOME						0	0
	50% LIHTC						0	0
	60% HOME						0	0
	60% LIHTC						0	0
0	Market						0	
4BR	50% HOME						0	0
	50% LIHTC						0	0
	60% HOME						0	0
	60% LIHTC						0	0
0	Market						0	
Other:							0	
Subtotals		40						433,008
			Other Income		Laundry			3,156
			Vacancy Rate		5%			(21,808)
			Other Income		TIF	65%		30,765
			Effective Gross Income					445,120

#DIV/0!  
current taxes 4,670

OPERATING EXPENSES			
Expense	Annual	Annual Per Unit	Monthly Per Unit
<b>Administrative Expenses:</b>			
Management Fees	24,672	617	51
Management Charges	24,672	617	51
Marketing Expenses	0	0	0
Legal Expenses	1,500	38	3
Auditing Expenses	5,000	125	10
Bad Debts	0	0	0
Other Administrative Expenses	6,000	150	13
<b>Administrative Expenses</b>	<b>61,844</b>	<b>1,546</b>	<b>129</b>
<b>Operating Expenses:</b>			
Janitorial Payroll	0	0	0
Janitorial Supplies and Equipment	0	0	0
Janitorial Contractual Services	6,600	165	14
Fuel and Gas	18,000	450	38
Electricity	34,000	850	71
Water and Sewer	16,000	400	33
Garbage and Trash Removal	4,000	100	8
Vehicle and Equipment Expenses	0	0	0
Other Operating Expenses	0	0	0
<b>Operating Expenses</b>	<b>78,600</b>	<b>1,965</b>	<b>164</b>
<b>Maintenance Expenses:</b>			
Grounds Maintenance Payroll	0	0	0
Grounds Tools and Supplies	0	0	0
Grounds Contractual Services	25,000	625	52
Miscellaneous Ground Maintenance	0	0	0
Tenant Damage Charges - Grounds	0	0	0
Building Maintenance Payroll	0	0	0
Building Tools and Supplies	5,000	125	10
Building Contractual Services	20,000	500	42
Building Systems Maintenance	25,000	625	52
Miscellaneous Building Maintenance	0	0	0
Tenant Damage Charges - Building	0	0	0
<b>Maintenance Expenses</b>	<b>75,000</b>	<b>1,875</b>	<b>156</b>
<b>General Expenses:</b>			
Property Taxes	52,000	1,300	108
Property and Liability Insurance	15,000	375	31
Tenant Computer Network Expense		0	0
Tenant Service Expenses	12,199	305	25
<b>General Expenses</b>	<b>79,199</b>	<b>1,980</b>	<b>165</b>
Replacement Reserve Funding	18,000	450	38
Commercial Expenses (if applicable)		0	0
<b>Total</b>	<b>312,643</b>	<b>7,816</b>	<b>651</b>

AFFORDABLE MORTGAGE CALCULATION	
Effective Gross Income	445,120
Annual Operating Expense	312,643
Stabilized NOI	132,477
DSC	
\$ Avail for D/S	
Other DS	112,934
Balance	1.17
Affordable Mortgage	

BREAKEVEN ANALYSIS	RENT SENSITIVITY		OCCUPANCY	
	Total		Annual	
Operating Expense	312,643		Gross Revenues	466,929
Debt Service	112,934			
Breakeven Rent	887		Breakeven Occupancy	91%

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT												
5 Months												
	7/24/20	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	12/31/29	12/31/30
Effective Gross Income		185,467	445,120	454,023	463,103	472,365	481,813	493,858	506,204	518,859	531,831	545,127
Less Operating Expense		130,268	312,643	322,022	331,683	341,634	351,883	362,439	373,312	384,512	396,047	407,928
Net Operating Income		55,199	132,477	132,000	131,420	130,732	129,930	131,419	132,892	134,348	135,784	137,198
Less RLP Repay			0	0	0	0	0	0	0	0	0	0
Less Other Repay		47,056	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934
Cash Flow		8,143	19,543	19,066	18,486	17,798	16,996	18,485	19,958	21,414	22,850	24,264
Cash Flow per Unit		489	489	477	462	445	425	462	499	535	571	607
Debt Coverage Ratio(RLP)		1.17	1.17	1.17	1.16	1.16	1.15	1.16	1.18	1.19	1.20	1.21
Operating Reserve Balance	141,859	148,952	156,400	164,220	172,431	181,052	190,105	199,610	209,590	220,070	231,073	242,627

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
Yr 15												
	1/1/32	12/31/32	12/31/33	12/31/34	1/1/36	12/31/36	12/31/37	12/31/38	1/1/40	12/31/40	12/31/41	
Effective Gross Income	558,755	572,724	587,042	601,718	616,761	629,096	641,678	654,511	667,602	680,954	694,573	
Less Operating Expense	420,166	432,771	445,754	459,127	472,901	487,088	501,701	516,752	532,254	548,222	564,668	
Net Operating Income	138,589	139,952	141,287	142,591	143,860	142,008	139,977	137,760	135,348	132,732	129,904	
Less RLP Repay	0	0	0	0	0	0	0	0	0	0	0	
Less Other Repay	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	
Cash Flow	25,655	27,019	28,353	29,657	30,926	29,074	27,043	24,826	22,414	19,798	16,971	
Cash Flow per Unit	641	675	709	741	773	727	676	621	560	495	424	
Debt Coverage Ratio(RLP)	1.23	1.24	1.25	1.26	1.27	1.26	1.24	1.22	1.20	1.18	1.15	
Operating Reserve Balance	242,627	254,758	267,496	280,871	294,915	309,660	325,143	341,401	358,471	376,394	395,214	414,975

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued										
	12/31/42	1/1/44	12/31/44	12/31/45	12/31/46	1/1/48	12/31/48	12/31/49	7/30/50	
Effective Gross Income	708,464	722,634	737,086	751,828	766,864	782,202	797,846	813,803	484,213	
Less Operating Expense	581,608	599,057	617,028	635,539	654,605	674,244	694,471	715,305	429,779	
Net Operating Income	126,856	123,577	120,058	116,289	112,259	107,958	103,375	98,498	54,434	
Less RLP Repay	0	0	0	0	0	0	0	0	0	
Less Other Repay	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	
Cash Flow	13,922	10,643	7,124	3,355	(675)	(4,976)	(9,559)	(14,436)	(58,500)	
Cash Flow per Unit	348	266	178	84	(17)	(124)	(239)	(361)	(2,507)	
Debt Coverage Ratio(RLP)	1.12	1.09	1.06	1.03	0.99	0.96	0.92	0.87	0.48	
Operating Reserve Balance	414,975	435,723	457,510	480,385	504,404	528,950	550,422	568,384	582,367	552,985

City of Portland - TIF Model of 5/16/2018

OAV: \$291,100 as of 4/1/2017

CBL: 275-C-1, 2, 3, 6 to 10

City of Portland- TIF Projection Table - 977 Brighton Avenue									
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues
1	2019	\$2,908,900	75.00%	\$2,181,675	22.08	\$48,178	\$48,178	\$0	\$16,059
2	2020	\$2,908,900	75.00%	\$2,181,675	22.52	\$49,141	\$49,141	\$0	\$16,380
3	2021	\$2,908,900	75.00%	\$2,181,675	22.98	\$50,124	\$50,124	\$0	\$16,708
4	2022	\$2,908,900	75.00%	\$2,181,675	23.43	\$51,127	\$51,127	\$0	\$17,042
5	2023	\$2,908,900	75.00%	\$2,181,675	23.90	\$52,149	\$52,149	\$0	\$17,383
6	2024	\$2,908,900	75.00%	\$2,181,675	24.38	\$53,192	\$53,192	\$0	\$17,731
7	2025	\$2,908,900	75.00%	\$2,181,675	24.87	\$54,256	\$54,256	\$0	\$18,085
8	2026	\$2,908,900	75.00%	\$2,181,675	25.37	\$55,341	\$55,341	\$0	\$18,447
9	2027	\$2,908,900	75.00%	\$2,181,675	25.87	\$56,448	\$56,448	\$0	\$18,816
10	2028	\$2,908,900	75.00%	\$2,181,675	26.39	\$57,577	\$57,577	\$0	\$19,192
11	2029	\$2,908,900	75.00%	\$2,181,675	26.92	\$58,729	\$58,729	\$0	\$19,576
12	2030	\$2,908,900	75.00%	\$2,181,675	27.46	\$59,903	\$59,903	\$0	\$19,968
13	2031	\$2,908,900	75.00%	\$2,181,675	28.01	\$61,101	\$61,101	\$0	\$20,367
14	2032	\$2,908,900	75.00%	\$2,181,675	28.57	\$62,323	\$62,323	\$0	\$20,774
15	2033	\$2,908,900	75.00%	\$2,181,675	29.14	\$63,570	\$63,570	\$0	\$21,190
16	2034	\$2,908,900	75.00%	\$2,181,675	29.72	\$64,841	\$64,841	\$0	\$21,614
17	2035	\$2,908,900	75.00%	\$2,181,675	30.32	\$66,138	\$66,138	\$0	\$22,046
18	2036	\$2,908,900	75.00%	\$2,181,675	30.92	\$67,461	\$67,461	\$0	\$22,487
19	2037	\$2,908,900	75.00%	\$2,181,675	31.54	\$68,810	\$68,810	\$0	\$22,937
20	2038	\$2,908,900	75.00%	\$2,181,675	32.17	\$70,186	\$70,186	\$0	\$23,395
21	2039	\$2,908,900	75.00%	\$2,181,675	32.81	\$71,590	\$71,590	\$0	\$23,863
22	2040	\$2,908,900	75.00%	\$2,181,675	33.47	\$73,022	\$73,022	\$0	\$24,341
23	2041	\$2,908,900	75.00%	\$2,181,675	34.14	\$74,482	\$74,482	\$0	\$24,827
24	2042	\$2,908,900	75.00%	\$2,181,675	34.82	\$75,972	\$75,972	\$0	\$25,324
25	2043	\$2,908,900	75.00%	\$2,181,675	35.52	\$77,491	\$77,491	\$0	\$25,830
26	2044	\$2,908,900	75.00%	\$2,181,675	36.23	\$79,041	\$79,041	\$0	\$26,347
27	2045	\$2,908,900	75.00%	\$2,181,675	36.95	\$80,622	\$80,622	\$0	\$26,874
28	2046	\$2,908,900	75.00%	\$2,181,675	37.69	\$82,234	\$82,234	\$0	\$27,411
29	2047	\$2,908,900	75.00%	\$2,181,675	38.45	\$83,879	\$83,879	\$0	\$27,960
30	2048	\$2,908,900	75.00%	\$2,181,675	39.22	\$85,557	\$85,557	\$0	\$28,519
<b>30 Year TIF Total</b>		<b>\$87,267,000</b>		<b>\$65,450,250</b>		<b>\$1,954,486</b>	<b>\$1,954,486</b>	<b>\$0</b>	<b>\$651,495</b>
<b>30 Year Average</b>						<b>\$65,150</b>	<b>\$65,150</b>	<b>\$0</b>	<b>\$21,717</b>

**Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model  
977 Brighton Avenue**

75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2019	\$2,908,900	\$2,181,675	\$0	\$1,329	\$1,188	\$2,517
2	2020	\$2,908,900	\$2,181,675	\$0	\$1,329	\$1,188	\$2,517
3	2021	\$2,908,900	\$2,181,675	\$0	\$1,329	\$1,188	\$2,517
4	2022	\$2,908,900	\$2,181,675	\$6,036	\$1,329	\$1,188	\$8,553
5	2023	\$2,908,900	\$2,181,675	\$12,072	\$1,329	\$1,188	\$14,589
6	2024	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
7	2025	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
8	2026	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
9	2027	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
10	2028	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
11	2029	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
12	2030	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
13	2031	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
14	2032	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
15	2033	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
16	2034	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
17	2035	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
18	2036	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
19	2037	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
20	2038	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
21	2039	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
22	2040	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
23	2041	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
24	2042	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
25	2043	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
26	2044	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
27	2045	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
28	2046	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
29	2047	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
30	2048	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
<b>30 Year TIF Total</b>		<b>\$87,267,000</b>	<b>\$65,450,250</b>	<b>\$470,805</b>	<b>\$39,864</b>	<b>\$35,649</b>	<b>\$546,319</b>
<b>30 Year Average</b>				<b>\$15,694</b>	<b>\$1,329</b>	<b>\$1,188</b>	<b>\$18,211</b>

## **Housing Committee Minutes of May 23, 2018 Meeting**

A meeting of the Portland City Council's Housing Committee (HC) was held on Wednesday, May 23, 2018 at 5:30 P.M. in Room 209 at Portland's City Hall. Councilors present at the meeting included Committee members Councilor Kimberly Cook, Councilor Pious Ali, Councilor Jill Duson, Chair of the Committee and Mayor Ethan Strimling. City staff present included Jeff Levine, Planning and Urban Development Department Director, and Victoria Volent, Housing Program Manager.

### **Item 1: Review and accept Minutes of previous meetings held on April 25, 2018**

Motion by Councilor Ali to accept the minutes. Motion by Councilor Cook to amend the minutes by changing Item 4 from "an overview of the annual plan" to "an overview of the draft 2018 annual plan". Councilor Ali accepted the friendly amendment. Motion was seconded by Councilor Cook and the amended minutes unanimously approved 3-0.

### **Item 2: Review of HOME Affordable Housing Development Request**

Jeff Levine introduced this item with an overview of the funding requests. Mr. Levine noted the increase in funding received from the federal HOME and CDBG programs. However, the increase does not cover the amount requested by the four project applicants (510 Cumberland Avenue; 977 Brighton Avenue; 178 Kennebec Street; and Front Street). Mr. Levine did not offer a recommendation concerning funding as additional information from underwriting is pending. Staff expects to offer recommendations at the June 5 meeting of the Housing Committee. Councilor Cook asked if all the projects qualify for Housing Trust fund allocations. Staff confirmed they all qualify. Mayor Strimling asked for confirmation on the number of new units as opposed to rehabilitated units at 510 Cumberland Avenue. Councilor Cook asked for confirmation on the percentage of LIHTC requested by 977 Brighton Avenue. Staff confirmed the percentage as 9. Councilor Duson requested a chart for the June 5 meeting providing a description of each project, TIF requests, funding requested, and number of long term stayers shelter unit set asides. Mayor Strimling requested a column devoted to the number of new units, number of rehabilitated units, and number of market rate units. Councilor Cook inquired into the origins of the long term stayers policy. Staff will provide a copy of the long term stayers policy at the June 5 meeting. Councilor Duson requested outreach to the neighbors of East Deering to notify neighbors of the opportunity to provide public comment regarding the funding request of Front Street project during the June 5 meeting. Mayor Strimling asked how the Housing Trust money plays into the funding of projects, and the impact on LIHTC requests regarding the timing of

funding decisions. Councilor Duson requested an overview of the TIF program. Mayor Strimling inquired into offering a PILOT program and the impact the program may have on scoring. Staff will provide this answer at the June 5 meeting.

**Item 3: Review and Recommendation to the City Council- 2018 Housing Trust Fund Annual Plan.**

Jeff Levine introduced changes to the 2018 Housing Trust Fund Annual Plan since the prior meeting. Changes include; more information on the sources and uses over time; and more detail on how the Front Street project might fit in with the overall strategy of the Housing Authority. Councilor Cook inquired into any deadline for requesting funding. Mr. Levine confirmed requests will be taken on a rolling basis after the July 1 start date. One citizen (George Rheault) spoke during the public comment period on the topic of “Impact on surrounding neighborhoods, including design compatibility and environmental issues”.

Motion by Councilor Ali to accept the 2018 Housing Trust Fund Annual Plan. Motion seconded by Councilor Cook. The Committee then discussed the impact of design compatibility in the scoring process. Councilor Cook summarized the discussion by noting it makes sense to assign more points to a projects with less risk of being pulled out of consideration. The Committee vote unanimously 3-0 in favor recommending the 2018 Housing Trust Fund Annual Plan to the City Council.

**Item 4: Review of Amendments to Ordinance: Section 6-225 of the Tenant Housing Rights Ordinance.**

Jeff Levine provided an overview of Amendments to the Tenant Housing Rights Ordinance. Councilor Duson suggested changes to the draft amendment to reflect a change to the Rental Housing Advisory Committee charge. Councilor Cook suggested changes to the make-up, charge, and appointment of the Committee. The Housing Committee discussed these options.

The Committee opened the period of public comment. Brit Vitalius of Southern Maine Landlord Association supported a change in the make-up of the Committee; suggested that dispute resolution may not belong with the Committee; expressed his support for education programs for tenants and landlords; and questioned if a volunteer Committee should be recommending policy at a municipal level. Carleton Winslow of 257 Auburn Street basically agrees with the overall discussion of the Council. He would like to know whether Section 8 and Public Housing Voucher holders will be part of the tenants representation group; and how do you define the requirement that at least one at-large member of the Advisory Committee be required to have commercial housing financing or housing policy experience (as currently proposed). Mr. Winslow also commented that he felt the Advisory Committee should not be involved in Landlord- Tenant

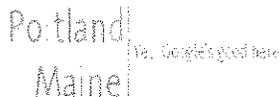
dispute resolution. At the close of the public comment period, Mr. Levine asked for direction from the Committee. Councilor Cook is fine with the Mayor's suggestions regarding the duties of the Advisory Committee and going through the City Council Committee nomination process. She would like to strike Section 6.225 (d) 1 from the duties of the Advisory Committee, amend Section 6.225 (d) 2 to read "provide the Housing Committee with recommendations or proposals for improvements, modifications, or changes regarding landlord and tenant policy issues", and add a third duty "identifying educational opportunities, seminars and materials that would be useful to landlords and tenants", the seminars and materials could be cultural, educational or translation materials. Councilor Ali supports the translations of materials and contracts, and providing a translator during tenant landlord conversations. The Housing Committee further discussed the duties of the Advisory Committee. Councilor Cook supports an Advisory Committee of knowledgeable and experienced individuals who could bring forward policy changes or modifications to improve things whether that be through policy or working together outside of the city. She recommends limited staff time dedicated to the Advisory Committee. The Housing Committee discussed the history of the recommendation for an Advisory Committee. Councilor Duson directed staff to redraft the Proposed Amendments to Tenant Housing Rights Ordinance Section 6-225 (b) to: change the make-up of the Advisory Committee to 9 members, one with experience in legal rights/interests of tenants (nominated by Pine Tree Legal Assistance Inc.), one with experience in legal rights/interests of landlords (nominated by the Southern Maine Landlord Association), 3 public members who are tenants (self-nominated), 3 public members who are landlords (self-nominated), and one public member who is not a landlord or a tenant; to strike Section 6-225 (d) 1; strike Section 6-225 (d) 2; amend Section 6-225 (d) 3 to read "provide the Housing Committee with recommendations or proposals for improvements, modifications, or changes regarding landlord and tenant policy issues", and add a duty to "identifying educational opportunities, seminars and materials that would be useful to landlords and tenants".

**Item 5: Committee Discussion re: 2018 Work Plan**

Councilor Cook requested two meetings be added to the Work Plan. One meeting in September, and the other in October. Staff will doodle poll members for availability.

On a motion made by Council Cook and seconded by Councilor Ali (approved 3-0) the meeting was adjourned at 8:32 pm.

Respectfully submitted, Victoria Volent



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**Re: Rental Housing Advisory Committee**

1 message

**Jill Duson** <jduson@portlandmaine.gov>

Thu, May 24, 2018 at 1:09 PM

To: Cat Bates &lt;cbates@meca.edu&gt;, Mary Davis &lt;mpd@portlandmaine.gov&gt;, Victoria Volent &lt;vvolent@portlandmaine.gov&gt;

Cc: Pious Ali &lt;pali@portlandmaine.gov&gt;, Kim Cook &lt;kcook@portlandmaine.gov&gt;

Thank you for your note. I have added staff to this reply so that our exchange can be included in our public record as we work on this issue.

There was a good bit of discussion about the advisory committee make-up. I think that where we landed for the next draft was 9 members, one with experience in legal rights/interests of tenants (nominated by Pine Tree), one with experience in legal rights/interests of landlords (nominated by the landlords association), 3 public members who are tenants (self nominating), 3 public members who are landlords (self nominating), and one public member who is not a landlord or a tenant.

Appointments would flow through the Council Appointments Committee.

We will receive a redraft in advance of the June 5 th meeting. I hope you will have a chance to alert us to concerns.

On Wed, May 23, 2018, 5:14 PM Cat Bates <cbates@meca.edu> wrote:

Greetings Councilors,

My name is Cat Bates. I am a resident of district 2, and have lived in Portland since 2011, having lived in the city an additional 4 years prior to that. I have always rented.

I learned just now that it is being proposed the Rental Housing Advisory Committee structure be altered; shifting from a group made up of 3 landlords, 3 rental tenants, and one at-large representative to a group made up of 2 landlords, 2 rental tenants, 1 advisory from Pinetree Legal, and two at-large non-rental residents. It is furthermore proposed that some committee member will now be nominated by SMLA and PineTree Legal.

I am opposed to these proposed changes for three reasons.

1. Under the proposed changes renters would have a significantly reduced say on the committee. The majority of Portland residents rent. Reducing their say so significantly seems flawed.
2. The nomination process, as proposed, would make the committees less democratic, as the positions would effectively require someone interested in serving to first develop a relationship with the appropriate association before they could POSSIBLY expect to be nominated. While developing relationships with said organizations is not itself a bad thing, it seems like an unnecessary hurdle, and would make the process less democratic.
3. There has not to date been a committee in place. Members were never selected by the city council. That being so, the current structure is untested. In reading the current and proposed texts, the differences outside of the committees makeup seem nearly insignificant. This seems like an unnecessary 'fix' before anything has run amok, even before the machine has been turned on, so to speak.

Thank you for taking the time to consider my views on this subject.

Cat Bates

**Cat Bates**

Jewelry and Accessories

[cat-bates.com](http://cat-bates.com)

**MEMORANDUM**

**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Mary Davis, Housing & Community Development Division Director

**DATE:** June 1, 2018

**SUBJECT: Affordable Housing Development HOME Funding Requests**

At the Housing Committee meeting on March 28, 2018, the Committee approved application criteria for staff to identify and recommend eligible development projects to apply for HOME Funding. The application went out to the public on March 30<sup>th</sup> and proposals were due on April 30<sup>th</sup>. Four proposals were received. The proposals were reviewed by staff according to the selection criteria stated in the Application and scored in the following order:

- (1)Portland Housing Authority Front Street
- (2)Avesta Housing Deering Place
- (3)Maine Workforce Housing 178 Kennebec Street
- (4)Avesta Housing 977 Brighton Avenue

The HOME Application made available \$912,064 for the development of a wide-range of types of housing, \$70,525 of which must be reserved for Community Housing Development Organizations (CHDO). HUD announced the final HOME allocation on amount after the application was released. The final HOME budget made an additional \$168,110 available for affordable housing development (\$28,217 of which is reserved for CHDO).

The total HOME funding available for affordable housing development is \$1,080,174. The four proposals requested \$1,741,540 in funding.

**STAFF RECOMMENDATIONS**

Staff was impressed with the quality of all four applications, agreeing that each application had strengths and weaknesses across the scoring categories. All four proposals are quality projects that are in line with the City's goals for housing. Staff comments are listed below.

It should be noted, that any recommendation for City HOME funding from the Housing Committee to the Council is not the same as approval of any new development project. After carefully weighing the potential benefits and impacts on the City and surrounding neighborhood the Planning Board will ultimately determine if a project is meets the City's site plan ordinance. Any funding awarded will be contingent on the project's final approval by the Planning Board.

As noted above, the total HOME funding available for affordable housing development is \$1,080,174. The four proposals requested \$1,741,540 in funding. Unfortunately, all four proposals cannot be funded at 100% of their request.

Front Street: This project is seeking 4% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing. It will not proceed on the same timetable as the other three proposals who will be seeking 9% Low Income Housing Tax Credits. The developer has engaged in significant public outreach in the East Deering Neighborhood. A neighborhood meeting was held on November 7, 2017 and the Planning Board held a workshop on November 14, 2017. The Planning Department has made significant commitments to the neighborhood to ensure that the design of the project is contextual to the neighborhood. To ensure these commitments are met, staff is recommending funding for this project.

Staff is recommending that the City partially fund their HOME request at \$480,174, with additional funds up to their full request to be provided if HOME funds become available due to other projects not moving forward or similar circumstances.

Deering Place: The Deering Place project received the second highest score in part because they were considered to be ready to immediately use the funds making the project more financially feasible and more likely to be completed. The project was awarded \$300,000 in HOME funding along with an Affordable Housing TIF in 2017 and they were successful in receiving Low Income Housing Tax Credits in March of this year. They are requesting an additional \$200,000 in HOME funding.

Staff is recommending that the City fully fund their request for \$200,000 in additional HOME funding.

178 Kennebec Street: The site is a portion of the former Public Works facility which was marketed for sale in the beginning of 2017. In the fall of 2017, the City Council approved a Purchase and Sale Agreement for the 178 Kennebec Street. The proposed development is one step towards the City's goal of redeveloping the Public Works site in the Bayside neighborhood.

Staff is recommending that the City fully fund their request for \$400,000 in HOME funding.

977 Brighton Avenue: Avesta Housing submitted two projects for funding. As mentioned above, additional funding was requested for the Deering Place project. At this time staff does not recommend HOME funding for Avesta's project at 977 Brighton Avenue. While the project is very promising, we feel there are two reasons not to recommend funding this year:

- (1) Of the four projects, this one scored the lowest in the staff assessment, and there are not sufficient funds to provide HOME support for all four project
- (2) Avesta Housing submitted two HOME funding requests and the Deering Place project is further along in the development process and with funding commitments

That said, staff hopes that Avesta would consider reapplying for HOME funding for 977 Brighton Avenue next year, as we do believe it is a good affordable housing development.

As part of the Maine State Housing Authority's (MSHA) Qualified Allocation Plan (QAP) application due in September, the developers that plan to apply for LIHTC funding are

requesting letters of commitment of support for their projects prior to the September QAP submission deadline. If the Committee agrees with the staff recommendation, this letter would be conditioned on the completion of all standard commitment requirements, and the following additional recommendations:

1. The commitment will be subject to compliance with all HOME Program regulations including, but not limited to, cost allocation, designation of HOME units and compliance with the new HOME Final Rule (effective August 23, 2013) and the Consolidated and Further Continuing Appropriations Acts of 2012 and 2013.
2. The commitment will include the requirement that the environmental review process be satisfactorily completed. The City's agreement to provide funds will be conditioned on the determination to proceed with, modify or cancel the project based on the results of the environmental review.
3. Commitment of funds to be stated as "an amount up to the funding request based on maximization of LIHTC equity raise", to ensure that the City's contribution is leveraged to the maximum extent possible.
4. If applicable, documentation acceptable to the City that the acquisition cost is reasonably related to market value. This is a HOME Program requirement.
5. Commitment should be subject to the projections and assumptions noted in the project budgets and pro-forma submitted and the City reserves the right to reconsider and adjust their commitment if any significant alterations occur in the budget. A final commitment will be subject to a final budget.
6. Any substantial changes to the composition of the project, or the financial investment required, will be brought back to the committee and the council for review and approval.

## **ATTACHMENTS**

A summary of each proposal is attached. Given the significant length of the applications received staff filtered and attached only a portion of key components of each application to provide a general overview of what is being proposed and requested. Electronic copies of complete applications are available upon request.

- Front Street Application Overview
- Deering Place Application Overview
- 178 Kennebec Street Application Overview
- 977 Brighton Avenue Application Overview

<b>Affordable Housing Development HOME Funding Requests</b>				
Project Address	<b>977 Brighton Avenue</b>	<b>Deering Place</b>	<b>Front Street</b>	<b>178 Kennebec Street</b>
Description of the project	Construction of 40 one-bedroom rental apartments for ages 55 or older. Parking for 32 cars	Redevelopment of two under-utilized parking lots and the rehabilitation of an existing mixed-use building to create 75 mixed-income units	Transform 50 units of public housing into 111 units of mixed-income rental housing of one through five-bedroom units	Create one-bedroom rental housing for ages 55 or older with ground level retail and/or artist studio space
Total Units	40	75	111	46
Affordable units	34	45	88	36
Market rate units	6	30	23	10
% of affordable/market rate units	85/15	60/40	80/20	78/22
no. of units affordable to < 40% AMI	0	13	0	0
no. of units affordable to < 50% AMI	24	32	85	15
no. of units affordable to < 60% AMI	10	0	3	21
New units created	40	62	61	46
Rehabilitated units	0	13	50	0
Current funding Request	\$300,000	\$200,000	\$841,540	\$400,000
Previous funding Request	0	\$300,000	0	0
Total HOME Investment per unit	\$7,500	\$6,667	\$7,582	\$8,696
Total HOME Invest. per affordable unit	\$8,824	\$11,111	\$9,563	\$11,111
Housing Trust Fund request	\$0	\$0	\$589,728	\$0
Total HTF investment per unit	\$0	\$0	\$5,313	\$0
Total HTF invest. per affordable unit	\$0	\$0	\$6,702	\$0
TIF request	75%	75%	75%	75%
LIHTC	9%	9%	4%	9%

**FRONT STREET:**

Portland Housing Development Corporation is requesting \$841,540 in HOME funding to assist in the re-development of affordable family rental housing on Front Street. The development will include:

<b>Front Street</b>		
<b>1-Bedroom Units (29)</b>	at or below 40% area median income	0
	at or below 50% area median income	7
	at or below 50% area median income PBV	11
	at or below 60% area median income	0
	Market Rate	11
<b>2-Bedroom Units (38)</b>	at or below 40% area median income	0
	at or below 50% area median income	19
	at or below 50% area median income PBV	7
	at or below 60% area median income	0
	Market Rate	12
<b>3-Bedroom Units (27)</b>	at or below 40% area median income	0
	at or below 50% area median income	5
	at or below 50% area median income PBV	19
	at or below 60% area median income	3
	Market Rate	0
<b>4-Bedroom Units (13)</b>	at or below 40% area median income	0
	at or below 50% area median income	0
	at or below 50% area median income PBV	13
	at or below 60% area median income	0
	Market Rate	0
<b>5-Bedroom Units (4)</b>	at or below 40% area median income	0
	at or below 50% area median income	0
	at or below 50% area median income PBV	4
	at or below 60% area median income	0
	Market Rate	0
<b>Total Units</b>		<b>111</b>

As stated in the developer’s application:

*“Front Street is currently a 50-unit Public Housing community in the East Deering neighborhood of Portland, Maine. The project was built in 1971 as part of Portland’s Urban Renewal effort and the creation of Franklin Arterial to connect the interstate with the Downtown tourist are of the Portland peninsula. Over 200 residential structures, considered a blighted area, were taken by eminent domain and demolished in Portland’s Bayside neighborhood. A portion of those families were moved to temporary housing at Front Street.....”*

*“47 years later, this “temporary” housing was identified in Portland Housing Authority’s Strategic Vision Plan of 2015 as the top priority for re-development due to deterioration of buildings due to poor construction quality and structural issues due to poor soils.”*

*“PHA is proposing a single phase approach to not only demolish and re-develop the existing 50 units of housing, but add an additional 61 units of mixed-income family rental housing.....”*

The developer has requested three forms of financial assistance.

- (1) HOME funds request: Developer’s request: \$841,540; staff recommendation \$480,174; 0% interest rate loan, deferred for 30 years;

Total City HOME Investment of \$841,540/unit - \$7,582.

Total City HOME Investment of \$841,540/affordable unit - \$9,563.

Final loan terms will be determined based on the results of the underwriting which is anticipated to be completed by the June 5<sup>th</sup> committee meeting.

- (2) Tax Increment Financing request: Details on the Affordable Housing TIF financing request will be provided at the June 5<sup>th</sup> meeting.

- (3) Housing Trust Fund (HTF) request: \$589,728, 0% interest rate loan, deferred for 30 years; the developer will not submit a formal application for HTF funding until the 2018 Housing Trust Fund Annual Plan has been adopted by the City Council.

Total HTF Investment of \$589,728/unit - \$5,313.

Total HTF Investment of \$589,728/affordable unit - \$6,702.

This project is seeking 4% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing. It will not proceed on the same timetable as the other three applications. However, staff felt it was important to present the HOME request at this time.

**Portland Housing Development Corporation / Front Street Housing Redevelopment, LP  
HOME Application  
Project Summary**

**Front Street Re-Development - Detailed Project Proposal**

Summary - Request for Funding

Portland Housing Development Corporation (PHDC) and Front Street Housing Redevelopment, LP are requesting \$841,540 in grant funding from the City of Portland’s HOME program to assist in the re-development of affordable family rental housing in Portland, Maine. PHDC is requesting these HOME funds as a critical early step in securing other funding to replace outdated housing and bring new housing to a mixed-income community.

Project Summary and Description of Housing

Front Street is currently a 50-unit Public Housing community in the East Deering neighborhood of Portland, Maine. The project was built in 1971 as part of Portland’s Urban Renewal effort and the creation of Franklin Arterial to connect the interstate with the Downtown tourist area of the Portland peninsula. Over 200 residential structures, considered a blighted area, were taken by eminent domain and demolished in Portland’s Bayside neighborhood. A portion of those families were moved to temporary housing at Front Street in Portland’s East Deering neighborhood.

47 years later, this “temporary” housing was identified in Portland Housing Authority's Strategic Vision Plan of 2015 as the top priority property for re-development due to deterioration of buildings due to poor construction quality and structural issues due to poor soils. A 2012 Physical Needs Assessment concluded that the buildings are at the end of their useful life, and an Obsolescence Study in 2016 determined that renovations would be costlier than demolition and new construction.

PHA is proposing a single-phase approach to not only demolish and re-develop the existing 50 units of housing, but add an additional 61 units of mixed-income family rental housing that will be durable, beautiful and extremely energy efficient. Please note there is an adjacent 10-unit homeownership project that will be developed on the existing Front Street parcel along Illsley Street, but is not part of the rental housing project and is not part of this application.

**Existing Housing Unit Distribution**

1-Bedroom	0
2-Bedroom	0
3-Bedroom	25
4-Bedroom	18
5-Bedroom	7
<b>Totals</b>	<b>50</b>

**Front Street Utilization**

	Sufficient Size	Under Utilized	Over Utilized
1-Bedroom	N/A		
2-Bedroom	N/A		
3-Bedroom	16	7	2
4-Bedroom	10	6	1
5-Bedroom	6	1	0

**Proposed Housing Unit Distribution**

Unit Type	# units	Square Footage
1-bedroom	29	550
2-bedroom	38	850
3-bedroom	27	1100
4-bedroom	13	1225
5-bedroom	4	1400
<b>Total Units</b>	<b>111</b>	

Population Served

Households currently living at Front Street are Extremely-Low Income, (ELI), or Very-Low Income, (VLI). There are currently 49 occupied units; 35 households, (about 71%), have extremely-low incomes. Current households range in size from one-person to ten-persons. Households are predominantly between three- and six-persons. A unique feature of Front Street is its 4- and 5-bedroom units for larger families. PHA has a public housing waiting list with 1,800 families and several of those on the waiting list are looking for 4- and 5-bedroom units.

PHA is applying to HUD under Section 18 Demolition and Disposition of the Housing Act of 1937 to re-develop Front Street public housing. Section 18 allows all residents the right to compensation for temporary relocation and PHA is pledging 100% Right of Return. Residents will be relocated with Tenant Protection Vouchers in private housing or will be able to move to some of the other 1,000 units of public housing owned by PHA in Portland. We are anticipating at least half of the current families will choose to return to the re-developed Front Street. PHA is pledging 50 Project Based Vouchers to the new project. These will ensure those returning after relocation will have a subsidized unit. 23 units (20%) will be market rate with a goal of protecting existing ELI families while diversifying incomes in the development and neighborhood. The balance of units will be at or below 50% and 60% of Area Median Income.

### Proposed Use of Funds, Market Demand and Measures of Success

Our first and foremost measure of success will be 111 new units of affordable housing. Portland has over 3,000 people on the Section 8 waiting list and there are over 13,000 people statewide who often have to wait 3-5 years for an affordable home. This project will clearly have an effect on over a hundred families. Please see the attached market study to understand the market demand.

The Front Street Redevelopment project has partnered with local social service providers to go beyond beautiful new apartments for its residents and provide critical services to help residents thrive in the community. The focus of these services is to enable empowerment and self-sufficiency. The following services are committed to the project and letters of commitment are available upon request:

- Boys and Girls Club of Southern Maine – After School programs
- Goodwill – Employment and job training supportive services
- LearningWorks – English language and literacy programs and YouthBuild Program
- The Opportunity Alliance – Early Head Start Family Visiting Program

### Financial Feasibility

There is no doubt that Front Street's legacy of a placing low-income housing on a former City dump with poor structural soils combined with drastic cuts to public housing over the life of the project has left this property in desperate need of redevelopment. It also means the project has costs that many other projects do not have: The size of the site is two City blocks spanning 4 acres. 50 families will be temporarily moved, re-housed and returned, all with financial support required in the Uniform Relocation Act. The project has a DEP VRAP plan for remediation of the soils. Hazardous materials will need to be removed from the buildings prior to demolition.

These initial costs are considered "Seller's costs." PHA has received \$250,000 of CDBG funds from the City of Portland as well as a \$125,000 grant from the TD Charitable Foundation Housing for Everyone competition in 2017. These funds, as well as potential EPA Brownfields funds and PHA non-federal reserves will pay for all "Seller Cost" that are NOT part of this application.

The project has already secured \$3,900,000 of AHP funds from the Federal Home Loan Bank of Boston through our construction lender, Bath Savings. We are applying to MaineHousing for 4% LIHTC and Tax-Exempt Debt and will request a City of Portland Housing Trust Fund 0% loan as well. Please see the attached pro forma development budget, sources and uses, operating budget and 15-year operating pro forma.

### Capacity to Develop the Project

The Portland Housing Authority hired Jay Waterman as their Real Estate Development Director over three years ago. Since that time, Bayside Anchor, a 45-unit mixed-income multi-family affordable housing project has been built and occupied. Mr. Waterman is the project manager for the Front Street project. Mark Adelson, PHA's Executive Director, is also integrally involved in the project, assisting with the Relocation Plan for temporary relocation of Front Street families. Our HUD application process is being supported by Joe Schiff, a former HUD deputy undersecretary. Our relocation planning is being supported by Andrew Daniels of MAPPLAN Partners. Gary Vogel of Drummond Woodsum is our legal counsel. Our property management firm will be Avesta Housing.

PHA has assembled a top-notch design team for the project, including Utile Architecture and Planning from Boston, Carroll Associates Landscape Architects, Allied Engineering, Ransom Environmental Consulting, and Thornton Tomasetti to assist with Passive House certification.

### Neighborhood and Design Compatibility

Front Street has been affordable public housing for the last 47 years. The project has been a low-density development that has the potential for significantly more density with the Division 30 changes. We feel the proposed design will have a more connective fabric with the surrounding neighborhood than the existing building. Walkability, scale, connectivity and permeability are all part of the design. We have worked with City planning and urban design staff for the last 18 months on this project and will continue to work with them as we bring this to the planning board in the Summer of 2018.

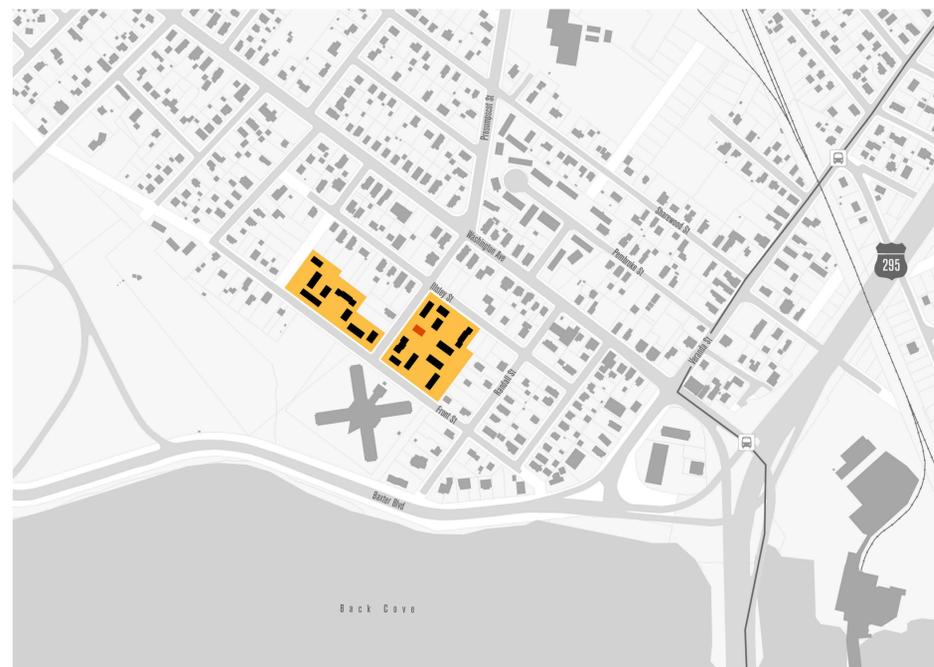
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FRONT STREET REDEVELOPMENT, LP

# PHA FRONT STREET DEVELOPMENT - PRE-APPLICATION PRICING DOCUMENTS

PORTLAND, MAINE



LOCUS MAP

## PHA FRONT STREET DEVELOPMENT

37 & 63 Front Street  
Portland, Maine 04103

PROJECT

FRONT STREET REDEVELOPMENT, LP

14 Baxter Boulevard  
Portland, Maine 04101  
P 207 773.4753

OWNER

## utile

ARCHITECTURE + URBAN DESIGN

115 KINGSTON ST  
BOSTON, MA 02111  
P 617 423.7200 F 617 423.1414  
utiliedesign.com

ARCHITECT

Ransom Consulting, Inc.

400 Commercial Street, Suite 404  
Portland, Maine 04101  
P 207 772.2891 F 207 772.3284

CIVIL & GEOTECHNICAL

Carroll Associates

217 Commercial Street, Suite 200  
Portland, Maine 04101  
P 207 772.1552 F 207 772.0712

LANDSCAPE

Allied Engineering

160 Veranda Street  
Portland, Maine 04103  
P 207 221.2260 F 207 221.2266

M/E/PFP & STRUCTURAL

Thornton Tomasetti

386 Fore Street, Suite 401  
Portland, Maine 04101  
P 207 245.6360

SUSTAINABILITY

STAMP

DATE	REVISION
3/27/2018	INITIAL PRICING DOCS

REVISIONS ON SHEET

**DRAFT  
NOT FOR  
CONSTRUCTION**

SCALE: As indicated UUTIL PROJECT NUMBER: 1514.5

COVER SHEET

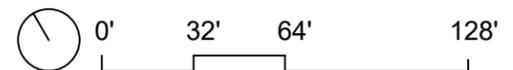
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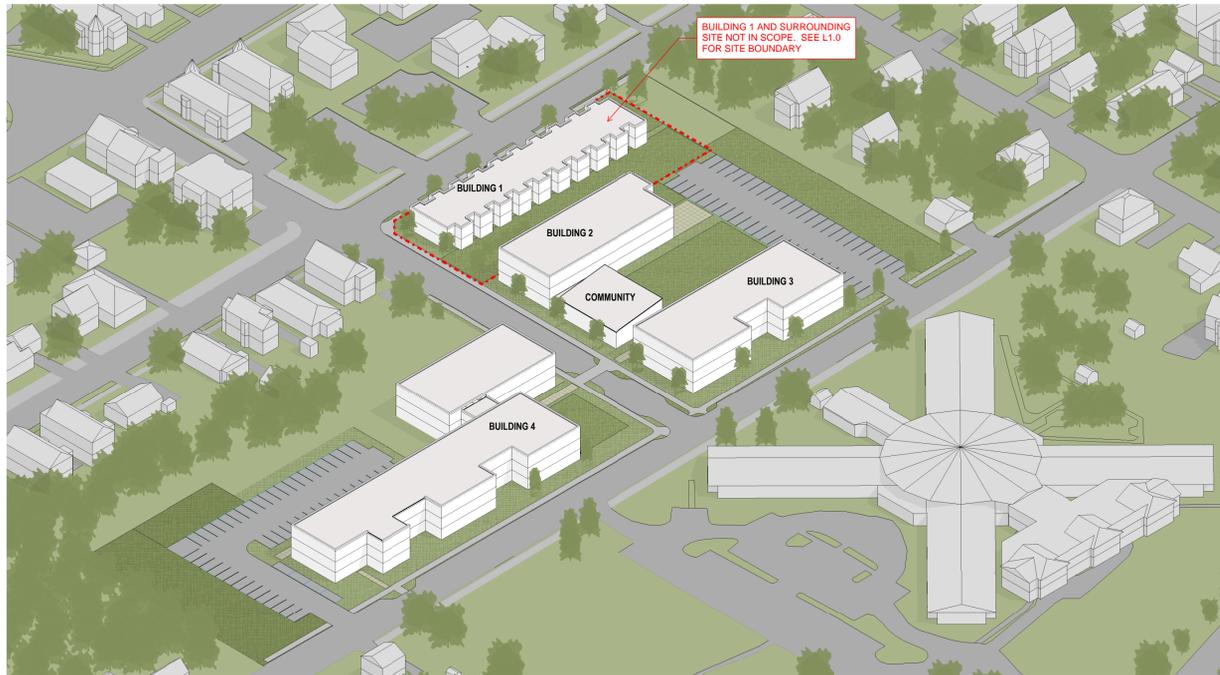


DISCLAIMER: These plans are conceptual only. They have not been subject to a comprehensive code and regulatory review, nor have they been tested against any as-built surveys. Discoveries in such an analysis may result in fundamental changes to the original concept.



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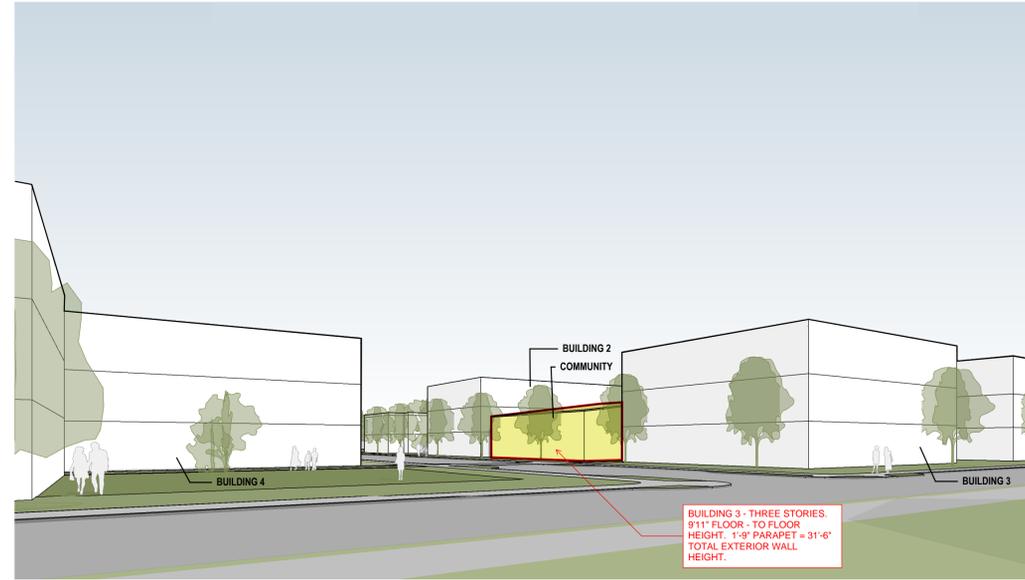




Axonometric View



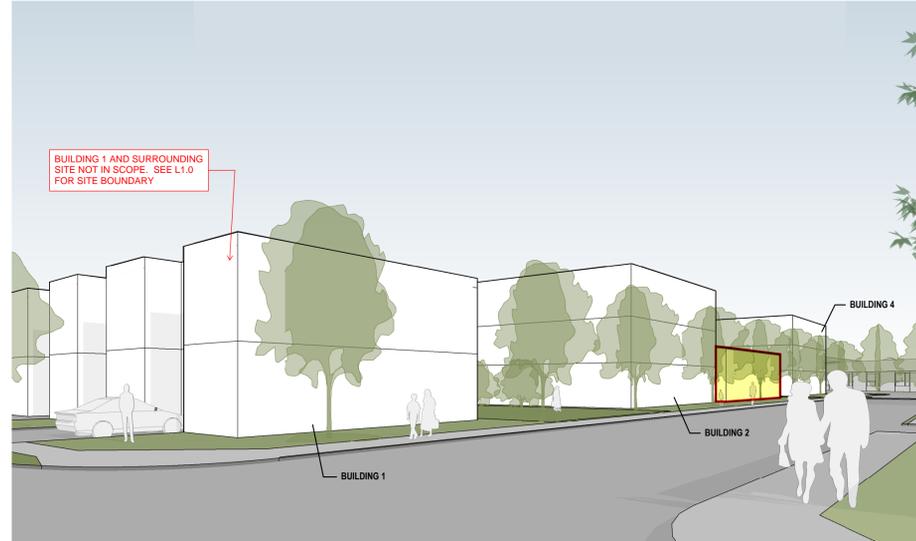
Presumpscott Street - Looking North



Front Street - Looking North at Presumpscott Street



Presumpscott Street - Looking South



Presumpscott Street - Looking Southeast

# PHA FRONT STREET DEVELOPMENT

37 & 63 Front Street  
Portland, Maine 04103

PROJECT

FRONT STREET REDEVELOPMENT, LP

14 Baxter Boulevard  
Portland, Maine 04101  
P 207 773.4753

OWNER

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P 207 245.6360

SUSTAINABILITY

#### DATE REVISION

3/27/2018	INITIAL PRICING DOCS
-----------	----------------------

STAMP

#### REVISIONS ON SHEET

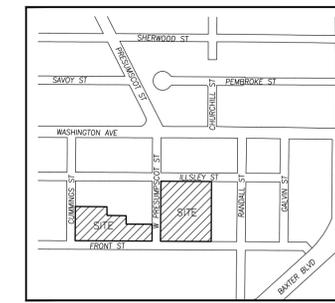
**DRAFT  
NOT FOR  
CONSTRUCTION**

SCALE: NOT TO SCALE UTILITE PROJECT NUMBER: 15143

PERSPECTIVE VIEWS

# GO.01

- | EXISTING                       | PROPOSED                  |
|--------------------------------|---------------------------|
| PROPERTY LINE                  | PROPERTY LINE             |
| DECIDUOUS TREE (preserved)     | SETBACK LINE              |
| DECIDUOUS TREE (to be removed) | LIMIT OF WORK LINE        |
| CURB                           | DECIDUOUS TREE            |
| EDGE OF PAVING                 | SHRUBS                    |
| BUILDING OUTLINE               | PERENNIALS / GROUND COVER |
| POLE LIGHT                     | ASPHALT PAVEMENT          |
| FIRE HYDRANT                   | CONCRETE PAVERS           |
| MANHOLE                        | EDGE OF PAVING            |
| ELEC / GAS METER               | GRANITE CURB              |
| UTILITY POLE                   | SLIPFORM CONCRETE CURB    |
| STREET LIGHT                   | CROSSWALK STRIPING        |
| SIGN                           | LIGHT                     |
| CATCH BASIN                    | TRAFFIC SIGNAGE           |
| WATER VALVE /SHUTOFF           | CATCH BASIN               |
| CHAIN LINK FENCE               | SEWER MANHOLE             |
| OVERHEAD WIRES                 | TRANSFORMER               |
| UNDERGROUND POWER              | BOLLARD                   |
| WATER LINE                     | CONTOUR LINE              |
| GAS LINE                       | SPOT ELEVATION            |
| TELEPHONE                      | SITE FEATURE (TBD)        |
| STORM DRAIN                    | BUILDING ENTRY POINTS     |
| SANITARY SEWER                 |                           |
| CONTOUR LINE                   |                           |



LOCATION MAP  
SCALE: NTS

APPLICANT:

FRONT STREET REDEVELOPMENT, LP  
14 BAXTER BLVD  
PORTLAND, MAINE 04101

OWNER:

PORTLAND HOUSING AUTHORITY  
14 BAXTER BLVD  
PORTLAND, MAINE 04101

FRONT STREET DEVELOPMENT

Project:

Revisions	Date	Description
2	11.28.2017	FINAL SUBMISSION TO CITY
1	9.15.2017	CITY OF PORTLAND LEVEL II SITE PLAN SUBM.

Scale: AS SHOWN

INITIAL PRICING DOCS

Approved By: PC

Phase:

PERMITTING



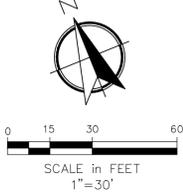
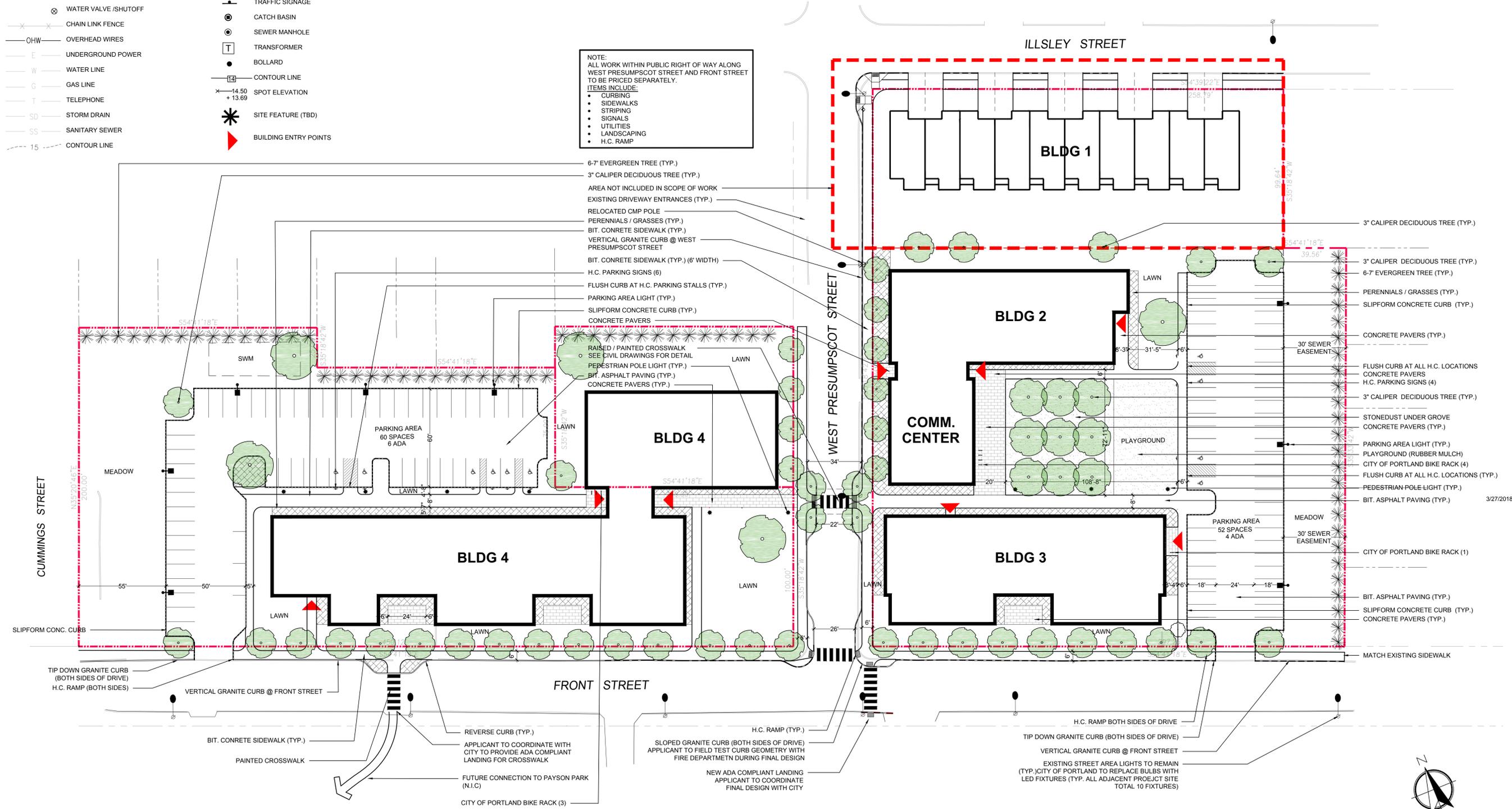
217 COMMERCIAL STREET, STE 200  
PORTLAND, MAINE 04101  
207.772.1652 V. F. 207.772.0112

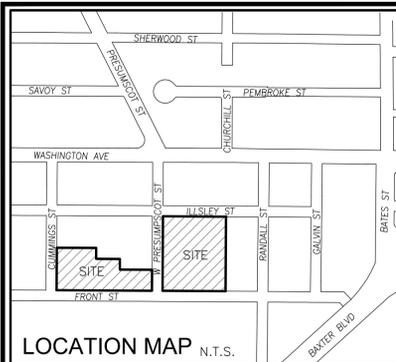
Date:  
MARCH 14, 2018

Sheet No:

L-1.0

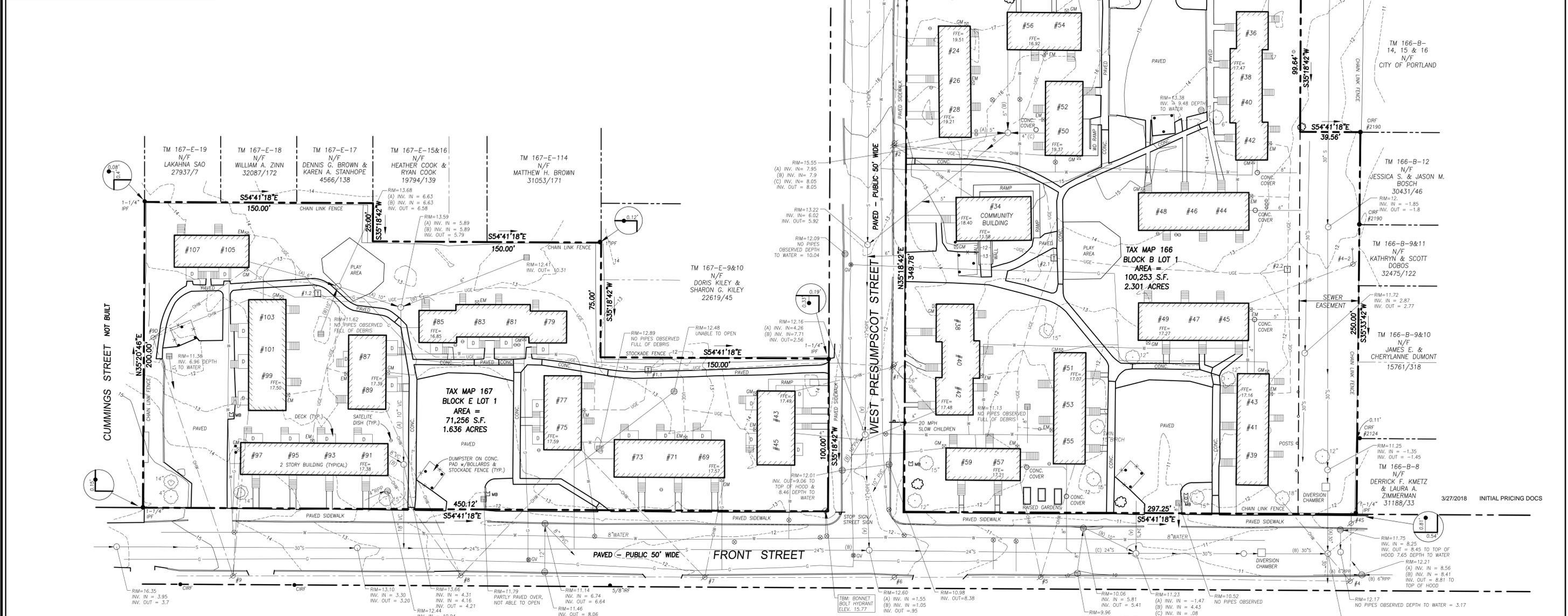
NOTE:  
ALL WORK WITHIN PUBLIC RIGHT OF WAY ALONG WEST PRESUMPCOT STREET AND FRONT STREET TO BE PRICED SEPARATELY.  
ITEMS INCLUDE:  
• CURBING  
• SIDEWALKS  
• STRIPING  
• SIGNALS  
• UTILITIES  
• LANDSCAPING  
• H.C. RAMP





**LEGEND**

● IRON PIPE OR ROD FOUND	— X — FENCE
■ MONUMENT FOUND	— CURB
○ UTILITY POLE	— OHW — OVERHEAD WIRES
○ MANHOLE	— UGE — UNDERGROUND ELECTRIC
⊗ EM/GM ELECTRIC/GAS METER	— W — WATER LINE
⊗ SIGN	— G — GAS LINE
⊗ CATCH BASIN	— S — SANITARY SEWER
⊗ HYDRANT	— 1" CONTOUR
⊗ WATER VALVE OR SHUTOFF	— D — WOOD DECK
⊗ GAS VALVE	— CONC. — CONCRETE
⊗ DECIDUOUS TREE	— CIRF — CAPPED IRON ROD FOUND
⊗ SHRUB/BUSH	— I/PF/IRF — IRON PIPE OR ROD FOUND
⊗ TRANSFORMER	— INV. — INVERT
⊗ BOLLARD	— FFE — FINISHED FLOOR ELEVATION
⊗ MAILBOX	— N/F — NOW OR FORMERLY
⊗ SATELLITE DISH	— 000/000 — DEED BOOK AND PAGE



**UTILITY NOTE**

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEES THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES. CALL 1-888-DIGSAFE AT LEAST THREE BUSINESS DAYS BEFORE PERFORMING ANY CONSTRUCTION. DUE TO OSHA CONFINED SPACE REQUIREMENTS, ALL INVERTS AND PIPE SIZES MUST BE VERIFIED PRIOR TO ANY CONSTRUCTION.

**GRAPHIC SCALE**

0 15' 30' 60' 120'

- PLAN REFERENCES**
- "PLAN SHOWING PROPOSED SCHEME OF STREETS AND LOTS OF LAND OF LW DYER, EAST DEERING MAINE" BY E.C. JORDAN RECORDED IN PLAN BOOK 7, PAGE 2.
  - "FRONT STREET TOWNHOUSES, PORTLAND, MAINE UTILITY PLAN, SANITARY SEWERS & STORMS DRAINS" DEC. 22, 1970 BY WRIGHT, PIERCE, BARNES & WYMAN, ENGINEERS.
  - "BOUNDARY SURVEY ON 904 BAXTER BOULEVARD, PORTLAND, MADE FOR OWNER OF RECORD BURTT AND DONNA WARREN" JUNE 02, 2004, REV. 1 7-2-04 BY OWEN HASKELL, INC.
  - "STANDARD BOUNDARY SURVEY OF PAYSON PARK, PORTLAND, MAINE MADE FOR CITY OF PORTLAND" FEB. 26, 2001, REV. 3 11-27-01 BY OWEN HASKELL, INC.
  - "AS-BUILT SURVEY AT 850 BAXTER BOULEVARD, PORTLAND, MAINE MADE FOR SEASIDE REHABILITATION & HEALTHCARE CENTER" MAY 15, 2012, REV. 1 06-19-12 BY OWEN HASKELL, INC.
  - "ILLSLEY STREET RECONSTRUCTION, STA. 4+50 TO STA. 9+00, PLAN AND PROFILE" JUNE 1995 CITY OF PORTLAND, MAINE PUBLIC WORKS DEPARTMENT ENGINEERING SECTION.
  - "PORTLAND WATER DISTRICT, PORTLAND, MAINE POLLUTION ABATEMENT FACILITIES, CONTRACT NO. 2, PRESUMPCOT ESTUARY INTERCEPTOR CROSS COUNTRY STA. 1+—7 TO STA. 7+20"

- GENERAL NOTES**
- OWNER OF RECORD: PORTLAND HOUSING AUTHORITY, 14 BAXTER BOULEVARD, PORTLAND, MAINE CUMBERLAND COUNTY REGISTRY OF DEEDS BOOK 3196 PAGE 834
  - BEARINGS ARE BASED ON MAINE STATE PLANE COORDINATE SYSTEM MAINE WEST NAD83, CITY POINT MDOOT-PO-295-29 N:308183.18 E:2927410.833 AND T103-30-8 N:309584.611 E:2927511.4960 HELD.
  - ELEVATIONS ARE BASED ON NGVD 1929. BENCHMARK: CITY POINT MDOOT-PO-295 ELEVATION 12.00'.
  - ON-SITE GAS COULD NOT BE LOCATED BY UNDERGROUND UTILITY MARKING COMPANY, GAS LINES SHOWN ARE APPROXIMATE CONTACT DIG-SAFE PRIOR TO ANY CONSTRUCTION.
  - ON-SITE WATER LINES TAKEN FROM PORTLAND WATER DISTRICT DRAWING NO. 67.

**CERTIFICATE**

OWEN HASKELL, INC. HEREBY CERTIFIES THAT THIS PLAN IS BASED ON, AND THE RESULT OF, AN ON THE GROUND FIELD SURVEY AND THAT TO THE BEST OF OUR KNOWLEDGE, INFORMATION AND BELIEF, IT CONFORMS TO THE BOARD OF LICENSURE FOR PROFESSIONAL LAND SURVEYORS CURRENT STANDARDS OF PRACTICE, WITH THE EXCEPTION OF MARKERS NOT SET AT ALL CORNERS.

DATE \_\_\_\_\_ JOHN C. SCHWANDA, PLS NO. 1252

**BOUNDARY AND TOPOGRAPHIC SURVEY**  
ON  
FRONT STREET, ILLSLEY STREET &  
WEST PRESUMPCOT STREET, PORTLAND, MAINE  
MADE FOR  
**PORTLAND HOUSING DEVELOPMENT CORP.**  
14 BAXTER BOULEVARD, PORTLAND, MAINE

**OWEN HASKELL, INC.**  
PROFESSIONAL LAND SURVEYORS  
380 U.S. ROUTE 1, UNIT 10, FALMOUTH, ME 04105 207-774-0424

Drawn By	RS	Date	Job No.
Trace By	JLW	DEC. 30, 2015	2015-314P
Check By	JWS	Scale	Drwg. No.
Book No.	FILE	1" = 30'	1

### Development Summary By Building

Building #2					Building #3					Building #4						
Total Area* 29,200					Total Area 33,400					Total Area 70,000						
Type	Elevator: YES				subtotal	Level 1	Level 2	Level 3	subtotal	Level 1	Level 2	Level 3	subtotal	Level 1	Level 2	Level 3
	1-Bed	12	4	4												
2-Bed	5	1	2	2	8	1	2	5	25	4	9	12	25	4	9	12
3-Bed	6	2	2	2	5	1	1	3	16	4	6	6	16	4	6	6
4-Bed	0	0	0	0	6	3	3	0	7	4	3	0	7	4	3	0
5-Bed	0	0	0	0	2	1	1	0	2	2	0	0	2	2	0	0
Units / Fl:																
Units / Building:		7	8	8	7	9	12		15	21	24		60			

\*Bldg. 2 area includes 3,500 GSF Community Bldg.

### Totals

TOTAL (PHA Only)	
Total Area	132,600
Area w/o Comm.	129,100
29	1-Bed
38	2-Bed
27	3-Bed
13	4-Bed
4	5-Bed
111	Total Units

### Unit Mix Breakdown

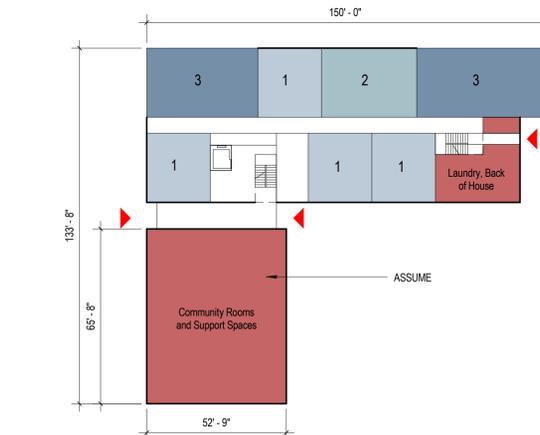
Type	Redistributed Existing Unit Mix	New, non-replacement mix
1-Bed	5	24
2-Bed	5	33
3-Bed	22	1
4-Bed	13	0
5-Bed	4	0
	49	57



3RD FLOOR

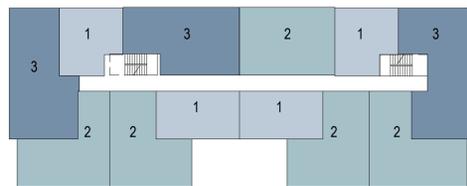


2ND FLOOR

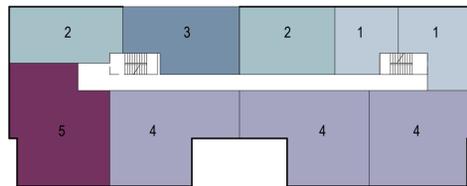


GROUND FLOOR

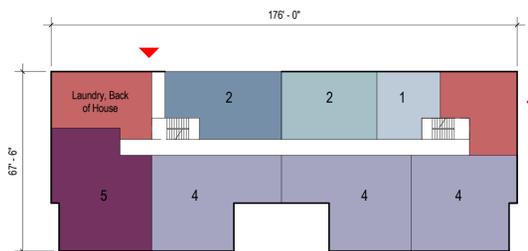
BUILDING 2



3RD FLOOR

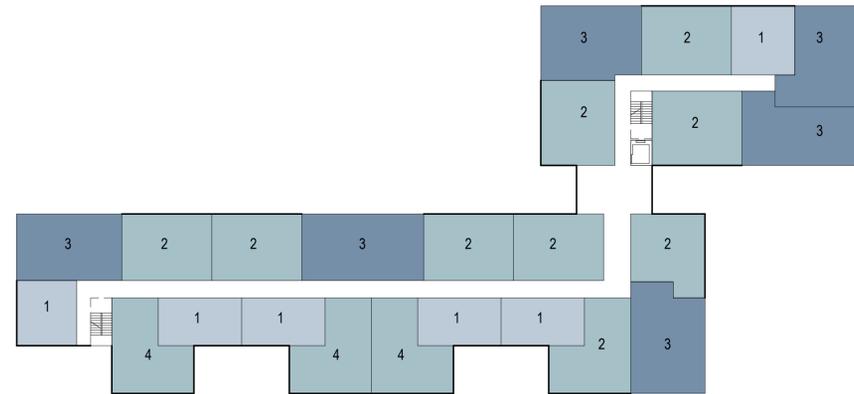


2ND FLOOR

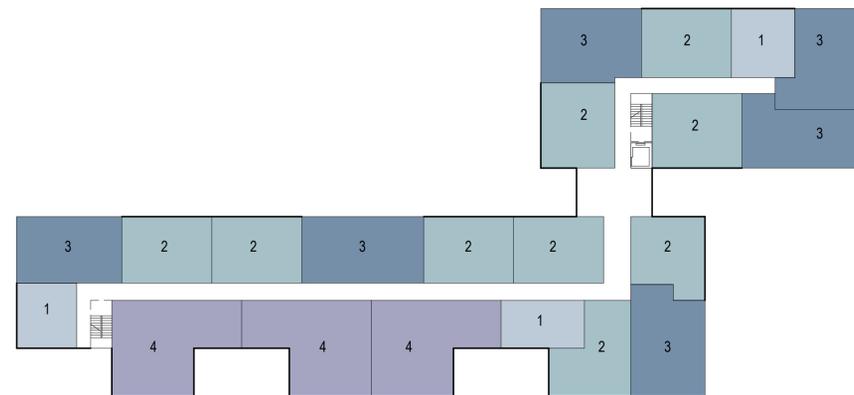


GROUND FLOOR

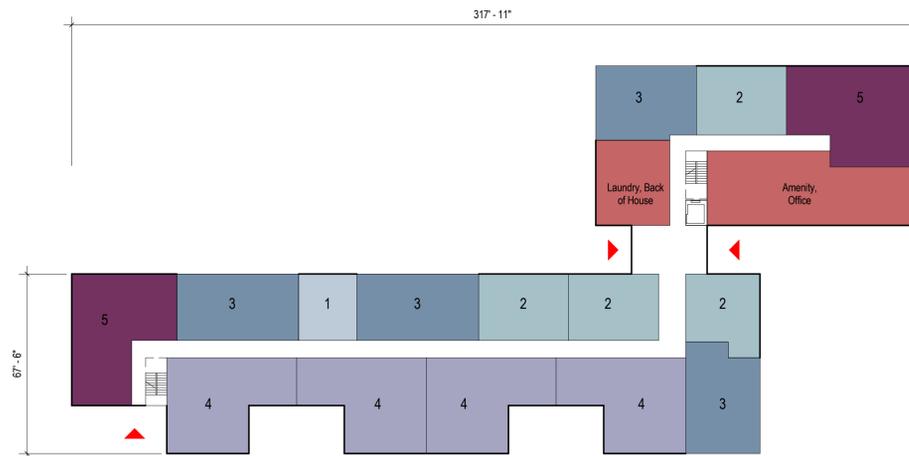
BUILDING 3



3RD FLOOR



2ND FLOOR



GROUND FLOOR

BUILDING 4

### PHA FRONT STREET DEVELOPMENT

37 & 63 Front Street  
Portland, Maine 04103

PROJECT

### FRONT STREET REDEVELOPMENT, LP

14 Baxter Boulevard  
Portland, Maine 04101  
P 207 773.4753

OWNER

### utile

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P 617 423.7200 F 617 423.1414  
utiledesign.com

ARCHITECT

### Ransom Consulting, Inc.

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Portland, Maine 04101  
P 207 772.2891 F 207 772.3284

CIVIL & GEOTECHNICAL

### Carroll Associates

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Portland, Maine 04101  
P 207 772.1552 F 207 772.0712

LANDSCAPE

### Allied Engineering

160 Veranda Street  
Portland, Maine 04103  
P 207 221.2260 F 207 221.2266

M/E/PFP & STRUCTURAL

### Thornton Tomasetti

386 Fore Street, Suite 401  
Portland, Maine 04101  
P 207 245.6360

SUSTAINABILITY

### DATE REVISION

3/27/2018 INITIAL PRICING DOCS

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### REVISIONS ON SHEET

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SCALE 1/32" = 1'-0" UTILITE PROJECT NUMBER 1514.5

BUILDING PLANS AND DEVELOPMENT SUMMARY

A1.01

**PHA FRONT STREET DEVELOPMENT**

37 & 63 Front Street  
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PROJECT

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SCALE  
1/16" = 1'-0"

UTILITE PROJECT NUMBER  
1514.5

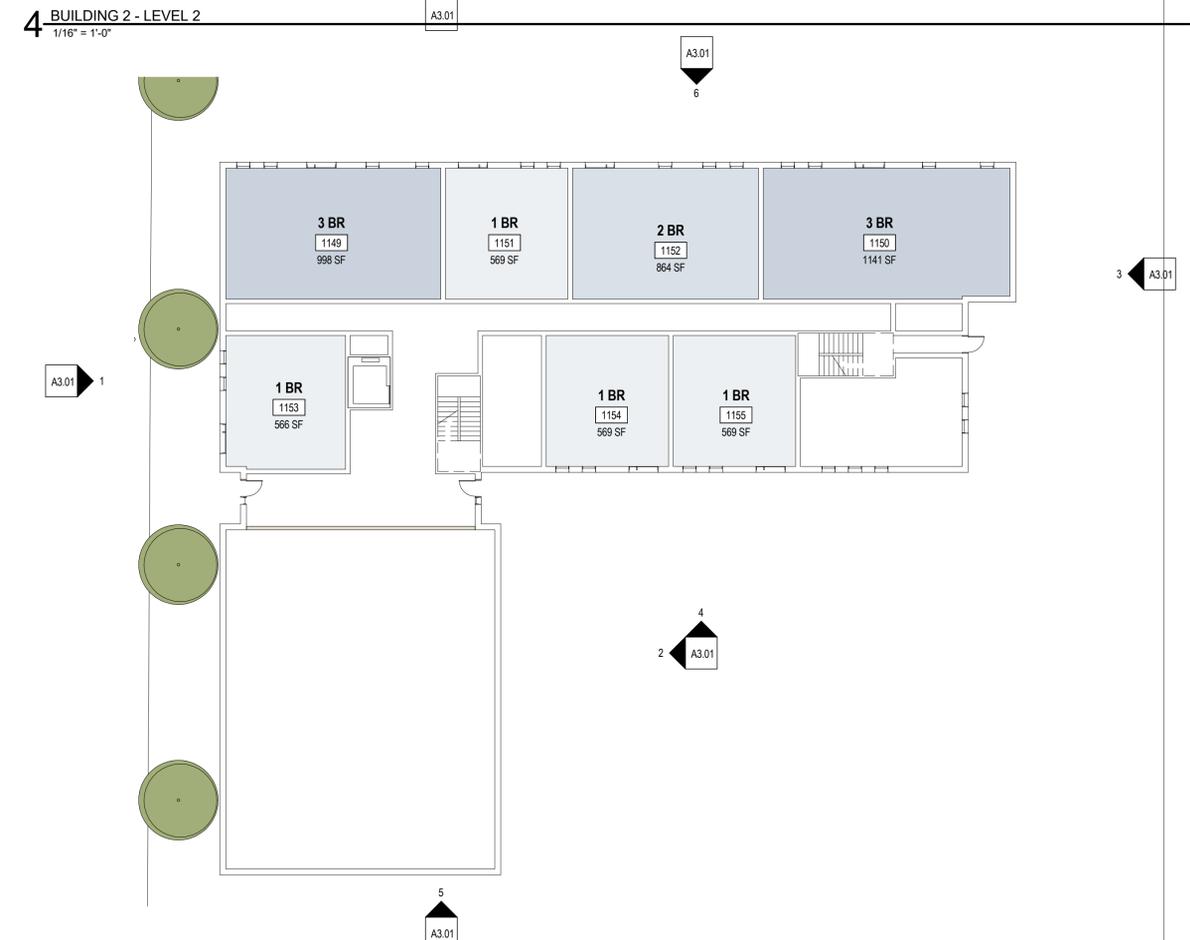
BUILDING 2 - FLOOR PLANS

**A1.01**

3/28/2018 8:53:35 AM

**4-BUILDING 2 - LEVEL 2**  
1/16" = 1'-0"

**3-BUILDING 2 - GROUND FLOOR**  
1/16" = 1'-0"



**5-BUILDING 2 - LEVEL 3**  
1/16" = 1'-0"

**PHA FRONT STREET DEVELOPMENT**

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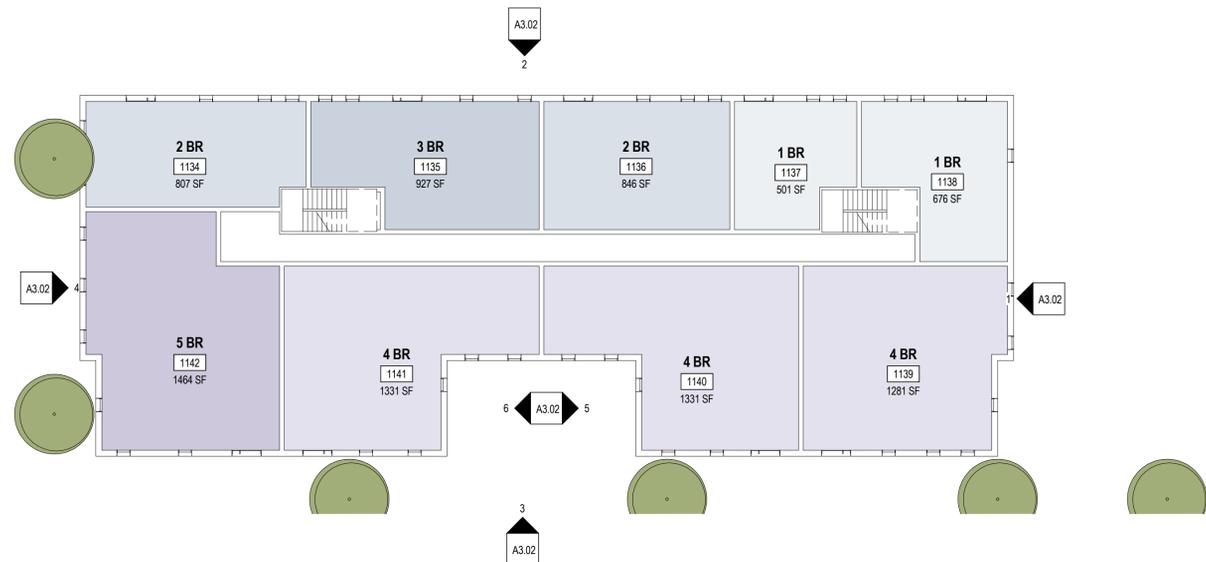
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NOT FOR  
CONSTRUCTION**

SCALE  
1/16" = 1'-0"

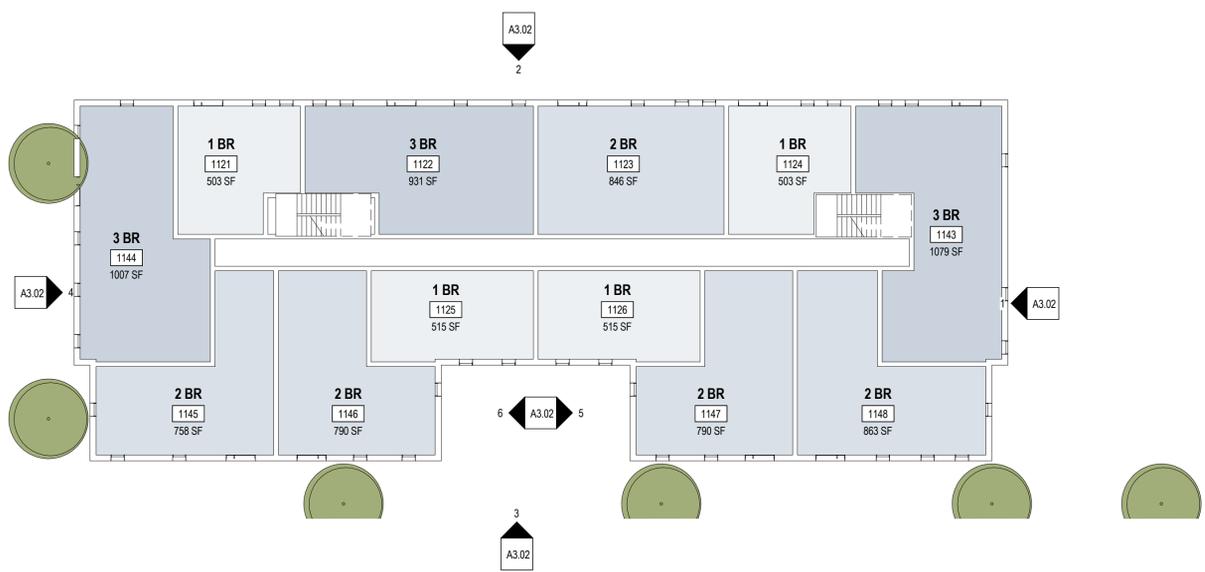
UTILITE PROJECT NUMBER  
1514.5

BUILDING 3 - FLOOR PLANS

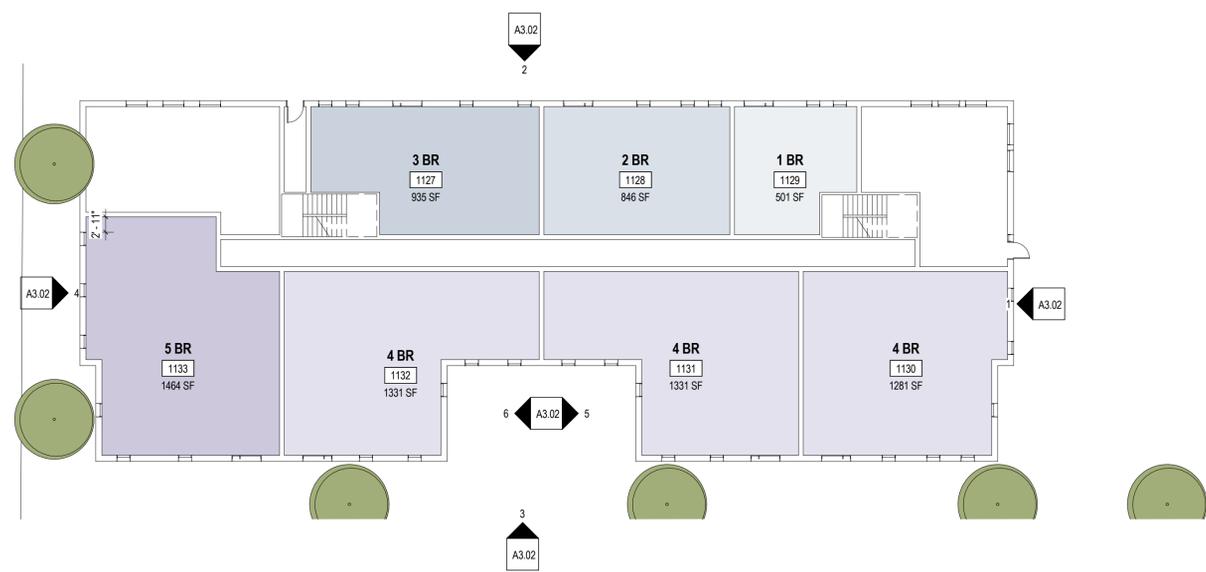
**A1.02**



**2 BUILDING 3 - LEVEL 2**  
1/16" = 1'-0"



**3 BUILDING 3 - LEVEL 3**  
1/16" = 1'-0"



**1 BUILDING 3 - GROUND FLOOR**  
1/16" = 1'-0"

**PHA FRONT STREET DEVELOPMENT**

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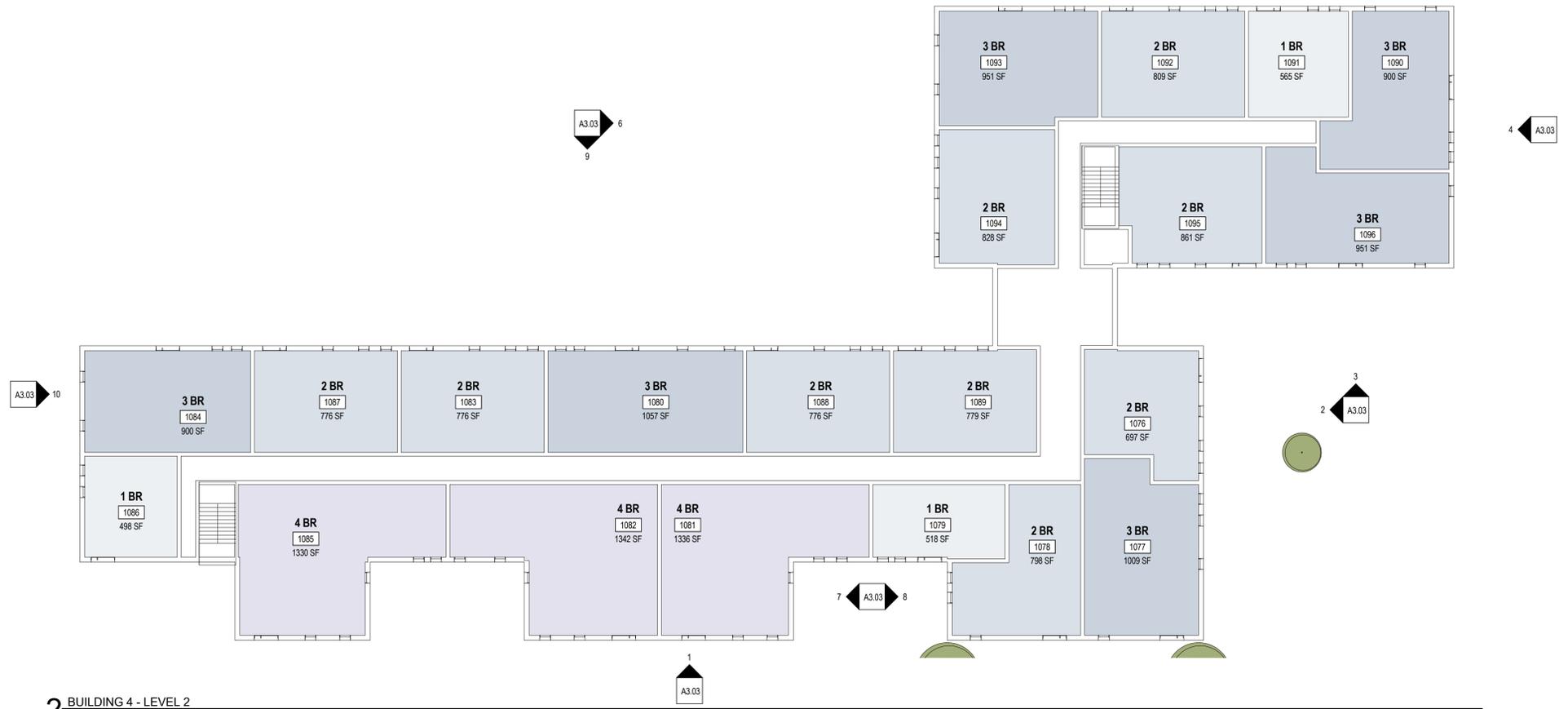
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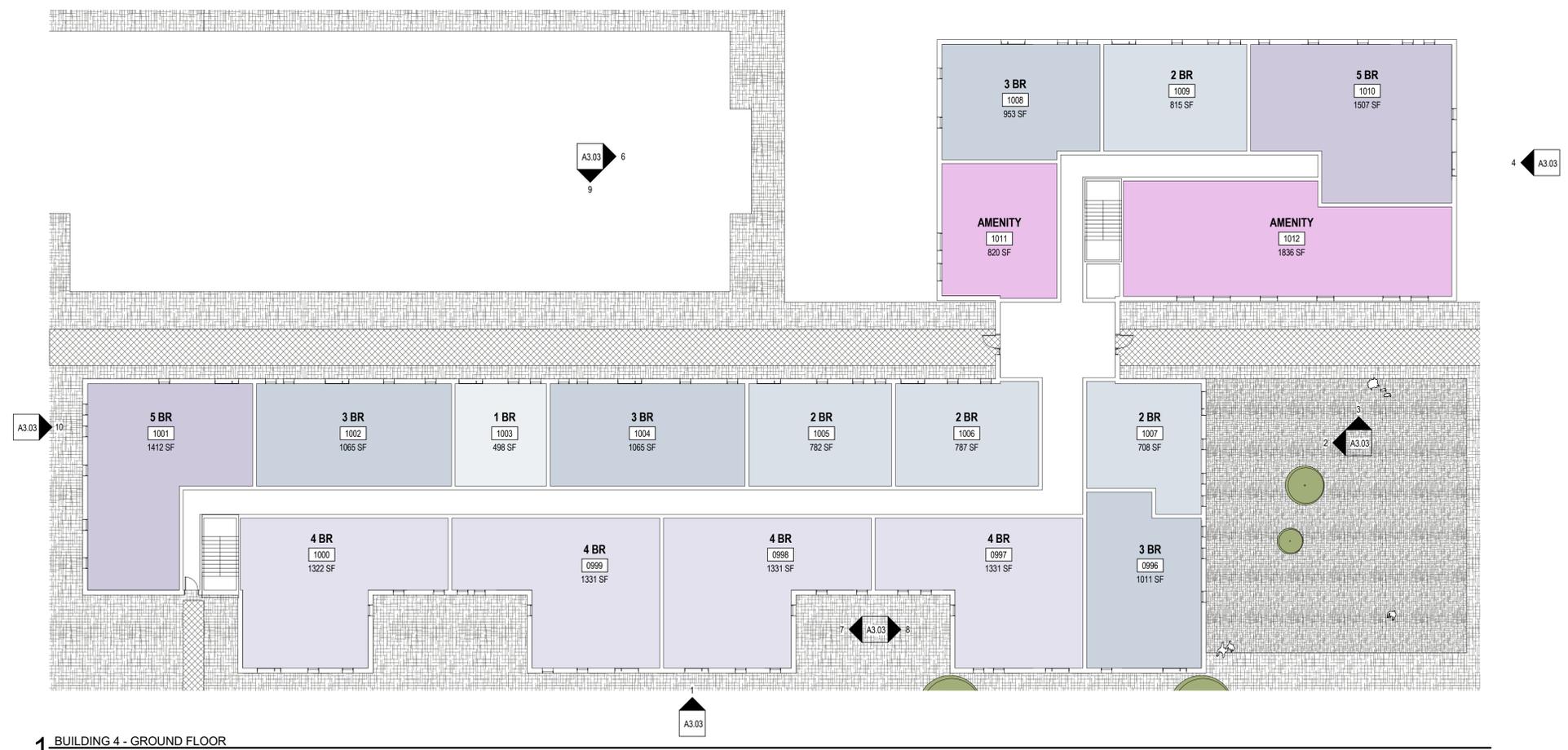
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SUSTAINABILITY



**2 BUILDING 4 - LEVEL 2**  
1/16" = 1'-0"



**1 BUILDING 4 - GROUND FLOOR**  
1/16" = 1'-0"

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SCALE 1/16" = 1'-0" UTILITE PROJECT NUMBER 1514.5

BUILDING 4 - FLOOR PLANS

**A1.03.**

**PHA FRONT STREET DEVELOPMENT**

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PROJECT

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CONSTRUCTION**

SCALE  
1/16" = 1'-0"

UTILITY PROJECT NUMBER  
1514.5

BUILDING 4 - FLOOR PLANS

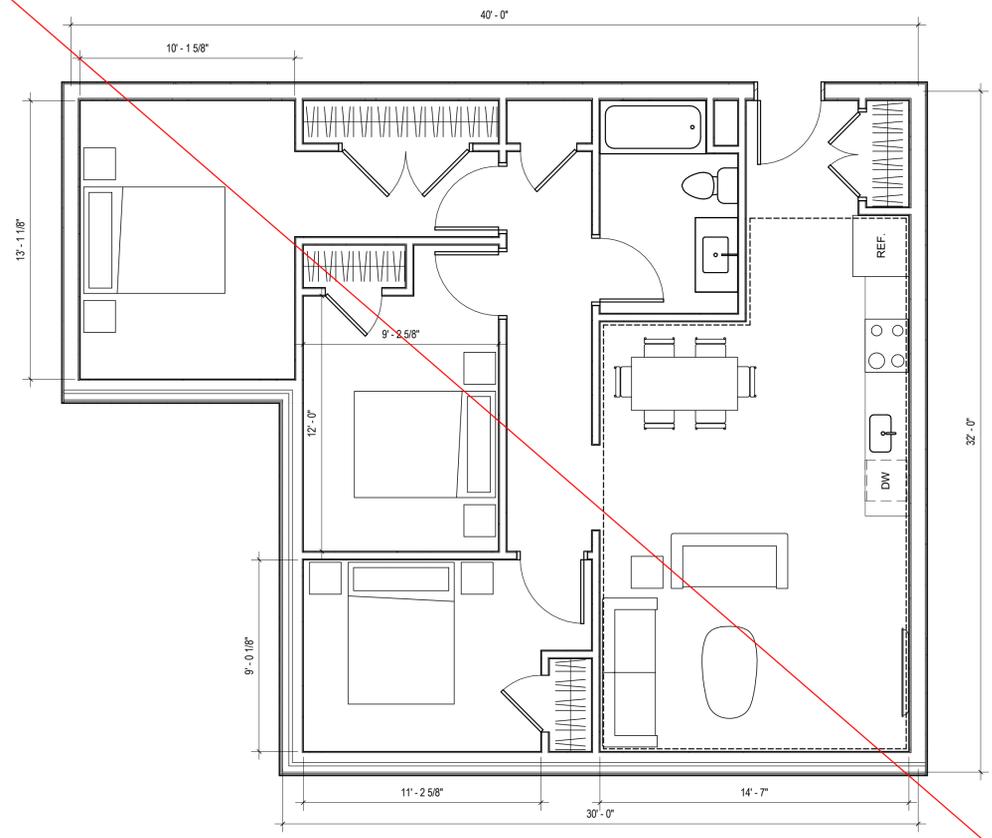
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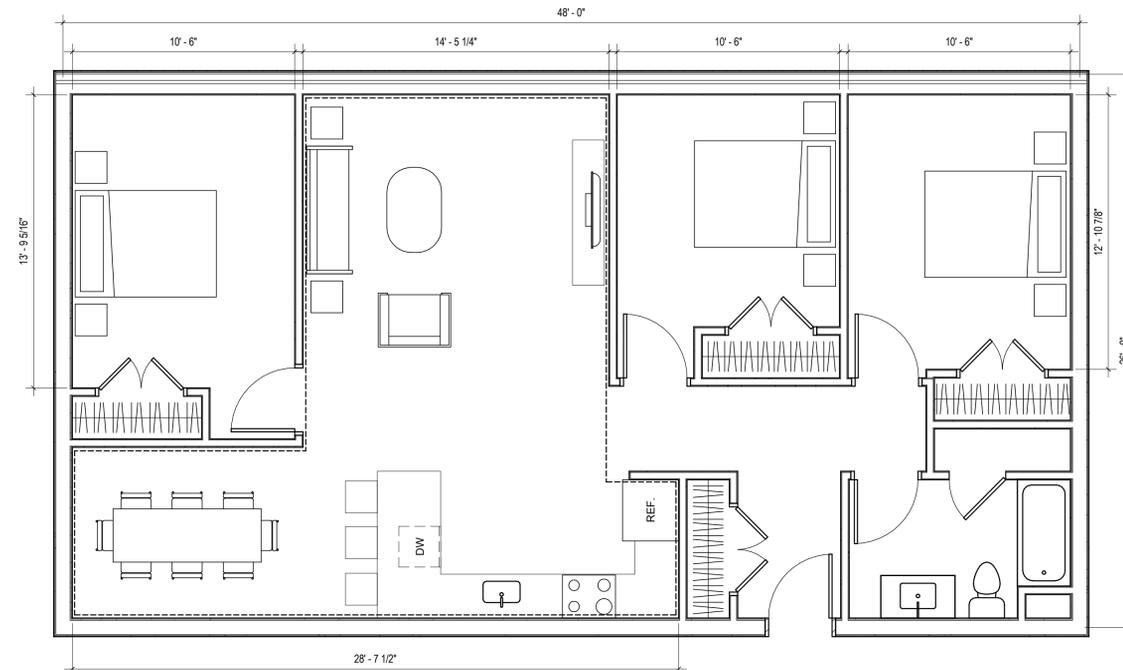
**1 BUILDING 4 - LEVEL 3**  
1/16" = 1'-0"

**THIS UNIT TYPE  
CURRENTLY NOT USED**



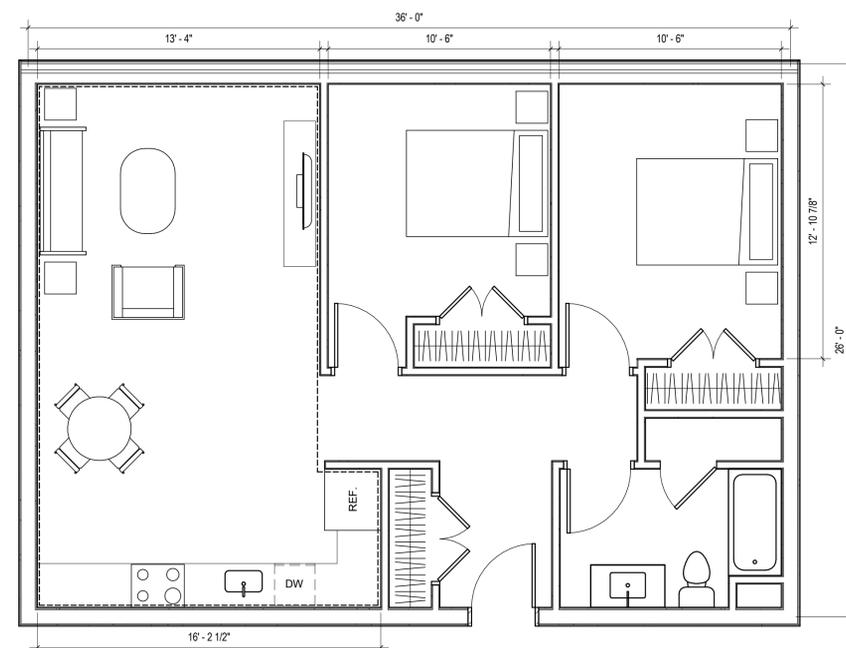
**4** TYPICAL 3 BED - COURTYARD  
1/4" = 1'-0"

M.S.H.A GUIDELINES  
 SPATIAL REQUIREMENTS:  
 PRIMARY BEDROOM: 120 SF MIN.  
 LEAST DIMENSION: 9'-6"  
 SECONDARY BEDROOM: 80 SF MIN.  
 LEAST DIMENSION: 8'-0"  
 LIVING ROOM - DINING AREA - KITCHEN: 300 SF MIN.  
 STORAGE REQUIREMENTS:  
 PRIMARY BEDROOM CLOSET: 2' x 5' x 7' MIN.  
 SECONDARY BEDROOM CLOSET: 2' x 3' x 7' MIN.  
 COAT CLOSET: 2' x 2' x 7'  
 LINEN STORAGE: 15 SF  
 GENERAL STORAGE: 150 CF  
 SEE M.S.H.A. GUIDELINES FOR FURTHER CLOSET REQ'S



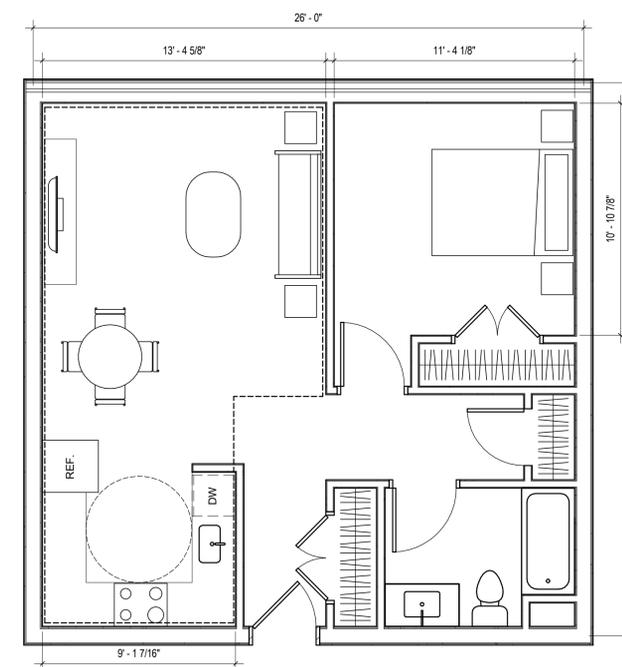
**3** TYPICAL 3 BED - CORRIDOR  
1/4" = 1'-0"

M.S.H.A GUIDELINES  
 SPATIAL REQUIREMENTS:  
 PRIMARY BEDROOM: 120 SF MIN.  
 LEAST DIMENSION: 9'-6"  
 SECONDARY BEDROOM: 80 SF MIN.  
 LEAST DIMENSION: 8'-0"  
 LIVING ROOM - DINING AREA - KITCHEN: 270 SF MIN.  
 STORAGE REQUIREMENTS:  
 PRIMARY BEDROOM CLOSET: 2' x 5' x 7' MIN.  
 SECONDARY BEDROOM CLOSET: 2' x 3' x 7' MIN.  
 COAT CLOSET: 2' x 2' x 7'  
 LINEN STORAGE: 10 SF  
 GENERAL STORAGE: 100 CF  
 SEE M.S.H.A GUIDELINES FOR FURTHER CLOSET REQ'S



**2** TYPICAL 2 BED  
1/4" = 1'-0"

M.S.H.A GUIDELINES  
 SPATIAL REQUIREMENTS:  
 PRIMARY BEDROOM: 120 SF MIN.  
 LEAST DIMENSION: 9'-6"  
 SECONDARY BEDROOM: 80 SF MIN.  
 LEAST DIMENSION: 8'-0"  
 LIVING ROOM - DINING AREA - KITCHEN: 270 SF MIN.  
 STORAGE REQUIREMENTS:  
 PRIMARY BEDROOM CLOSET: 2' x 5' x 7' MIN.  
 SECONDARY BEDROOM CLOSET: 2' x 3' x 7' MIN.  
 COAT CLOSET: 2' x 2' x 7'  
 LINEN STORAGE: 10 SF  
 GENERAL STORAGE: 100 CF  
 SEE M.S.H.A GUIDELINES FOR FURTHER CLOSET REQ'S



**1** TYPICAL 1 BED  
1/4" = 1'-0"

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LANDSCAPE

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SCALE 1/4" = 1'-0"

UTILITE PROJECT NUMBER 1514.5

TYPICAL UNIT PLANS

**A1.10**

**PHA FRONT STREET DEVELOPMENT**

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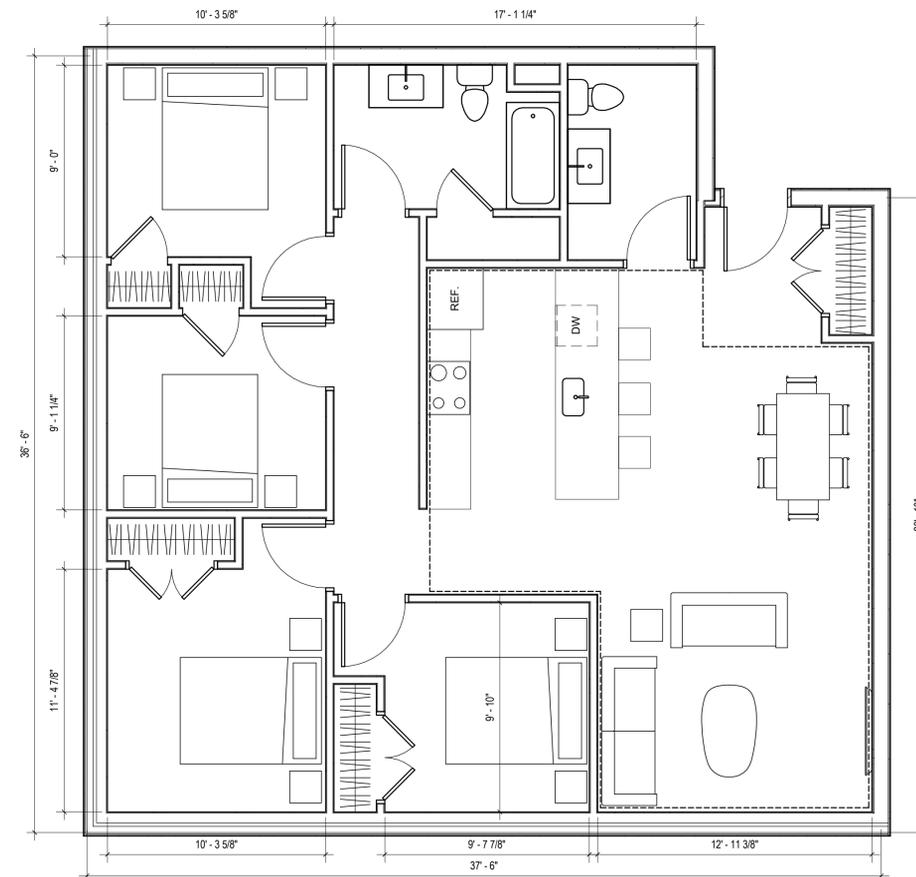
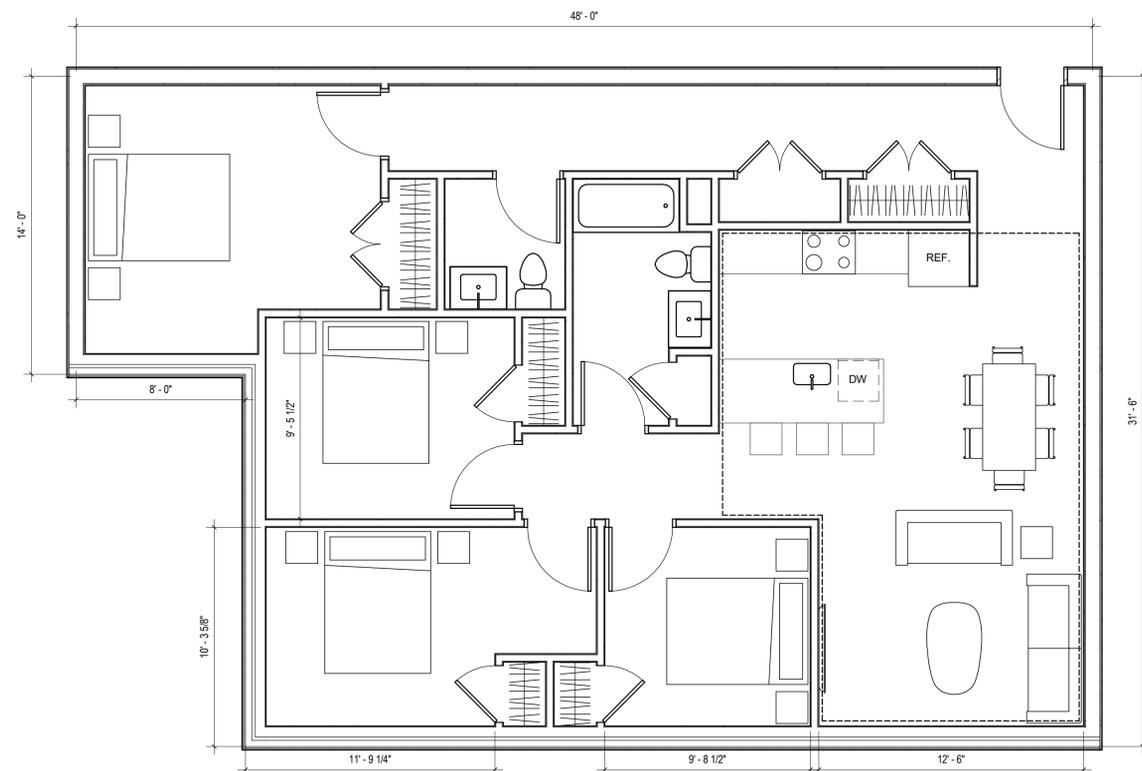
SUSTAINABILITY

**M.S.H.A. GUIDELINES**

**SPATIAL REQUIREMENTS:**  
PRIMARY BEDROOM: 120 SF MIN.  
LEAST DIMENSION: 9'-6"  
SECONDARY BEDROOM: 80 SF MIN.  
LEAST DIMENSION: 8'-0"  
LIVING ROOM - DINING AREA - KITCHEN: 330 SF MIN.

**STORAGE REQUIREMENTS:**  
PRIMARY BEDROOM CLOSET: 2' x 5' x 7' MIN.  
SECONDARY BEDROOM CLOSET: 2' x 3' x 7' MIN.  
COAT CLOSET: 2' x 2' x 7'  
LINEN STORAGE: 15 SF  
GENERAL STORAGE: 175 CF

SEE M.S.H.A. GUIDELINES FOR FURTHER CLOSET REQ'S



**2** TYPICAL 4 BED - COURTYARD  
1/4" = 1'-0"

**1** TYPICAL 4 BED - CORNER  
1/4" = 1'-0"

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SCALE UTILE PROJECT NUMBER  
1/4" = 1'-0" 1514.5

TYPICAL UNIT PLANS

**A1.11**

**PHA FRONT STREET DEVELOPMENT**

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SCALE 1/4" = 1'-0"

UTILITY PROJECT NUMBER 1514.5

TYPICAL UNIT PLANS

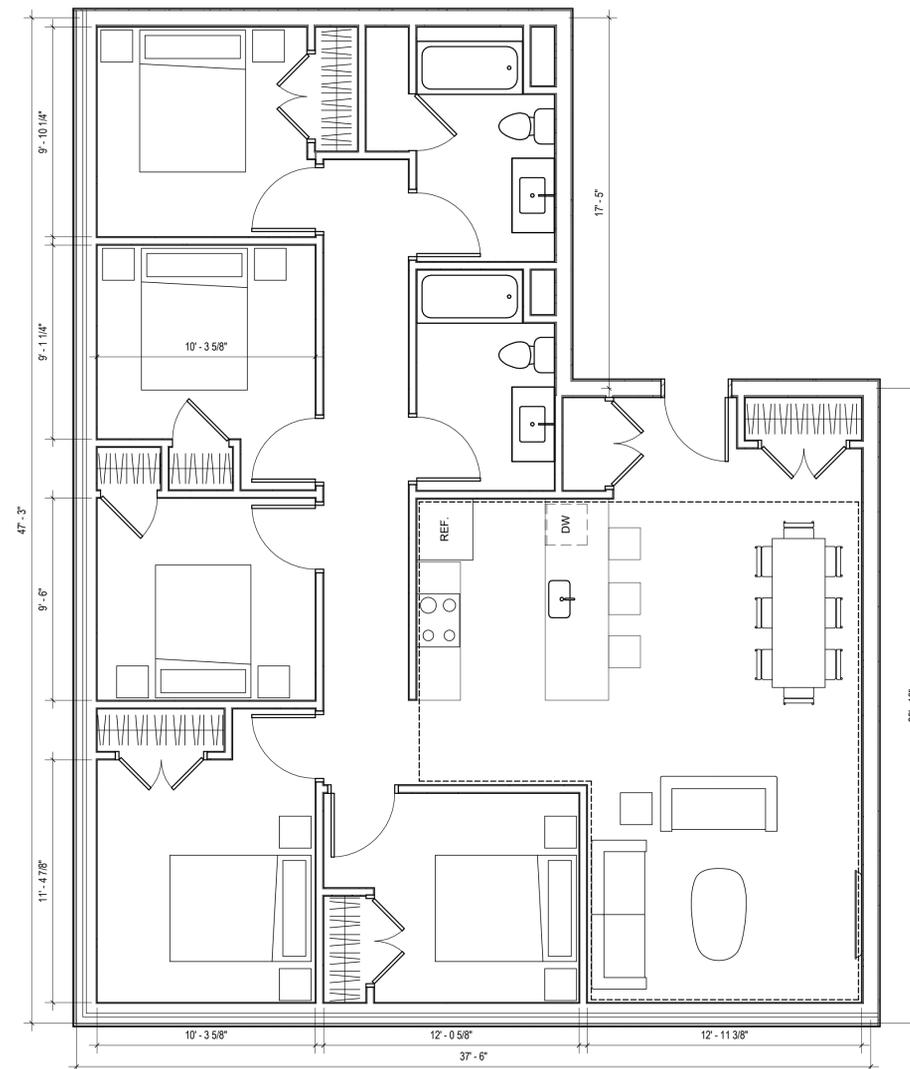
**A1.12**

**M.S.H.A GUIDELINES**

**SPATIAL REQUIREMENTS:**  
PRIMARY BEDROOM: 120 SF MIN.  
LEAST DIMENSION: 9'-6"  
SECONDARY BEDROOM: 80 SF MIN.  
LEAST DIMENSION: 8'-0"  
LIVING ROOM - DINING AREA - KITCHEN: 360 SF MIN.

**STORAGE REQUIREMENTS:**  
PRIMARY BEDROOM CLOSET: 2' x 5' x 7' MIN.  
SECONDARY BEDROOM CLOSET: 2' x 3' x 7' MIN.  
COAT CLOSET: 2' x 2' x 7'  
LINEN STORAGE: 15 SF  
GENERAL STORAGE: 175 CF

SEE M.S.H.A. GUIDELINES FOR FURTHER CLOSET REQ'S



**1 TYPICAL 5 BED**  
1/4" = 1'-0"

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**Project Completion Schedule**


---

Activity	Actual/Scheduled Date Month/Year
A. SITE	
Option/Contract	01/05/17
Site Acquisition	06/15/19
Zoning Approval	08/15/18
Site Analysis	10/15/17
B. FINANCING	
Construction Loan Commitment	09/01/18
Permanent Loan Commitment	09/01/18
Other Sources Committed	09/01/18
C. PLANS AND SPECIFICATIONS	
50%	10/15/18
90%	02/01/19
100%	03/15/19
D. CONSTRUCTION LOAN CLOSING	06/15/19
E. CONSTRUCTION START	06/20/19
F. COMPLETION OF CONSTRUCTION	09/01/20
G. LEASE-UP	
Initial Lease-up	09/15/20
Sustained (95%) Occupancy	05/01/21

Please account for application processing - approximately 60 days from the application due date.

# Front Street Re-Development Location Map



DEVELOPMENT ASSUMPTIONS						
Total Units		111	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 40% AMI	0.0%	0	Rent	2.00%	2.00%	2.00%
# @ 50% AMI (PBV Low HOME)	45.0%	50	Operating Expense	3.00%	3.00%	3.00%
# @ 50% AMI (LIHTC)	31.5%	35	Other Income	2.00%	2.00%	2.00%
# @ 60% AMI (High HOME)	0.0%	0	Debt Coverage Ratio		1.15	
# @ 60% AMI (LIHTC)	2.7%	3	Vacancy		5%	
# @ Market	20.7%	23				
Appraised Market Value	100.0%	17,190,480	Market Value/Unit		\$154,869	

Pro Forma Development Budget				
	Residential	Per Unit	Commercial	Total
Site Improvements	1,326,000	11,946		1,326,000
Construction	18,421,902	165,963		18,421,902
Demolition	0	0		0
Builder Overhead	400,000	3,604		400,000
Builder Profit	780,000	7,027		780,000
Bond Premium	50,000	450		50,000
Construction Contingency	5% 1,048,895	9,450		1,048,895
<b>Subtotal Construction Costs</b>	<b>22,026,797</b>	<b>198,440</b>	<b>0</b>	<b>22,026,797</b>
Building Permits and Fees	322,613	2,906		322,613
Survey & Engineering	103,900	936		103,900
Architectural & Design	945,000	8,514		945,000
Legal	73,000	658		73,000
Title & Recording	15,000	135		15,000
Accounting	8,000	72		8,000
Construction Period Tax	2,000	18		2,000
Construction Period Insurance	25,000	225		25,000
Soft Cost Contingency	42,000	378		42,000
<b>Subtotal Soft Costs</b>	<b>1,536,513</b>	<b>13,842</b>	<b>0</b>	<b>1,536,513</b>
Construction Loan Origination Fees	8,500	77		8,500
Construction Loan Interest	700,000	6,306		700,000
Constr Partic. Fee/Perm Loan Fee	282,500	2,545		282,500
Lend Inspec, Const legal, Letter of Credit	28,750	259		28,750
<b>Subtotal Finance Costs</b>	<b>1,019,750</b>	<b>9,187</b>	<b>0</b>	<b>1,019,750</b>
Market Survey	5,200	47		5,200
Appraisal	6,000	54		6,000
Environmental Study	13,500	122		13,500
LIHTC Fees/ prepd monitor	142,625	1,285		142,625
Commissioning	47,080	424		47,080
FF&E	89,000	802		89,000
<b>Subtotal Miscellaneous</b>	<b>303,405</b>	<b>2,733</b>	<b>0</b>	<b>303,405</b>
Acquisition: Buildings	0	0		0
Acquisition: Land	0	0		0
Acquisition: Legal	0	0		0
<b>Subtotal Acquisition</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Operating Deficit Escrow	925,000	8,333		925,000
Pre-funded Replacements	196,519	1,770		196,519
Tax & Insurance Escrow	126,592	1,140		126,592
Working Capital / Relocation	0	0		0
GP Contribution	0	0		0
Developer Overhead	2,000,000	18,018		2,000,000
Developer Profit	1,900,000	17,117		1,900,000
Rent-up & Marketing	50,000	450		50,000
<b>Subtotal Fee and Reserves</b>	<b>5,198,111</b>	<b>46,830</b>	<b>0</b>	<b>5,198,111</b>
<b>Total Project Costs</b>	<b>30,084,575</b>	<b>271,032</b>	<b>0</b>	<b>30,084,575</b>
<b>Total Development Costs (MSHA)</b>	<b>28,526,950</b>	<b>257,000</b>		
<b>Total Development Cost (MSHA) Index</b>		<b>208,190</b>		

LIHTC Alloc.	933,564
Equity yield	0.89
Synd. %	99.99%
Equity Raise	8,307,892

Historic Credit FED	0
Equity yield	0.95
Synd. %	99.99%
Equity Raise	0

Historic Credit STATE	0
Equity yield	0.88
Synd. %	99.99%
Equity Raise	0

Total Equity:	8,307,892
---------------	-----------

Gross Square Footage	132,000
Construction Cost/Sq ft.	\$158.92

Front Street Re-Development - Sources and Uses		
<b>Sources</b>		
Development Fee Loan	2,400,000	
Tax Exempt Bond Loan	14,045,415	
AHP Loan	3,400,000	
FHLB Subsidy	500,000	
City Housing Trust Funds	589,728	
City HOME Funds	841,540	
Net Syndication	8,307,892	933,564 Credit Allocation
Sponsor Loan	0	
<b>Total</b>	<b>30,084,575</b>	
<b>Uses</b>		
Construction	22,026,797	\$158.92 /sf Construction
Soft Costs	1,536,513	
Finance Costs	1,019,750	
Miscellaneous	303,405	
Acquisition	0	
Reserves	1,298,111	
Developer Fee	3,900,000	
<b>Total</b>	<b>30,084,575</b>	271,032 Gross TDC / Unit
		257,000 Adj. TDC / unit
<b>Changes to this pro forma version</b>		
111 units		
Trending at 2% income / 3% expenses		
New LIHTC and PBV rents as of April 2018		
OPEX increased to \$7,700/unit		
No MSHA subsidy		
City HOME funds		
Adjusted TDC Index calculation		
MAXIMUM DEVELOPER FEE AVAILABLE	3,927,686	
ACTUAL DEVELOPER FEE	3,900,000	
% OF MAXIMUM DEVELOPER FEE	99.3%	
<b>NET DEVELOPER FEE COLLECTED</b>	<b>1,500,000</b>	
% OF MAXIMUM DEVELOPER FEE	38.2%	

FLOW OF FUNDS									
Sources	CLC	During Construction				PLC	2018	2019	Total
	10/15/18	1/13/19	4/13/19	7/12/19	10/10/19	12/14/19			
Beginning Cash	0	0	0	0	0	0	3,084,605	2,992,302	0
Capital Contribution	830,789		0	2,076,973		4,984,735	207,697	207,698	8,307,892
Construction Loan	1,563,245	5,006,699	5,506,699	3,429,726	5,556,699				21,063,069
GP Bridge Loan									0
MH Subsidy	0					0			0
Tax Exempt Bond Loan						14,045,415			14,045,415
Conventional First Mortgage									0
AHP Loan						3,400,000			3,400,000
Seller Note						0			0
City Housing Trust Fund	294,864					294,864			589,728
City FedHOME	420,770		0			420,770			841,540
AHP Subsidy	0	500,000							500,000
Development Fee Loan						2,400,000			2,400,000
<b>TOTAL SOURCES</b>	<b>3,109,668</b>	<b>5,506,699</b>	<b>5,506,699</b>	<b>5,506,699</b>	<b>5,556,699</b>	<b>25,545,784</b>	<b>3,292,302</b>	<b>3,200,000</b>	<b>51,147,644</b>
<b>Uses</b>									
Acquisition	0								0
Construction		5,506,699	5,506,699	5,506,699	5,506,699				22,026,797
Soft Costs	1,536,513	0	0	0	0	0			1,536,513
Financing Costs	1,019,750								1,019,750
Miscellaneous	303,405								303,405
Dev Fee	250,000					150,000	300,000	3,200,000	3,900,000
Reserves					50,000	1,248,111			1,298,111
<b>TOTAL DEV. COSTS</b>	<b>3,109,668</b>	<b>5,506,699</b>	<b>5,506,699</b>	<b>5,506,699</b>	<b>5,556,699</b>	<b>1,398,111</b>	<b>300,000</b>	<b>3,200,000</b>	<b>30,084,575</b>
Repay GP Bridge Loan						0			0
Repay Construction Loan						21,063,069			21,063,069
Other Syndication Costs	0								0
SUBTOTAL OTHER ITEMS	0					21,063,069	0	0	21,063,069
<b>TOTAL USES OF FUNDS</b>	<b>3,109,668</b>	<b>5,506,699</b>	<b>5,506,699</b>	<b>5,506,699</b>	<b>5,556,699</b>	<b>22,461,179</b>	<b>300,000</b>	<b>3,200,000</b>	<b>51,147,644</b>
Ending Cash	0	0	0	0	0	3,084,605	2,992,302	0	0

Total loan \$XXXXXX incl. \$500k City

CLC  
PLC  
8609  
Stabilized

PROJECT FINANCING							
Source	Amount	Rate	Term	Lien	Annual D/S		
					Yr. 1-5	Yr. 6-15	Yr. 16-30
Source 1: MH Subsidy	0	0.00%	30	First	0	0	0
Source 2: Tax Exempt Bond Loan	14,045,415	5.50%	30	First	772,498	772,498	772,498
Source 3: AHP Loan	3,400,000	5.00%	30	First	219,023	219,023	219,023
Source 4: Seller Note	0	0.00%	30		0	0	0
Source 5: City Housing Trust Fund	589,728						
Source 7: City FedHOME	841,540	0.00%	30	Third	0	0	0
Source 8: AHP Subsidy	500,000			Third		Grant	
Source 9: Development Fee Loan	2,400,000			cash flow	0	0	0
Source 10: Net Syndication	8,307,892	\$0.89					
Capitalization Gap	0						
<b>Total</b>	<b>30,084,575</b>						

COLLATERAL COVERAGE		
	Total	Per Unit
Projected Mortgage	14,045,415	126,535
Appraised Market Value	17,190,480	154,869
Loan to Value Ratio	82%	
Market Rent Differential	248,892	187
Subsidy per Low Income Unit		0

PROPOSED RENT SCHEDULE									
Type	AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow.	Total Rent	
0BR	40% LIHTC	0				\$1,000	0	0	
	50% LIHTC PBV	0	788	788	788	\$1,000	0	0	
	50% LIHTC	0	788	788	788	\$1,000	0	0	
	60% HOME	0				\$1,000	0	0	
	60% LIHTC	0	946	946	946	\$1,000	0	0	
0	Market	0	\$900	\$900	900	\$1,000	0	0	
1BR	40% LIHTC	0				\$1,100	0	0	
	50% LIHTC PBV	7	845	845	845	\$1,100	0	70,980	
	50% LIHTC	11	845	845	845	\$1,100	0	111,540	
	60% HOME	0				\$1,100	0	0	
	60% LIHTC	0	1014	1014	1,014	\$1,100	0	0	
29	Market	11	\$990	\$990	990	\$1,100	0	130,680	
2BR	40% LIHTC	0				\$1,300	0	0	
	50% HOME	0				\$1,300	0	0	
	50% LIHTC PBV	7	1013	1013	1013	\$1,300	0	85,092	
	50% LIHTC	19	1013	1013	1,013	\$1,300	0	230,964	
	60% LIHTC	0	1216	1216	1216	\$1,300	0	0	
38	Market	12	\$1,170	\$1,170	1,170	\$1,300	0	168,480	
3BR	40% LIHTC	0				\$1,600	0	0	
	50% LIHTC	5	1171	1171	1,171	\$1,600	0	70,260	
	50% LIHTC PBV	19	1171	1171	1,171	\$1,600	0	266,988	
	High HOME	0				\$1,600	0	0	
	60% LIHTC	3	1,406	1,406	1,406	\$1,600	0	50,616	
27	Market	0	\$1,440	\$1,440	1,440	\$1,600	0	0	
4BR	50% LIHTC	0	1307	1307	1,307	\$1,900	0	0	
	50% LIHTC PBV	13	1307	1307	1,307	\$1,900	0	203,892	
	60% HOME	0				\$1,900	0	0	
	60% LIHTC	0	1569	1569	1,569	\$1,900	0	0	
	13	Market	0	\$1,615	\$1,615	1,615	\$1,900	0	0
5BR	50% LIHTC	0	\$1,442	\$1,442	\$1,442	\$2,200	0	0	
	50% LIHTC PBV	4	\$1,442	\$1,442	\$1,442	\$2,200	0	69,216	
	60% HOME	0				\$2,200	0	0	
	60% LIHTC	0	\$1,731	\$1,731	\$1,731	\$2,200	0	0	
	4	Market	0					0	
Other:								0	
Subtotals		111						1,458,708	
# PBVs	50		Vacancy Rate	5%				-96,167	
			Other Income	PBV-HAP Diff.				464,628	
			Other Income	Laundry				11,100	
			Other Income	75% TIF				146,138	
			Effective Gross Income					1,984,407	

AFFORDABLE MORTGAGE CALCULATION			
Effective Gross Income			1,984,407
Annual Operating Expense			858,060
Stabilized NOI			1,126,346
DSC	1.15		146,915
\$ Avail for D/S			979,432
Other DS			772,498
Balance			206,934
Affordable Mortgage		5.50%	3,037,129

BREAKEYEN ANALYSIS:	RENT SENSITIVITY		OCCUPANCY	
	Total	Annual	Total	Annual
Operating Expense	858,060		Gross Revenues	1,934,436
Debt Service	991,521			
Breakeven Rent	1,389		Breakeven Occupancy	96%

OPERATING EXPENSES		
Expense	Residential Annual	Annual Per Unit
Administrative Expenses:		
Management Fees	109,630	988
Management Charges	109,630	988
Marketing Expenses	500	5
Legal Expenses	4,000	36
Auditing Expenses	7,000	63
Other Administrative Expenses	0	0
<b>Administrative Expenses</b>	<b>230,760</b>	<b>2,079</b>
Operating Expenses:		
Janitorial Payroll	0	0
Janitorial Supplies and Equipment	0	0
Janitorial Contractual Services	40,000	360
Natural Gas Heat & HW	45,000	405
Electricity	50,000	450
Water and Sewer	42,000	378
Garbage and Trash Removal	35,000	315
Vehicle and Equipment Expenses	0	0
Other Operating Expenses	0	0
<b>Operating Expenses</b>	<b>212,000</b>	<b>1,910</b>
Maintenance Expenses:		
Grounds Maintenance Payroll	0	0
Grounds Tools and Supplies	0	0
Grounds Contractual Services	18,000	162
Miscellaneous Ground Maintenance	0	0
Tenant Damage Charges - Grounds	0	0
Building Maintenance Payroll	0	0
Building Tools and Supplies	5,500	50
Building Contractual Services	45,000	405
Building Systems Maintenance	42,000	378
Miscellaneous Building Maintenance	500	5
Tenant Damage Charges - Building	0	0
<b>Maintenance Expenses</b>	<b>111,000</b>	<b>1,000</b>
General Expenses:		
Property Taxes	194,850	1,755
Property and Liability Insurance	25,000	225
Tenant Computer Network Expense	2,500	23
Tenant Service Expenses	32,000	288
<b>General Expenses</b>	<b>254,350</b>	<b>2,291</b>
Replacement Reserve Funding	49,950	450
Commercial Expenses (if applicable)	0	0
<b>Total</b>	<b>858,060</b>	<b>7,730</b>
Operating Cost per unit without Replacement Reserve		7,280
Social Service Multi-Use Space portion of rent	0	

0 check versus OPEX;

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT													
0 Months													
	PLC	12/14/19	12/31/19	12/30/20	12/30/21	12/30/22	12/31/23	12/30/24	12/30/25	12/30/26	12/31/27	12/30/28	12/30/29
Effective Gross Income		0	2,024,095	2,064,577	2,105,868	2,147,986	2,190,945	2,234,764	2,279,460	2,325,049	2,371,550	2,418,981	
Less Operating Expense		0	883,802	910,316	937,626	965,754	994,727	1,024,569	1,055,306	1,086,965	1,119,574	1,153,161	
Net Operating Income		0	1,140,293	1,154,261	1,168,243	1,182,231	1,196,218	1,210,195	1,224,154	1,238,084	1,251,976	1,265,819	
Less RLP Repay		0	772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498	
Less Other Repay		0	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	
Cash Flow		0	148,772	162,740	176,722	190,710	204,697	218,674	232,633	246,563	260,455	274,298	
Cash Flow per Unit		#DIV/0!	1,340	1,466	1,592	1,718	1,844	1,970	2,096	2,221	2,346	2,471	
Debt Coverage Ratio(RLP)		0.00	1.15	1.16	1.18	1.19	1.21	1.22	1.23	1.25	1.26	1.28	
MH Subsidy	0	0	0	0	0	0	0	0	0	0	0	0	
Tax Exempt Bond Loan	14,045,415	#NUM!	13,856,211	13,656,334	13,445,182	13,222,120	12,986,475	12,737,539	12,474,560	12,196,747	11,903,263	11,593,225	
Principal Balance(RLP)	14,045,415	#NUM!	13,856,211	13,656,334	13,445,182	13,222,120	12,986,475	12,737,539	12,474,560	12,196,747	11,903,263	11,593,225	
Operating Reserve Balance		925,000	971,250	1,019,813	1,070,803	1,124,343	1,180,560	1,239,588	1,301,568	1,366,646	1,434,979	1,506,728	1,582,064

Total Cash Flow  
Projected over 12 Yrs  
2,706,143

Yr 15													
		12/30/30	12/31/31	12/30/32	12/30/33	12/30/34	12/31/35	12/30/36	12/30/37	12/30/38	12/31/39	12/30/40	
Effective Gross Income		2,467,360	2,516,708	2,567,042	2,618,382	2,670,750	2,724,165	2,778,648	2,834,221	2,890,906	2,948,724	3,007,698	
Less Operating Expense		1,187,756	1,223,389	1,260,090	1,297,893	1,336,830	1,376,935	1,418,243	1,460,790	1,504,614	1,549,752	1,596,245	
Net Operating Income		1,279,604	1,293,319	1,306,951	1,320,489	1,333,920	1,347,230	1,360,406	1,373,431	1,386,292	1,398,972	1,411,454	
Less RLP Repay		772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498	
Less Other Repay		219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	
Cash Flow		288,083	301,798	315,430	328,968	342,399	355,709	368,884	381,910	394,771	407,451	419,932	
Cash Flow per Unit		2,595	2,719	2,842	2,964	3,085	3,205	3,323	3,441	3,556	3,671	3,783	
Debt Coverage Ratio(RLP)		1.29	1.30	1.32	1.33	1.35	1.36	1.37	1.39	1.40	1.41	1.42	
MH Subsidy	0	0	0	0	0	0	0	0	0	0	0	0	
Tax Exempt Bond Loan	11,593,225	11,265,698	10,919,695	10,554,176	10,168,038	9,760,119	9,329,191	8,873,954	8,393,039	7,884,996	7,348,296	6,781,322	
Principal Balance(RLP)	11,593,225	11,265,698	10,919,695	10,554,176	10,168,038	9,760,119	9,329,191	8,873,954	8,393,039	7,884,996	7,348,296	6,781,322	
Operating Reserve Balance		1,582,064	1,661,167	1,744,225	1,831,437	1,923,009	2,019,159	2,120,117	2,226,123	2,337,429	2,454,300	2,577,015	2,705,866

		12/30/41	12/30/42	12/31/43	12/30/44	12/30/45	12/30/46	12/31/47	12/30/48	12/29/49
Effective Gross Income		3,067,852	3,129,209	3,191,794	3,255,630	3,320,742	3,387,157	3,454,900	3,523,998	3,594,478
Less Operating Expense		1,644,132	1,693,456	1,744,260	1,796,588	1,850,485	1,906,000	1,963,180	2,022,075	2,082,738
Net Operating Income		1,423,720	1,435,753	1,447,534	1,459,042	1,470,257	1,481,157	1,491,720	1,501,923	1,511,740
Less RLP Repay		772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498	772,498
Less Other Repay		219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023
Cash Flow		432,199	444,232	456,013	467,521	478,736	489,636	500,199	510,402	520,219
Cash Flow per Unit		3,894	4,002	4,108	4,212	4,313	4,411	4,506	4,598	4,687
Debt Coverage Ratio(RLP)		1.44	1.45	1.46	1.47	1.48	1.49	1.50	1.51	1.52
MH Subsidy	0	0	0	0	0	0	0	0	0	0
Tax Exempt Bond Loan	6,781,322	6,182,365	5,549,623	4,881,189	4,175,051	3,429,080	2,641,031	1,808,530	929,069	-0
Principal Balance(RLP)	6,781,322	6,182,365	5,549,623	4,881,189	4,175,051	3,429,080	2,641,031	1,808,530	929,069	-0
Operating Reserve Balance		2,705,866	2,841,159	2,983,217	3,132,378	3,288,997	3,453,447	3,626,119	3,807,425	4,197,687

**DEERING PLACE:**

In November 2017, Avesta Housing Development Corporation (AHDC) received a commitment of \$300,000 in HOME funding and approval of TIF Credit Enhancement Agreement (75% of the increased taxable value over 30 years, average of \$147,981/year) for this project. The project was awarded Low Income Housing Tax Credits in March of this year. The developer is seeking additional HOME funding to ensure that the project can move forward. The development will include:

<b>Deering Place 510 Cumberland Avenue &amp; 61 Deering Street</b>		
<b>Efficiency Units (15)</b>	at or below 40% area median income	0
	at or below 50% area median income	9
	at or below 60% area median income	0
	Market Rate	6
<b>1-Bedroom Units (38)</b>	at or below 40% area median income	0
	at or below 50% area median income	14
	at or below 60% area median income	0
	Market Rate	24
<b>2-Bedroom Units (9)</b>	at or below 40% area median income	5
	at or below 50% area median income	4
	at or below 60% area median income	0
	Market Rate	0
<b>3-Bedroom Units (13)</b>	at or below 40% area median income	8
	at or below 50% area median income	5
	at or below 60% area median income	0
	Market Rate	0
<b>Total Units</b>		<b>75</b>

As stated in the developer’s application:

*“Deering Place will combine the redevelopment of two under-utilized parking lots and the rehabilitation of an existing mixed-use building to create a mixed-income, contextually-appropriate residential community with 75 units and enhanced amenities. The project will include a mix of affordable and market rate units, making it possible to preserve and add affordable units as well as ensure the long term viability of the project. The scope of work includes a rehab and expansion of 510 Cumberland Avenue (“Building A”) and the construction of a new building at 61 Deering Street (“Building B”). Upon completion, there will be a total of 75 apartments, of which 62 will be newly constructed units and 15 will meet handicapped accessible standards.”*

The Avesta Housing Development Corporation has requested additional financial assistance in the form:

(1) HOME funds request: Additional \$200,000 which would bring the total of the City's HOME investment to \$500,000, over 30 years, at zero percent interest, with repayment annually of 20% of cashflow.

Total City HOME Investment of \$500,000/unit - \$6,667.

Total City HOME Investment of \$500,000/affordable unit = \$11,111.

Final loan terms will be determined based on the results of the underwriting which is anticipated to be completed by the June 5<sup>th</sup> committee meeting.



## City of Portland HOME Funds Application

### Project: Deering Place

Avesta Housing is requesting \$200,000 of HOME funds from the City of Portland to complete the Deering Place project (“Deering Place”) at 61 Deering Street and 510 Cumberland Avenue, Portland, Maine. The City has already demonstrated its commitment to this project through the reservation of \$300,000 in HOME funds during the 2017-2018 round and the approval of a Tax Increment Financing District inclusive of the project site in November 2017. Since then, federal tax law changes have caused significant fluctuation in the tax credit equity market and, as a result, Avesta Housing is seeking additional support from the City to ensure the Deering Place’s success.

Deering Place is an opportunity to preserve, redevelop, and expand affordable housing in a highly desirable and accessible location within Portland. The development site contains three contiguous lots located in a highly walkable area in the historic Parkside neighborhood in downtown Portland. Deering Place is in close proximity to many amenities and services within the downtown area, making it a prime location for housing; MaineHealth, Deering Oaks park, a pharmacy, bus stops, schools, and a grocery store are all within a half mile.

Deering Place will combine the redevelopment of two under-utilized parking lots and the rehabilitation of an existing mixed-use building to create a mixed-income, contextually-appropriate residential community with 75 units and enhanced amenities. The project will include a mix of affordable and market rate units, making it possible to preserve and add affordable units as well as ensure the long term viability of the project. The scope of work includes a rehab and expansion of 510 Cumberland Avenue (“Building A”) and the construction of a new building at 61 Deering Street (“Building B”). Upon completion, there will be a total of 75 apartments, of which 62 will be newly constructed units and 15 will meet handicapped accessible standards.

Building A is a three-story brick building originally constructed in 1927 and expanded in the early 1990s, currently comprised of 13 one- and two-story three-bedroom rental units, significant first floor commercial space, and a large surface parking lot. The building has not received any major capital improvements in almost 30 years and is in need of significant interior and exterior rehabilitation work. To address these issues and create a higher quality living experience for the residents, the project will facilitate much needed capital improvements at the building level (e.g., brick repointing, roof repair, HVAC enhancements) and through in-unit upgrades (e.g., new doors, energy efficient light fixtures and appliances, cabinets, flooring). The project will also convert the underutilized commercial space to seven new residential units. In addition, Building A will be expanded by constructing a new 32-unit residential building on the surface parking lot next to the existing building. The new building will be attached to the existing building and utilize the same address. The expanded Building A will include 52 units and 51 covered parking spaces, up to 14 of which will be handicapped accessible. Building B will be comprised of 23 units and one handicapped accessible parking space.

Avesta prioritizes quality, environmentally sustainable design in all of our projects and the organization has developed building standards that ensure that our baseline building envelopes and mechanical systems exceed any building codes we encounter. In line with these initiatives, we plan to incorporate a range of features to promote and support sustainability, energy efficiency, and indoor air quality at Deering Place, including energy efficient heating systems, boilers, and furnaces; water conserving fixtures; Energy Star appliances; LED or Energy Star qualified lighting; and natural ventilation through operable windows.

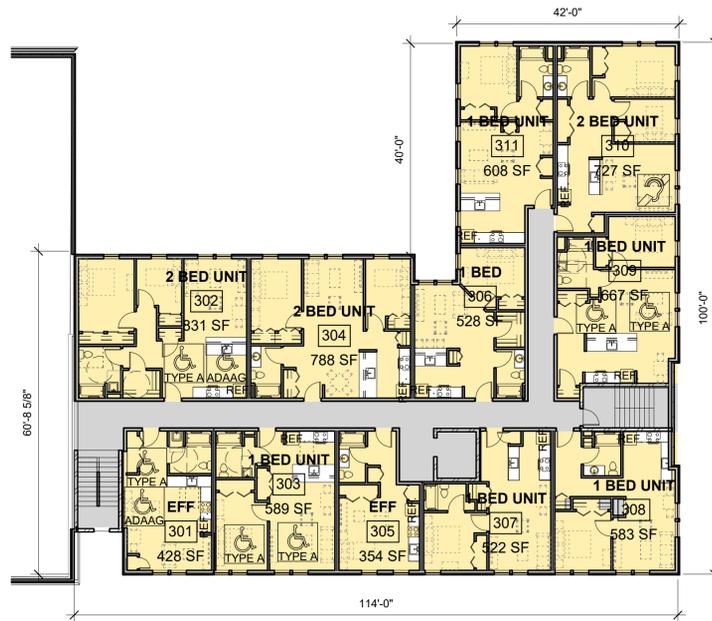
Combined amenities in the two buildings, available to all Deering Place residents, will include a new community room, a laundry room in each building, and a telemedicine room, which will provide simple remote access to medical care. The grounds will be well landscaped with easily accessible walkways and sitting areas.

Deering Place will be a mixed-income project for individuals and families, comprised of 45 affordable rental units (60% of the project) and 30 market rental units (40% of the project). There are currently income and rent restrictions governed by a MaineHousing agreement requiring at least 13 units to be designated for households at or below 40% of Area Median Income (AMI). This project will ensure the preservation of those existing affordability restrictions over the long term. Additionally, the project has and will continue to have residents with Housing Choice Vouchers and other forms of rental assistance.

Incorporating the current affordability restrictions, the newly completed project will have 13 units designated for individuals or families at or below 40% of AMI, 32 units designated for individuals or families at or below 50% of AMI, and 30 market-rate units. All units with affordability restrictions will have a utility allowance factored into the tenant rent payment.

These affordable units at Deering Place come at a critical time for very low income Portlanders. Vacancies in Portland are at all-time lows while rents continue to increase. In 2017, Avesta alone received requests for affordable housing from nearly 3,800 households (over 1,300 of which were senior-led households) but was only able to provide housing to 393, showing demand far exceeds supply. Furthermore, Deering Place currently has a waitlist of over 100 households for the 13 existing units.

Deering Place will preserve and improve existing affordable rental housing and add much-needed new affordable rental housing in a central location of the city rich with transit, services, and neighborhood amenities.



3 | 3RD & 4TH FLOOR PLANS  
1/16" = 1'-0"

NEW CONSTRUCTION 8,584 SF



2 | 2ND FLOOR  
1/16" = 1'-0"

NEW CONSTRUCTION - 8,584 SF

**BUILDING A TOTALS**

- EXISTING UNITS -
- 13 - THREE BEDROOM UNITS
- NEW UNITS -
- 6 - EFFICIENCY UNITS
- 24 - ONE BEDROOM UNITS
- 9 - TWO BEDROOM UNITS
- 52 TOTAL UNITS**
- 51 TOTAL PARKING SPACES

34,870 SF - TOTAL NEW CONSTRUCTION  
(INCL NEW UNITS & COMM RM.  
IN EXIST BLDG)



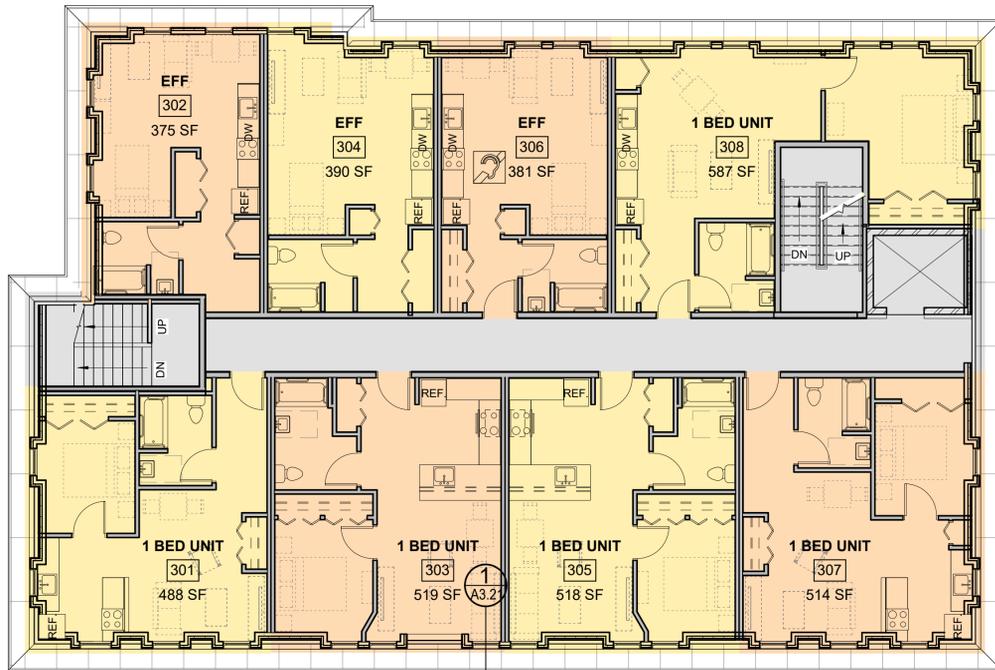
1 | 1ST FLOOR  
1/16" = 1'-0"

NEW CONSTRUCTION - 1,534 SF  
NEW UNITS & COMMUNITY IN EXIST BLDG - 5,915 SF

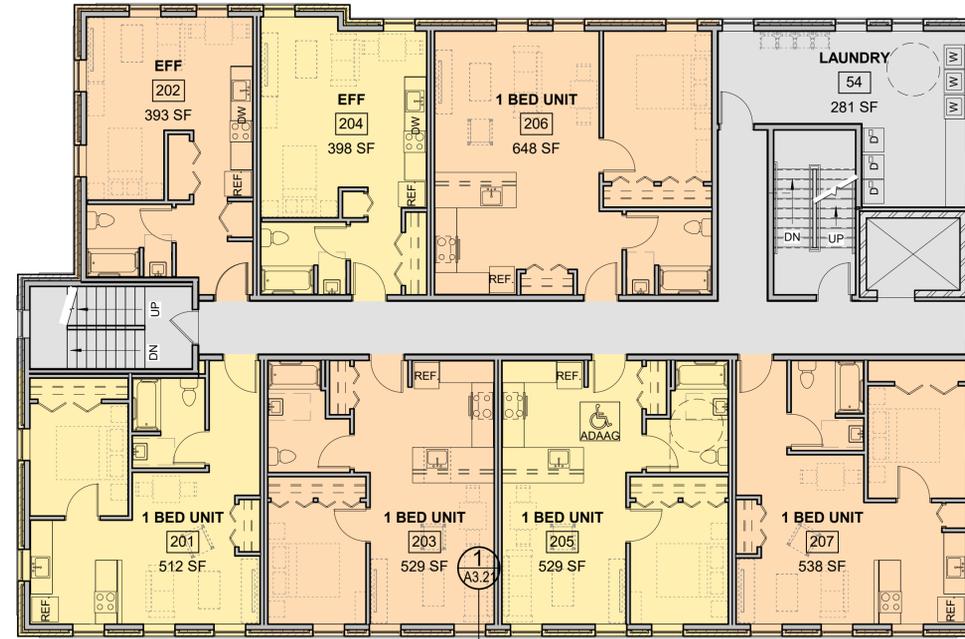
**BUILDING B TOTALS**

9 - EFFICIENCY UNITS  
14 - 1 BEDROOM UNITS

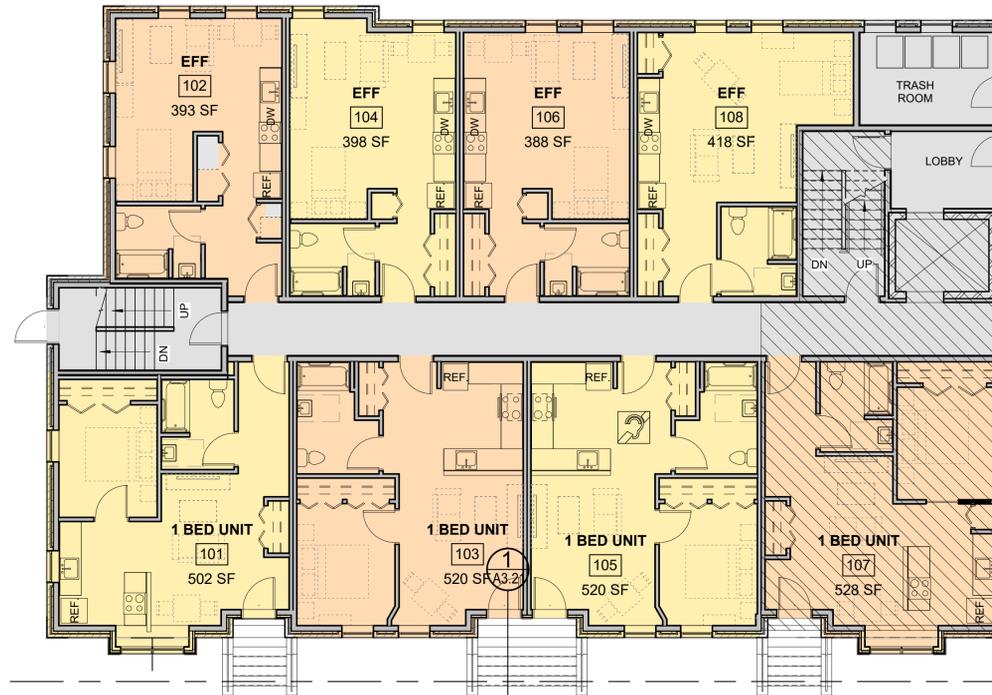
**23 UNITS TOTAL**  
15,495 TOTAL GROSS SF  
1 PARKING SPACE



**3 | 3RD FLOOR** 5,165 SF GROSS  
1/8" = 1'-0"



**2 | 2ND FLOOR** 5,165 SF GROSS  
1/8" = 1'-0"



**1 | 1ST FLOOR** 5,165 SF GROSS  
1/8" = 1'-0"

**PARKING INFORMATION**

EXISTING VEHICLE SPACES:	58
LOT A: VEHICLE SPACES REQUIRED, 75 UNITS: FIRST 3 UNITS: REMAINING UNITS, 1 PER UNIT: SHARED CAR BONUS: - 2 SPACES, + 1 SPACE	0 12 -10
TOTAL VEHICLE SPACES REQUIRED:	65
LOT B: TOTAL VEHICLE SPACES REQUIRED, 3 UNITS & OFFICES: 5	
VEHICLE SPACES PROVIDED: 9'x18' STANDARD SPACES: 9'x18' CAR SHARE SPACE: 9'x18' COMPACT SPACES: 8'x18' COMPACT SPACES: 8'x18' HANDICAP ACCESSIBLE SPACES:	11 10 13 14 13
TOTAL VEHICLE SPACES PROVIDED:	52
SPACES USED: LOT A = 41 LEASED TO LOT B: 5	
AVESTA IS COMMITTED TO PROVIDING ONE SHARE CAR FOR USE BY THE RESIDENTS OF THIS PROJECT.	
BIKE SPACES REQUIRED: 2 BIKE SPACES PER 5 DWELLING UNITS (18/2.5): PROVIDED: INTERIOR RACK FOR 25 BIKES I-EXTERIOR RACK OF 10 BIKES	32 25 10
TOTAL BIKE STORAGE PROVIDED:	35

**IMPERVIOUS INFORMATION**

EXISTING IMPERVIOUS	LOT A 40,455 SQ. FT.	LOT B 3,115 SQ. FT.
PROPOSED IMPERVIOUS	40,329 SQ. FT.	3,300 SQ. FT.
NET IMPERVIOUS	-126 SQ. FT.	+185 SQ. FT.

**PROJECT DRAWINGS**

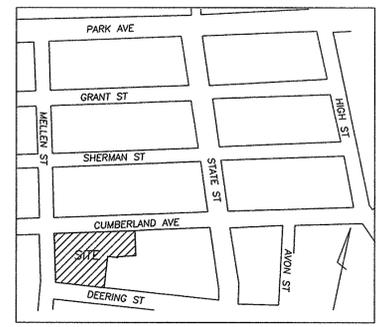
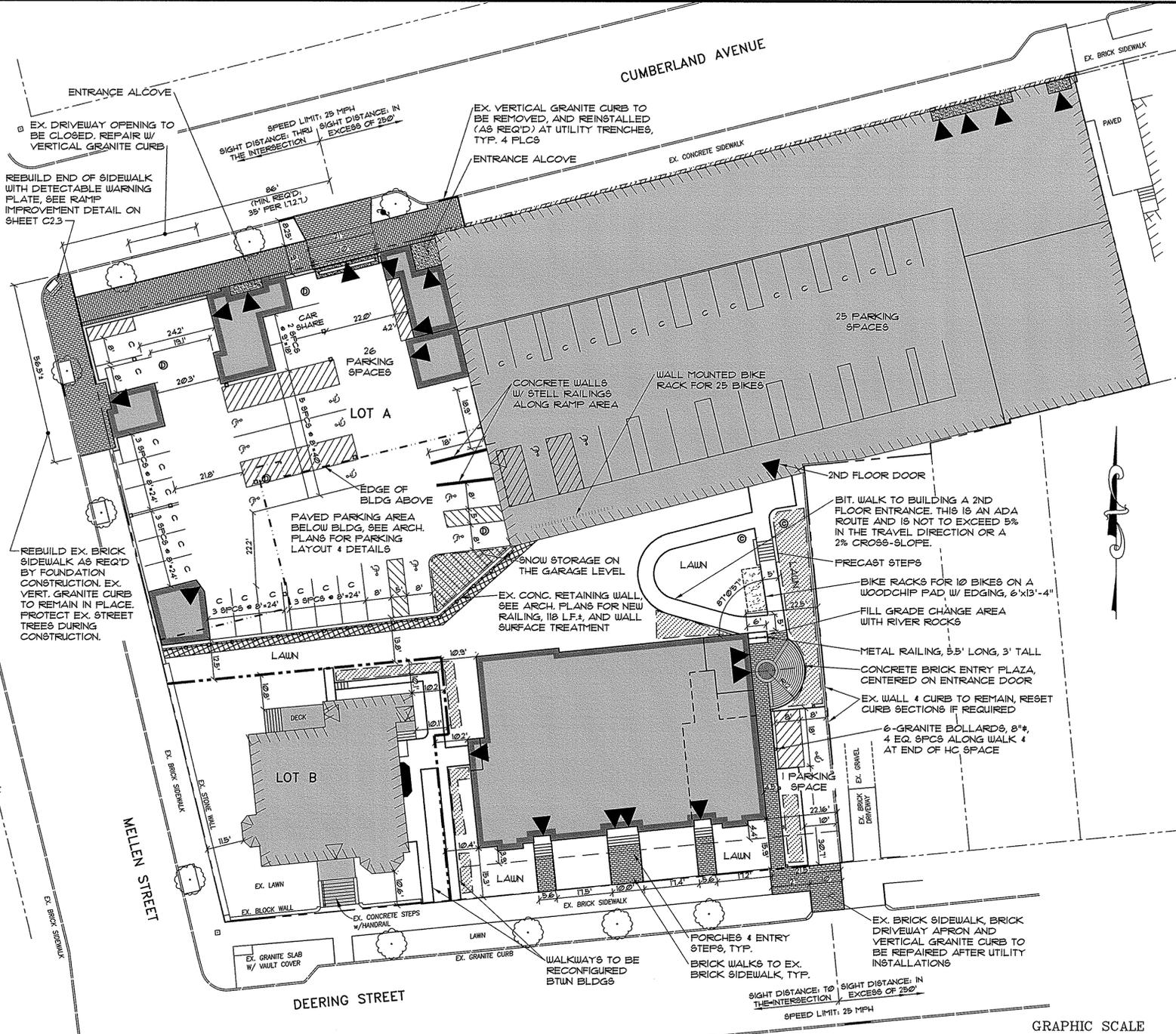
C11	SUBDIVISION RECORDING PLAT, SHEET 1 of 2
C12	SUBDIVISION RECORDING PLAT, SHEET 2 of 2
C21	SITE PLAN
C22	EXISTING CONDITIONS AND DEMOLITION PLAN
C23	GRADING AND UTILITIES PLAN
C24	EROSION CONTROL PLAN, NOTES AND DETAILS
C25	LANDSCAPE PLAN, NOTES AND DETAILS
C31	DETAILS
C32	DETAILS
1	BOUNDARY SURVEY

**WAIVERS REQUESTED**

- THE PLANNING BOARD VOTED ACCEPT / DENY TO WAIVE SECTION 14-526 (a) 4 OF THE CITY OF PORTLAND CHAPTER 14 LAND USE ORDINANCE FOR REQUIRED PARKING SPACES FROM 65 SPACES TO 52 SPACES.
- THE PLANNING BOARD VOTED ACCEPT / DENY TO WAIVE SECTION 14-526 (a) 4 (IV) OF THE CITY OF PORTLAND CHAPTER 14 LAND USE ORDINANCE FOR REDUCTION OF DRIVE AISLES FROM 24 FEET TO 19.1 FEET, 20.3 FEET, 21.8 FEET, 22.0 FEET AND 22.2 FEET.
- THE PLANNING BOARD VOTED ACCEPT / DENY TO WAIVE SECTION 17.1 OF THE CITY OF PORTLAND TECHNICAL MANUAL FOR DRIVEWAY SEPARATION REQUIREMENT FROM ABUTTER AT TAX MAP 41-B-10 & 11.

**CITY OF PORTLAND SITE PLAN NOTES**

- LANDSCAPING SHALL MEET THE "ARBORETOLOGICAL SPECIFICATIONS AND STANDARDS OF PRACTICE AND LANDSCAPE GUIDELINES" OF THE CITY OF PORTLAND TECHNICAL AND DESIGN STANDARDS AND GUIDELINES.
- THE ENTIRE SITE SHALL BE DEVELOPED AND/OR MAINTAINED AS DEPICTED ON THE SITE PLAN. APPROVAL OF THE PLANNING AUTHORITY OR PLANNING BOARD SHALL BE REQUIRED FOR ANY ALTERATION TO OR DEVIATION FROM THE APPROVED SITE PLAN, INCLUDING, WITHOUT LIMITATION: TOPOGRAPHY, DRAINAGE, LANDSCAPING, RETENTION OF WOODED OR LAWN AREAS, ACCESS, SIZE, LOCATION, AND SURFACING OF PARKING AREAS AND LOCATION AND SIZE OF BUILDINGS.
- ALL POWERLINE UTILITIES SHALL BE UNDERGROUND.
- SIDEWALKS AND CURBING SHALL BE DESIGNED AND BUILT WITH TIPDOWN RAMPS AT ALL STREET CORNERS, CROSSWALKS AND DRIVEWAYS IN CONFORMANCE WITH THE CITY OF PORTLAND TECHNICAL AND DESIGN STANDARDS AND GUIDELINES.
- ALL EROSION CONTROL MEASURES SHALL BE CONSTRUCTED AND MAINTAINED IN ACCORDANCE WITH THE MAINE EROSION AND SEDIMENT CONTROL BMPs PUBLISHED BY THE BUREAU OF LAND AND QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, MARCH 2003.
- ALL EROSION CONTROL MEASURES SHALL BE INSTALLED PRIOR TO ANY SITE EXCAVATION OR REGRADING.
- ALL DISTURBED AREAS ON THE SITE NOT COVERED BY BUILDINGS OR PAVED AREAS SHALL BE STABILIZED WITH LOAM AND SEED OR OTHER METHODS AS REQUIRED BY BEST MANAGEMENT PRACTICES (SEE ABOVE).
- PRIOR TO CONSTRUCTION, A PRECONSTRUCTION MEETING SHALL BE HELD AT THE PROJECT SITE WITH THE CONTRACTOR, DEVELOPMENT REVIEW COORDINATOR, PUBLIC WORKS REPRESENTATIVE AND OWNER TO REVIEW THE CONSTRUCTION SCHEDULE AND CRITICAL ASPECTS OF THE SITE WORK AT THAT TIME. THE SITE/BUILDING CONTRACTOR SHALL PROVIDE THREE (3) COPIES OF A DETAILED CONSTRUCTION SCHEDULE TO THE ATTENDING CITY REPRESENTATIVE. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO ARRANGE A MUTUALLY AGREEABLE TIME FOR THE PRECONSTRUCTION MEETING.
- EXISTING VEGETATION SHALL BE CONSERVED IN AREAS SHOWN ON THIS SITE. FENCING OR OTHER PROTECTIVE BARRIERS SHALL BE ERECTED OUTSIDE THE DRIP-LINE OF INDIVIDUAL GROUPINGS OF TREES DESIGNATED FOR PRESERVATION PRIOR TO THE ONSET OF CONSTRUCTION. REGRADING SHALL NOT TAKE PLACE WITHIN THE DRIP-LINE OF TREES DESIGNATED FOR PRESERVATION. NO STORAGE OR CONSTRUCTION MATERIALS SHALL BE PERMITTED WITHIN THE DRIP-LINE OF TREES TO BE PRESERVED.

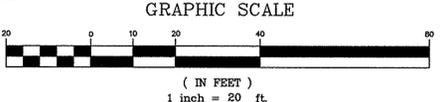
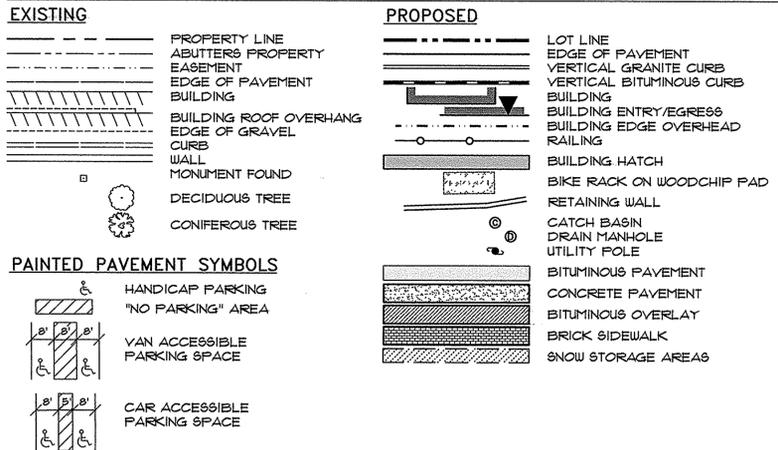


LOCATION PLAN  
SCALE: 1"=250'

**GENERAL NOTES**

- OWNER/DEVELOPER: AVESTA HOUSING DEVELOPMENT CORP., 307 CUMBERLAND AVENUE, PORTLAND MAINE 04101. CUMBERLAND COUNTY REGISTRY OF DEEDS BOOK 33552, PAGE 280, RECORDED DATE 10/26/16.
- ENGINEER: PINKHAM & GREER CIVIL ENGINEERS, 28 VANNAH AVENUE, PORTLAND, MAINE, 04103.
- ARCHITECT: ARCHETYPE ARCHITECTS, 48 UNION WHARF, PORTLAND, MAINE 04101.
- TOPOGRAPHIC, UTILITY AND BOUNDARY INFORMATION TAKEN FROM "BOUNDARY SURVEY AT 510 CUMBERLAND AVENUE A/K/A 498-500 CUMBERLAND AVENUE AND 151-15 DEERING STREET PORTLAND MAINE MADE FOR AVESTA HOUSING 307 CUMBERLAND AVENUE, PORTLAND, MAINE BY OWEN HASKELL, INC., 390 US ROUTE ONE, FALMOUTH, MAINE. DATED SEPT. 26, 2016, 4TH REVISION 8-28-17.
- ADDITIONAL UTILITY INFORMATION TAKEN FROM "DEERING STREET RECONSTRUCTION" CONTRACT DRAWINGS BY WOODARD & CURRAN, 41 HUTCHINS DRIVE, PORTLAND, MAINE, PLAN SET DATED 2015.
- ZONE: R-6, RESIDENTIAL, PROPOSED USE: MULTIFAMILY DWELLING
- TAX MAP REFERENCE: MAP 41 / BLOCK B / LOTS 1, 2, 3 & 29.
- TOTAL PARCEL = 1225 acres
- WAIVERS: SEE SUBDIVISION RECORDING PLAT, SHEET 2 OF 2 FOR LIST OF WAIVERS.
- CALL DIG-SAFE PRIOR TO COMMENCING WORK, 811 OR 1-888-DIG-8SAFE.
- UNITS TO BE SERVICED BY EXISTING PUBLIC WATER, SEWER, AND GAS FROM CUMBERLAND, MELLEEN OR DEERING STREETS. THESE SERVICES, INCLUDING HYDRANTS, ARE AS SHOWN ON SHEET C23, GRADING AND UTILITIES PLAN.
- POWER, TELEPHONE AND CABLE SERVICES ARE TO BE UNDERGROUND FROM CUMBERLAND, MELLEEN OR DEERING STREETS. THESE SERVICES ARE SHOWN ON SHEET C23, GRADING AND UTILITIES PLAN.
- ALL WORK WITHIN THE PUBLIC RIGHT OF WAY SHALL MEET CITY OF PORTLAND TECHNICAL MANUAL STANDARDS.
- THE SUBJECT PARCEL KNOWN AS 510 CUMBERLAND AVENUE IS SUBJECT TO A CITY OF PORTLAND LEVEL III SITE PLAN AND SUBDIVISION PERMIT.
- DETAILS OF STREET TREES ARE INCLUDED ON THE LANDSCAPE PLAN AS PART OF THE APPROVAL FOR DEERING PLACE SITE PLAN.
- FLOODPLAIN: THIS PROPERTY IS IN ZONE C OF THE FLOOD INSURANCE RATE MAP, COMMUNITY PANEL 230291 0014 B, EFFECTIVE DATE JULY 11, 1986. IT IS NOT IN A SPECIAL FLOOD HAZARD ZONE.
- SNOW CLEARANCE REQUIREMENTS ARE AS NOTED ON SHEET C12 UNDER SNOW CLEARANCE NOTES.
- NEW PROPERTY PINS TO BE SET AT THE EXPENSE OF THE DEVELOPER AT THE END OF CONSTRUCTION. ANY MONUMENTATION DAMAGED BY CONSTRUCTION IS TO BE REPLACED.
- ALL CONSTRUCTION AND SITE ALTERATIONS SHALL BE DONE IN ACCORDANCE WITH THE "MAINE EROSION AND SEDIMENT CONTROL BMPs" PUBLISHED BY THE BUREAU OF LAND AND WATER QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, LATEST EDITION 2016.

**LEGEND**



**ZONE INFORMATION**

ZONE: R-6, RESIDENTIAL  
PERMITTED USE: MULTI-FAMILY DWELLING

SPACE STANDARDS	REQUIRED	EXISTING	LOT A	LOT B	TOTAL SUBDIVISION
MINIMUM LOT SIZE	2,000 SQ. FT.	53,368 SQ. FT.	47,512.5 SQ. FT.	5,255.6 SQ. FT.	53,368 SQ. FT.
MINIMUM AREA PER DWELLING UNIT	725 SQ. FT.	3,336 SQ. FT.	586 SQ. FT. (1)	1,952 SQ. FT.	635 SQ. FT.
MINIMUM STREET FRONTAGE	20 FEET	191.8 FEET	115.5 FEET	10.8 FEET	10.8 FEET
MINIMUM FRONT YARD	5 FEET	0 FEET	0 FEET	10.8 FEET	0 FEET
MINIMUM REAR YARD	10 FEET	0.2 FEET	0.2 FEET	10.2 FEET	0.2 FEET
MINIMUM SIDE YARD	10 FEET	0 FEET	0 FEET	5.1 FEET	0 FEET
MAXIMUM LOT COVERAGE (BUILDINGS)	60%	43%	54%	33%	50%
MINIMUM LOT WIDTH	20 FEET	191.8 FEET	115 FEET	10.8 FEET	191.8 FEET
MAXIMUM BUILDING HEIGHT	45 FEET	43 & 36 FEET	36 & 39.5 FEET	43 FEET	46 FEET
OPEN SPACE RATIO	20%	57%	24%	56%	31%

(1) LOT A AREA:  
MIN. AREA PER DWELLING UNIT:  
UNITS ALLOWED:  
DENSITY BONUS OF 25%  
(FOR AFFORDABLE UNITS, SECTION 14-48B.)  
UNITS ALLOWED: 81 UNITS

**PINKHAM & GREER CIVIL ENGINEERS**  
28 VANNAH AVE. PORTLAND, ME. 04103  
TEL: 207.781.5242 FAX: 207.781.4245

THOMAS S. GREER  
REGISTERED PROFESSIONAL ENGINEER  
LICENSE NO. 1028  
STATE OF MAINE  
12/17/17

RESPONSE TO STAFF REVIEW	RESPONSE TO CITY COMMENTS	REV'D PER HISTORIC PRESERVATION & PWD REVIEWS	REV'D PER ADDITIONAL REVIEW COMMENTS	SUBMITTED FOR FINAL APPROVAL	REV'D BUILDING & FOOTPRINT, REV'D NUMBER OF UNITS	DESCRIPTION
6	12/7/17	12/11/17	11/17/17	11/17/17	1	DATE
5	12/11/17				2	REV
4	11/17/17				1	DATE
3	10/18/17				1	REV
2	10/18/17				1	DATE
1	9/7/17				1	REV

AVESTA HOUSING DEVELOPMENT CORP.  
307 CUMBERLAND AVENUE  
PORTLAND, ME. 04101

SCALE: AS SHOWN  
DATE: MAY 31, 2017  
PROJECT: 17127

DRN BY: JDC  
DESIGN BY: TSG  
CHK BY: JCO

DEERING PLACE  
61 DEERING ST. & 510 CUMBERLAND AVE.  
PORTLAND, MAINE

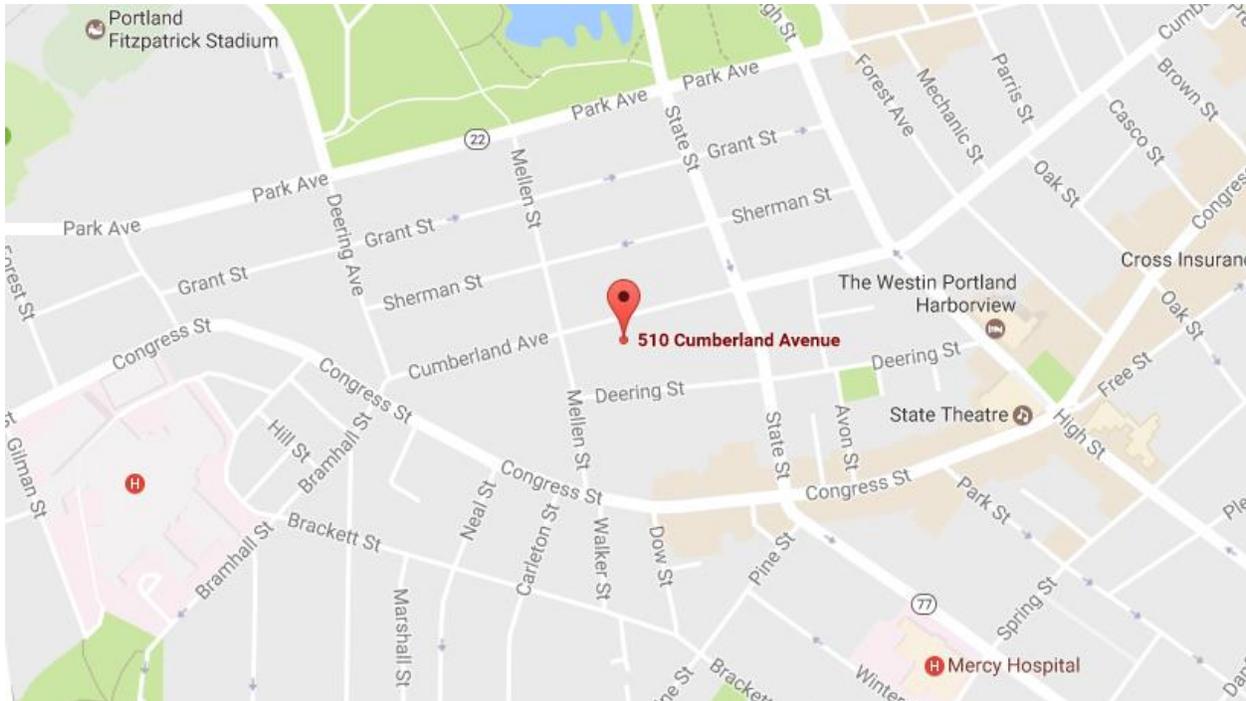
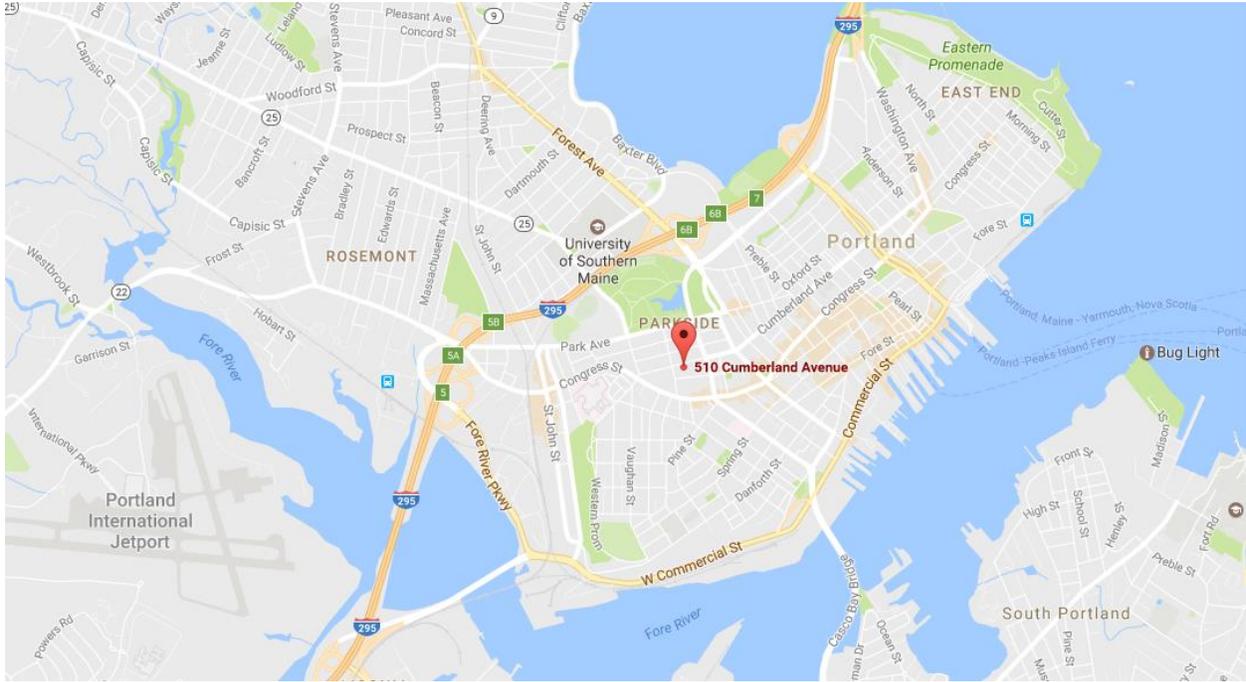
**C2.1**

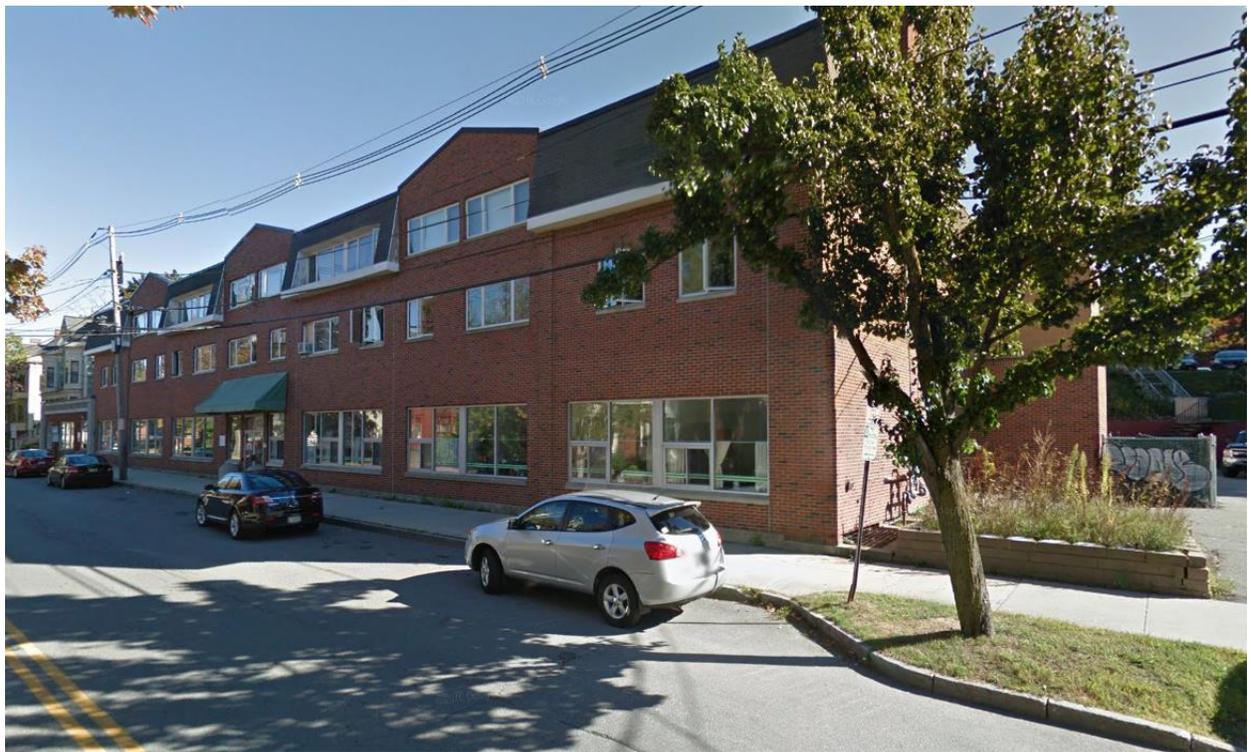
SITE PLAN

**Deering Place - Portland, ME  
Project Completion Schedule**

Activity	Scheduled Date Month/Year
A. SITE	
Option/Contract	07/19/16
Site Acquisition	10/15/16
Zoning Approval	NA
B. APPROVALS	
Historic Preservation	1/10/2018
Zoning	12/13/2017
TIF	11/20/2017
C. FINANCING	
Construction Loan Commitment	02/01/18
Permanent Loan Commitment	02/01/18
Other Sources Committed	03/01/18
D. PLANS AND SPECIFICATIONS	
50%	06/01/18
90%	08/01/18
100%	10/01/18
E. CONSTRUCTION LOAN CLOSING	03/31/19
F. CONSTRUCTION START	04/01/19
G. COMPLETION OF CONSTRUCTION	04/01/20
H. LEASE-UP	
Lease-up Begins	03/01/20
Sustained (95%) Occupancy	12/31/20

## Map and Photos of 510 Cumberland Avenue





PROJECT NAME: **Deering Place**  
 LOCATION: 510 Cumberland Ave & 61 Deering St, Portland, ME

Date: 05/04/18

DEVELOPMENT ASSUMPTIONS						
Total Units		75	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
40% LIHTC	17.3%	13	Rent	2.00%	2.00%	3.00%
50% LIHTC	41.3%	31	Operating Expense	3.00%	3.00%	3.00%
50% AMI	1.3%	1	Other Income	2.00%	2.00%	3.00%
60% AMI (LIHTC)	0.0%	0	Debt Coverage Ratio	1.15		
Market	40.0%	30	Vacancy	5%		
Appraised Market Value		9,087,133	Market Value/Unit	\$121,162		

LIHTC Alloc.	809,470
Equity yield	0.89
Synd. %	99.99%
Equity Raise	7,223,800

Historic Credit FED	0
Equity yield	0.00
Synd. %	99.99%
Equity Raise	0

PRO FORMA DEVELOPMENT BUDGET				
	Residential	Per Unit	Commercial	Total
Site Improvements	562,500	7,500		562,500
Construction	7,680,955	102,413		7,680,955
Commercial Construction	560,000	7,467		560,000
General Requirements	780,000	10,400		780,000
Builder Overhead	489,811	6,531		489,811
Builder Profit	0	0		0
Bond Premium	93,964	1,253		93,964
Construction Contingency	6.5%	592,939	7,906	592,939
<b>Subtotal Construction Costs</b>	<b>10,760,169</b>	<b>143,469</b>	<b>0</b>	<b>10,760,169</b>
Building Permits and Fees	128,570	1,714		128,570
Survey & Engineering	51,000	680		51,000
Architectural & Design	404,876	5,398		404,876
Legal	48,000	640		48,000
Title & Recording	13,312	177		13,312
Accounting	10,000	133		10,000
Construction Period Tax	12,513	167		12,513
Construction Period Insurance	30,000	400		30,000
Other: as built, FFE, qt	37,000	493		37,000
<b>Subtotal Soft Costs</b>	<b>735,270</b>	<b>9,804</b>	<b>0</b>	<b>735,270</b>
Equity Bridge Loan Origination Fees	8,660	115		8,660
Equity Bridge Loan Interest	258,057	3,441		258,057
FHA/GNMA Permanent Loan Fee	90,457	1,206		90,457
Other FHA Fees	111,563	1,488		111,563
Other Fees	36,200	483		36,200
<b>Subtotal Finance Costs</b>	<b>504,937</b>	<b>6,732</b>	<b>0</b>	<b>504,937</b>
Market Survey	8,000	107		8,000
Appraisal	7,500	100		7,500
Environmental Study	5,000	67		5,000
LIHTC Fees	100,410	1,339		100,410
Other: Soft Cost Contingency/Misc	175,000	2,333		175,000
Other: Commissioning	12,000	160		12,000
<b>Subtotal Miscellaneous</b>	<b>307,910</b>	<b>4,105</b>	<b>0</b>	<b>307,910</b>
Acquisition: Buildings	382,500	5,100		382,500
Acquisition: Land	350,000	4,667		350,000
Acquisition: Legal	0	0		0
<b>Subtotal Acquisition</b>	<b>732,500</b>	<b>9,767</b>	<b>0</b>	<b>732,500</b>
HUD Operating Deficit Escrow	301,523	4,020		301,523
Pre-funded Replacements	93,872	1,252		93,872
Construction Interest Reserves	165,335	2,204		165,335
Tax & Insurance Escrow	100,241	1,337		100,241
Total Syndication Expenses	0	0		0
Consultant Fee	0	0		0
Other: Transition & Rent-up Reserve	50,000	667		50,000
Developer Overhead	562,500	7,500		562,500
Developer Profit	0	0		0
<b>Subtotal Fee and Reserves</b>	<b>1,273,471</b>	<b>16,980</b>	<b>0</b>	<b>1,273,471</b>
<b>Total Development Costs</b>	<b>14,314,257</b>	<b>190,857</b>	<b>0</b>	<b>14,314,257</b>

Number of Tax-payers	1
Historic Credit STATE	0
Equity yield	0.00
Synd. %	99.99%
Equity Raise	0

Total Equity:	7,223,800
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Gross Square Footage	71,140
Construction Cost/Sq ft.	\$151

Notes:

MAXIMUM DEVELOPER FEE AVAILABLE	987,500
ACTUAL DEVELOPER FEE	562,500
% OF MAXIMUM DEVELOPER FEE	57.0%
<b>NET DEVELOPER FEE COLLECTED</b>	<b>562,500</b>
% OF MAXIMUM DEVELOPER FEE	57.0%

FLOW OF FUNDS									
Sources	CLC	6/29/19	During Construction			PLC	2020	2021	Total
	3/31/19		9/27/19	12/26/19	3/25/20	7/30/20			
Beginning Cash	0	4,402,289	3,743,652	2,135,015	526,377	0	0	0	0
Capital Contribution	1,444,760	1,083,570	1,083,570	1,083,570		2,178,330	200,000	150,000	7,223,800
Equity Bridge Loan	0	0	0	0	2,165,830				2,165,830
GP Bridge Loan									0
MSHA Subsidy									0
HUD 221(d)(4) Tranche A	4,521,457								4,521,457
HUD 221(d)(4) Tranche B	1,509,000								1,509,000
Other: Amortizing Mortgage									0
Other: AHP Subsidy		500,000							500,000
Other: City FedHOME		450,000				50,000			500,000
Acquired Project Reserves	60,000								60,000
<b>TOTAL SOURCES</b>	<b>7,535,217</b>	<b>6,435,859</b>	<b>4,827,222</b>	<b>3,218,585</b>	<b>2,692,207</b>	<b>2,228,330</b>	<b>200,000</b>	<b>150,000</b>	<b>16,480,087</b>
<b>Uses</b>									
Acquisition	732,500								732,500
Construction		2,690,042	2,690,042	2,690,042	2,690,042				10,760,169
Soft Costs	735,270								735,270
Financing Costs	496,277	2,165	2,165	2,165	2,165				504,937
Miscellaneous	307,910								307,910
Dev Fee	150,000					62,500	200,000	150,000	562,500
Reserves	710,971								710,971
<b>TOTAL DEV. COSTS</b>	<b>3,132,928</b>	<b>2,692,207</b>	<b>2,692,207</b>	<b>2,692,207</b>	<b>2,692,207</b>	<b>62,500</b>	<b>200,000</b>	<b>150,000</b>	<b>14,314,257</b>
Repay GP Bridge Loan						0			0
Repay Equity Bridge Loan						2,165,830			2,165,830
Other Syndication Costs	0								0
SUBTOTAL OTHER ITEMS	0	0	0	0	0	2,165,830	0	0	2,165,830
<b>TOTAL USES OF FUNDS</b>	<b>3,132,928</b>	<b>2,692,207</b>	<b>2,692,207</b>	<b>2,692,207</b>	<b>2,692,207</b>	<b>2,228,330</b>	<b>200,000</b>	<b>150,000</b>	<b>16,480,087</b>
Ending Cash	4,402,289	3,743,652	2,135,015	526,377	0	0	0	0	0

PROJECT FINANCING								
Source		Amount	Rate	Term	Lien	Annual D/S		
						Yr. 1-5	Yr. 6-15	Yr. 16-30
Source 1	MSHA Subsidy	0	0.00%	30	First	0	0	0
Source 2	HUD 221(d)(4) Tranche A	4,521,457	4.70%	40	First	250,940	250,940	250,940
Source 3	HUD 221(d)(4) Tranche B	1,509,000	4.70%	30	First	93,915	93,915	93,915
Source 4	Other: Amortizing Mortgage	0	0.00%	40	Second	0	0	0
Source 5	Other: AHP Subsidy	500,000	0.00%	50	Second	0	0	0
Source 6	Other: City FedHOME	500,000	0.00%	30	Second	0	0	0
Source 7	Acquired Project Reserves	60,000	0.00%	0	Unsecured		Cash Flow	
Source 8	Net Syndication	7,223,800	\$0.89		Unsecured		Cash Flow	
	Capitalization Gap (Surplus)	(0)						
	<b>Total</b>	<b>14,314,257</b>						

COLLATERAL COVERAGE		
	Total	Per Unit
Projected Mortgage	4,521,457	60,286
Appraised Market Value	9,087,133	121,162
Loan to Value Ratio	50%	
Market Rent Differential	424,164	471
Supportable Mort.: Unrestricted	12,164,067	162,188
Subsidy per Unit		0
Subsidy per Low Income Unit		0

PROPOSED RENT SCHEDULE										
Type	AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow.	Total Rent		
Efficiency	50% LIHTC	9			718	\$1,165	45	72,684		
	50% AMI	0			718	\$1,165	45	0		
	Market	6			1,165	\$1,165		83,880		
15								0		
1BR	50% LIHTC	13			770	\$1,350	52	112,008		
	50% AMI	1			770	\$1,350	52	8,616		
	Market	24			1,350	\$1,350		388,800		
38							0			
2BR	40% LIHTC	5			738	\$1,635	64	40,440		
	50% LIHTC	4			923	\$1,635	64	41,232		
	Market	0			1,635	\$1,635		0		
9							0			
3BR	40% LIHTC	8			788	\$2,080	78	68,160		
	50% LIHTC	5			973	\$2,080	78	53,700		
	Market	0			2,080	\$2,080		0		
13							0			
4BR								0		
0								0		
Other:								0		
Subtotals		75						869,520		
			Vacancy Rate		5%			(43,476)		
			Other Income		TIF	> 75%		111,086		
			Other Income		Laundry			8,250		
			Effective Gross Income					945,380		

AFFORDABLE MORTGAGE CALCULATION			
Effective Gross Income			945,380
Annual Operating Expense			551,702
Stabilized NOI			393,678
DSC	1.15		51,349
\$ Avail for D/S			342,329
Other DS	10%		93,915
Balance			248,414
Affordable Mortgage		4.70%	4,475,932

BREAK-EVEN ANALYSIS:	RENT SENSITIVITY		OCCUPANCY	
	Total		Annual	
Operating Expense	551,702		Gross Revenues	988,856
Debt Service	344,855			
Breakeven Rent	996		Breakeven Occupancy	91%

OPERATING EXPENSES			
Expense	Annual	Annual Per Unit	Monthly Per Unit
<b>Administrative Expenses:</b>			
Management Fees	42,954	573	48
Management Charges	42,954	573	48
Marketing Expenses	150	2	0
Legal Expenses	1,000	13	1
Auditing Expenses	5,500	73	6
Bad Debts	0	0	0
Other Administrative Expenses	0	0	0
<b>Administrative Expenses</b>	<b>92,559</b>	<b>1,234</b>	<b>103</b>
<b>Operating Expenses:</b>			
Janitorial Payroll	0	0	0
Janitorial Supplies and Equipment	0	0	0
Janitorial Contractual Services	0	0	0
Fuel and Gas	45,000	600	50
Electricity	27,000	360	30
Water and Sewer	31,875	425	35
Garbage and Trash Removal	0	0	0
Vehicle and Equipment Expenses	0	0	0
Other Operating Expenses	0	0	0
<b>Operating Expenses</b>	<b>103,875</b>	<b>1,385</b>	<b>115</b>
<b>Maintenance Expenses:</b>			
Snow Removal	5,000	67	6
Grounds Tools and Supplies	5,000	67	6
Grounds Contractual Services	10,000	133	11
Miscellaneous Ground Maintenance	5,000	67	6
Tenant Damage Charges - Grounds	0	0	0
Building Maintenance Payroll	0	0	0
Building Tools and Supplies	7,500	100	8
Building Contractual Services	50,000	667	56
Building Systems Maintenance	47,000	627	52
Miscellaneous Building Maintenance	2,000	27	2
Tenant Damage Charges - Building	0	0	0
<b>Maintenance Expenses</b>	<b>131,500</b>	<b>1,753</b>	<b>146</b>
<b>General Expenses:</b>			
Property Taxes	147,981	1,973	164
Property and Liability Insurance	26,250	350	29
Tenant Computer Network Expense	0	0	0
Tenant Service Expenses	15,787	210	18
<b>General Expenses</b>	<b>190,018</b>	<b>2,534</b>	<b>211</b>
Replacement Reserve Funding	33,750	450	38
Commercial Expenses (if applicable)	0	0	0
<b>Total</b>	<b>551,702</b>	<b>7,356</b>	<b>613</b>

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT												
5 Months												
	7/30/20	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	12/31/29	12/31/30
Effective Gross Income		393,908	964,287	983,573	1,003,245	1,023,309	1,043,776	1,064,651	1,085,944	1,107,663	1,129,816	1,152,413
Less Operating Expense		229,876	568,253	585,300	602,859	620,945	639,574	658,761	678,524	698,879	719,846	741,441
Net Operating Income		164,032	396,035	398,273	400,385	402,364	404,202	405,890	407,421	408,784	409,971	410,972
Less HUD Repay		104,558	250,940	250,940	250,940	250,940	250,940	250,940	250,940	250,940	250,940	250,940
Less Other Repay		39,131	93,915	93,915	93,915	93,915	93,915	93,915	93,915	93,915	93,915	93,915
Cash Flow		20,343	51,179	53,417	55,530	57,509	59,347	61,035	62,565	63,928	65,115	66,116
Cash Flow per Unit		651	682	712	740	767	791	814	834	852	868	882
Debt Coverage Ratio		1.14	1.15	1.15	1.16	1.17	1.17	1.18	1.18	1.19	1.19	1.19
Principal Balance	4,521,457	4,505,318	4,465,272	4,423,303	4,379,318	4,333,221	4,284,910	4,234,279	4,181,217	4,125,606	4,067,324	4,006,243
HUD 221(d)(4) Tranche B	1,509,000	1,499,345	1,475,387	1,450,279	1,423,965	1,396,388	1,367,486	1,337,196	1,305,451	1,272,182	1,237,314	1,200,773
Other: Amortizing Mortgage	0	0	0	0	0	0	0	0	0	0	0	0
Other: AHP Subsidy	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Other: City FedHOME	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Principal Balance(Other)	2,509,000	2,499,345	2,475,387	2,450,279	2,423,965	2,396,388	2,367,486	2,337,196	2,305,451	2,272,182	2,237,314	2,200,773
Operating Reserve Balance	301,523	316,599	332,429	349,050	366,503	384,828	404,069	424,273	445,487	467,761	491,149	515,706

Total Cash Flow Projected over 12 Years
750,527

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
					Yr 15							
	12/31/31	12/31/32	12/31/33	12/31/34	12/31/35	12/31/36	12/31/37	12/31/38	12/31/39	12/31/40	12/31/41	
Effective Gross Income	1,175,461	1,198,970	1,222,950	1,247,409	1,272,357	1,310,527	1,349,843	1,390,338	1,432,049	1,475,010	1,519,260	
Less Operating Expense	763,684	786,595	810,193	834,498	859,533	885,319	911,879	939,235	967,412	996,435	1,026,328	
Net Operating Income	411,777	412,375	412,757	412,910	412,823	425,208	437,964	451,103	464,636	478,575	492,933	
Less RLP Repay	250,940	250,940	250,940	250,940	250,940	250,940	250,940	250,940	250,940	250,940	250,940	
Less Other Repay	93,915	93,915	93,915	93,915	93,915	93,915	93,915	93,915	93,915	93,915	93,915	
Cash Flow	66,921	67,520	67,902	68,055	67,968	80,353	93,109	106,248	119,781	133,720	148,077	
Cash Flow per Unit	892	900	905	907	906	1,071	1,241	1,417	1,597	1,783	1,974	
Debt Coverage Ratio(RLP)	1.19	1.20	1.20	1.20	1.20	1.23	1.27	1.31	1.35	1.39	1.43	
Principal Balance(RLP)	4,006,243	3,942,229	3,875,141	3,804,830	3,731,143	3,653,917	3,572,982	3,488,160	3,399,264	3,306,099	3,208,460	3,106,132
HUD 221(d)(4) Tranche B	1,200,773	1,162,476	1,122,340	1,080,277	1,036,193	989,993	941,573	890,828	837,646	781,910	723,498	662,280
Other: Amortizing Mortgage	0	0	0	0	0	0	0	0	0	0	0	0
Other: AHP Subsidy	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Other: City FedHOME	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Principal Balance(Other)	2,200,773	2,162,476	2,122,340	2,080,277	2,036,193	1,989,993	1,941,573	1,890,828	1,837,646	1,781,910	1,723,498	1,662,280
Operating Reserve Balance	515,706	541,492	568,566	596,995	626,844	658,187	691,096	725,651	761,933	800,030	840,031	882,033

**178 KENNEBEC STREET:**

Maine Workforce Housing is proposing to construct 46 1-bedroom units for seniors (55+). The development will include:

178 Kennebec Street		
<b>1-Bedroom Units (46)</b>	at or below 40% area median income	0
	at or below 50% area median income	15
	at or below 60% area median income	21
	Market Rate	10
<b>Total Units</b>		<b>46</b>

As stated in the developer’s application, the project:

*“...includes ground-level retail and/or artist studio space with 46 units of housing on the upper floors. The housing will be rental; all 1-bedroom units, set aside for households whose head of household is aged 55+.*

*“We expect the income mix targeted for this development will be 22% market rate, and 78% affordable (aimed at those at or below 60% of the area median income), creating economic diversity both in the building and in the neighborhood.”*

The developer has requested two forms of financial assistance.

- (1) HOME funds request: \$400,000, 0% interest rate loan, deferred for 30 years.

Total City HOME Investment of \$400,000/unit - \$8,696.

Total City HOME Investment of \$400,000/affordable unit = \$11,111

Final loan terms will be determined based on the results of the underwriting which is anticipated to be completed by the June 5<sup>th</sup> committee meeting.

- (2) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30 year annual average of \$96,305, with an estimated total of \$2,889,164 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable, with an estimated annual assessment of \$4,300,000 and estimated annual tax of \$93,095. The remaining increased taxable value will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.

**Maine Workforce Housing, LLC**  
**482 Congress Street, Suite 203**  
**Portland, ME 04101**

Project Summary

Maine Workforce Housing is applying for \$400,000 in City of Portland HOME funding in this application, to fill a gap for a project at 178 Kennebec Street.

Project Team

The principals and staff of Maine Workforce Housing have successfully developed nine (9) mixed-income housing projects in Maine and New Hampshire over the last fourteen (14) years. These properties, the oldest of which has been open since 2004, have never had a single year of operating deficits. All of them are 100% leased with long waiting lists.

We are working with Ross Furman's team to incorporate housing into their multi-phase development of the block. The first phase includes the area closest to Kennebec Street. It includes ground-level retail and/or artist studio space with 46-51 units of housing on the upper floors. The housing will be rental; all 1-bedroom units, set aside for households whose head of household is aged 55+. We've included a concept floor-plan of Phase 1.

The site has some unique advantages for residential development:

- The City has identified the Bayside neighborhood as a priority for redevelopment. Kennebec Street is a prominent street in Bayside, and street-level retail will dovetail well with surrounding buildings.
- A mixed-use residential/retail building will bring new residents to live, work, and shop in Bayside, reinforcing the urban fabric and adding new vitality to the core of the City.
- The site is within walking distance of a variety of services and destinations for daily living (e.g., banks, library, schools, etc.) as well as employers and public transportation.
- The site is within steps of a major park (Deering Oaks Park). Yet, it is also just a minute from an entrance to and exit from I-295, a highway that takes residents throughout Maine.

We expect the income mix targeted for this development will be 22% market rate, and 78% affordable (aimed at those at or below 60% of the area median income), creating economic diversity both in the building and in the neighborhood. Our attached proforma shows a mix of 22% market rate and 78% affordable. If construction costs come down from the conceptual estimate included in our application, this mix may shift slightly. As a business model, we find a more even mix of low-income and market-rate renters is more acceptable to renters and neighbors.

The residents will be a mix of people, incomes, and occupations in Portland. We expect the tenants in income-restricted units will include retired people on social security and also those with jobs at the lower end of the wage scale. The market-rate units are likely to also include retired people, and also professionals who are downsizing from larger homes.

This project, like all of our projects to date, will be completely non-smoking. Smoking will be prohibited both inside units and in the interior and exterior common areas of the project. This will be outlined both

as an addendum to each lease, and also stated in the House Rules. Our Resident Services Coordinator will have materials on tobacco cessation programs available to residents.

The project incorporates smart growth, affordable housing, green building design, brownfield redevelopment, downtown revitalization, urban outdoor recreation, and alternative transportation.

### Amenities

We propose to provide our residents with the following amenities:

- Heat and hot water included in rent
- Community room with kitchen
- Coin-operated laundry facility
- Wireless internet throughout the building at no extra charge;
- Resident Services Coordinator on staff;
- Telemedicine room

### Resident Services Coordination

Our RSC's mission is to foster an environment in which elderly persons and people with disabilities can live independently and remain in their communities. As this project is proposed to be elderly, and with the Portland Shelter set-aside requirement, we are proposing to increase the number of hours an RSC is on the property. The Low Income Housing Tax Credit Program, as administered by MaineHousing, requires one (1) hour per week for every five (5) low-income units, or six (6) hours in this case. We would schedule an RSC for twelve (12) hours – double what is required. Our experience in other properties with a Homeless Preference has given us an appreciation for the staff levels needed onsite. This is reflected in our operating budget which is part of this application.

### Transportation

The site is wonderfully located for service by public transportation. The METRO bus system, with scheduled service all over downtown Portland and connections to the neighboring cities, stops 2/10 of a mile from our site.

### Photos and Renderings

We urge you to look at the set of photos of the site and “before” and “after” renderings, found immediately after this Executive Summary. They convey information about the project which simply cannot be expressed in narrative form. Thank you.



Image capture: Aug 2017 © 2018 Google

Portland, Maine



Street View - Aug 2017









## **178 Kennebec Timeline**

April 2018 – July 2018

- Full Site Plan and Subdivision Approval
- City HOME Application
- City Tax Increment Financing Application
- Market study

September 2018

- Submit Affordable Housing Tax Credit Application to MaineHousing

November 2018 – May 2019 (if successful on MaineHousing Application):

- Full design
- Finalize investor agreement
- Finalize construction loan

June 2019:

- Close and begin construction

Summer 2020:

- Open for occupancy

178 Kennebec Street

Portland, Maine

Developer: Maine Workforce Housing, LLC (Nathan S. Szanton  
and Robert C.S. Monks, Principals)

04/27/18

46 Resident Units  
36 Low-Income Units  
10 Market-Rate Units  
5 Residential Stories

**DEVELOPMENT BUDGET - SOURCES OF FUNDS**

**Sources of Funds**

Equity Raise from Sale of LIHTC	6,192,000					
MaineHousing Mortgage - Interest Only	2,646,603	6.00%	Interest Only	30 years		
MaineHousing Deferred Debt	1,080,000	0%	int., principal and interest deferred until sale or transfer.		30,000 per unit.	1,200,000 per project cap.
Deferred Developer Fee	758,262	Net Fee =	774,939	\$34,939		
City HOME	400,000	30-year deferred loan, in 2nd position				
Furman LLL Buyout of Commercial Space at PLC	829,943					
GAP (EXCESS)	<u>0</u>					
TOTAL	11,906,808					

178 Kennebec Street

Portland, Maine

Developer: Maine Workforce Housing, LLC (Nathan S. Szanton and Robert C.S. Monks, Principals)

46 Resident Units

36 Affordable

10 Market-Rate

Constr. cost/sq. ft. - finished space (not counting demolition, sitework, and contingency)

46,669 Number of square feet of space in building

41,215 Number of square feet of space - finished residential

5,454 Number of square feet of space - vanilla box commercial

Residential square footage, buildout at \$ 175.00 psf

Commercial at \$ 132.00 psf

7,932,553 Total Construction Cost (not including construction contingency)

\$156,796 per residential unit of construction cost

DEVELOPMENT BUDGET - USES OF FUNDS

	Total Funds	Retail Unit Costs	Notes
Land Acquisition	215,000		4,674 per unit 33% 2 points Need to be less than 3,500 to get 3 points
Parking requirement buy-out	80,600		Assuming a need for 0.5 space per unit (23), less the 10 we have onsite (Housing only)
Demolition	0		Existing building, landscaping, etc.
Site Preparation	0		Included in Construction Cost
Off-Site Improvements (paid by Owner)	0		
Construction of finished space	7,932,553	709,020	Includes utility hook-ups and all construction except demolition & site work. See note above re assumed cost per sq. ft.
Construction Contingency	396,628	35,451	5.0% of finished construction cost.
Utility Back-Charges	40,000	3,575	
Furnishings, Fixtures & Equipment	85,000		Common area furnishings, laundry equipment, signage, wi-fi equipment, surveillance cameras, wall hangings, etc.
Architectural and Engineering	299,000	26,725	6,500 per unit 3.77%
Civil Engineering	45,000	4,022	Not included in architect's contract
Landscape Architecture	0	0	Included in Civil Eng. Contract
Geoen지니어ing	10,000	894	Not included in architect's contract. Includes test borings, test pits, soil test processing and report preparations.
Testing and Special Inspections	15,000	1,341	
Legal and Title, Non-TC Related	82,000	7,329	Negotiated fee: land use and title opinions; services in connection with land acquisition; etc. Additional \$15K for condo documentation
Legal, TC Syndication-Related	33,000		Negotiated fee: creation of all documents, provision of due diligence, and conducting closings of LIHTC-related matters
Title Insurance	20,000		Based on our negotiated rate with TICOR title insurance agency for simultaneous owner's and lender's coverage.
Cost Certification/Audit	6,500		Budgeting \$1,000 for Carryover Allocation certification and \$5,500 for final cost certification
Appraisal	7,500		
Surveyor	5,600	501	To establish boundaries
Market Study	6,500		To substantiate demand and determine proper rent levels.
Environmental Testing & Remediation	8,000	715	
City and State Permits and Fees	50,000	4,469	
MSHA Financing Application Fee	2,500		
MSHA Financing Commitment Fee	2,000		Non-refundable, due at execution of commitment
MSHA Financing Fee	52,932		2% of tax-exempt debt amount, due at construction loan close.
MSHA Review Fee	2,500		
Tax Credit Monitoring Fee	36,000		\$1,000 per tax credit unit paid before issuance of an 8609.
Tax Credit Allocation Fee	54,000		7.5% annual allocation of 720,000 798,887
Soft Cost Contingency	50,000	4,469	For unforeseen and/or underbudgeted soft costs
Developer Overhead and Fee (Gross)	1,533,201		MSHA Net Fee formula: \$17,500 for first 20 units, & \$15,000 each unit thereafter Net: 740000
Tax and Insurance Reserve Pre-Funding	64,393		Six months of property taxes and insurance premium expense.
Rent-up Deficit Reserve	46,000		MSHA Max = \$1,000 per unit NTE \$50,000
Operating Reserve	286,500		MSHA requirement, 6 months of operating and residential debt service
Pre-Funding of Replacement Reserve	72,235		1% of cost of construction
City of Portland Legal Fees	15,000		TIF / CEA documents
Construction Loan Orig. Fee	16,298	1,457	0.2% of construction loan but not less than 16,000
Construction Loan Interest	235,168	21,020	Based on loan of \$8.149 million at 4.5% for 14 months (12 month construction)
Letter of Credit Fee for Performance Guaranty	5,000	447	Based on LOC value of \$500,000 at 1%
Constr. Lender, Equity Provider Legal Fees	27,000	2,413	
Constr. Lender Plan Review, Inspection	9,200	822	\$600/inspection for 12 inspections plus \$2000 for plans review
Construction Period Insurance	55,000	4,916	Builder's Risk and General Liability Insurance
Construction Period Taxes	4,000	358	15 months of pre-construction assessment
<b>TOTALS</b>	<b>11,906,808</b>	<b>829,943</b>	



**178 Kennebec Street**

Portland, Maine

Developer: Maine Workforce Housing, LLC (Nathan S. Szanton  
and Robert C.S. Monks, Principals)**46 Resident Units**

41,215 sq. ft. of finished space

**OPERATING EXPENSE SCHEDULE****Administrative Expenses**

Management Fee	42,086	8.30%	of gross receipts
Marketing	1,012	\$22	per unit per year.
Legal	2,300	\$50	per unit per year One eviction costs \$650-\$800. Appeals are more.
Management Software Fees	1,557	\$2.8	per unit per month
Audit	6,600		For annual audit of the project in MSHA format and tax return in format required by tax credit investor.
Telemedicine Room	1,800		For dedicated phone service and upgraded internet for the Telemedicine Room
Resident Services Coordination	32,120	Based on	16 hours per week \$35 /hr to the project, 52 weeks per year. Plus \$250/mo for supplies.
Portland Fire Inspection Fee	1,610	\$35	per unit per year <b>**additional RSC hours due to homeless set-aside management</b>

**Utilities**

Fuel	34,500	\$750	per unit per year
Common Area Electricity	16,100	\$350	pupy. Elevator, laundries, corridor & garage lights.
Water and Sewer	16,100	\$350	per unit per year
On-site phone and internet	8,000		Phone service for elevator/office/alarm and internet access for office

**Maintenance Expenses**

Elevator Maintenance	6,000		
Contract Maintenance	23,000	\$500	per unit per year. Includes pest control, electrical, plumbing & HVAC repair.
Common Area Cleaning	16,100	\$350	per unit per year 1342 per month
Trash Removal	11,500	\$250	per unit per year 958 per month
Snow Removal	5,000		
Work Orders/Turnovers	29,900	\$650	per unit per year
Parking Lease	18,000	\$150	per unit per month for 10 spaces
Maintenance Supplies	3,450	\$75	per unit per year

**Taxes, Insurance, Other**

Taxes	73,600		
Insurance - Property and Liability & Umbrella	13,800	\$300	pupy.
LIHTC Monitoring Fee			Prepaid as a development expense.
Replacement Reserve	20,700	\$450	pupy.
<b>Real Estate Expenses w/o Debt Service</b>	<b>384,835</b>		

Annual Debt Service - Amortizing Loan		0	Amortizing	6.0%	20 years	\$0	per month.
Annual Debt Service - Interest Only Loan	158,796	2,646,603	Interest Only	6.00%	30 years	\$13,233	per month.

**TOTAL REAL ESTATE EXPENSES 543,631****TOTAL ANNUAL REAL ESTATE INCOME 567,450**

Annual Cash Flow from Real Estate	23,819	Cash flow of	500 PUPY minimum is required by MSHA
MH Debt Service Coverage Ratio	1.150	Debt Service Coverage Ratio of 1.15 is required by MSHA.	
Annual Real Estate Operating Cost Per Unit	7,916	Not including debt service and replacement reserve, but includes resident services coordination.	
Monthly Real Estate Operating Cost Per Unit	660	Not including debt service and replacement reserve, but includes resident services coordination.	

City of Portland - TIF Model of 5/16/2018

OAV: \$0 as of 4/1/2017

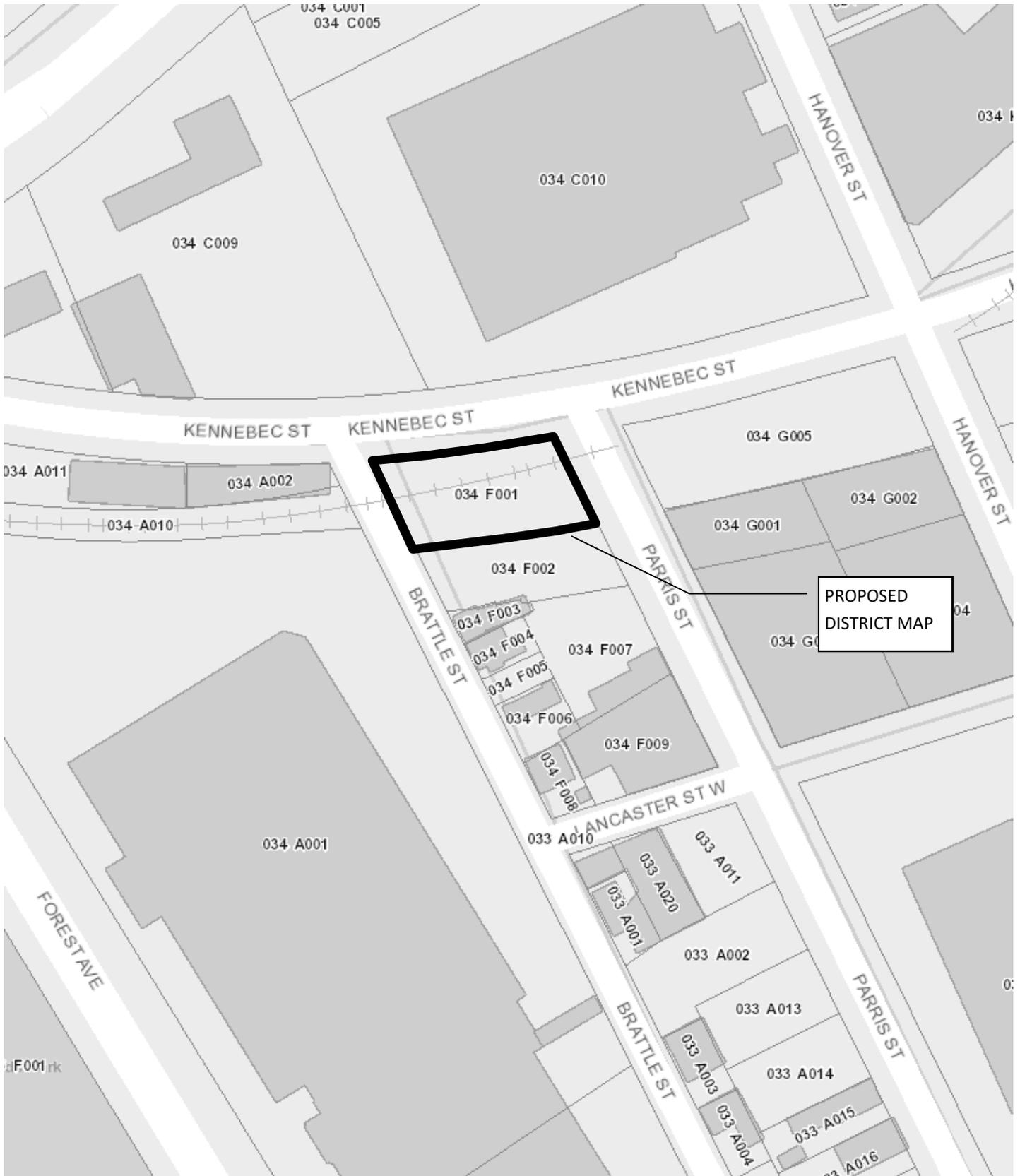
CBL: 34-F-1

City of Portland- TIF Projection Table - 178 Kennebec Street									
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues
1	2019	\$4,300,000	75.00%	\$3,225,000	22.08	\$71,218	\$71,218	\$0	\$23,739
2	2020	\$4,300,000	75.00%	\$3,225,000	22.52	\$72,642	\$72,642	\$0	\$24,214
3	2021	\$4,300,000	75.00%	\$3,225,000	22.98	\$74,095	\$74,095	\$0	\$24,698
4	2022	\$4,300,000	75.00%	\$3,225,000	23.43	\$75,577	\$75,577	\$0	\$25,192
5	2023	\$4,300,000	75.00%	\$3,225,000	23.90	\$77,088	\$77,088	\$0	\$25,696
6	2024	\$4,300,000	75.00%	\$3,225,000	24.38	\$78,630	\$78,630	\$0	\$26,210
7	2025	\$4,300,000	75.00%	\$3,225,000	24.87	\$80,203	\$80,203	\$0	\$26,734
8	2026	\$4,300,000	75.00%	\$3,225,000	25.37	\$81,807	\$81,807	\$0	\$27,269
9	2027	\$4,300,000	75.00%	\$3,225,000	25.87	\$83,443	\$83,443	\$0	\$27,814
10	2028	\$4,300,000	75.00%	\$3,225,000	26.39	\$85,112	\$85,112	\$0	\$28,371
11	2029	\$4,300,000	75.00%	\$3,225,000	26.92	\$86,814	\$86,814	\$0	\$28,938
12	2030	\$4,300,000	75.00%	\$3,225,000	27.46	\$88,550	\$88,550	\$0	\$29,517
13	2031	\$4,300,000	75.00%	\$3,225,000	28.01	\$90,321	\$90,321	\$0	\$30,107
14	2032	\$4,300,000	75.00%	\$3,225,000	28.57	\$92,128	\$92,128	\$0	\$30,709
15	2033	\$4,300,000	75.00%	\$3,225,000	29.14	\$93,970	\$93,970	\$0	\$31,323
16	2034	\$4,300,000	75.00%	\$3,225,000	29.72	\$95,850	\$95,850	\$0	\$31,950
17	2035	\$4,300,000	75.00%	\$3,225,000	30.32	\$97,767	\$97,767	\$0	\$32,589
18	2036	\$4,300,000	75.00%	\$3,225,000	30.92	\$99,722	\$99,722	\$0	\$33,241
19	2037	\$4,300,000	75.00%	\$3,225,000	31.54	\$101,716	\$101,716	\$0	\$33,905
20	2038	\$4,300,000	75.00%	\$3,225,000	32.17	\$103,751	\$103,751	\$0	\$34,584
21	2039	\$4,300,000	75.00%	\$3,225,000	32.81	\$105,826	\$105,826	\$0	\$35,275
22	2040	\$4,300,000	75.00%	\$3,225,000	33.47	\$107,942	\$107,942	\$0	\$35,981
23	2041	\$4,300,000	75.00%	\$3,225,000	34.14	\$110,101	\$110,101	\$0	\$36,700
24	2042	\$4,300,000	75.00%	\$3,225,000	34.82	\$112,303	\$112,303	\$0	\$37,434
25	2043	\$4,300,000	75.00%	\$3,225,000	35.52	\$114,549	\$114,549	\$0	\$38,183
26	2044	\$4,300,000	75.00%	\$3,225,000	36.23	\$116,840	\$116,840	\$0	\$38,947
27	2045	\$4,300,000	75.00%	\$3,225,000	36.95	\$119,177	\$119,177	\$0	\$39,726
28	2046	\$4,300,000	75.00%	\$3,225,000	37.69	\$121,560	\$121,560	\$0	\$40,520
29	2047	\$4,300,000	75.00%	\$3,225,000	38.45	\$123,992	\$123,992	\$0	\$41,331
30	2048	\$4,300,000	75.00%	\$3,225,000	39.22	\$126,472	\$126,472	\$0	\$42,157
<b>30 Year TIF Total</b>		<b>\$129,000,000</b>		<b>\$96,750,000</b>		<b>\$2,889,164</b>	<b>\$2,889,164</b>	<b>\$0</b>	<b>\$963,055</b>
<b>30 Year Average</b>						<b>\$96,305</b>	<b>\$96,305</b>	<b>\$0</b>	<b>\$32,102</b>

**Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model  
178 Kennebec St.**

**75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund**

TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2019	\$4,300,000	\$3,225,000	\$0	\$1,964	\$1,757	\$3,721
2	2020	\$4,300,000	\$3,225,000	\$0	\$1,964	\$1,757	\$3,721
3	2021	\$4,300,000	\$3,225,000	\$0	\$1,964	\$1,757	\$3,721
4	2022	\$4,300,000	\$3,225,000	\$8,923	\$1,964	\$1,757	\$12,643
5	2023	\$4,300,000	\$3,225,000	\$17,845	\$1,964	\$1,757	\$21,566
6	2024	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
7	2025	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
8	2026	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
9	2027	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
10	2028	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
11	2029	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
12	2030	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
13	2031	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
14	2032	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
15	2033	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
16	2034	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
17	2035	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
18	2036	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
19	2037	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
20	2038	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
21	2039	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
22	2040	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
23	2041	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
24	2042	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
25	2043	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
26	2044	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
27	2045	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
28	2046	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
29	2047	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
30	2048	\$4,300,000	\$3,225,000	\$26,768	\$1,964	\$1,757	\$30,488
<b>30 Year TIF Total</b>		<b>\$129,000,000</b>	<b>\$96,750,000</b>	<b>\$695,955</b>	<b>\$58,928</b>	<b>\$52,695</b>	<b>\$807,579</b>
<b>30 Year Average</b>				<b>\$23,199</b>	<b>\$1,964</b>	<b>\$1,757</b>	<b>\$26,919</b>



034 C001  
034 C005

034 C010

034 C009

HANOVER ST

034 F

KENNEBEC ST

KENNEBEC ST

KENNEBEC ST

034 A011

034 A002

034 F001

034 G005

034 A010

034 G001

034 G002

HANOVER ST

PROPOSED  
DISTRICT MAP

034 F002

BRATTLE ST

PARRIS ST

034 F003

034 F004

034 F007

034 F005

034 F006

034 F009

033 A010

FOREST AVE

LANCASTER ST W

033 A011

033 A020

033 A002

PARRIS ST

034 F001rk

BRATTLE ST

033 A013

033 A014

033 A001

033 A003

033 A004

033 A015

033 A016



*Note: Islands not shown to improve map legibility.*

PROPOSED  
DISTRICT

**977 BRIGHTON AVENUE:**

Avesta Housing Development Corporation (AHDC) is proposing to construct 40 1-bedroom units for seniors (55+). The development will include:

977 Brighton Avenue		
<b>1-Bedroom Units (40)</b>	at or below 50% area median income	24
	at or below 60% area median income	10
	Market Rate	6
<b>Total Units</b>		<b>40</b>

Eight (8) units will have project based rental assistance. As stated in the developer’s application:

*“The 0.73 acre site currently contains a single-family home and a garage, both of which will be demolished and cleared prior to construction. The project consists of one 4-story building, placed at the front of the property so as to create maximum active street frontage. There will also be a parking lot of 32 cars and an external gathering area or patio for residents. Vegetative screening will be used to create a level of privacy for residents.”*

AHDC has requested two forms of financial assistance.

- (1) HOME funds request: \$300,000, 0% interest rate loan, deferred for 30 years.

Total City HOME Investment of \$300,000/unit - \$7,500.

Total City HOME Investment of \$300,000/affordable unit = \$8,824.

Final loan terms will be determined based on the results of the underwriting which will be completed prior to any funding approval by the City Council.

- (2) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30 year annual average of \$65,150, with an estimated total of \$1,954,486 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable with an estimated annual assessment of \$3,200,000 and estimated annual taxes of \$69,280. The remaining increased taxable value will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.



## City of Portland HOME Funds Application

### Project: 977 Brighton Avenue Apartments

Avesta Housing is requesting \$300,000 of HOME funds from the City of Portland for our 977 Brighton Avenue Apartments project ("977 Brighton") at 977 Brighton Avenue in Portland, Maine.

The development involves the new construction of 40 1-bedroom rental apartments for seniors (55+ years of age), in one 4-story building. 34 of the apartments will be affordable and 6 will be market rate. 24 units will be affordable to households at or below 50% of area median income and 10 will be affordable to households at or below 60% of area median income. Portland Housing Authority has awarded project-based rental assistance to eight of the units at the project. All units with affordability restrictions will have a utility allowance factored into the tenant rent payment.

977 Brighton represents an opportunity to create much-needed affordable senior housing in an accessible location within Portland. The development site contains eight contiguous lots located in a highly walkable area in the Nasons Corner section of Portland. The project is located near many amenities and services, making it a prime location for housing; retail stores, a pharmacy, trails and restaurants are all located within a half mile. The site is also located within a tenth of a mile to a bus stop on the extensive Portland public transportation bus system, connecting residents with Portland's downtown as well as adjoining communities.

See the attached maps for more information about the project's siting within the City and relative to numerous nearby amenities.

As shown in the attached pictures, the 0.73-acre site currently contains a single-family home and a garage, both of which will be demolished and cleared prior to construction. The project will consist of one 4-story building, placed at the front of the property so as to create maximum active street frontage. There will also be a parking lot for 32 cars and an external gathering area or patio for residents. Vegetative screening will be used to create a level of privacy for residents. Storm water management systems will be used to ensure that the project does not adversely impact the vicinity of the subject parcel. Avesta will work with City staff and the Planning Board to ensure that the design of the project is consistent with neighborhood design characteristics.

Each apartment will be approximately 600 square feet and all accessibility requirements will be met. Additional amenities will include on-site laundry, a health room, a community room and resident service coordination.

977 Brighton Avenue Apartments will continue Avesta Housing's commitment to construct and manage buildings designed to maximize energy performance, minimize adverse environmental impacts, provide healthy living spaces, conserve natural resources, and promote smart growth and sustainable development. All requirements of the City of Portland's Green Building Ordinance will be met. Additionally, as alluded to in the attached information provided by the property manager, Avesta Housing Development Corporation, smoking at the project will be prohibited and educational materials on tobacco treatment programs will be provided to tenants.

These affordable units at 977 Brighton Avenue come at a critical time for the City. Vacancies in Portland are at historic lows while rents remain too high for thousands of local renter households. In 2017, Avesta alone received requests for affordable housing from nearly 3,800 households (over 1,300 of which were senior-led households) but was only able to provide housing to 393.

977 Brighton Avenue Apartments will create much-needed senior affordable rental housing in an area of the city that is rich with transit, services, and neighborhood amenities.





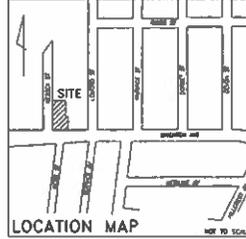
**ZONE INFORMATION**

ZONE INFORMATION	R-3	R-P	M-488 DOWNS	ALLOWED	PROVIDED
SPACE STANDARDS					
LOW INCOME UNITS			8%		34
WORKFORCE UNITS			0%		0
MARKET UNITS			8%		4
TOTAL NUMBER OF UNITS			100%		40
LOT AREA PER UNIT	6,500 SQ. FT.	8,000 SQ. FT.	23,000 SQ. FT.	6,500	800
MINIMUM LOT SIZE	6,500 SQ. FT.	6,500 SQ. FT.			32,000
MINIMUM STREET FRONTAGE	50 FEET	50 FEET			400 FEET
MINIMUM FRONT YARD	10 FEET	10 FEET			11 FEET
MINIMUM FRONT YARD	35 FEET	17.5 FEET	5 FEET	5 FEET	11 FEET
MINIMUM REAR YARD	75 FEET	75 FEET			140 FEET
MINIMUM SIDE YARD					
2 1/2 STORY STRUCTURE	16 FEET	16 FEET	5 FEET	5 FEET	20 FEET
SIDE YARD ON A SIDE STREET	20 FEET	20 FEET	5 FEET	5 FEET	20 FEET
MINIMUM UNIT SIZE					828 SQ. FT.
OVERALL BUILDING AREA (GROSS)					30,000 SQ. FT.
ACTUAL LOT COVERAGE (FOOTPRINT)					1,047 SQ. FT.
MINIMUM LOT COVERAGE	30%	30%			
MINIMUM LOT WIDTH	44 FEET	44 FEET			50 FEET
MINIMUM BUILDING HEIGHT	30 FEET	30 FEET	5 FEET	5 FEET	44 FEET

175% OR AVERAGE OF ADJUTING FRONT YARDS AVERAGE OF YARDS ADJUTING 1:1 = 1:1.50

**GENERAL NOTES**

- OWNER/DEVELOPER: AVESTA HOUSING DEVELOPMENT CORPORATION, 307 CUMBERLAND AVENUE, PORTLAND, OREGON 97201. COUNTY: CLATSOP COUNTY. RECORD: BOOK 3088, PAGE 362; BOOK 3088, PAGE 363. RECORDED DATE: 04/14/2014.
- ENGINEER: PINGHAM & GREER CIVIL ENGINEERS, 28 VANNAH AVENUE, PORTLAND, OREGON.
- ARCHITECT: CWS ARCHITECTS, 244 U.S. ROUTE ONE 79A, SCARBOROUGH, MAINE.
- TOPOGRAPHIC, UTILITY AND BOUNDARY INFORMATION TAKEN FROM BOUNDARY & TOPOGRAPHIC SURVEY AT 977 BRIGHTON LANE, PORTLAND, MAINE MADE FOR AVESTA HOUSING 307 CUMBERLAND AVENUE, PORTLAND, MAINE BY OWEN HASKELL, INC. 350 U.S. ROUTE ONE, FALMOUTH, MAINE. PLAN DATED 07/13/2016. BENCHMARK: 3 CORNET MONUMENT AT ROCKS AND MARINE STREET, ELEVATION 65.61.
- WETLAND MAPPING PROVIDED BY ALBERT PRICK ASSOCIATES, INC. 184 GORHAM ROAD, GORHAM, MAINE.
- SOILS MAPPING TAKEN FROM SOIL CONSERVATION STUDY OF CUMBERLAND COUNTY AND AISE SCOTT (8) BELT LOAN, AT THE SOUTH HALF OF THE SITE AND ELWOOD (8)B, PINE SANDY LOAM AT THE NORTH HALF OF THE PARCEL.
- ZONE: RESIDENTIAL PROFESSIONAL AND RESIDENTIAL 3 PROPOSED USE: AFFORDABLE SENIOR HOUSING.
- TAX MAP REFERENCE: MAP 278 / BLOCK C / LOTS 1, 2, 3, 4, 5 AND 6.
- TOTAL PARCEL: 0.234 ACRES.
- CALL OR SURVEY PRIOR TO COMMENCING WORK ON OR 1-800-COS-SAFE.
- BUILDING SHALL HAVE A NUMBER CLEARLY VISIBLE FROM THE ROAD.
- LOT TO BE SERVICED BY PUBLIC WATER AND SEWER THESE SERVICES, INCLUDING HYDRANTS, ARE AS SHOWN ON SHEET C2.3, GRADING AND UTILITIES PLAN.
- POWER TELEPHONE AND CABLE ARE TO BE UNDERGROUND FROM AN EXISTING POLE. THESE SERVICES ARE SHOWN ON SHEET C2.3, GRADING AND UTILITIES PLAN.
- ALL CONSTRUCTION AND SITE ALTERATIONS SHALL BE DONE IN ACCORDANCE WITH THE "MAINE EROSION AND SEDIMENT CONTROL BMP'S" PUBLISHED BY THE BUREAU OF LAND AND WATER QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, LATEST EDITION, MARCH 2016.
- NO CONSTRUCTION OR FILLING OF WETLANDS OTHER THAN THAT SHOWN ON THE PLAN ARE ALLOWED. NRPA PERMIT IS REQUIRED FOR THIS PROJECT.
- ALL WORK WITHIN THE PUBLIC RIGHT OF WAY SHALL MEET CITY OF PORTLAND TECHNICAL MANUAL STANDARDS.
- THE SUBJECT PARCEL KNOWN AS 977 BRIGHTON AVENUE IS SUBJECT TO A CITY OF PORTLAND LEVEL III SITE PLAN AND SUBDIVISION PERMIT.
- DETAILS OF STREET TREES ARE INCLUDED ON THE LANDSCAPE PLAN AS PART OF THE APPROVAL FOR 977 BRIGHTON SITE PLAN.
- FLOODPLAIN: THIS PROPERTY IS IN ZONE X OF THE FLOOD INSURANCE RATE MAP, COMMUNITY PANEL 13068I 0308C. EFFECTIVE DATE: DECEMBER 6, 1984. IT IS NOT IN A SPECIAL FLOOD HAZARD ZONE.
- SHOW CLEARANCE REQUIREMENTS AS AS NOTED ON SHEET C2.0 UNDER "SHOW CLEARANCE NOTES".
- MECHANICAL EQUIPMENT IS TO BE INSTALLED ON THE ROOF.
- NEW PROPERTY PINS TO BE SET AT THE EXPENSE OF THE OWNER AT THE END OF CONSTRUCTION. ANY IMPLEMENTATION DAMAGED BY CONSTRUCTION IS TO BE REPLACED.
- ALL CONSTRUCTION AND SITE ALTERATIONS SHALL BE DONE IN ACCORDANCE WITH THE "MAINE EROSION AND SEDIMENT CONTROL BMP'S" PUBLISHED BY THE BUREAU OF LAND AND WATER QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, LATEST EDITION 2016.
- THIS PROJECT HAS A GEOTECHNICAL REPORT BY BAI COLLE ENGINEERING, INC. ALL RECOMMENDATIONS OF THE REPORT ARE TO BE FOLLOWED WHILE CONDUCTING AND COMPLETING SITE EARTHWORK.



**CITY OF PORTLAND SITE PLAN NOTES**

- LANDSCAPING SHALL MEET THE "ARBORICULTURAL SPECIFICATIONS AND STANDARDS OF PRACTICE AND LANDSCAPE GUIDELINES" OF THE CITY OF PORTLAND TECHNICAL AND DESIGN STANDARDS AND GUIDELINES.
- THE ENTIRE SITE SHALL BE DEVELOPED AND/OR MAINTAINED AS DEPICTED ON THE SITE PLAN. APPROVAL OF THE PLANNING AUTHORITY OR PLANNING BOARD SHALL BE REQUIRED FOR ANY ALTERATION TO OR DEVIATION FROM THE APPROVED SITE PLAN, INCLUDING BUT NOT LIMITED TO: CHANGING LANDSCAPING, RETENTION OF EXISTING OR LUSH AREAS, ACCESS, SIZE, LOCATION AND SURFACING OF PARKING AREAS AND LOCATION AND SIZE OF BUILDINGS.
- ALL POTENTIAL UTILITIES SHALL BE OVERSEEN.
- STREETS AND CURBS SHALL BE DESIGNED AND BUILT WITH TYPICAL RAMPAS AT ALL STREET CORNERS. CROSSLANES AND DRIVEWAYS IN CONFORMANCE WITH THE CITY OF PORTLAND TECHNICAL AND DESIGN STANDARDS AND GUIDELINES.
- ALL EROSION CONTROL MEASURES SHALL BE CONSTRUCTED AND MAINTAINED IN ACCORDANCE WITH THE "MAINE EROSION AND SEDIMENT CONTROL BMP'S" PUBLISHED BY THE BUREAU OF LAND AND WATER QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION, MARCH 2016.
- ALL EROSION CONTROL MEASURES SHALL BE INSTALLED PRIOR TO ANY SITE EXCAVATION OR REGRADING.
- ALL DISTURBED AREAS ON THE SITE NOT COVERED BY BUILDINGS OR PAVED AREAS SHALL BE STABILIZED WITH LOAM AND SEED OR OTHER METHODS AS REQUIRED BY BEST MANAGEMENT PRACTICES (SEE ABOVE).
- PRIOR TO CONSTRUCTION A PRECONSTRUCTION MEETING SHALL BE HELD AT THE PROJECT SITE WITH THE CONTRACTOR, DEVELOPMENT REVIEW COORDINATOR, PUBLIC WORKS REPRESENTATIVE AND OWNER TO REVIEW THE CONSTRUCTION SCHEDULE AND CRITICAL ASPECTS OF THE SITE WORK. AT THAT TIME, THE SITE/PLANNING CONTRACTOR SHALL PROVIDE THREE (3) COPIES OF A DETAILED CONSTRUCTION SCHEDULE TO THE ATTENDING CITY REPRESENTATIVE. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO ARRANGE A MUTUALLY AGREEABLE TIME FOR THE PRECONSTRUCTION MEETING.
- EXISTING VEGETATION SHALL BE CONSERVED IN AREAS SHOWN ON THIS SITE. FENCING OR OTHER PROTECTIVE BARRIERS SHALL BE ERRECTED OUTSIDE THE DROP-LINE OF INDIVIDUAL GROUPINGS OF TREES DESIGNATED FOR PRESERVATION PRIOR TO THE ONSET OF CONSTRUCTION. REGRADING SHALL NOT TAKE PLACE WITHIN THE DROP-LINE OF TREES DESIGNATED FOR PRESERVATION. NO STORAGE OR CONSTRUCTION MATERIALS SHALL BE PERMITTED WITHIN THE DROP-LINE OF TREES TO BE PRESERVED.

**PARKING & BICYCLES**

PARKING SPACES PROVIDED:	32	
STANDARD SPACES:		
8'x12'	8	
8'x10' (COMPACT)	4	
ACCESSIBLE SPACES:		
8'x12'	4	
8'x10' (COMPACT)	4	
BICYCLE SPACES PROVIDED: (1/8 RACKS)		
BIKE SPACES REQUIRED:	7	
BIKE SPACES PER	9 DWELLING UNITS (40/234)	16

**WAIVERS REQUESTED**

- THE PLANNING BOARD WAIVES / DOES NOT MAKE SECTION 14-826 (1) 4 (IV) OF THE CITY OF PORTLAND CHAPTER 14 LAND USE ORDINANCE FOR REDUCTION OF DRIVE ABLE FROM 14 FEET TO 7 FEET.
- THE PLANNING BOARD WAIVES / DOES NOT MAKE SECTION 14.4 OF THE CITY OF PORTLAND'S TECHNICAL MANUAL STANDARD THAT PARKING LOTS WITH GREATER THAN 10 SPACES MAY BE COMPROMISED UP TO 20% COMPACT PARKING SPACES TO ALLOW 10 COMPACT SPACES WHICH IS 31% OF THE TOTAL NUMBER.

**IMPERVIOUS INFORMATION**

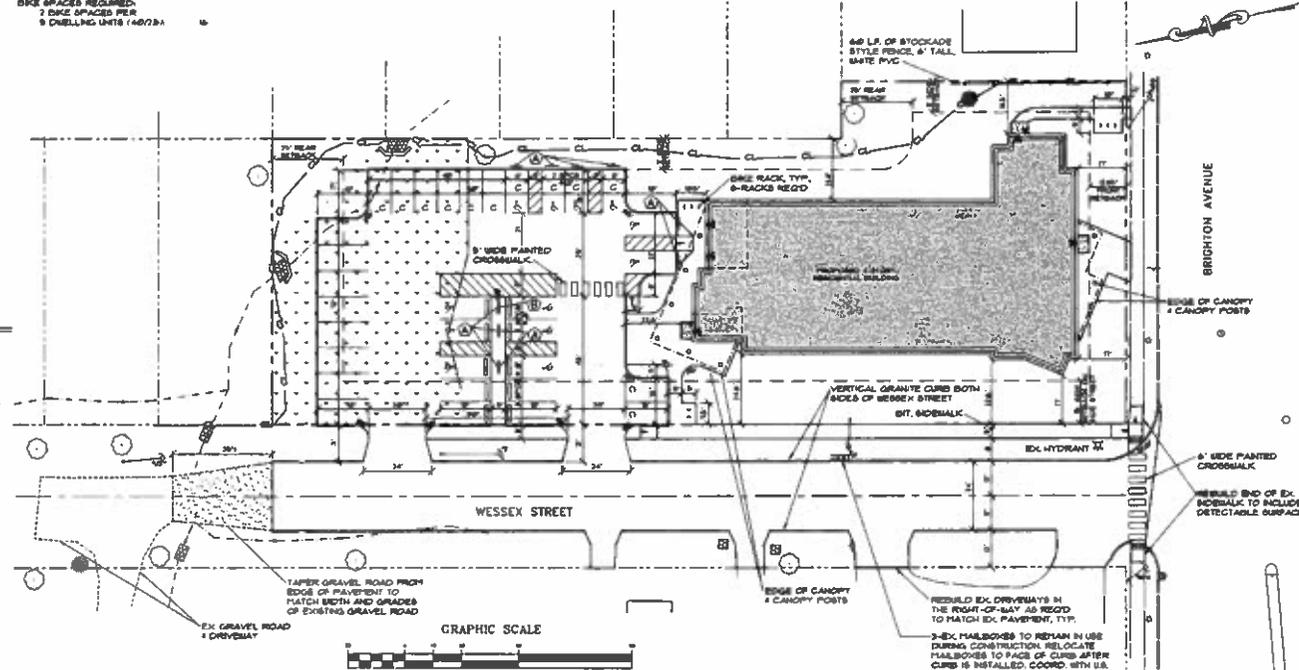
	EXISTING	PROPOSED
BUILDING	328 SQ. FT.	1,250 SQ. FT.
PAVEMENT & GRAVEL	9,248 SQ. FT.	83 SQ. FT.
	9,576 SQ. FT.	1,333 SQ. FT.
NET IMPERVIOUS		= 827.63 FT.

**PROJECT DRAWINGS**

- C2.1 SUBDIVISION RECORDING PLAT, SHEET 1 of 2
- C2.2 SUBDIVISION RECORDING PLAT, SHEET 2 of 2
- C2.3 SITE PLAN
- C2.4 EXISTING CONDITIONS AND DEMOLITION PLAN
- C2.5 GRADING AND UTILITIES PLAN
- C2.6 EROSION CONTROL PLAN, NOTES AND DETAILS
- C2.7 LANDSCAPE PLAN, NOTES AND DETAILS
- C2.8 SITE LIGHTING
- C2.9 SITE DETAILS
- C2.10 SITE DETAILS
- C2.11 DRAINAGE ANALYSIS
- C2.12 BOUNDARY & TOPOGRAPHIC SURVEY

**LEGEND**

EXISTING	PROPOSED
PROPERTY LINE	EDGE OF PAVEMENT
ADJUTING PROPERTY	FLURED CONCRETE CURB
BUILDING SETBACK CURB	VERTICAL GRANITE CURB
EDGE OF PAVEMENT	GRADE BREAKS AT PLAZAS
BUILDING	GRADE BREAKS AT SIDEWALK
EDGE OF GRAVEL	EDGE OF GRAVEL
WATERCOURSE	BUILDING
WETLAND LEFT	BUILDING ENTRY/ACCESS
BUILDING	TRUCK CANOPY
CATCH BASIN	CLEARING LIFT
DRAIN MANHOLE	STOCKADE FENCE
TELEPHONE MANHOLE	STONE HEADWALL
WATER DISTRICT MANHOLE	SMALL MOUNTED LIGHT
TRANSFORMER	UTILITY POLE
SEWER MANHOLE	8"X8" SIGN IDENTIFICATION
UTILITY POLE	RELOCATED MAILBOX
UTILITY POLE BY CURB SIDE	BIKE RACK
8"X8"	CONCRETE SHELLTOPS
TREES	MANHOLE FRAMING
	NO PARKING AREA
	PAINTED CROSSWALK
	DETECTABLE SURFACE
	AT RAMP
	REPRAP
	CONCRETE PAVEMENT
	EXISTING PAVEMENT
	BUILDING MATCH



**CWS ARCHITECTS**  
ARCHITECTURE INTERIOR DESIGN

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CIVIL ENGINEERS  
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**DESIGNER**

**OWNER**  
AVESTA HOUSING

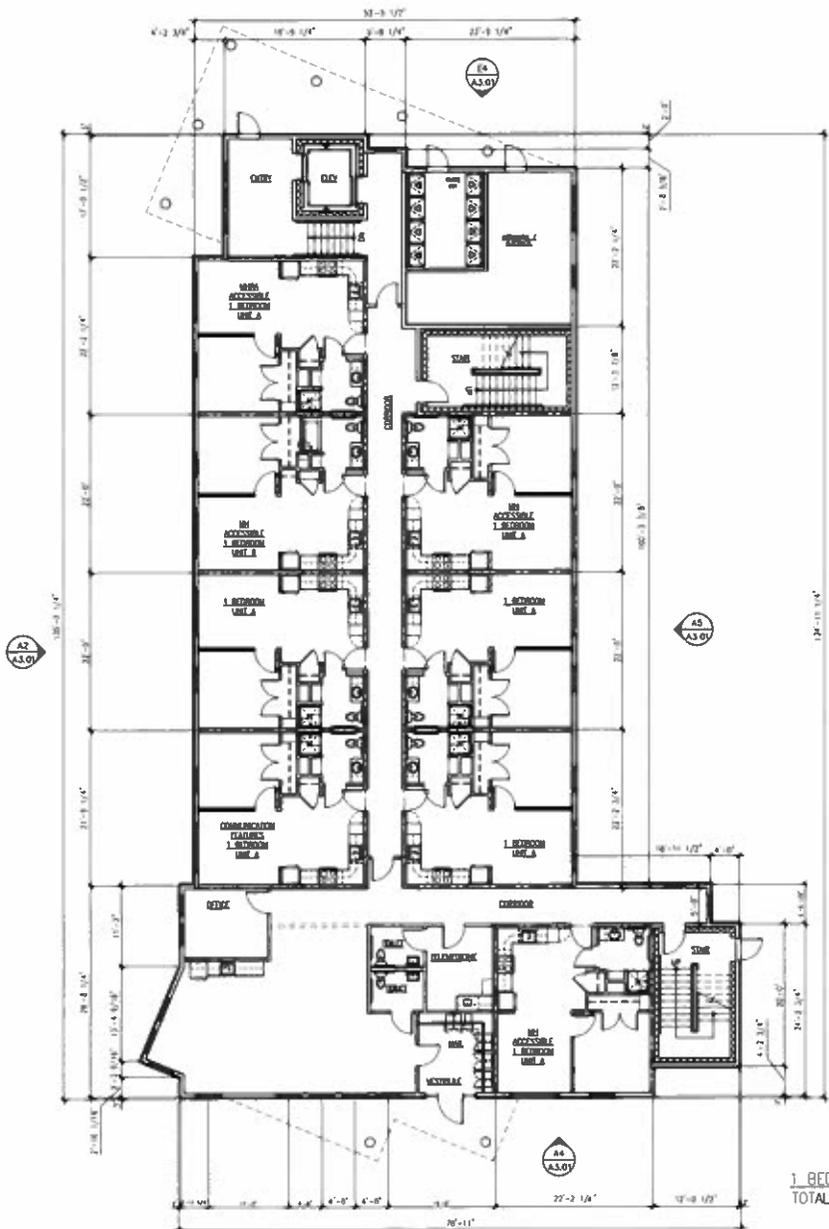
**PROJECT**  
977 BRIGHTON AVE ELDERLY APARTMENTS

**DRAWING**  
SITE PLAN

**REVISIONS**


DRAWING NUMBER: **C2.1**

SCALE: AS SHOWN  
DATE: 12/21/2017



1 BED UNITS = 40  
 TOTAL 1ST FL = 8

FIRST FLOOR PLAN 7684 SQ. FT.

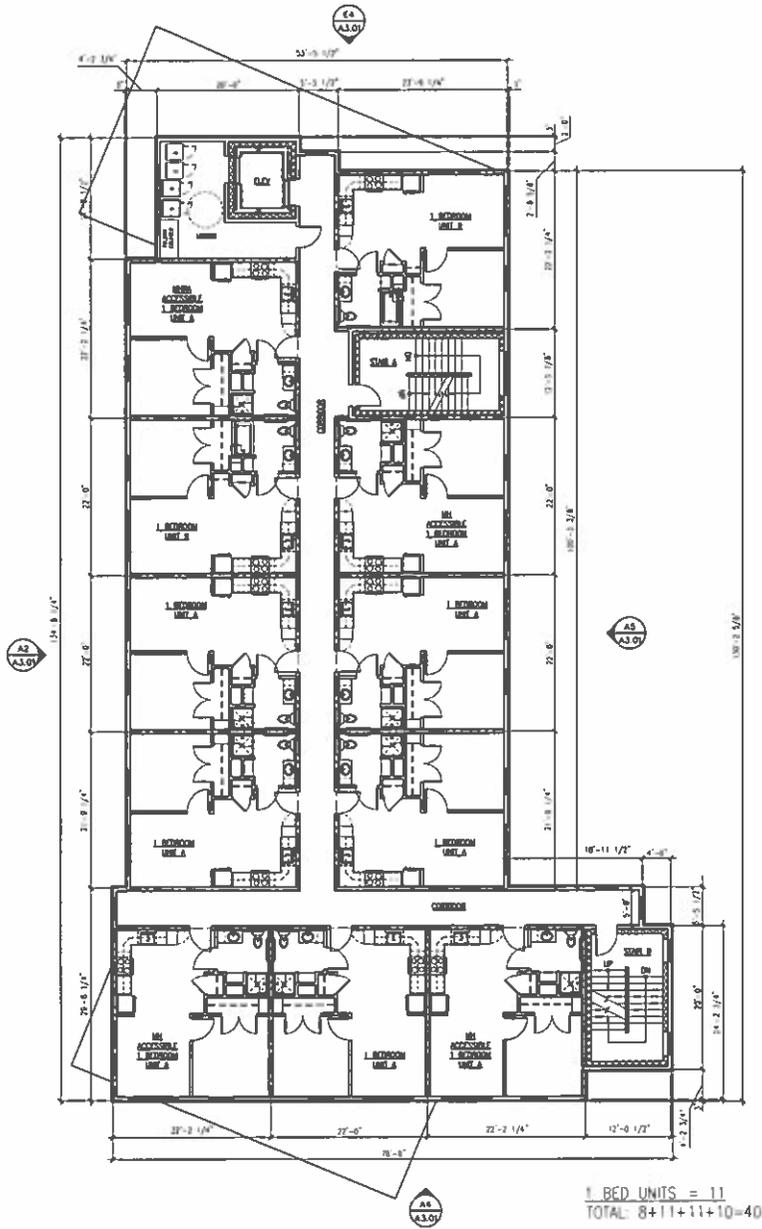


ALL UNITS DESIGNED WITH THE SAME LAYOUT FOR ADAPTABLE OR ACCESSIBLE UNIT. REDUPLICATION OF ACCESSIBLE UNIT QUANTITY AND LOCATION TO BE PROVIDED WITH APPLICATION. ALL UNITS MEET MINIMUM REQUIREMENTS.

<b>CWS ARCHITECTS</b> ARCHITECTS 434 Commercial Avenue, Portland, ME 04107 (207) 722-4441 CWSARCH.COM																					
<b>DESIGNER</b> CWS ARCHITECTS ARCHITECTS OF INTERIOR DESIGN 434 COMMERCIAL AVENUE PORTLAND, ME 04107 WWW.CWSARCH.COM	<b>OWNER</b> AVESTA 977 BRIGHTON LP C/O AVESTA HOUSING 117 BRIMLEY AVENUE PORTLAND, ME 04107																				
<b>PROJECT</b> 977 BRIGHTON AVE SENIOR APARTMENTS	<b>DRAWING NUMBER</b> A1.10																				
<b>DRAWING</b> FIRST FLOOR PLAN	<b>SCALE</b> AS NOTED																				
<b>REVISIONS</b> <table border="1"> <tr><td> </td><td> </td></tr> </table>																					<b>DATE</b> 12/21/2017

**A5** FIRST FLOOR PLAN  
 REFERENCED FROM

SCALE: 1/8" = 1'-0"



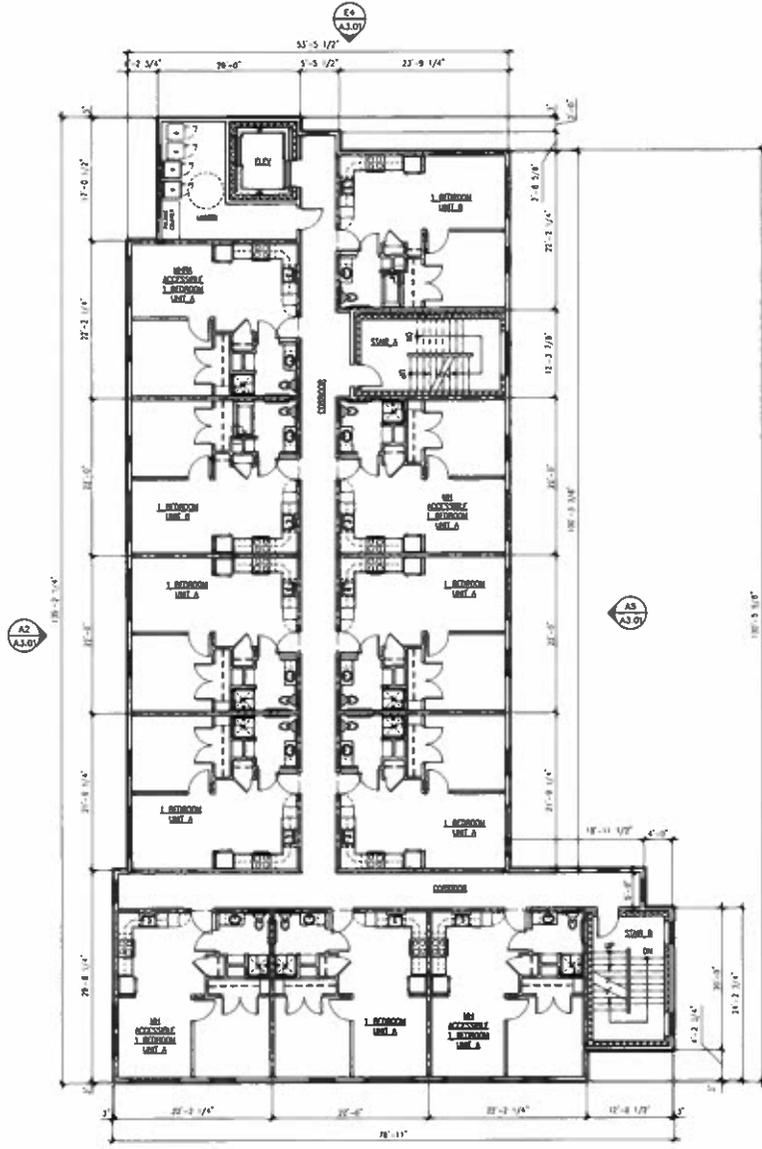
SECOND FLOOR PLAN  
7684 SQ. FT.

1 BED UNITS = 11  
TOTAL: 8+11+11+10=40

ALL UNITS DESIGNED WITH THE SAME AMOUNT FOR ADAPTABLE OR ACCESSIBLE UNIT. DESIGNATION OF ACCESSIBLE UNIT QUANTITY AND LOCATION TO BE PROVIDED WITH APPROVAL. ALL UNITS MEET DIMENSIONAL REQUIREMENTS.

**A5** SECOND FLOOR PLAN  
REFERENCED FROM SCALE: 1/8" = 0'

<b>CWS ARCHITECTS</b> ARCHITECTS AT INTERIOR DESIGN 238 Commercial Avenue, Suite 201, D101 OAKLAND, CA 94612-4441 CWSARCH.COM																					
DESIGNER	<b>CWS ARCHITECTS</b> ARCHITECTS AT INTERIOR DESIGN 238 COMMERCIAL AVENUE, SUITE 201, D101 OAKLAND, CA 94612-4441 WWW.CWSARCH.COM																				
OWNER	<b>AVESTA 977 BRIGHTON LP</b> c/o AVESTA HOUSING 2575 JARVIS AVENUE OAKLAND, CA 94612-4441																				
PROJECT	<b>977 BRIGHTON AVE SENIOR</b> <b>APARTMENTS</b> 977 BRIGHTON AVENUE OAKLAND, CA 94612-4441																				
DRAWING	<b>SECOND FLOOR PLAN</b>																				
REVISIONS	<table border="1"> <tr><td> </td><td> </td></tr> </table>																				
DRAWING NUMBER	<b>A1.20</b>																				
SCALE	AS SHOWN																				
DATE	12/21/2017																				



**A1**  
A3.01

**THIRD FLOOR PLAN**  
7684 SQ. FT.

ALL UNITS DESIGNED WITH THE SAME LAYOUT FOR ADAPTABLE OR ACCESSIBLE UNIT. DESIGNATION OF ACCESSIBLE UNIT QUANTITY AND LOCATION TO BE PROVIDED WITH APPLICATION. ALL UNITS MEET DIMENSIONAL REQUIREMENTS.



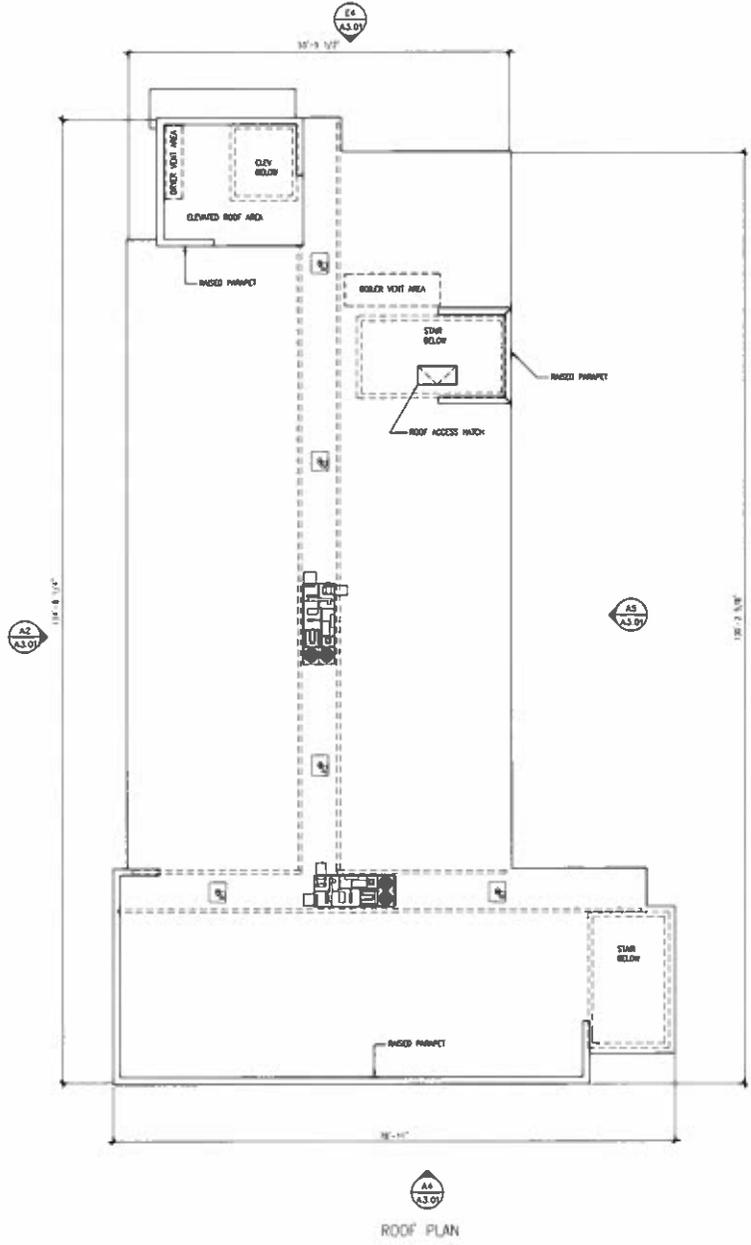
REVISIONS	DRAWING	PROJECT	OWNER	DESIGNER	CWS ARCHITECTS ARCHITECTS OF INTERIOR DESIGN 333 CAMDEN AND AVENUE ROSELAND, NJ 07068 908.777.4444 WWW.CWSARCH.COM
					977 BRIGHTON AVE SENIOR APARTMENTS 137 BRIGHTON AVE ROSELAND, NJ 07068
DRAWING NUMBER		DRAWING NUMBER		DRAWING NUMBER	
A1.30		A1.30		A1.30	
SCALE		SCALE		SCALE	
1/8" = 1'-0"		1/8" = 1'-0"		1/8" = 1'-0"	
DATE		DATE		DATE	
12/21/2014		12/21/2014		12/21/2014	

**A5** THIRD FLOOR PLAN

SCALE: 1/8" = 1'-0"

SCALE: AS NOTED  
DATE: 12/21/2014





**CWS ARCHITECTS**  
 ARCHITECTURE | INTERIOR DESIGN  
 434 Comstock Avenue, Portland, ME 04101  
 PHONE: 207.771.4441 FAX: 207.771.4444

REVISIONS	DRAWING	PROJECT	OWNER	DESIGNER
	ROOF PLAN	977 BRIGHTON AVE SENIOR APARTMENTS	AVESTIA 977 BRIGHTON LP c/o AVESTA HOUSING	CWS ARCHITECTS 434 Comstock Avenue Portland, ME 04101 Phone: 207.771.4441 Fax: 207.771.4444

DRAWING NUMBER  
**A1.50**

SCALE: AS NOTED  
 DATE: 12/21/2017

**A5** ROOF PLAN

SCALE: 1/8" = 1'-0"

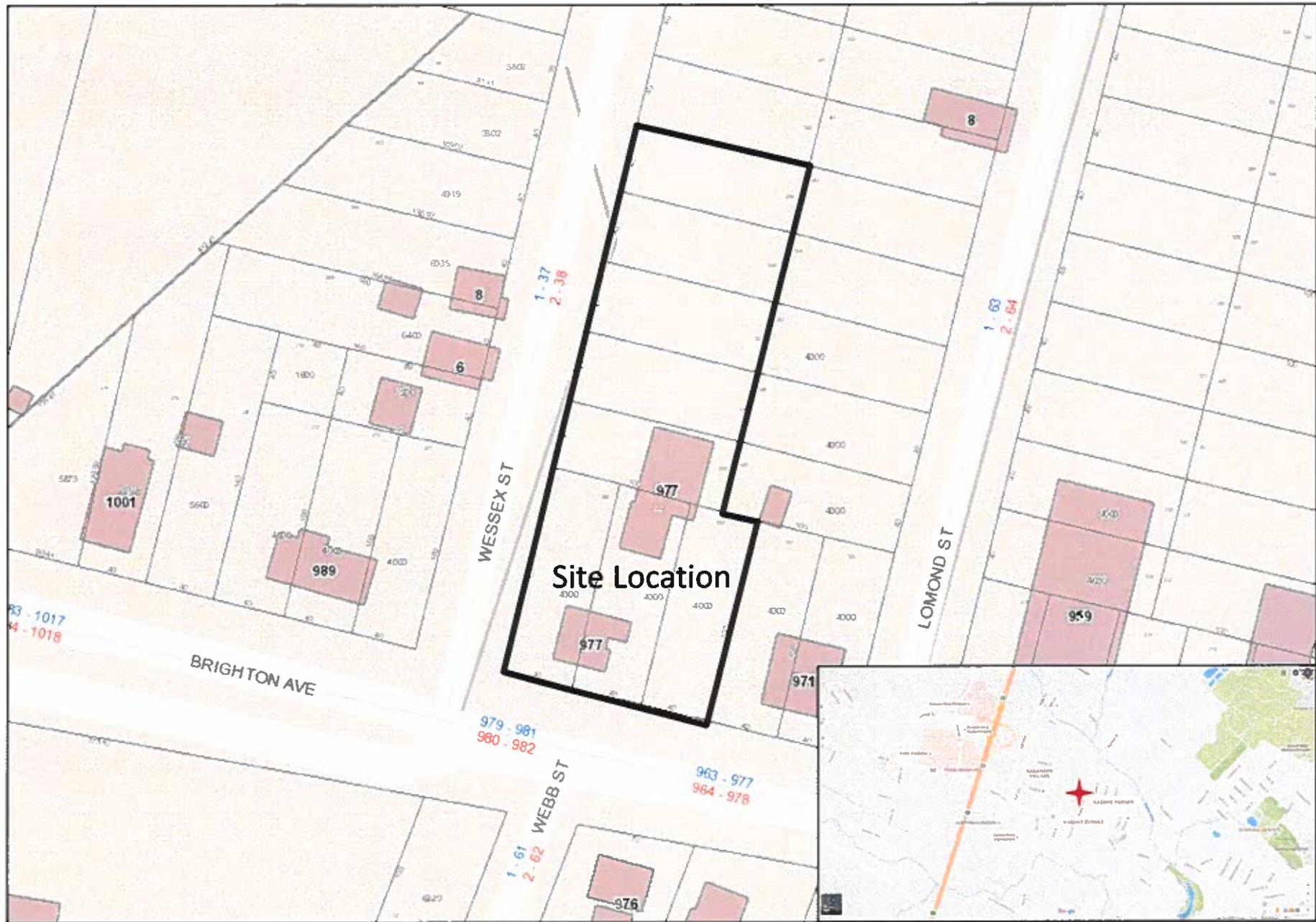
ROOF PLAN

**977 BRIGHTON AVENUE APARTMENTS**

**Project Completion Schedule**

Activity	Actual/Scheduled Date Month/Year
<b>A. SITE</b>	
Option/Contract	07/13/15
Site Acquisition	10/06/15
Municipal Approval	06/01/18
<b>B. FINANCING</b>	
Construction Loan Commitment	09/01/18
Permanent Loan Commitment	09/01/18
Other Sources Committed	12/01/18
<b>C. PLANS AND SPECIFICATIONS</b>	
50%	02/01/19
90%	03/01/19
100%	04/01/19
<b>D. CONSTRUCTION LOAN CLOSING</b>	<b>05/01/19</b>
<b>E. CONSTRUCTION START</b>	05/01/19
<b>F. SUBSTANTIAL COMPLETION</b>	05/01/20
<b>G. COMPLETION OF CONSTRUCTION</b>	<b>06/01/20</b>
<b>H. LEASE-UP</b>	
Lease-up Begins	<b>05/01/20</b>
Sustained (95%) Occupancy	<b>11/01/20</b>

# 977 Brighton Avenue, Portland, Me.



DEVELOPMENT ASSUMPTIONS						
Total Units		40	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 50% AMI (PBVs)	20.0%	8	Rent	2.00%	2.50%	2.00%
# @ 50% AMI (LIHTC/High HOME)	40.0%	16	Operating Expense	3.00%	3.00%	3.00%
# @ 60% AMI (LIHTC/High HOME)	0.0%	0	Other Income	2.00%	2.50%	2.00%
# @ 60% AMI (LIHTC)	25.0%	10	Debt Coverage Ratio	0.00		
# @ Market	15.0%	6	Vacancy	5%		
Appraised Market Value			Market Value/Unit	4,590,846		

LIHTC Alloc.	638,000
Equity yield	0.830
Synd. %	99.99%
Equity Raise	5,294,870

Historic Credit FED	0
Equity yield	0.99
Synd. %	99.99%
Equity Raise	0

Number of Tax-payers	1
Historic Credit STATE	0
Equity yield	0
Synd. %	99.99%
Equity Raise	0

Total Equity:	5,294,870
---------------	-----------

Gross Square Footage	0
Construction Cost/Sq ft.	\$0

#DIV/0!

PRO FORMA DEVELOPMENT BUDGET				
	Residential	Per Unit	Commercial	Total
Site Improvements	572,194	14,305		572,194
Construction	5,227,444	130,686		5,227,444
Solar	0	0		0
General Requirements	0	0		0
Builder Overhead	0	0		0
Builder Profit	0	0		0
Bond Premium	0	0		0
Construction Contingency	5% 289,982	7,250		289,982
<b>Subtotal Construction Costs</b>	<b>6,089,620</b>	<b>152,240</b>	<b>0</b>	<b>6,089,620</b>
Building Permits and Fees	81,936	2,048		81,936
Survey & Engineering	38,000	950		38,000
Architectural & Design	461,000	11,525		461,000
Legal	65,000	1,625		65,000
Title & Recording	5,885	147		5,885
Accounting	10,000	250		10,000
Construction Period Tax	12,000	300		12,000
Construction Period Insurance	12,000	300		12,000
<b>Subtotal Soft Costs</b>	<b>685,821</b>	<b>17,146</b>	<b>0</b>	<b>685,821</b>
Construction Loan Origination Fees	10,000	250		10,000
Construction Loan Interest	157,266	3,932		157,266
Letter of Credit Fee	3,630	91		3,630
Escrow Agent Fee	0	0		0
Perm Loan Commitment Fee	10,000	250		10,000
Construction Lender Legal	12,000	300		12,000
<b>Subtotal Finance Costs</b>	<b>192,896</b>	<b>4,822</b>	<b>0</b>	<b>192,896</b>
Market Survey	3,500	88		3,500
Appraisal	6,200	155		6,200
Environmental	12,700	318		12,700
LIHTC Fees	40,000	1,000		40,000
Soft Cost Contingency	25,000	625		25,000
3rd Party Consultants	18,000	450		18,000
FF&E	61,000	1,525		61,000
<b>Subtotal Miscellaneous</b>	<b>166,400</b>	<b>4,160</b>	<b>0</b>	<b>166,400</b>
Acquisition: Buildings	0	0		0
Acquisition: Land	280,000	7,000		280,000
Carrying Costs	0	0		0
<b>Subtotal Acquisition</b>	<b>280,000</b>	<b>7,000</b>	<b>0</b>	<b>280,000</b>
Operating Deficit Escrow	141,859	3,546		141,859
Pre-funded Replacements	52,274	1,307		52,274
Tax & Insurance Escrow	28,500	713		28,500
Developer Overhead	487,500	12,188		487,500
Developer Profit	0	0		0
Marketing & Rent-Up Reserve	40,000	1,000		40,000
<b>Subtotal Fee and Reserves</b>	<b>750,133</b>	<b>18,753</b>	<b>0</b>	<b>750,133</b>
<b>Total Development</b>	<b>8,164,870</b>	<b>204,122</b>	<b>0</b>	<b>8,164,870</b>

Notes:

MAXIMUM DEVELOPER FEE AVAILABLE	650,000
ACTUAL DEVELOPER FEE	1,208,430
% OF MAXIMUM DEVELOPER FEE	185.9%
NET DEVELOPER FEE COLLECTED	1,208,430
% OF MAXIMUM DEVELOPER FEE	185.9%

7,983,011

199,575

< 175000 = 4PTS

FLOW OF FUNDS									
Sources	CLC May-19	During Construction				PLC Jul-20	Mar-21	Aug-21	Total
		Jul-19	Oct-19	Jan-20	Apr-20				
Beginning Cash	0	0	0	0	0	0	0	0	0
Capital Contribution	1,058,974		1,058,974			2,956,922	170,000	50,000	5,294,870
Construction Loan	406,143	1,272,405	213,431	1,522,405	1,522,405				4,936,788
GP Bridge Loan									0
MSHA Subsidy									0
MSHA Amortizing Mortgage						0			0
AHP Grant	0	250,000	250,000						500,000
AHP Loan						2,070,000			2,070,000
City HOME	0	0				300,000			300,000
Solar Equity	0	0				0			0
Other: Sponsor Loan	0								0
Other									0
Development Fee Loan	0								0
<b>TOTAL SOURCES</b>	<b>1,465,117</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>5,326,922</b>	<b>170,000</b>	<b>50,000</b>	<b>13,101,659</b>
<b>Uses</b>									
Acquisition	280,000								280,000
Construction		1,522,405	1,522,405	1,522,405	1,522,405				6,089,620
Soft Costs	685,821								685,821
Financing Costs	192,896								192,896
Miscellaneous	166,400					40,000			206,400
Dev Fee	140,000					127,500	170,000	50,000	487,500
Reserves						222,633			222,633
<b>TOTAL DEV. COSTS</b>	<b>1,465,117</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>390,133</b>	<b>170,000</b>	<b>50,000</b>	<b>8,164,870</b>
Repay GP Bridge Loan						0			0
Repay Construction Loan						4,936,788			4,936,788
SUBTOTAL OTHER ITEMS	0	0	0	0	0	4,936,788	0	0	4,936,788
<b>TOTAL USES OF FUNDS</b>	<b>1,465,117</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>1,522,405</b>	<b>5,326,922</b>	<b>170,000</b>	<b>50,000</b>	<b>13,101,658</b>
Ending Cash	0	0	0	0	0	0	0	0	0

PROJECT FINANCING								
Source	Amount	Rate	Term	Lien	Annual D/S			
					Yr. 1-5	Yr. 6-15	Yr. 16-30	
Source 1:	MSHA Subsidy	0	0.00%	30		0	0	0
Source 2	MSHA Interest Only Mortgage	0	6.00%	30		0	0	0
Source 3	AHP Grant	500,000	0.00%	30	Co-First	0	0	0
Source 4	AHP Loan	2,070,000	3.50%	30	First	112,934	112,934	112,934
Source 5	City HOME	300,000	0.00%	30	Co-First		Grant	
Source 6	Solar Equity	0						
Source 7	Other: Sponsor Loan							
Source 8	Development Fee Loan	0					Cash Flow	
Source 9	Net Syndication	5,294,870	\$0.83					
	Capitalization Gap (Surplus)	(0)						
	<b>Total</b>	<b>8,164,870</b>						


\$0.0706

PROPOSED RENT SCHEDULE								
Type	AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow	Total Rent
Efficiency	50% PBVs	0		911	911	\$955	0	0
	50% LIHTC	0		718	718	\$955	0	0
	60% HOME						0	0
	60% LIHTC	0		862	862	\$955	0	0
0	Market						0	
1BR	50% PBVs	8		1028	1,028	\$1,050		98,688
	50% LIHTC	16		770	770	\$1,050	0	147,840
	60% HOME					\$1,050		0
	60% LIHTC	10		924	924	\$1,050	0	110,880
40	Market	6			1,050		75,600	
2BR	50% HOME						0	0
	50% LIHTC			923	923	\$1,250	0	0
	60% HOME						0	0
	60% LIHTC			1108	1,108	\$1,250	0	0
0	Market						0	
3BR	50% HOME						0	0
	50% LIHTC						0	0
	60% HOME						0	0
	60% LIHTC						0	0
0	Market						0	
4BR	50% HOME						0	0
	50% LIHTC						0	0
	60% HOME						0	0
	60% LIHTC						0	0
0	Market						0	
Other:							0	
Subtotals		40						433,008
			Other Income		Laundry			3,156
			Vacancy Rate		5%			(21,808)
			Other Income		TIF	65%		30,765
			Effective Gross Income					445,120

#DIV/0!  
current  
taxes  
4,670

OPERATING EXPENSES			
Expense	Annual	Annual Per Unit	Monthly Per Unit
<b>Administrative Expenses:</b>			
Management Fees	24,672	617	51
Management Charges	24,672	617	51
Marketing Expenses	0	0	0
Legal Expenses	1,500	38	3
Auditing Expenses	5,000	125	10
Bad Debts	0	0	0
Other Administrative Expenses	6,000	150	13
<b>Administrative Expenses</b>	<b>61,844</b>	<b>1,546</b>	<b>129</b>
<b>Operating Expenses:</b>			
Janitorial Payroll	0	0	0
Janitorial Supplies and Equipment	0	0	0
Janitorial Contractual Services	6,600	165	14
Fuel and Gas	18,000	450	38
Electricity	34,000	850	71
Water and Sewer	16,000	400	33
Garbage and Trash Removal	4,000	100	8
Vehicle and Equipment Expenses	0	0	0
Other Operating Expenses	0	0	0
<b>Operating Expenses</b>	<b>78,600</b>	<b>1,965</b>	<b>164</b>
<b>Maintenance Expenses:</b>			
Grounds Maintenance Payroll	0	0	0
Grounds Tools and Supplies	0	0	0
Grounds Contractual Services	25,000	625	52
Miscellaneous Ground Maintenance	0	0	0
Tenant Damage Charges - Grounds	0	0	0
Building Maintenance Payroll	0	0	0
Building Tools and Supplies	5,000	125	10
Building Contractual Services	20,000	500	42
Building Systems Maintenance	25,000	625	52
Miscellaneous Building Maintenance	0	0	0
Tenant Damage Charges - Building	0	0	0
<b>Maintenance Expenses</b>	<b>75,000</b>	<b>1,875</b>	<b>156</b>
<b>General Expenses:</b>			
Property Taxes	52,000	1,300	108
Property and Liability Insurance	15,000	375	31
Tenant Computer Network Expense		0	0
Tenant Service Expenses	12,199	305	25
<b>General Expenses</b>	<b>79,199</b>	<b>1,980</b>	<b>165</b>
Replacement Reserve Funding	18,000	450	38
Commercial Expenses (if applicable)		0	0
<b>Total</b>	<b>312,643</b>	<b>7,816</b>	<b>651</b>

AFFORDABLE MORTGAGE CALCULATION	
Effective Gross Income	445,120
Annual Operating Expense	312,643
Stabilized NOI	132,477
DSC	
\$ Avail for D/S	
Other DS	112,934
Balance	1.17
Affordable Mortgage	

BREAKEVEN ANALYSIS	RENT SENSITIVITY		OCCUPANCY	
	Total		Annual	
Operating Expense	312,643		Gross Revenues	466,929
Debt Service	112,934			
Breakeven Rent	887		Breakeven Occupancy	91%

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT												
5 Months												
	7/24/20	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	12/31/29	12/31/30
Effective Gross Income		185,467	445,120	454,023	463,103	472,365	481,813	493,858	506,204	518,859	531,831	545,127
Less Operating Expense		130,268	312,643	322,022	331,683	341,634	351,883	362,439	373,312	384,512	396,047	407,928
Net Operating Income		55,199	132,477	132,000	131,420	130,732	129,930	131,419	132,892	134,348	135,784	137,198
Less RLP Repay			0	0	0	0	0	0	0	0	0	0
Less Other Repay		47,056	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934
Cash Flow		8,143	19,543	19,066	18,486	17,798	16,996	18,485	19,958	21,414	22,850	24,264
Cash Flow per Unit		489	489	477	462	445	425	462	499	535	571	607
Debt Coverage Ratio(RLP)		1.17	1.17	1.17	1.16	1.16	1.15	1.16	1.18	1.19	1.20	1.21
Operating Reserve Balance	141,859	148,952	156,400	164,220	172,431	181,052	190,105	199,610	209,590	220,070	231,073	242,627

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
Yr 15												
	1/1/32	12/31/32	12/31/33	12/31/34	1/1/36	12/31/36	12/31/37	12/31/38	1/1/40	12/31/40	12/31/41	
Effective Gross Income	558,755	572,724	587,042	601,718	616,761	629,096	641,678	654,511	667,602	680,954	694,573	
Less Operating Expense	420,166	432,771	445,754	459,127	472,901	487,088	501,701	516,752	532,254	548,222	564,668	
Net Operating Income	138,589	139,952	141,287	142,591	143,860	142,008	139,977	137,760	135,348	132,732	129,904	
Less RLP Repay	0	0	0	0	0	0	0	0	0	0	0	
Less Other Repay	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	
Cash Flow	25,655	27,019	28,353	29,657	30,926	29,074	27,043	24,826	22,414	19,798	16,971	
Cash Flow per Unit	641	675	709	741	773	727	676	621	560	495	424	
Debt Coverage Ratio(RLP)	1.23	1.24	1.25	1.26	1.27	1.26	1.24	1.22	1.20	1.18	1.15	
Operating Reserve Balance	242,627	254,758	267,496	280,871	294,915	309,660	325,143	341,401	358,471	376,394	395,214	414,975

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued										
	12/31/42	1/1/44	12/31/44	12/31/45	12/31/46	1/1/48	12/31/48	12/31/49	7/30/50	
Effective Gross Income	708,464	722,634	737,086	751,828	766,864	782,202	797,846	813,803	484,213	
Less Operating Expense	581,608	599,057	617,028	635,539	654,605	674,244	694,471	715,305	429,779	
Net Operating Income	126,856	123,577	120,058	116,289	112,259	107,958	103,375	98,498	54,434	
Less RLP Repay	0	0	0	0	0	0	0	0	0	
Less Other Repay	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	112,934	
Cash Flow	13,922	10,643	7,124	3,355	(675)	(4,976)	(9,559)	(14,436)	(58,500)	
Cash Flow per Unit	348	266	178	84	(17)	(124)	(239)	(361)	(2,507)	
Debt Coverage Ratio(RLP)	1.12	1.09	1.06	1.03	0.99	0.96	0.92	0.87	0.48	
Operating Reserve Balance	414,975	435,723	457,510	480,385	504,404	528,950	550,422	568,384	582,367	552,985

City of Portland - TIF Model of 5/16/2018

OAV: \$291,100 as of 4/1/2017

CBL: 275-C-1, 2, 3, 6 to 10

City of Portland- TIF Projection Table - 977 Brighton Avenue									
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues
1	2019	\$2,908,900	75.00%	\$2,181,675	22.08	\$48,178	\$48,178	\$0	\$16,059
2	2020	\$2,908,900	75.00%	\$2,181,675	22.52	\$49,141	\$49,141	\$0	\$16,380
3	2021	\$2,908,900	75.00%	\$2,181,675	22.98	\$50,124	\$50,124	\$0	\$16,708
4	2022	\$2,908,900	75.00%	\$2,181,675	23.43	\$51,127	\$51,127	\$0	\$17,042
5	2023	\$2,908,900	75.00%	\$2,181,675	23.90	\$52,149	\$52,149	\$0	\$17,383
6	2024	\$2,908,900	75.00%	\$2,181,675	24.38	\$53,192	\$53,192	\$0	\$17,731
7	2025	\$2,908,900	75.00%	\$2,181,675	24.87	\$54,256	\$54,256	\$0	\$18,085
8	2026	\$2,908,900	75.00%	\$2,181,675	25.37	\$55,341	\$55,341	\$0	\$18,447
9	2027	\$2,908,900	75.00%	\$2,181,675	25.87	\$56,448	\$56,448	\$0	\$18,816
10	2028	\$2,908,900	75.00%	\$2,181,675	26.39	\$57,577	\$57,577	\$0	\$19,192
11	2029	\$2,908,900	75.00%	\$2,181,675	26.92	\$58,729	\$58,729	\$0	\$19,576
12	2030	\$2,908,900	75.00%	\$2,181,675	27.46	\$59,903	\$59,903	\$0	\$19,968
13	2031	\$2,908,900	75.00%	\$2,181,675	28.01	\$61,101	\$61,101	\$0	\$20,367
14	2032	\$2,908,900	75.00%	\$2,181,675	28.57	\$62,323	\$62,323	\$0	\$20,774
15	2033	\$2,908,900	75.00%	\$2,181,675	29.14	\$63,570	\$63,570	\$0	\$21,190
16	2034	\$2,908,900	75.00%	\$2,181,675	29.72	\$64,841	\$64,841	\$0	\$21,614
17	2035	\$2,908,900	75.00%	\$2,181,675	30.32	\$66,138	\$66,138	\$0	\$22,046
18	2036	\$2,908,900	75.00%	\$2,181,675	30.92	\$67,461	\$67,461	\$0	\$22,487
19	2037	\$2,908,900	75.00%	\$2,181,675	31.54	\$68,810	\$68,810	\$0	\$22,937
20	2038	\$2,908,900	75.00%	\$2,181,675	32.17	\$70,186	\$70,186	\$0	\$23,395
21	2039	\$2,908,900	75.00%	\$2,181,675	32.81	\$71,590	\$71,590	\$0	\$23,863
22	2040	\$2,908,900	75.00%	\$2,181,675	33.47	\$73,022	\$73,022	\$0	\$24,341
23	2041	\$2,908,900	75.00%	\$2,181,675	34.14	\$74,482	\$74,482	\$0	\$24,827
24	2042	\$2,908,900	75.00%	\$2,181,675	34.82	\$75,972	\$75,972	\$0	\$25,324
25	2043	\$2,908,900	75.00%	\$2,181,675	35.52	\$77,491	\$77,491	\$0	\$25,830
26	2044	\$2,908,900	75.00%	\$2,181,675	36.23	\$79,041	\$79,041	\$0	\$26,347
27	2045	\$2,908,900	75.00%	\$2,181,675	36.95	\$80,622	\$80,622	\$0	\$26,874
28	2046	\$2,908,900	75.00%	\$2,181,675	37.69	\$82,234	\$82,234	\$0	\$27,411
29	2047	\$2,908,900	75.00%	\$2,181,675	38.45	\$83,879	\$83,879	\$0	\$27,960
30	2048	\$2,908,900	75.00%	\$2,181,675	39.22	\$85,557	\$85,557	\$0	\$28,519
<b>30 Year TIF Total</b>		<b>\$87,267,000</b>		<b>\$65,450,250</b>		<b>\$1,954,486</b>	<b>\$1,954,486</b>	<b>\$0</b>	<b>\$651,495</b>
<b>30 Year Average</b>						<b>\$65,150</b>	<b>\$65,150</b>	<b>\$0</b>	<b>\$21,717</b>

**Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model  
977 Brighton Avenue**

75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2019	\$2,908,900	\$2,181,675	\$0	\$1,329	\$1,188	\$2,517
2	2020	\$2,908,900	\$2,181,675	\$0	\$1,329	\$1,188	\$2,517
3	2021	\$2,908,900	\$2,181,675	\$0	\$1,329	\$1,188	\$2,517
4	2022	\$2,908,900	\$2,181,675	\$6,036	\$1,329	\$1,188	\$8,553
5	2023	\$2,908,900	\$2,181,675	\$12,072	\$1,329	\$1,188	\$14,589
6	2024	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
7	2025	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
8	2026	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
9	2027	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
10	2028	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
11	2029	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
12	2030	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
13	2031	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
14	2032	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
15	2033	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
16	2034	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
17	2035	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
18	2036	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
19	2037	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
20	2038	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
21	2039	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
22	2040	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
23	2041	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
24	2042	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
25	2043	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
26	2044	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
27	2045	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
28	2046	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
29	2047	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
30	2048	\$2,908,900	\$2,181,675	\$18,108	\$1,329	\$1,188	\$20,625
<b>30 Year TIF Total</b>		<b>\$87,267,000</b>	<b>\$65,450,250</b>	<b>\$470,805</b>	<b>\$39,864</b>	<b>\$35,649</b>	<b>\$546,319</b>
<b>30 Year Average</b>				<b>\$15,694</b>	<b>\$1,329</b>	<b>\$1,188</b>	<b>\$18,211</b>

**MEMORANDUM**

**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Mary Davis, Housing & Community Development Division Director

**DATE:** June 5, 2018

**SUBJECT:** **Affordable Housing Development HOME Funding Requests  
Scoring Matrix**

At the request of the Committee Chair, the staff scoring matrix is presented below:

Selection Criteria/Maximum Value	Front Street	Deering Place	178 Kennebec Street	977 Brighton Avenue
Proposed Use of Funds (Assigned weight: 30)	28.3	26.0	25.3	25.0
Financial Feasibility* (Assigned weight: 25)	22.3	20.7	18.7	17.3
Applicant's Ability to Complete Project (Assigned weight: 25)	21.0	24.7	21.0	19.7
Impact on Surrounding Neighborhood (Assigned weight: 20)	18.7	18.7	19.3	18.7
<b>TOTALS</b>	<b>90.3</b>	<b>90.0</b>	<b>84.3</b>	<b>80.7</b>

\*Pending Final Underwriting



**To:** Mary Davis, City of Portland  
**From:** Anne Boynton, Urban Ventures, Inc.  
**Re:** Front Street Housing Redevelopment LP  
 Developed by Portland Housing Development Corporation (PHDC)  
**Date:** June 3, 2018

## Executive Summary

The Front Street Redevelopment will replace 50 units of deteriorated “temporary housing” built in 1971 which is suffering from structural problems with 111 units of new rental housing and a 10 unit homeownership development (which is not part of this request). Due a range of complications including underlying soil contamination and soil structure issues throughout the 4 acre site, size of units (includes 17 units with 4 or 5 bedrooms), zoning constraints limiting project height to 3 stories, and commitments to the neighborhood on design issues, this is quite an expensive development, with a total development cost of \$30 million (which **excludes** all demolition and much of the site work.) The per unit development cost is \$271,032. PHDC is requesting a HOME loan of \$841,540 and is anticipating a Housing Trust Fund request of \$589,728, for a total capital investment from the City of Portland of \$1,431,268.

In order to make use of the 4% LIHTCs and tax exempt bond financing, PHDC is giving up their current property tax exempt ownership structure and is requesting a 75% TIF with an estimated value of \$146,148 in year 1. The TIF will return an estimated \$48,712 to the City in year 1, raising over time, from this property which would not otherwise be on the tax rolls.

## Sources and Uses

Sources:		Uses:	
1 <sup>st</sup> Mortgage	\$14,045,415	Site Improvements	\$1,326,000
AHP 2 <sup>nd</sup> lien	\$3,400,000	Hard Construction	\$19,651,902
AHP subsidy	\$500,000	Hard Cost Contingency	\$1,048,895
LIHTC Equity	\$8,307,892	Soft & Misc. Costs	\$1,839,918
Deferred Dev Fee	\$2,400,000	Interest & Financing Costs	\$1,019,750
HOME – Portland	\$841,540	Acquisition	0
Housing Trust Fund – Portland	<u>\$589,728</u>	Reserves	\$1,298,111
		Developer Fee	<u>\$3,900,000</u>
Sources of Funds	\$30,084,575	Uses of Funds	\$30,084,576

For analysis of “Uses,” see Development Budget.

## Development Budget

The Total Development Cost for this project is very high, particularly considering there is no acquisition cost and the units will ultimately be modest in scale and amenities (for instance, the 5 bedroom units have only 1.5 baths and a total of 1,400 square feet). Of the six projects receiving HOME commitments in the past 2 years, this project costs 32% more per unit than the next most expensive project (Boyd

Street). Unfortunately, most of this additional cost is an outgrowth of the unique site conditions and neighborhood considerations – either directly in construction costs, architectural & engineering expense, and in construction period interest. Short of abandoning the site or reconfiguring for a narrower, taller structure, there is not a lot of room to reduce costs.

#### **Construction Costs:**

Over \$1.9 million of the site preparation costs will be borne by the PHA prior to transferring the site to the Front Street LP, including hazardous material removal, demolition of existing structures, removal of contaminated soils, and relocation of existing residents. None of these expenses are included in the project budget. Even so, there is still \$1,326,000 in ADDITIONAL site improvements to be borne by the project to address inadequate soil structures and the extensive soil remediation. Construction techniques to secure the foundation on the old landfill will be more expensive than typical.

The existing development is all larger units and the new development will include 44 units of 3 bedrooms or larger. These larger units also push construction costs up – to the largest units are only 1400 sq ft with 1.5 baths, so they are not over investing in amenities. Construction costs are based on an overall conceptual design estimate by Wright-Ryan, so there is not currently much detail to evaluate in terms of value engineering opportunities.

#### **Soft Costs:**

Soft costs are generally in line with other Portland area developments except as related to the extraordinary site conditions which drives up architectural, engineering, and the high total development cost which drives up construction loan interest. Overall high costs also push up soft costs which are calculated on a percentage basis: operating reserve, replacement reserve, and developer fee. Developer fee budgeted at \$3.9 million and is calculated at the maximum allowable by Maine Housing. This works out to 15.64% of total development cost excluding reserves and developers fee. The developer commits to lend 62% of developer fee (\$2.4 million) back to the project for a cash out developer fee of \$1.5 million.

#### **Contingency:**

Hard cost contingency is at 5% which is QUITE thin considering the very preliminary stage of development. The costs are estimated based on an October 2018 start date which is not realistic, so there will be construction inflation which needs to be factored in. Also soil conditions can be very difficult to estimate. We should expect these costs to rise over time.

#### **Acquisition:**

Acquisition price is ZERO.

### **Operating Budget & 20 Year Cashflow Projection**

#### **Project Income:**

The PHA is providing 50 project based vouchers to insure that every returning resident has an affordable unit. There will be 23 market rate 1 and 2 bedroom units, with rents of \$990 & \$1,170 respectively. PHDC states these are discounted 10% vs. true market rate. There will be 38 units affordable at 50% or

60% of AMI with rents ranging from \$880 for a 1 bedroom to \$1,406 for a 3 bedroom. Vacancy is budgeted at 5%.

### *Operating Expense*

Total operating cost per unit is \$7,730, towards the upper end of affordable housing operating costs. However this does not account for the TIF. A property with an equivalent real estate tax subsidy in the form of a PILOT would show operating expenses of \$6,413, exactly in range for affordable housing. Administration is slightly high at \$2,101 per unit. Utilities are currently thin at \$1,234 per unit – given large units and large families, this is inadequate. PHDC has conducted a utility review of comparable units and agrees to increase the utility line item to \$1,527 per unit. Given energy efficient construction and a range of unit sizes, this should be sufficient. Annual contribution to Reserves for Replacement is \$450/unit, which should be sufficient even given the larger units and anticipation of some wear and tear from larger families.

### *20 Year Cashflow & Debt Service Coverage Ratio (DSCR)*

The projected year 1 Debt Service Coverage Ratio (DSCR) is an adequate 1.16. With industry standard inflators of 2% for income and 3% for expense, the projections show the DSCR gradually increasing to 1.43 in year 20.

Since there is a hefty developer fee loan -- \$2.4 mill – which the investors will insist is repaid from cashflow prior to the end of the 15 year tax credit compliance period, there is not a lot of leeway in projected cashflow to retire the City investment in the early years. If the cashflow is divided 75% to the developer fee loan, projections show the developer fee loan fully retired in year 14. Ten percent of cashflow is the minimum which should be retained by the project. If 15% of cashflow goes the City, that would be a repayment of about \$24,000 in the first year, rising to \$50,000 by year 14 when the developer fee loan is fully repaid. The percentage of cashflow paid to the City should be structured to increase at the point the developer fee loan is repaid. If the cashflow share paid to the City rises to 50% when the developer fee is repaid, the full City investment is retired in year 19.

### *Developer Financials*

Portland Housing Authority has submitted audits for FY2014, 2015, 2016 and 2017. Their fiscal year ends 6/30. Their audit as of 6/30/17 showed strong and improving financial health, with current assets of \$13.7 million and current liabilities of \$1.7 million, resulting in a current ratio of 8. The Quick Ratio (cash and cash equivalents divided by current liabilities) is a remarkably healthy 4.9. In 2017, they increased their Net Position by \$1,104,212, as growth in revenues exceeded growth in expenses. This brought their total Net Worth to over \$20 million. Overall, this organization has very strong financial health. This developer has the financial capacity to intervene in a development facing unexpected setbacks and or cost over-runs to keep the development process moving forward. Their financial strength as an organization mitigates the risk of the thin hard and soft cost contingency.

### *Recommendations*

At this time, I recommend a HOME loan in the amount of \$480,174, zero percent interest, payment from cashflow with cashflow waterfall acceptable to City, with the following conditions prior to loan closing:

1. All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.
2. Commitment of all sources on terms and conditions acceptable to City of Portland, including acceptable cashflow waterfall, and cashflow projection which shows retirement of developer fee loan and City of Portland loans;
3. Revised operating budget reflective of higher utility costs and cashflow projection satisfactory to City.

# Development Budget with Permanent Sources

Date 5/15/2018  
 Project Name Front Street  
 Project Address \_\_\_\_\_  
 Developer/Sponsor \_\_\_\_\_

Total Units 111  
 Total Square Feet 60,000 incorrect \$1,431,268

	Total	Per Unit	Per Sq Ft
<b>Sources of Funds</b>			
Permanent Financing - 1st Lien	\$14,045,415	\$126,535	\$234
Permanent Financing - AHP Loan \$3.4 mill Subsidy \$500k	\$3,900,000	\$35,135	\$65
Equity (LIHTC/tenant contributions)	\$8,307,892	\$74,846	\$138
Deferred development fee	\$2,400,000	\$21,622	\$40
HOME -- City of Portland	\$841,540	\$7,581	\$14
Housing Trust Fund -- City of Portland	\$589,728	\$5,313	\$10
<b>Total Sources of Funds</b>	<b>\$30,084,575</b>	<b>\$271,032</b>	<b>\$501</b>

## Uses of Funds

<b>Hard Costs</b>			
Site Improvements	\$1,326,000	\$11,946	\$22
Rehabilitation		\$0	\$0
New Construction	\$18,421,902	\$165,963	\$307
Contractor's Profit, Overhead, & Gen. Requirements	6.0%	\$1,180,000	\$10,631
Hazardous Materials abatement (if contracted separately)		\$0	\$0
Demolition Cost (if contracted separately)		\$0	\$0
Bond Premium	\$50,000	\$450	\$1
Other		\$0	\$0
Hard Cost Contingency (% of hard costs)	5.0%	\$1,048,895	\$9,450
<b>Total Hard Costs</b>		<b>\$22,026,797</b>	<b>\$198,440</b>

<b>Soft Costs</b>			
Building Permit & Fees		\$322,613	\$2,906
Survey & Engineering		\$103,900	\$936
Design & Permitting (% of const exp)	5.0%	\$945,000	\$8,514
Borrower Legal (all closings, excluding syndication legal)		\$73,000	\$658
Title & Recording		\$15,000	\$135
Accounting		\$8,000	\$72
Construction Period Taxes		\$2,000	\$18
Construction Period Insurance		\$25,000	\$225
Other: FF&E, Security		\$0	\$0
Other		\$0	\$0
<b>Total Soft Costs</b>		<b>\$1,494,513</b>	<b>\$13,464</b>

<b>Financing Costs</b>			
Construction Loan Origination Fees		\$8,500	\$77
Construction Period Interest		\$700,000	\$6,306
Lender Inspection Fees		\$28,750	\$259
Letter of Credit Fee		\$0	\$0

Permanent Loan Fee	\$282,500	\$2,545	\$5
Construction Lender Legal		\$0	\$0
Other	\$0	\$0	\$0
<b>Total Financing Costs</b>	<b>\$1,019,750</b>	<b>\$9,187</b>	<b>\$17</b>

<b>Miscellaneous</b>			
Market Survey	\$5,200	\$47	\$0
Appraisal	\$6,000	\$54	\$0
Environmental Study	\$13,500	\$122	\$0
LIHTC Fees -- prepaid monitoring	\$142,625	\$1,285	\$2
Other: Commissioning	\$47,080	\$424	\$1
Relocation Costs		\$0	\$0
Other -- FF&E	\$89,000	\$802	\$1
Soft Cost Contingency (% of soft costs excl Dev Fee)	0.99%	\$42,000	\$378
<b>Total Miscellaneous:</b>	<b>\$345,405</b>	<b>\$3,112</b>	<b>\$6</b>

<b>Acquisition</b>			
Acquisition: Buildings	\$0	\$0	\$0
Acquisition: Land	\$0	\$0	\$0
Acquisition: Legal	\$0	\$0	\$0
Other	\$0	\$0	\$0
<b>Total Acquisition</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>Reserves and Developer Fee</b>			
Operating Deficit Escrow	\$925,000	\$8,333	\$15
Prefunded Replacement Reserve	\$196,519	\$1,770	\$3
Taxes & Insurance Escrow	\$126,592	\$1,140	\$2
Developer Overhead	\$2,000,000	\$18,018	\$33
Developer Profit	\$1,900,000	\$17,117	\$32
Rent Up Reserve & Marketing	\$50,000	\$450	\$1
Other	\$0	\$0	\$0
<b>Total Reserves and Developer Fee</b>	<b>\$5,198,111</b>	<b>\$46,830</b>	<b>\$87</b>

<b>Total Uses of Funds</b>	<b>\$30,084,576</b>	<b>\$271,032</b>	<b>\$501</b>
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Developer Fee Analysis:            Total Fees:    \$3,900,000  
Percent of TDC:                    15.64% (excluding reserves & developer fee)

# Project Operating Pro Forma

Date May 15, 2018  
 Project Name Front Street  
 Project Address \_\_\_\_\_  
 Developer/Sponsor \_\_\_\_\_

## Rental Income

Unit Type	Number of Units	Per Unit Sq Ft	Total Sq Ft	Restriction on % Median Inc.	Per Unit Monthly Gross Rent	Utility Deductions	Rent Subsidy	Per Unit Monthly Net Rent	Per Unit Net Rent Per Sq Ft	Total Monthly Net Income	Total Annual Net Rent
1 BR	7		PBV	50%	\$845			\$845	#DIV/0!	\$5,915	\$70,980
1 BR	11		0	50%	\$845			\$845	#DIV/0!	\$9,295	\$111,540
1 BR	11		0	market	\$990			\$990	#DIV/0!	\$10,890	\$130,680
2 BR	7		PBV	50%	\$1,013			\$1,013	#DIV/0!	\$7,091	\$85,092
2 BR	19		0	50%	\$1,013			\$1,013	#DIV/0!	\$19,247	\$230,964
2 BR	12		0	market	\$1,170			\$1,170	#DIV/0!	\$14,040	\$168,480
3 BR	5		0	50%	\$1,171			\$1,171	#DIV/0!	\$5,855	\$70,260
3 BR	19		PBV	50%	\$1,171			\$1,171	#DIV/0!	\$22,249	\$266,988
3 BR	3		0	60%	\$1,406			\$1,406	#DIV/0!	\$4,218	\$50,616
4 BR	13		PBV	50%	\$1,307			\$1,307	#DIV/0!	\$16,991	\$203,892
Other	4		PBV	50%	\$1,442			\$1,442	#DIV/0!	\$5,768	\$69,216
Other			0	60%				\$0	#DIV/0!	\$0	\$0
<b>Total:</b>	<b>111</b>		<b>0</b>							<b>\$121,559</b>	<b>\$1,458,708</b>

6.59% budgeted vacancy per pro forma

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

\$48,712 Note: Year 1 is the first full year of stabilized operations

	Year 1	Year 1/Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Income</b>											
Sch. Gross Income - Residential	\$1,458,708	\$13,142	\$1,487,882	\$1,517,640	\$1,547,993	\$1,578,952	\$1,610,532	\$1,642,742	\$1,675,597	\$1,709,109	\$1,743,291
<u>Vacancy Loss</u> 5.0%	(\$72,935)	(\$657)	(\$74,394)	(\$75,882)	(\$77,400)	(\$78,948)	(\$80,527)	(\$82,137)	(\$83,780)	(\$85,455)	(\$87,165)
Other income: PBV/HAP Diff.	\$464,628	\$4,186	\$473,921	\$483,399	\$493,067	\$502,928	\$512,987	\$523,247	\$533,712	\$544,386	\$555,273
Other income (laundry)	\$11,100	\$100	\$11,322	\$11,548	\$11,779	\$12,015	\$12,255	\$12,500	\$12,750	\$13,005	\$13,266
TIF -- 75%	\$146,138	\$1,317	\$149,061	\$152,042	\$155,083	\$158,184	\$161,348	\$164,575	\$167,867	\$171,224	\$174,648
<b>Effective Gross Income</b>	<b>\$2,007,639</b>	<b>\$18,087</b>	<b>\$2,047,791</b>	<b>\$2,088,747</b>	<b>\$2,130,522</b>	<b>\$2,173,133</b>	<b>\$2,216,595</b>	<b>\$2,260,927</b>	<b>\$2,306,146</b>	<b>\$2,352,269</b>	<b>\$2,399,314</b>

**Administrative**

Management Fee	\$109,630	\$988	\$112,919	\$116,306	\$119,796	\$123,390	\$127,091	\$130,904	\$134,831	\$138,876	\$143,042
Management Charges	\$109,630	\$988	\$112,919	\$116,306	\$119,796	\$123,390	\$127,091	\$130,904	\$134,831	\$138,876	\$143,042
Marketing Expense	\$500	\$5	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
Legal	\$4,000	\$36	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219
Audit & Accounting	\$7,000	\$63	\$7,210	\$7,426	\$7,649	\$7,879	\$8,115	\$8,358	\$8,609	\$8,867	\$9,133
Tenant Computer network	\$2,500	\$23	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
<b>Total Administrative</b>	<b>\$233,260</b>	<b>\$2,101</b>	<b>\$240,258</b>	<b>\$247,466</b>	<b>\$254,890</b>	<b>\$262,536</b>	<b>\$270,412</b>	<b>\$278,525</b>	<b>\$286,880</b>	<b>\$295,487</b>	<b>\$304,351</b>

**Supportive Services**

	\$32,000	\$288	\$32,960	\$33,949	\$34,967	\$36,016	\$37,097	\$38,210	\$39,356	\$40,537	\$41,753
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**Utilities**

Fuel Oil		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Natural Gas	\$45,000	\$405	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715
Electric	\$50,000	\$450	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239
Water / Sewer	\$42,000	\$378	\$43,260	\$44,558	\$45,895	\$47,271	\$48,690	\$50,150	\$51,655	\$53,204	\$54,800
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Utilities</b>	<b>\$137,000</b>	<b>\$1,234</b>	<b>\$141,110</b>	<b>\$145,343</b>	<b>\$149,704</b>	<b>\$154,195</b>	<b>\$158,821</b>	<b>\$163,585</b>	<b>\$168,493</b>	<b>\$173,548</b>	<b>\$178,754</b>

<b>Maintenance</b>	<b>Year 1</b>	<b>Year 1/Unit</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
Grounds	\$18,000	\$162	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486
Tools and Supplies	\$5,500	\$50	\$5,665	\$5,835	\$6,010	\$6,190	\$6,376	\$6,567	\$6,764	\$6,967	\$7,176
Janitor Contract	\$40,000	\$360	\$41,200	\$42,436	\$43,709	\$45,020	\$46,371	\$47,762	\$49,195	\$50,671	\$52,191
Security		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal	\$35,000	\$315	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	\$43,046	\$44,337	\$45,667
Maintenance	\$42,000	\$378	\$43,260	\$44,558	\$45,895	\$47,271	\$48,690	\$50,150	\$51,655	\$53,204	\$54,800
Elevator, HVAC, pool contracts	\$45,000	\$405	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715
Other --Misc	\$500	\$5	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
<b>Total Maintenance</b>	<b>\$186,000</b>	<b>\$1,676</b>	<b>\$191,580</b>	<b>\$197,327</b>	<b>\$203,247</b>	<b>\$209,345</b>	<b>\$215,625</b>	<b>\$222,094</b>	<b>\$228,757</b>	<b>\$235,619</b>	<b>\$242,688</b>

<b>Taxes &amp; Insurance</b>											
Real Estate Taxes or PILOT	\$194,850	\$1,755	\$200,696	\$206,716	\$212,918	\$219,305	\$225,885	\$232,661	\$239,641	\$246,830	\$254,235
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$25,000	\$225	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Taxes &amp; Insurance</b>	<b>\$219,850</b>	<b>\$1,981</b>	<b>\$226,446</b>	<b>\$233,239</b>	<b>\$240,236</b>	<b>\$247,443</b>	<b>\$254,866</b>	<b>\$262,512</b>	<b>\$270,388</b>	<b>\$278,499</b>	<b>\$286,854</b>

<b>Replacement Reserves</b>	\$49,950	\$450	\$51,449	\$52,992	\$54,582	\$56,219	\$57,906	\$59,643	\$61,432	\$63,275	\$65,173
<b>Operating Reserves</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Total Expenses</b>	<b>\$858,060</b>	<b>\$7,730</b>	<b>\$883,802</b>	<b>\$910,316</b>	<b>\$937,625</b>	<b>\$965,754</b>	<b>\$994,727</b>	<b>\$1,024,569</b>	<b>\$1,055,306</b>	<b>\$1,086,965</b>	<b>\$1,119,574</b>
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<b>Net Operating Income</b>	<b>\$1,149,579</b>	<b>\$10,357</b>	<b>\$1,163,990</b>	<b>\$1,178,431</b>	<b>\$1,192,897</b>	<b>\$1,207,378</b>	<b>\$1,221,869</b>	<b>\$1,236,359</b>	<b>\$1,250,840</b>	<b>\$1,265,304</b>	<b>\$1,279,740</b>
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<b>Debt Service</b>											
First Lien -- Tax Exempt Bond	\$772,498	\$6,959	\$772,498	\$772,498	\$772,498	\$772,498	\$772,498	\$772,498	\$772,498	\$772,498	\$772,498
Second Lien -- AHP Loan	\$219,023	\$1,973	\$219,023	\$219,023	\$219,023	\$219,023	\$219,023	\$219,023	\$219,023	\$219,023	\$219,023
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service (Must Pay)</b>	<b>\$991,521</b>	<b>\$8,933</b>	<b>\$991,521</b>								

Cash Flow (after Must Pay Debt)	\$158,058	\$1,424	\$172,469	\$186,910	\$201,376	\$215,857	\$230,348	\$244,838	\$259,319	\$273,783	\$288,219
<b>Debt Service Coverage Ratio</b>	<b>1.16</b>		<b>1.17</b>	<b>1.19</b>	<b>1.20</b>	<b>1.22</b>	<b>1.23</b>	<b>1.25</b>	<b>1.26</b>	<b>1.28</b>	<b>1.29</b>

<b>Cash Flow Debt Payments</b>	\$1,407,559		\$1,381,689	\$1,353,653	\$1,323,446	\$1,291,068	\$1,256,515	\$1,219,790	\$1,180,892	\$1,139,824	\$1,096,592
City of Portland	15.0%	\$23,709	\$214	\$25,870	\$28,037	\$30,206	\$32,379	\$34,552	\$36,726	\$38,898	\$41,067
Developer Fee Loan	75.0%	\$118,543	\$1,068	\$129,351	\$140,183	\$151,032	\$161,893	\$172,761	\$183,628	\$194,489	\$205,337
<b>Cash Flow Retained by Project</b>	<b>\$15,806</b>	<b>\$142</b>	<b>\$17,247</b>	<b>\$18,691</b>	<b>\$20,138</b>	<b>\$21,586</b>	<b>\$23,035</b>	<b>\$24,484</b>	<b>\$25,932</b>	<b>\$27,378</b>	<b>\$28,822</b>

Retained Cash Flow % 2%

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
<b>Income</b>										
Sch. Gross Income - Residential	\$1,778,157	\$1,813,720	\$1,849,994	\$1,886,994	\$1,924,734	\$1,963,229	\$2,002,493	\$2,042,543	\$2,083,394	\$2,125,062
<u>Vacancy Loss</u> 5.0%	(\$88,908)	(\$90,686)	(\$92,500)	(\$94,350)	(\$96,237)	(\$98,161)	(\$100,125)	(\$102,127)	(\$104,170)	(\$106,253)
Other income (laundry)	\$566,379	\$577,707	\$589,261	\$601,046	\$613,067	\$625,328	\$637,835	\$650,591	\$663,603	\$676,875
Other income (laundry)	\$13,531	\$13,801	\$14,077	\$14,359	\$14,646	\$14,939	\$15,238	\$15,543	\$15,854	\$16,171
TIF -- 75%	\$178,141	\$181,704	\$185,338	\$189,045	\$192,826	\$196,683	\$200,616	\$204,628	\$208,721	\$212,895
<b>Effective Gross Income</b>	<b>\$2,447,300</b>	<b>\$2,496,246</b>	<b>\$2,546,171</b>	<b>\$2,597,095</b>	<b>\$2,649,036</b>	<b>\$2,702,017</b>	<b>\$2,756,058</b>	<b>\$2,811,179</b>	<b>\$2,867,402</b>	<b>\$2,924,750</b>

<b>Administrative</b>										
Advertising	\$147,334	\$151,754	\$156,306	\$160,995	\$165,825	\$170,800	\$175,924	\$181,202	\$186,638	\$192,237
Office Payroll & Benefits	\$147,334	\$151,754	\$156,306	\$160,995	\$165,825	\$170,800	\$175,924	\$181,202	\$186,638	\$192,237
Office Supplies, Phone, Misc.	\$672	\$692	\$713	\$734	\$756	\$779	\$802	\$826	\$851	\$877
Mngr or Super Rent Free Unit	\$5,376	\$5,537	\$5,703	\$5,874	\$6,050	\$6,232	\$6,419	\$6,611	\$6,810	\$7,014
Audit & Accounting	\$9,407	\$9,690	\$9,980	\$10,280	\$10,588	\$10,906	\$11,233	\$11,570	\$11,917	\$12,275
Admin Other	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	\$3,895	\$4,012	\$4,132	\$4,256	\$4,384
<b>Total Administrative</b>	<b>\$313,482</b>	<b>\$322,886</b>	<b>\$332,573</b>	<b>\$342,550</b>	<b>\$352,827</b>	<b>\$363,411</b>	<b>\$374,314</b>	<b>\$385,543</b>	<b>\$397,110</b>	<b>\$409,023</b>

<b>Supportive Services</b>	\$43,005	\$44,295	\$45,624	\$46,993	\$48,403	\$49,855	\$51,351	\$52,891	\$54,478	\$56,112
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<b>Utilities</b>										
Fuel Oil	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$60,476	\$62,291	\$64,159	\$66,084	\$68,067	\$70,109	\$72,212	\$74,378	\$76,609	\$78,908
Gas	\$67,196	\$69,212	\$71,288	\$73,427	\$75,629	\$77,898	\$80,235	\$82,642	\$85,122	\$87,675
Water / Sewer	\$56,444	\$58,138	\$59,882	\$61,678	\$63,529	\$65,435	\$67,398	\$69,420	\$71,502	\$73,647
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Utilities</b>	<b>\$184,117</b>	<b>\$189,640</b>	<b>\$195,329</b>	<b>\$201,189</b>	<b>\$207,225</b>	<b>\$213,442</b>	<b>\$219,845</b>	<b>\$226,440</b>	<b>\$233,233</b>	<b>\$240,230</b>





**To:** Mary Davis, City of Portland  
**From:** Anne Boynton, Urban Ventures, Inc.  
**Re:** Avesta – Deering Place  
**Date:** 5/22/18

## Executive Summary

In the 2017 HOME funding round, the City of Portland made a \$300,000 commitment of HOME funds to Avesta for the Deering Place development, contingent upon receipt of additional sources including 9% LIHTCs. Avesta received the LIHTC award and has moved the project forward on many fronts, including historic and TIF approvals. However, there is a gap which must be filled in order to proceed. Avesta requests an additional \$200,000, for a total of \$500,000 in HOME funding.

The Deering Place development will completely reconfigure the four lots currently combined as the 61 Deering Street/510 Cumberland Avenue property:

- A new building will be built at 61 Deering Street;
- An addition will be constructed on 510 Cumberland Avenue, adding new apartment units and covered parking;
- The existing 510 Cumberland Avenue commercial space will be reconfigured into apartments and covered parking;
- The existing 13 apartment units at 510 Cumberland Avenue will be renovated;
- The historic structure at 73 Deering will be removed from the existing property description and use restrictions and sold;
- The existing playground will be removed.

In total, the new configuration will include 75 apartment units, ranging in size from efficiency to 3 bedrooms. It will include a community room, a telemedical room, laundry facilities in each building, and parking.

The project will serve a mixed income population, with 30 market rate units and 45 affordable units. Thirteen units will continue to serve households at 40% of AMI, per the existing affordability restriction with Maine Housing. The remaining 32 affordable units will serve households at 50% AMI.

Avesta acquired the 61 Deering Street/510 Cumberland Avenue property from Opportunity Alliance on October 25, 2016, along with a parking lot and a historic building located at 73 Deering Street, with a total of 16 residential apartments and underutilized commercial space. A Capital Needs Assessment concludes that the properties are in reasonable condition considering their age (built in 1900 and 1920) but that both buildings have major systems which are nearing the end of their useful lives, and there are deferred maintenance items which need immediate attention. The four lots *jointly* secure a \$1,550,000 mortgage held by Gorham Savings Bank. This is an interest only balloon loan, with a 2 year term and interest only payments at 3.5%. These properties also secure a \$500,000 short term note from the seller (Opportunity Alliance), for a total debt of \$2,050,000 on the properties.

In addition, there is a use agreement with Maine Housing also dated October 25, 2016, restricting the use of the residential units to affordable housing until at least 2038. Maine Housing has agreed to



transfer the existing affordability restriction on the 3 residential units at 73 Deering (the portion of the property slated for sale) to 3 newly constructed units. This will allow 73 Deering to be sold without affordability restrictions, substantially increasing its market value.

## Sources and Uses

Sources:		Uses:	
HUD 221(d)(4)	\$6,030,457	Hard Construction Costs	\$10,760,169
AHP Subsidy	\$500,000	Soft & Financing Costs	\$ 1,398,118
City of Portland HOME	\$500,000	Acquisition	\$732,500
Existing Project Reserves	\$60,000	Relocation	\$150,000
Net Syndication Proceeds	<u>\$7,223,800</u>	Reserves	\$710,970
		Developer Fee	<u>\$562,500</u>
Total Sources of Funds:	\$14,314,257	Total Uses of Funds	\$14,314,257

Letters of commitment or intent are in place for each listed source, except the increase in HOME funding and the developer contribution of existing project reserves. Syndication proceeds are based on a \$.89 raise rate, which is typical in the current market.

For analysis of “Uses,” see Development Budget.

## Development Budget

Since the October 2017 HOME approval, the sources and uses has changed significantly. In response to a gap of over \$1 million, Avesta has solved MOST of the gap by reducing their own return – lowering the property sales price by more than half, including existing project reserves as a source, and lowering developer fee by over \$1 million. Avesta is requesting an additional \$200,00 in HOME funds to fill in the final \$200,000 gap. This gap is caused by some upward pressure in a range of softs costs, including most notably a \$135,000 increase in relocation expense, described in more detail below.

### Construction Costs:

Hard costs have not shifted significantly since the prior approval, though the cost per unit has risen as the total number of units has declined by 5 per historic and planning board approvals. Total hard cost per unit is now \$143,469, reflecting the blended cost of new construction and renovation. Due to the significant cuts to acquisition price and developer fee, construction costs now represent 75% of the total development cost, making this quite a lean deal.

### Soft Costs:

Some soft costs increases have occurred since October 2017, with the most significant increase in relocation from \$15,000 to \$150,000. The earlier relocation budget was based on the model that the existing 13 residents would remain in their units during most of the construction period, relocating only briefly and within the property. The current budget relocates all residents for the duration of construction. This is a much more appropriate strategy. Trying to accomplish the already intricate mix of demolition, renovation and new construction in a tight urban setting with residents in place was a recipe for continuous conflict.

### *Contingency:*

Hard cost contingency has dropped slightly to 6.23%. This is low for this stage in budget estimating, based on 5% for new construction and somewhat higher for renovation. This concern is partially mitigated by the fact that much of the renovation budget is essentially new construction of residential units within an existing shell, which reduces the unknowns which can unexpectedly drive up renovation costs. Soft cost contingency is now a very thin 1.6%.

### *Acquisition:*

Acquisition price is one of the places the budget has been significantly cut. The limited partnership will acquire the properties from Avesta for an acquisition price of \$732,500, down from a proposed price of \$1,500,000 in October 2017. This price is for the 3 parcels which will be retained in the development, excluding the historic structure.

An appraisal as of August 30, 2016 supported an “as is, as restricted” valuation of \$2,080,000 of the existing FOUR parcels, including the historic structure. The appraisal considered only the income approach to valuation and did not break out the value of the separate parcels. This makes it difficult to evaluate the reasonableness of the proposed acquisition price. Though the drop in acquisition price makes it less likely to be problematic, it is still the case that a current appraisal for the parcels acquired, plus an “as built” valuation, should be required prior to closing to establish the limited partnership is not over paying for the 3 parcels retained as the project site.

## Operating Budget & 20 Year Cashflow Projection

### *Project Income:*

This mixed income project will serve households at range of incomes from 40% AMI to market rate. The very high demand for affordable units insures that the units affordable to households at 40% and 50% AMI will be rented – Avesta has a waiting list of over 100 households for the 13 existing 3 bedroom units.

The market rate units require some additional care because there is more market rate construction under way which may ultimately depress rents at the top of market range. In addition, market rate units in affordable project sometimes require a discount to market rate due to potential negative perception among market rate renters about living in a complex which is majority affordable units. This does not seem to be the case for Avesta’s Portland portfolio. Avesta’s Portland portfolio is operating with a 1.4% vacancy rate overall, and no noticeable difference in vacancy rate or marketing times for their market rate units according to their property management staff. The current operating budget uses the market rents concluded by their market study without a discount for efficiency and 1 bedroom units, and discounts the 2 bedroom units by \$20 from \$1,635 to \$1,615.

The market study dated January 31, 2018, though documenting the capture rate for the affordable units (1.33% in 2019) does not address capture rate for market units. If another update to the market study is commissioned, it should include the capture rate for the market rate units and an estimated lease up schedule for the market units. However, given the very tight market for housing in central Portland at all income levels and the limited number of units under construction or proposed, I do not believe this oversight is a material concern.

Other budgeted income is \$8,250/year laundry income and a 75%, 30 year TIF with an estimated year 1 value of \$111,086.

### *Operating Expense*

Operating expenses per unit per year appear to be at the moderately high end of industry standard at \$7,356, in large part because this includes the full property tax liability as an expense. A property with a PILOT which provided the comparable level of property tax relief to the TIF would show operating expenses of \$5,875, which is in the low range for affordable housing nationally. In addition, supportive services are included at \$15,787, which is \$210/unit/year. Once the TIF and supportive service funding are factored out, the operating costs are definitely in the low range for industry standard. Maintenance expense (\$1,753/unit) and replacement reserves (\$450/unit) have been trimmed from the high end of normal to more typical values, and should be adequate for a project which is primarily new construction. This operating budget is no longer fat, but should be adequate for a new property with an experienced property management team.

### *20 Year Cashflow & Debt Service Coverage Ratio (DSCR)*

Avesta's pro forma reflects a year 1 debt service coverage at 1.15 with a 5% vacancy, just meeting the requirement of the first mortgage lender, while the cashflow attached shows a 1.14 year 1 debt service coverage ratio. This difference is because Avesta is projecting increase in rents between now and the first full year of operations – not an unreasonable strategy, but a sign of thin margin. With industry standard inflators of 2% for income and 3% for expense, the DSCR increases to 1.20 in year 13 before dipping slightly to 1.19 in years 18- 20. Given the nature of the Portland housing market, with very limited supply of affordable units relative to demand, a 5% vacancy is reasonable, perhaps even a bit conservative. A more likely scenario is the market units operating at a 5% vacancy and the affordable units operating at 3% (or lower) vacancy. Running an average of 4% vacancy results in a dscr of 1.17 in year 1, then gradually increasing to 1.23 in 13 and holding steady at 1.23 through year 20. In either scenario, there is sufficient margin to address unforeseen circumstances.

With a 5% average vacancy, the 20 year cashflow projection estimates the HOME loan could be fully repaid to City of Portland from 50% of cashflow in year 15. (In the October 2017 financing plan, there was a \$1 million developer fee loan which also had to be retired out of cashflow. A lower percentage of cashflow had to be allocated to the HOME repayment in order to fully repay the developer loan, per syndicator requirements. However, in the current financing plan, there is no developer fee loan, so a larger share of cashflow is both feasible and appropriate, considering the increased size of the loan request.)

### *Developer Financials*

Avesta is in good, and improving, financial condition. Avesta has provided audits for 2014, 2015, 2016, and internal financial statements for 2017. Prior year audits have been received by Avesta in late May or early June, so while not ideal to review unaudited financials for 2017, it is not out of line with the timing of audit finalization in prior years.

Current assets in 2016 of \$9.6 million (audited) rise to \$11.8 million in 2017 (unaudited), while current liabilities in 2016 of \$4.9 million (audited) rise to \$6.1 million 2017 (unaudited). The resulting Current Ratios (current assets divided by current liabilities) are healthy for their scale of operations -- 1.97 (2016 audited) and 1.93 (2017 unaudited). Net assets were \$123 million in 2016 (audited) and \$132 million in 2017 (unaudited). There has been significant sustained growth in net assets – which have more than doubled in the 5 years since 2012, when net assets were \$66 million. In 2017, revenue continued to grow and exceed budget while operating expenses were held under budget. Depreciation resulted in a paper loss of \$2,973,841, which is typical for a company with this financial structure, but this paper loss was more than outweighed by the growth in real estate equity.

This developer has the financial capacity to intervene in a development facing unexpected set backs and or cost over-runs to keep the development process moving forward. Their financial strength as an organization mitigates the risk of the thin soft cost contingency and the possibility of leaner than projected operating surpluses.

## Recommendations

I recommend a loan in the amount of \$500,000, zero percent interest, with annual payment of 50% of cashflow, with any remaining balance due in 30 years, with the following conditions prior to loan closing:

1. All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14.5% of net construction costs.
2. Satisfactory review of a final development budget and operating pro forma which is consistent with the commitments of all source, including a cashflow waterfall acceptable to the City;
3. Any net proceeds of the sale of 73 Deering Place (after debt is retired, payment of settlement expenses, adjustment for any operating losses during the pre-development holding period, and any legal expense related to separation of the parcels) to be used to reduce the HOME loan amount.
4. Satisfactory review of a current appraisal (“current” as of date of loan closing) which breaks out the “as is” and “as built” values for each of the four existing parcels, to insure the limited partnership is not overpaying for the site.
5. Final rent schedules to be compared to maximum allowable rents and applicable utility allowance charts to determine final maximum rent rates.

# Development Permanent

Date October 20, 2017 vs. May 16, 2018  
 Project Name Deering Place  
 Project Address 510 Cumberland & 61 Deering Place  
 Developer/Sponsor Avesta

2017 2018  
 Total Units 80 75 Units

May 2018

	<u>Total</u>	<u>Change</u>	<u>Per Unit</u>
<b>Sources of Funds</b>			
HUD 221(d)(4) - 1st Lien	\$ 6,030,457	\$310,517	\$80,406
City of Portland HOME	\$ 500,000	\$200,000	\$6,667
MSHA Subsidy	\$ -	(\$1,000,000)	\$0
AHP Subsidy + TD Grant	\$ 500,000	(\$325,000)	\$6,667
Deferred development fee	\$ -	(\$1,039,123)	\$0
Existing Project Reserves	\$ 60,000	\$60,000	\$800
Net Syndication Proceeds	\$ 7,223,800	\$47,018	\$96,317
<b>Total Sources of Funds</b>	<b>\$14,314,257</b>	<b>(\$1,746,588)</b>	<b>\$190,857</b>
Surplus/(GAP)		(\$1) Surplus/(GAP)	

## Uses of Funds

<b>Hard Costs</b>			
Site Improvements	\$562,500	\$0	\$7,500
Rehabilitation	\$ -		\$0
New Construction	\$ 8,240,955	\$61,636	\$109,879
Contractor's Profit, C	14.5%	\$ 1,269,811	\$5,768
Hazardous Materials abatement	\$ -		\$0
Demolition Cost (if contracted separate)	\$ -		\$0
Bond Premium	\$ 93,964	\$1,106	\$1,253
Other	\$ -		\$0
Hard Cost Continger	6.5%	\$ 592,939	(\$67,481)
<b>Total Hard Costs</b>	<b>\$10,760,169</b>	<b>\$1,029</b>	<b>\$143,469</b>

<b>Soft Costs</b>			
Building Permit & Fees	\$ 128,570	\$18,527	\$1,714
Survey & Engineering	\$ 51,000	\$0	\$680
Design & Permitting	3.9%	\$ 404,876	\$61,976
Borrower Legal (all closings, excluding	\$ 48,000	\$0	\$640
Title & Recording	\$ 13,312	(\$1,688)	\$177
Accounting	\$ 10,000	\$0	\$133
Construction Period Taxes	\$ 12,513	(\$487)	\$167
Construction Period Insurance	\$ 30,000	\$0	\$400
Other: FF&E, Security	\$ 37,000	\$4,000	\$493
Other	\$ -		\$0
<b>Total Soft Costs</b>	<b>\$735,271</b>	<b>\$82,328</b>	<b>\$9,804</b>

<b>Financing Costs</b>			
Construction Loan Origination Fees	\$ 8,660	\$808	\$115
Construction Period Interest	\$ 258,057	\$33,568	\$3,441
Lender Inspection Fees	\$ -		\$0
Letter of Credit Fee	\$ -		\$0
Permanent Loan Fees & FHA fees	\$ 202,020	\$17,342	\$2,694
Construction Lender Legal	\$ -		\$0
Other	\$ 36,200	(\$4,950)	\$483
<b>Total Financing Costs</b>	<b>\$504,937</b>	\$46,768	<b>15.4%</b>

<b>Miscellaneous</b>			
Market Survey	\$ 8,000	\$2,500	\$107
Appraisal	\$ 7,500	\$1,500	\$100
Environmental Study	\$ 5,000	\$1,500	\$67
LIHTC Fees -- prepaid monitoring	\$ 100,410	\$10,535	\$1,339
Other: Commissioning	\$ 12,000	(\$50,000)	\$160
Relocation Costs	\$ 150,000	\$135,000	\$2,000
Other	\$ -	\$0	\$0
Soft Cost Contingent	1.64% \$ 25,000	(\$23,989)	\$333
<b>Total Miscellaneous:</b>	<b>\$307,910</b>	\$77,046	\$4,105

<b>Acquisition</b>			
Acquisition: Buildings	\$ 382,500	(\$217,500)	\$5,100
Acquisition: Land	\$ 350,000	(\$550,000)	\$4,667
Acquisition: Legal	\$ -	\$0	\$0
Other	\$ -	\$0	\$0
<b>Total Acquisition</b>	<b>\$732,500</b>	(\$767,500)	\$9,767

<b>Reserves and Developer Fee</b>			
Operating Deficit Escrow	\$ 301,523	(\$175,721)	\$4,020
Prefunded Replacement Reserve	\$ 93,872	(\$1,490)	\$1,252
Taxes & Insurance Escrow	\$ 100,241	(\$5,759)	\$1,337
Developer Overhead	\$ 562,500	(\$187,500)	\$7,500
Developer Profit	\$ -	(\$964,123)	\$0
Rent Up Reserve & Marketing	\$ 50,000	(\$17,000)	\$667
Other: Const Interest Reserve	\$ 165,335	\$165,335	\$2,204
<b>Total Reserves and Developer Fee</b>	<b>\$1,273,471</b>	(\$1,186,258)	\$16,980

<b>Total Uses of Funds</b>	<b>\$14,314,258</b>	(\$1,746,587)	\$190,857
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Developer Fee Analysis:

4.31% (excluding reserves & developer fee)

# Project Operating Pro Forma

Date	May 22, 2018
Project Name	Deering Place
Project Address	510 Cumberland & 61 Deering Place
Developer/Sponsor	Avesta

## Rental Income

Unit Type	Number of Units	Per Unit Sq Ft	Total Sq Ft	Restriction on % Median Inc.	Per Unit Monthly Gross Rent	Utility Deductions	Rent Subsidy	Per Unit Monthly Net Rent	Per Unit Net Rent Per Sq Ft	Total Monthly Net Income	Total Annual Net Rent
0 BR	9		0	50%	\$718	\$45		\$673		\$6,057	\$72,684
0 BR	6		0	market	\$1,165	\$0		\$1,165		\$6,990	\$83,880
1 BR	14		0	50%	\$770	\$52		\$718		\$10,052	\$120,624
1 BR	24		0	market	\$1,350	\$0		\$1,350		\$32,400	\$388,800
2 BR	4		0	50%	\$923	\$64		\$859		\$3,436	\$41,232
2 BR	5		0	40%	\$738	\$64		\$674		\$3,370	\$40,440
2 BR	0		0	market	\$1,615	\$0		\$1,615		\$0	\$0
3 BR	8		0	40%	\$788	\$78		\$710		\$5,680	\$68,160
3 BR	5		0	50%	\$973	\$78		\$895		\$4,475	\$53,700
4 BR			0	50%				\$0		\$0	\$0
4 BR			0	60%				\$0		\$0	\$0
Other			0	50%				\$0		\$0	\$0
Other			0	60%				\$0		\$0	\$0
<b>Total:</b>	<b>75</b>		<b>0</b>							<b>\$72,460</b>	<b>\$869,520</b>

-\$87,000 change from 10/17

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

Note: Year 1 is the first full year of stabilized operations

<b>Change</b> <b>from '17</b>	<b>Year 1</b>	<b>Year 1/Unit</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Income</b>											
Sch. Gross Income - Residential	\$869,520	\$11,594	\$886,910	\$904,649	\$922,742	\$941,196	\$960,020	\$979,221	\$998,805	\$1,018,781	\$1,039,157
<u>Vacancy Loss</u> 5.0%	(\$43,476)	(\$580)	(\$44,346)	(\$45,232)	(\$46,137)	(\$47,060)	(\$48,001)	(\$48,961)	(\$49,940)	(\$50,939)	(\$51,958)
Other income (laundry)	\$8,250	\$110	\$8,415	\$8,583	\$8,755	\$8,930	\$9,109	\$9,291	\$9,477	\$9,666	\$9,860
TIF	\$111,086	\$1,481	\$113,308	\$115,574	\$117,885	\$120,243	\$122,648	\$125,101	\$127,603	\$130,155	\$132,758
<b>Effective Gross Income</b> (\$92,542)	<b>\$945,380</b>	<b>\$12,605</b>	<b>\$964,288</b>	<b>\$983,573</b>	<b>#####</b>	<b>\$1,023,310</b>	<b>\$1,043,776</b>	<b>\$1,064,651</b>	<b>\$1,085,944</b>	<b>\$1,107,663</b>	<b>\$1,129,817</b>

<b>Administrative</b>											
Management Fee	\$42,954	\$573	\$44,243	\$45,570	\$46,937	\$48,345	\$49,795	\$51,289	\$52,828	\$54,413	\$56,045
Management Charges	\$42,954	\$573	\$44,243	\$45,570	\$46,937	\$48,345	\$49,795	\$51,289	\$52,828	\$54,413	\$56,045
Marketing Expense	\$150	\$2	\$155	\$159	\$164	\$169	\$174	\$179	\$184	\$190	\$196
Legal	\$1,000	\$13	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305
Audit & Accounting	\$5,500	\$73	\$5,665	\$5,835	\$6,010	\$6,190	\$6,376	\$6,567	\$6,764	\$6,967	\$7,176
Admin Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Administrative</b> (\$35,840)	<b>\$92,558</b>	<b>\$1,234</b>	<b>\$95,335</b>	<b>\$98,195</b>	<b>\$101,141</b>	<b>\$104,175</b>	<b>\$107,300</b>	<b>\$110,519</b>	<b>\$113,835</b>	<b>\$117,250</b>	<b>\$120,767</b>

<b>Supportive Services</b>	<b>0</b>										
	\$15,787	\$210	\$16,261	\$16,748	\$17,251	\$17,768	\$18,301	\$18,851	\$19,416	\$19,998	\$20,598

<b>Utilities</b>											
Fuel Oil		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Natural Gas	\$45,000	\$600	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715
Electric	\$27,000	\$360	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239	\$33,207	\$34,203	\$35,229
Water / Sewer	\$31,875	\$425	\$32,831	\$33,816	\$34,831	\$35,876	\$36,952	\$38,060	\$39,202	\$40,378	\$41,590
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Utilities</b> (\$6,925)	<b>\$103,875</b>	<b>\$1,385</b>	<b>\$106,991</b>	<b>\$110,201</b>	<b>\$113,507</b>	<b>\$116,912</b>	<b>\$120,420</b>	<b>\$124,032</b>	<b>\$127,753</b>	<b>\$131,586</b>	<b>\$135,533</b>

<b>Maintenance</b>	<b>Year 1</b>	<b>Year 1/Unit</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
Grounds	\$25,000	\$333	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619
Maintenance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Systems Maintenance	\$56,500	\$753	\$58,195	\$59,941	\$61,739	\$63,591	\$65,499	\$67,464	\$69,488	\$71,573	\$73,720
Building Maintenance Contract	\$50,000	\$667	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Maintenance</b> (\$31,000)	<b>\$131,500</b>	<b>\$1,753</b>	<b>\$135,445</b>	<b>\$139,508</b>	<b>\$143,694</b>	<b>\$148,004</b>	<b>\$152,445</b>	<b>\$157,018</b>	<b>\$161,728</b>	<b>\$166,580</b>	<b>\$171,578</b>

<b>Taxes &amp; Insurance</b>												
Real Estate Taxes or PILOT	\$147,981	\$1,973	\$152,420	\$156,993	\$161,703	\$166,554	\$171,551	\$176,697	\$181,998	\$187,458	\$193,082	
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Insurance (property, liability)	\$26,250	\$350	\$27,038	\$27,849	\$28,684	\$29,545	\$30,431	\$31,344	\$32,284	\$33,253	\$34,250	
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Taxes &amp; Insurance</b>	<b>(\$9,769)</b>	<b>\$174,231</b>	<b>\$2,323</b>	<b>\$179,458</b>	<b>\$184,842</b>	<b>\$190,387</b>	<b>\$196,099</b>	<b>\$201,981</b>	<b>\$208,041</b>	<b>\$214,282</b>	<b>\$220,711</b>	<b>\$227,332</b>

<b>Replacement Reserves</b>	<b>(\$6,250)</b>	\$33,750	\$450	\$34,763	\$35,805	\$36,880	\$37,986	\$39,126	\$40,299	\$41,508	\$42,753	\$44,036
<b>Operating Reserves</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Total Expenses</b>	<b>(\$89,784)</b>	<b>\$551,701</b>	<b>\$7,356</b>	<b>\$568,252</b>	<b>\$585,300</b>	<b>\$602,859</b>	<b>\$620,944</b>	<b>\$639,573</b>	<b>\$658,760</b>	<b>\$678,523</b>	<b>\$698,878</b>	<b>\$719,845</b>
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Op Exp - RE Taxes & Support Service \$387,933 \$5,172.44

<b>Net Operating Income</b>	<b>(\$2,758)</b>	<b>\$393,679</b>	<b>\$5,249</b>	<b>\$396,036</b>	<b>\$398,274</b>	<b>\$400,386</b>	<b>\$402,365</b>	<b>\$404,203</b>	<b>\$405,892</b>	<b>\$407,422</b>	<b>\$408,785</b>	<b>\$409,972</b>
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<b>Debt Service</b>												
First Lien	\$37,048	\$344,855	\$4,598	\$344,855	\$344,855	\$344,855	\$344,855	\$344,855	\$344,855	\$344,855	\$344,855	\$344,855
Second Lien			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service (Must Pay)</b>		<b>\$344,855</b>	<b>\$4,598</b>	<b>\$344,855</b>								

Cash Flow (after Must Pay Debt)	\$48,824	\$651	\$51,181	\$53,419	\$55,531	\$57,510	\$59,348	\$61,037	\$62,567	\$63,930	\$65,117
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<b>Debt Service Coverage Ratio</b>	<b>1.14</b>		<b>1.15</b>	<b>1.15</b>	<b>1.16</b>	<b>1.17</b>	<b>1.17</b>	<b>1.18</b>	<b>1.18</b>	<b>1.19</b>	<b>1.19</b>
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<b>Cash Flow Debt Payments</b>												
	remaining balance:	\$475,588	\$449,998	\$423,288	\$395,523	\$366,768	\$337,093	\$306,575	\$275,292	\$243,327	\$210,768	
City Portland HOME	50.0%	\$24,412	\$325	\$25,590	\$26,709	\$27,766	\$28,755	\$29,674	\$30,518	\$31,283	\$31,965	\$32,558
	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cash Flow Retained by Project</b>		<b>\$24,412</b>	<b>\$325</b>	<b>\$25,590</b>	<b>\$26,709</b>	<b>\$27,766</b>	<b>\$28,755</b>	<b>\$29,674</b>	<b>\$30,518</b>	<b>\$31,283</b>	<b>\$31,965</b>	<b>\$32,558</b>

Retained Cash Flow % 4%



Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
<b>Income</b>										
Sch. Gross Income - Residential	\$1,059,940	\$1,081,139	\$1,102,762	\$1,124,817	\$1,147,313	\$1,170,259	\$1,193,665	\$1,217,538	\$1,241,889	\$1,266,726
<u>Vacancy Loss</u> 5.0%	(\$52,997)	(\$54,057)	(\$55,138)	(\$56,241)	(\$57,366)	(\$58,513)	(\$59,683)	(\$60,877)	(\$62,094)	(\$63,336)
Other income (laundry)	\$10,057	\$10,258	\$10,463	\$10,672	\$10,886	\$11,103	\$11,325	\$11,552	\$11,783	\$12,019
Supportive Services Funding	\$135,413	\$138,121	\$140,884	\$143,702	\$146,576	\$149,507	\$152,497	\$155,547	\$158,658	\$161,831
<b>Effective Gross Income</b>	<b>\$1,152,413</b>	<b>\$1,175,461</b>	<b>\$1,198,970</b>	<b>\$1,222,950</b>	<b>\$1,247,409</b>	<b>\$1,272,357</b>	<b>\$1,297,804</b>	<b>\$1,323,760</b>	<b>\$1,350,235</b>	<b>\$1,377,240</b>

<b>Administrative</b>										
Advertising	\$57,727	\$59,458	\$61,242	\$63,079	\$64,972	\$66,921	\$68,929	\$70,996	\$73,126	\$75,320
Office Payroll & Benefits	\$57,727	\$59,458	\$61,242	\$63,079	\$64,972	\$66,921	\$68,929	\$70,996	\$73,126	\$75,320
Office Supplies, Phone, Misc.	\$202	\$208	\$214	\$220	\$227	\$234	\$241	\$248	\$255	\$263
Mngr or Super Rent Free Unit	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513	\$1,558	\$1,605	\$1,653	\$1,702	\$1,754
Audit & Accounting	\$7,392	\$7,613	\$7,842	\$8,077	\$8,319	\$8,569	\$8,826	\$9,091	\$9,363	\$9,644
Admin Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Administrative</b>	<b>\$124,390</b>	<b>\$128,122</b>	<b>\$131,966</b>	<b>\$135,925</b>	<b>\$140,002</b>	<b>\$144,202</b>	<b>\$148,528</b>	<b>\$152,984</b>	<b>\$157,574</b>	<b>\$162,301</b>

<b>Supportive Services</b>										
	\$21,216	\$21,853	\$22,508	\$23,184	\$23,879	\$24,596	\$25,334	\$26,094	\$26,876	\$27,683

<b>Utilities</b>										
Fuel Oil	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$60,476	\$62,291	\$64,159	\$66,084	\$68,067	\$70,109	\$72,212	\$74,378	\$76,609	\$78,908
Gas	\$36,286	\$37,374	\$38,496	\$39,650	\$40,840	\$42,065	\$43,327	\$44,627	\$45,966	\$47,345
Water / Sewer	\$42,837	\$44,122	\$45,446	\$46,810	\$48,214	\$49,660	\$51,150	\$52,685	\$54,265	\$55,893
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Utilities</b>	<b>\$139,599</b>	<b>\$143,787</b>	<b>\$148,101</b>	<b>\$152,544</b>	<b>\$157,120</b>	<b>\$161,834</b>	<b>\$166,689</b>	<b>\$171,690</b>	<b>\$176,840</b>	<b>\$182,145</b>

<b>Maintenance</b>	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Janitorial	\$33,598	\$34,606	\$35,644	\$36,713	\$37,815	\$38,949	\$40,118	\$41,321	\$42,561	\$43,838
Exterminating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$75,931	\$78,209	\$80,555	\$82,972	\$85,461	\$88,025	\$90,666	\$93,386	\$96,187	\$99,073
Elevator, HVAC, pool contracts	\$67,196	\$69,212	\$71,288	\$73,427	\$75,629	\$77,898	\$80,235	\$82,642	\$85,122	\$87,675
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Maintenance</b>	<b>\$176,725</b>	<b>\$182,027</b>	<b>\$187,488</b>	<b>\$193,112</b>	<b>\$198,906</b>	<b>\$204,873</b>	<b>\$211,019</b>	<b>\$217,349</b>	<b>\$223,870</b>	<b>\$230,586</b>





**To:** Mary Davis, City of Portland  
**From:** Anne Boynton, Urban Ventures, Inc.  
**Re:** 178 Kennebec St  
Maine Workforce Housing, LLC (Szanton & Monk)  
**Date:** 6/4/18

## Executive Summary

178 Kennebec is a proposed new construction project which will provide 46 one bedroom senior apartments above a ground floor of artist studio space or retail. The project is being developed by Maine Workforce Housing as part of the comprehensive redevelopment of the Bayside neighborhood. This is envisioned as one of several projects moving forward at the start of the transformation of a marginal area into a thriving pedestrian friendly neighborhood of mixed residential and neighborhood retail. The developer requests \$400,000 in HOME funding and a 75% TIF. The unit mix will be 78% affordable units – 15 units below 50% AMI, 21 units below 60% AMI, including 4 units reserved for homeless households -- and 22% market rate units (10 units).

## Sources and Uses

Maine Housing 1 <sup>st</sup>	\$2,646,603	Acquisition:	\$295,600
Maine Housing Deferred Debt	\$1,080,000	Hard Construction:	\$8,329,181
LIHTC Equity	\$6,192,000	Soft & Misc Costs:	\$859,100
Sale of Commercial Unit	\$829,943	Financing Costs:	\$400,598
City of Portland HOME	\$400,000	Prefunded Reserves:	\$469,128
Deferred Developer Fee:	<u>\$758,262</u>	Developer Fee:	<u>\$1,533,201</u>
Total Sources:	\$11,906,808	Total Uses:	\$11,886,808

The difference between sources and uses seems to be a summation error in the developer's statement of uses, which reflects \$20,000 more in costs than is listed.

Letters of interest, intent, or commitment are not available for the sources. This is very early in project development, and the Maine Housing LIHTC application is the critical path for this financing structure. The developer has a track record of success applying for LIHTCs – of the 8 projects for which they have requested LIHTCs, they have received funding for all projects, with 7 out of 8 projects funded in the first application.

The developer is committing to defer 50% of their developer fee. The total fee is calculated at the maximum allowed by Maine Housing, and is 15.4% of Total Development Costs excluding reserves and developer fee. Fifteen percent is the upper end of industry standard. However, the cashflow does not look strong enough to retire the developer fee loan over 15 years. This is unlikely to be acceptable to the equity investor.

For analysis of "Uses," see Development Budget.

## Development Budget

### *Construction Costs:*

Construction costs are based on an estimate provided by Wright-Ryan. Given the conceptual designs, this is based on a per square foot cost only, with residential construction estimated at \$172/sq foot and commercial (shell) at \$132/sq foot. Information on site conditions is limited – this estimate assumes the need for pilings for the foundation and that there is no contaminated soil which needs removal, but both of these assumptions must be investigated and will impact costs. Modest finishes are budgeted consistent with typical affordable housing construction. No mention is made of differentiating finishes for market rate units.

### *Soft Costs:*

Most soft costs on a per unit basis are in the typical range for Portland area affordable housing projects. The developer fee, calculated at the maximum allowable, is the most significant outlier. At \$33,000 per unit, this is roughly twice other recent developer fees per unit. This concern is mitigated somewhat by the deferred developer fee loan, though since cashflow does not support the full repayment of that loan in 15 years, a developer fee loan of that size is unlikely to be allowed by the syndicator.

### *Contingency:*

Hard cost contingency is budgeted at 5%. This is typical for new construction and generally appropriate when close to closing. However, site conditions are unknown here and pose a significant potential to drive up costs. The estimate is based on current prices without an inflator. Since this project is in the very early stages of development, construction cost inflation will also drive up construction prices.

Soft cost contingency is \$50,000, or 2.62% of total soft costs. This is very thin for this stage of the development.

### *Acquisition:*

This site is being acquired as part of a larger package being transferred from the City of Portland to Rob Furman. Furman's purchase price for this site is \$250,000. Furman is selling to the developer for \$233,700. Furman is also expected to buy back the ground floor retail unit which he will manage as rental space for artist studio spaces or retail.

The site plan as currently configured includes no parking on the lot itself. Instead, as part of the Purchase Agreement with Furman, the developer will rent 19 spaces on the adjacent lot which is owned by Furman for at least 30 years. The price for the parking rent is not specified in the Purchase Agreement. The budget includes an \$80,600 line item called "Parking Requirement Buy -Out."

## Operating Budget & 20 Year Cashflow Projection

### *Project Income:*

There is no market study yet to confirm the appropriateness of the projected rents. The developer states there will be more than sufficient demand for these units based on the lengthy waiting lists for their three other rental properties in Portland. Without more information about the existing developments (for instance: location, unit size and amenities, age and/or income restrictions, rent rates

for market rate units if any) the existence of waiting lists does not demonstrate effective demand for this project.

The projected 50% AMI rents are consistent with the Front Street PHA project, so presumably are set at the maximum allowable for tax credit units restricted to households at 50% AMI. The 10 market rate units are budgeted at \$1,195 per month, much higher than Front Street market rate units (\$990), but substantially less than the Avesta Deering Place market rate of \$1,350. An industry standard 5% vacancy is budgeted for all unit types.

Since the ground floor unit is expected to be sold to an unrelated entity, this project does not bear the financial risk of retail vacancy.

### *Operating Expense*

Total operating expense per unit is in the high range of typical for affordable housing, \$7,166 once the TIF is accounted for, and is 12% higher than the next highest applicant in this round. Comparing the operating costs by line item, the cost differential is in maintenance which at \$2,455/unit is very high for newly constructed, one bedroom units occupied by seniors. All those characteristics should push maintenance down.

### *20 Year Cashflow & Debt Service Coverage Ratio (DSCR)*

Other than elevated maintenance expense, this project is not particularly fat. The developer has provided a 17 year cashflow projection which shows an acceptable 1.15 DSCR in year one, rising slightly to 1.17 in year in year 9, then slowly falling to 1.14 in year 17. A continuation of the developer's cashflow to year 20 would show a lower final year DSCR, which might explain why the developer provided only a 17 year projection. Due to slight differences in calculations, my estimate is slightly more optimistic, reflecting a 1.15 DSCR in year 20.

If the market does not support rents at \$1,195 for the market rate units, but those units rent instead for rates more consistent with the Front Street market rate units at around \$1,000, the projected cashflow is almost eliminated. However, there IS still a small cashflow, and the operating cost projections are high enough to provide some cushion in case of unexpected expenses.

### *Developer Financials*

Maine Workforce Housing LLC has submitted unaudited balance sheet and operating expenses statements plus their annual tax return for 2015, 2016 and 2017. What we see in these statements is that Maine Workforce Housing is not an entity with significant assets, owning and operating real estate. Instead it is a vehicle for managing some development funds and particularly for receiving and distributing developer fees to the principals. The principals may have significant resources they can bring to bear in the event a project experiences difficulties, but the organization itself does not.

For the year ending 12/31/17 the organization reported \$38,963 in cash and cash equivalents and accounts payable of \$11,248, for a net cash position of \$27,715. That is not much working capital for a development of almost \$12 million. And the organization is currently in the development process with two additional projects in Maine.

For the three reported years, the organization has seen growth in fee income – 2015 \$609,573, 2016 \$604,199 and 2017 \$1,246,472. Developer fee income is typically quite volatile for developers operating at this scale, and very sensitive to timing of deal closings. Unlike organizations whose revenue is primarily rental income, high 2017 developer fee income is not necessarily a predictor of high 2018 income.

## Recommendations

I recommend a loan in the amount of \$400,000, zero percent interest, with repayment from cashflow, and with the following conditions prior to loan closing:

1. All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.
2. Commitment of all sources on terms and conditions acceptable to City of Portland, including cashflow waterfall, raise rate, evidence of purchaser for commercial space, and a cashflow projection which shows retirement of developer fee loan;
3. Clean Phase I or Phase II if appropriate, and incorporation of all needed environmental remediation into the project budget;
4. explanation of the sales price of the site as it changes hands through the development process;
5. explanation of parking requirements and written agreements documenting how parking requirements will be met;
6. satisfactory market study which supports the projected unit mix and rent rates;
7. explanation of “Other Current Assets;” and evidence of satisfactory working capital and margin in case of cost over runs. This might come in the form of personal guarantees or prefunding a project specific development account.

# Development Budget with Permanent Sources

Date 5/29/2018  
 Project Name Kennebec St  
 Project Address 178 Kennebec St  
 Developer/Sponsor Maine Workforce Housing LLC (Szanton & Monk, Principals)

Total Units 46  
 Total Square Feet 47,325

	<b>Total</b>	<b>Per Unit</b>	<b>Per Sq Ft</b>
<b>Sources of Funds</b>			
Permanent Financing - 1st Lien Maine Housing	\$2,646,603	\$57,535	\$56
Permanent Financing - Maine Housing Deferred Debt	\$1,080,000	\$23,478	\$23
Equity (LIHTC/tenant contributions)	\$6,192,000	\$134,609	\$131
Deferred development fee	\$758,262	\$16,484	\$16
Other -- City of Portland HOME	\$400,000	\$8,696	\$8
Other -- Sale of Commercial Space	\$829,943	\$18,042	\$18
<b>Total Sources of Funds</b>	<b>\$11,906,808</b>	<b>\$258,844</b>	<b>\$252</b>

## Uses of Funds

<b>Hard Costs</b>			
Site Improvements		\$0	\$0
Rehabilitation		\$0	\$0
New Construction		\$7,932,553	\$172,447
Contractor's Profit, Overhead, & Gen. Requirements	#DIV/0!		\$0
Hazardous Materials abatement (if contracted separately)			\$0
Demolition Cost (if contracted separately)			\$0
Bond Premium			\$0
Other			\$0
Hard Cost Contingency (% of hard costs)	5.0%	\$396,628	\$8,622
<b>Total Hard Costs</b>		<b>\$8,329,181</b>	<b>\$181,069</b>

<b>Soft Costs</b>			
Building Permit & Fees + "Utility Back-Charges"		\$90,000	\$1,957
Survey & Engineering		\$60,600	\$1,317
Design & Permitting (% of const exp)	4.5%	\$299,000	\$6,500
Borrower Legal (all closings, excluding syndication legal)			\$0
Title & Recording		\$102,000	\$2,217
Accounting & Cost Certification		\$6,500	\$141
Construction Period Taxes		\$4,000	\$87
Construction Period Insurance		\$55,000	\$1,196
Other: FF&E, Security		\$65,000	\$1,413
Other Testing = 15k		\$15,000	\$326
<b>Total Soft Costs</b>		<b>\$697,100</b>	<b>\$15,154</b>

<b>Financing Costs</b>			
Construction Loan Origination Fees	\$16,298	\$354	\$0
Construction Period Interest	\$235,168	\$5,112	\$5
Lender Inspection Fees	\$9,200	\$200	\$0
Letter of Credit Fee	\$5,000	\$109	\$0
Permanent Loan Fees/MSHA Fees	\$59,932	\$1,303	\$1
Construction Lender Legal	\$27,000	\$587	\$1
Other Legal, syndication = \$33k; City legal \$15k	\$48,000	\$1,043	\$1
<b>Total Financing Costs</b>	<b>\$400,598</b>	<b>\$8,709</b>	<b>\$8</b>

<b>Miscellaneous</b>			
Market Survey	\$6,500	\$141	\$0
Appraisal	\$7,500	\$163	\$0
Environmental Study	\$8,000	\$174	\$0
LIHTC Fees -- prepaid monitoring & allocation fee	\$90,000	\$1,957	\$2
Other: Commissioning		\$0	\$0
Relocation Costs		\$0	\$0
Other	\$0	\$0	\$0
Soft Cost Contingency (% of soft costs excl Dev Fee)	2.62%	\$50,000	\$1,087
<b>Total Miscellaneous:</b>		<b>\$162,000</b>	<b>\$3,522</b>

<b>Acquisition</b>			
Acquisition: Buildings	\$0	\$0	\$0
Acquisition: Land	\$215,000	\$4,674	\$5
Acquisition: Legal	\$0	\$0	\$0
Other Parking Requirement "buy-out"	\$80,600	\$1,752	\$2
<b>Total Acquisition</b>	<b>\$295,600</b>	<b>\$6,426</b>	<b>\$6</b>

<b>Reserves and Developer Fee</b>			
Operating Deficit Escrow	\$286,500	\$6,228	\$6
Prefunded Replacement Reserve	\$72,235	\$1,570	\$2
Taxes & Insurance Escrow	\$64,393	\$1,400	\$1
Developer Overhead	\$1,533,201	\$33,330	\$32
Developer Profit		\$0	\$0
Rent Up Reserve & Marketing	\$46,000	\$1,000	\$1
Other	\$0	\$0	\$0
<b>Total Reserves and Developer Fee</b>	<b>\$ 469,128</b>	<b>\$2,002,329</b>	<b>\$43,529</b>

<b>Total Uses of Funds</b>	<b>\$11,886,808</b>	<b>\$258,409</b>	<b>\$260</b>
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\$20,000

Developer Fee Analysis: Total Fees: \$1,533,201  
Percent of TDC: 15.44% (excluding reserves & developer fee)

# Project Operating Pro Forma

Date May 29, 2018  
 Project Name 178 Kennebec St  
 Project Address 178 Kennebec St  
 Developer/Sponsor Maine Workforce Housing LLC (Szanton & Monk, Principals)

## Rental Income

Unit Type	Number of Units	Per Unit Sq Ft	Total Sq Ft	Restriction on % Median Inc.	Per Unit Monthly Gross Rent	Utility Deductions	Rent Subsidy	Per Unit Monthly Net Rent	Per Unit Net Rent Per Sq Ft	Total Monthly Net Income	Total Annual Net Rent
0 BR			0	50%				\$0	#DIV/0!	\$0	\$0
0 BR			0	60%				\$0	#DIV/0!	\$0	\$0
1 BR	15	650	9750	50%	\$845	\$40		\$805	1.24	\$12,075	\$144,900
1 BR	21	650	13650	60%	\$1,014	\$40		\$974	1.50	\$20,454	\$245,448
1 BR	10	650	6500	market	\$1,195	\$0		\$1,195	1.84	\$11,950	\$143,400
2 BR			0	60%				\$0	#DIV/0!	\$0	\$0
3 BR			0	50%				\$0	#DIV/0!	\$0	\$0
3 BR			0	60%				\$0	#DIV/0!	\$0	\$0
4 BR			0	50%				\$0	#DIV/0!	\$0	\$0
4 BR			0	60%				\$0	#DIV/0!	\$0	\$0
Other			0	50%				\$0	#DIV/0!	\$0	\$0
Other			0	60%				\$0	#DIV/0!	\$0	\$0
<b>Total:</b>	<b>46</b>		<b>29900</b>							<b>\$44,479</b>	<b>\$533,748</b>

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

Note: Year 1 is the first full year of stabilized operations

		Year 1	Year 1/Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
				2021	\$2,022	2023	2024	2025	2026	2027	2028	2029
<b>Income</b>												
Sch. Gross Income - Residential		\$533,748	\$11,603	\$544,423	\$555,311	\$566,418	\$577,746	\$589,301	\$601,087	\$613,109	\$625,371	\$637,878
Vacancy Loss	5.0%	(\$26,687)	(\$580)	(\$27,221)	(\$27,766)	(\$28,321)	(\$28,887)	(\$29,465)	(\$30,054)	(\$30,655)	(\$31,269)	(\$31,894)
Other income (laundry)		\$8,280	\$180	\$8,446	\$8,615	\$8,787	\$8,963	\$9,142	\$9,325	\$9,511	\$9,701	\$9,895
TIF (75% TIF requested)	3%	\$52,110	\$1,133	\$53,673	\$55,283	\$56,942	\$58,650	\$60,410	\$62,222	\$64,089	\$66,011	\$67,992
<b>Effective Gross Income</b>		<b>\$567,451</b>	<b>\$12,336</b>	<b>\$579,321</b>	<b>\$591,444</b>	<b>\$603,826</b>	<b>\$616,472</b>	<b>\$629,387</b>	<b>\$642,579</b>	<b>\$656,053</b>	<b>\$669,815</b>	<b>\$683,871</b>

		8.30%	8.30%									
<b>Administrative</b>												
Management Fee	8.30%	\$42,086	\$915	\$42,928	\$43,786	\$44,662	\$45,555	\$46,466	\$47,396	\$48,344	\$49,310	\$50,297
Management Charges			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing Expense		\$1,012	\$22	\$1,042	\$1,074	\$1,106	\$1,139	\$1,173	\$1,208	\$1,245	\$1,282	\$1,320
Legal		\$2,300	\$50	\$2,369	\$2,440	\$2,513	\$2,589	\$2,666	\$2,746	\$2,829	\$2,914	\$3,001
Audit & Accounting		\$6,600	\$143	\$6,798	\$7,002	\$7,212	\$7,428	\$7,651	\$7,881	\$8,117	\$8,361	\$8,612
Admin Other		\$4,967	\$108	\$5,116	\$5,269	\$5,428	\$5,590	\$5,758	\$5,931	\$6,109	\$6,292	\$6,481
<b>Total Administrative</b>		<b>\$56,965</b>	<b>\$1,238</b>	<b>\$58,253</b>	<b>\$59,571</b>	<b>\$60,921</b>	<b>\$62,302</b>	<b>\$63,715</b>	<b>\$65,162</b>	<b>\$66,643</b>	<b>\$68,159</b>	<b>\$69,710</b>

<b>Supportive Services</b>		\$32,120	\$698	\$33,084	\$34,076	\$35,098	\$36,151	\$37,236	\$38,353	\$39,504	\$40,689	\$41,909
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<b>Utilities</b>												
Fuel Oil		\$34,500	\$750	\$35,535	\$36,601	\$37,699	\$38,830	\$39,995	\$41,195	\$42,431	\$43,704	\$45,015
Natural Gas			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric		\$16,100	\$350	\$16,583	\$17,080	\$17,593	\$18,121	\$18,664	\$19,224	\$19,801	\$20,395	\$21,007
Water / Sewer		\$16,100	\$350	\$16,583	\$17,080	\$17,593	\$18,121	\$18,664	\$19,224	\$19,801	\$20,395	\$21,007
Other		\$8,000	\$174	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134	\$10,438
<b>Total Utilities</b>		<b>\$74,700</b>	<b>\$1,624</b>	<b>\$76,941</b>	<b>\$79,249</b>	<b>\$81,627</b>	<b>\$84,076</b>	<b>\$86,598</b>	<b>\$89,196</b>	<b>\$91,872</b>	<b>\$94,628</b>	<b>\$97,467</b>

<b>Maintenance</b>	<b>Year 1</b>	<b>Year 1/Unit</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
Grounds	\$5,000	\$109	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Janitorial	\$16,100	\$350	\$16,583	\$17,080	\$17,593	\$18,121	\$18,664	\$19,224	\$19,801	\$20,395	\$21,007
Trash Removal	\$11,500	\$250	\$11,845	\$12,200	\$12,566	\$12,943	\$13,332	\$13,732	\$14,144	\$14,568	\$15,005
Security		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment & Supplies	\$3,450	\$75	\$3,554	\$3,660	\$3,770	\$3,883	\$3,999	\$4,119	\$4,243	\$4,370	\$4,501
Maintenance	\$29,900	\$650	\$30,797	\$31,721	\$32,673	\$33,653	\$34,662	\$35,702	\$36,773	\$37,876	\$39,013
Maintenance contracts (HVAC, e	\$29,000	\$630	\$29,870	\$30,766	\$31,689	\$32,640	\$33,619	\$34,628	\$35,666	\$36,736	\$37,838
Other Parking Lease	\$18,000	\$391	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486
<b>Total Maintenance</b>	<b>\$112,950</b>	<b>\$2,455</b>	<b>\$116,339</b>	<b>\$119,829</b>	<b>\$123,424</b>	<b>\$127,126</b>	<b>\$130,940</b>	<b>\$134,868</b>	<b>\$138,914</b>	<b>\$143,082</b>	<b>\$147,374</b>

<b>Taxes &amp; Insurance</b>											
Real Estate Taxes or PILOT	\$73,600	\$1,600	\$75,808	\$78,082	\$80,425	\$82,837	\$85,323	\$87,882	\$90,519	\$93,234	\$96,031
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$13,800	\$300	\$14,214	\$14,640	\$15,080	\$15,532	\$15,998	\$16,478	\$16,972	\$17,481	\$18,006
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Taxes &amp; Insurance</b>	<b>\$87,400</b>	<b>\$1,900</b>	<b>\$90,022</b>	<b>\$92,723</b>	<b>\$95,504</b>	<b>\$98,369</b>	<b>\$101,321</b>	<b>\$104,360</b>	<b>\$107,491</b>	<b>\$110,716</b>	<b>\$114,037</b>

<b>Replacement Reserves</b>	\$20,700	\$450	\$21,321	\$21,961	\$22,619	\$23,298	\$23,997	\$24,717	\$25,458	\$26,222	\$27,009
<b>Operating Reserves</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Total Expenses</b>	<b>\$384,835</b>	<b>\$8,366</b>	<b>\$395,959</b>	<b>\$407,409</b>	<b>\$419,193</b>	<b>\$431,322</b>	<b>\$443,806</b>	<b>\$456,656</b>	<b>\$469,882</b>	<b>\$483,495</b>	<b>\$497,506</b>
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<b>Net Operating Income</b>	<b>\$182,616</b>	<b>\$3,970</b>	<b>\$183,361</b>	<b>\$184,035</b>	<b>\$184,632</b>	<b>\$185,149</b>	<b>\$185,581</b>	<b>\$185,923</b>	<b>\$186,171</b>	<b>\$186,320</b>	<b>\$186,365</b>
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<b>Debt Service</b>											
First Lien	\$158,796	\$3,452	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796
Second Lien		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service (Must Pay)</b>	<b>\$158,796</b>	<b>\$3,452</b>	<b>\$158,796</b>								

Cash Flow (after Must Pay Debt)	\$23,820	\$518	\$24,565	\$25,239	\$25,836	\$26,353	\$26,785	\$27,127	\$27,375	\$27,524	\$27,569
<b>Debt Service Coverage Ratio</b>	<b>1.15</b>		<b>1.15</b>	<b>1.16</b>	<b>1.16</b>	<b>1.17</b>	<b>1.17</b>	<b>1.17</b>	<b>1.17</b>	<b>1.17</b>	<b>1.17</b>

<b>Cash Flow Debt Payments</b>											
City of Portland	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Fee Loan	95.0%	\$22,629	\$492	\$23,337	\$23,977	\$24,545	\$25,036	\$25,446	\$25,771	\$26,007	\$26,148
<b>Cash Flow Retained by Project</b>		<b>\$1,191</b>	<b>\$26</b>	<b>\$1,228</b>	<b>\$1,262</b>	<b>\$1,292</b>	<b>\$1,318</b>	<b>\$1,339</b>	<b>\$1,356</b>	<b>\$1,369</b>	<b>\$1,378</b>
Retained Cash Flow %	0%	\$757,071		\$733,734	\$709,757	\$685,212	\$660,176	\$634,731	\$608,960	\$582,953	\$556,805

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
	\$2,030	\$2,031	2032	2033	2034	2035	2036	2037
<b>Income</b>								
Sch. Gross Income - Residential	\$650,636	\$663,649	\$676,922	\$690,460	\$704,269	\$718,355	\$732,722	\$747,376
<u>Vacancy Loss</u>	5.0%	(\$32,532)	(\$33,182)	(\$33,846)	(\$34,523)	(\$35,213)	(\$35,918)	(\$36,636)
Other income (laundry)	\$10,093	\$10,295	\$10,501	\$10,711	\$10,925	\$11,144	\$11,367	\$11,594
TIF	\$70,031	\$72,132	\$74,296	\$76,525	\$78,821	\$81,186	\$83,621	\$86,130
<b>Effective Gross Income</b>	<b>\$698,229</b>	<b>\$712,894</b>	<b>\$727,873</b>	<b>\$743,173</b>	<b>\$758,802</b>	<b>\$774,766</b>	<b>\$791,073</b>	<b>\$807,731</b>

<b>Administrative</b>								
Management Fee	\$51,303	\$52,329	\$53,375	\$54,443	\$55,532	\$56,642	\$57,775	\$58,931
Management Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing Expense	\$1,360	\$1,401	\$1,443	\$1,486	\$1,531	\$1,577	\$1,624	\$1,673
Legal	\$3,091	\$3,184	\$3,279	\$3,378	\$3,479	\$3,583	\$3,691	\$3,802
Audit & Accounting	\$8,870	\$9,136	\$9,410	\$9,692	\$9,983	\$10,283	\$10,591	\$10,909
Admin Other	\$6,675	\$6,875	\$7,082	\$7,294	\$7,513	\$7,738	\$7,971	\$8,210
<b>Total Administrative</b>	<b>\$71,299</b>	<b>\$72,925</b>	<b>\$74,589</b>	<b>\$76,293</b>	<b>\$78,037</b>	<b>\$79,823</b>	<b>\$81,652</b>	<b>\$83,523</b>

<b>Supportive Services</b>								
	\$43,167	\$44,462	\$45,795	\$47,169	\$48,584	\$50,042	\$51,543	\$53,089

<b>Utilities</b>								
Fuel Oil	\$46,365	\$47,756	\$49,189	\$50,664	\$52,184	\$53,750	\$55,362	\$57,023
Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas	\$21,637	\$22,286	\$22,955	\$23,643	\$24,353	\$25,083	\$25,836	\$26,611
Water / Sewer	\$21,637	\$22,286	\$22,955	\$23,643	\$24,353	\$25,083	\$25,836	\$26,611
Other	\$10,751	\$11,074	\$11,406	\$11,748	\$12,101	\$12,464	\$12,838	\$13,223
<b>Total Utilities</b>	<b>\$100,391</b>	<b>\$103,402</b>	<b>\$106,504</b>	<b>\$109,699</b>	<b>\$112,990</b>	<b>\$116,380</b>	<b>\$119,872</b>	<b>\$123,468</b>

<b>Maintenance</b>	<b>Year 11</b>	<b>Year 12</b>	<b>Year 13</b>	<b>Year 14</b>	<b>Year 15</b>	<b>Year 16</b>	<b>Year 17</b>	<b>Year 18</b>
Janitorial	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264
Exterminating	\$21,637	\$22,286	\$22,955	\$23,643	\$24,353	\$25,083	\$25,836	\$26,611
Trash Removal	\$15,455	\$15,919	\$16,396	\$16,888	\$17,395	\$17,917	\$18,454	\$19,008
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$4,637	\$4,776	\$4,919	\$5,066	\$5,218	\$5,375	\$5,536	\$5,702
Maintenance	\$40,183	\$41,389	\$42,630	\$43,909	\$45,226	\$46,583	\$47,981	\$49,420
Elevator, HVAC, pool contracts	\$38,974	\$40,143	\$41,347	\$42,587	\$43,865	\$45,181	\$46,536	\$47,933
Other	\$24,190	\$24,916	\$25,664	\$26,434	\$27,227	\$28,043	\$28,885	\$29,751
<b>Total Maintenance</b>	<b>\$151,795</b>	<b>\$156,349</b>	<b>\$161,040</b>	<b>\$165,871</b>	<b>\$170,847</b>	<b>\$175,972</b>	<b>\$181,252</b>	<b>\$186,689</b>

<b>Taxes &amp; Insurance</b>								
Real Estate Taxes or PILOT	\$98,912	\$101,880	\$104,936	\$108,084	\$111,327	\$114,666	\$118,106	\$121,650
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$18,546	\$19,102	\$19,676	\$20,266	\$20,874	\$21,500	\$22,145	\$22,809
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Taxes &amp; Insurance</b>	<b>\$117,458</b>	<b>\$120,982</b>	<b>\$124,612</b>	<b>\$128,350</b>	<b>\$132,200</b>	<b>\$136,166</b>	<b>\$140,251</b>	<b>\$144,459</b>

<b>Replacement Reserves</b>	\$27,819	\$28,654	\$29,513	\$30,399	\$31,311	\$32,250	\$33,217	\$34,214
<b>Operating Reserves</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Total Expenses</b>	<b>\$511,929</b>	<b>\$526,773</b>	<b>\$542,053</b>	<b>\$557,781</b>	<b>\$573,970</b>	<b>\$590,634</b>	<b>\$607,787</b>	<b>\$625,442</b>
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<b>Net Operating Income</b>	<b>\$186,300</b>	<b>\$186,120</b>	<b>\$185,820</b>	<b>\$185,392</b>	<b>\$184,832</b>	<b>\$184,132</b>	<b>\$183,287</b>	<b>\$182,289</b>
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<b>Debt Service</b>								
First Lien	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796	\$158,796
Second Lien	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service (Must Pay)</b>	<b>\$158,796</b>							

Cash Flow (after Must Pay Debt)	\$27,504	\$27,324	\$27,024	\$26,596	\$26,036	\$25,336	\$24,491	\$23,493
<b>Debt Service Coverage Ratio</b>	<b>1.17</b>	<b>1.17</b>	<b>1.17</b>	<b>1.17</b>	<b>1.16</b>	<b>1.16</b>	<b>1.15</b>	<b>1.15</b>

<b>Cash Flow Debt Payments</b>								
DHCD	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Fee Loan	95.0%	\$26,129	\$25,958	\$25,672	\$25,266	\$24,734	\$24,069	\$23,318
<b>Cash Flow Retained by Project</b>	<b>\$1,375</b>	<b>\$1,366</b>	<b>\$1,351</b>	<b>\$1,330</b>	<b>\$1,302</b>	<b>\$1,267</b>	<b>\$1,225</b>	<b>\$1,175</b>
Retained Cash Flow %	0%	\$504,485	\$478,527	\$452,855	\$427,589	\$402,855	\$378,785	\$353,201



**TO:** Councilor Jill Duson, Chair  
Members of the Housing and Community Development Committee

**FROM:** Victoria Volent, Housing Program Manager  
Housing and Community Development Division

**DATED:** May 25, 2018

**SUBJECT:** Proposed Amendments to Tenant Housing Rights Ordinance Section 6-225

During the May 23 meeting of the Housing Committee, the Committee discussed changes to the proposed amendments to the Tenant Housing Rights Ordinance (Chapter 6 Article XI Tenant Housing Rights). The requested changes are addressed in this memo.

### **Section 6-225**

Section 6-225 of the ordinance creates a Rental Housing Advisory Committee. As it is currently written, the Committee is to have seven members with representation from landlords, tenants and one at-large member who is neither a landlord nor a tenant.

At the May 23 Housing Committee (HC) meeting, the committee discussed changes to the composition of the Rental Housing Advisory Committee, and their recommended duties. At the June 14, 2017 Housing Committee (HC) meeting, the committee discussed concerns with the role of the Rental Housing Advisory Committee as outlined in the ordinance. At that time, members of the Housing Committee agreed that it was the original intent of the committee to create an advisory committee that would allow landlords and tenants to work on issues of mutual concern, identify priority areas of contention that they could work on and present recommendations to the council in an advisory capacity. The members of the Housing Committee were concerned that the ordinance language may set unintended expectations of the influence of such an advisory committee. Staff was tasked with returning to the Housing Committee with suggestions to address these concerns. This process was temporarily placed on hold while awaiting the November 2017 election results on the rent stabilization referendum.

The ordinance language states:

***Section 6-225. Rental Housing Advisory Committee***

*(a) There is hereby created a Rental Housing Advisory Committee (the “Committee”).*

*(b) The Committee shall be comprised of seven (7) members, including three (3) Landlord representatives, three (3) Tenant representatives and one (1) at-large resident representative who is neither a Tenant nor a Landlord of rental property, all of whom shall be appointed by the City Council. All members of the Committee shall be residents of the City of Portland and shall serve staggered terms set by City Council order.*

*(c) The Committee shall be co-chaired by one (1) Landlord representative and one (1) Tenant representative as agreed to by the members of the Committee.*

*(d) The Committee shall meet not less than quarterly and shall undertake the following duties:*

- 1. Compile and provide the Housing Committee with City of Portland housing market data;*
- 2. Report annually to the Housing Committee on the state of the housing market in the City of Portland; and*
- 3. Provide the Housing Committee with recommendations or proposals for improvements, modifications, or changes to the City’s housing ordinances or policies.*

The following changes are from the May 23 meeting:

- Committee will have nine (9) members, to be appointed by the City Council, including
  - three (3) members who are landlords
  - three (3) members who are tenants
  - one (1) member who is not a landlord or a tenant
  - one (1) member experienced in legal rights/interest of tenants nominated by Pine Tree Legal Assistance
  - one (1) member with experience in legal rights/interests of landlords nominated by the Southern Maine Landlord Association
- Members will serve staggered three (3) year terms
- The Southern Maine Landlord Association will submit three names for consideration for one (1) of the landlord representative positions.
- Pine Tree Legal Assistance will submit three names for consideration for one (1) of the tenant representative positions.
- The Committee will be co-chaired by one (1) Landlord representative and one (1) Tenant representative as agreed to by the members of the Committee.
- The City’s Planning and Urban Development Department, through the Housing and Community Development Division, will be the staff liaison to the Rental Housing Advisory Committee, attend all meetings and keep the minutes of the Committee.
- The Committee will meet at least quarterly and will have the following duties:
  1. Provide the Housing Committee with recommendations or proposals for improvements, modifications, or changes regarding landlord and tenant policy issues.

2. Identify educational opportunities, seminars, and materials that would be useful to landlords and tenants.

#### Attachments

Tenant Housing Rights Ordinance (original and marked revision versions)

## ARTICLE XI. TENANT HOUSING RIGHTS

### 6-219. Purpose.

The purpose of this Article is to address housing insecurity in the City of Portland; to minimize the potential adverse impacts of un-noticed or short-notice rent increases; to educate at-will Tenants of their rights; and to help bring about through fair, orderly and lawful procedures, the opportunity of each person within the City of Portland without regard to, among other things, receipt of public benefits, to rent, enjoy and retain secure housing.

(Ord. No. 76-16/17, 11-21-2016)

### 6-220. Applicability.

This article shall apply to any and all rental housing units in the City limits of Portland.

(Ord. No. 76-16/17, 11-21-2016)

### 6-221. Definitions.

*Discrimination* means the unjust or prejudicial treatment of different categories of people, when those categories are protected from discrimination by municipal, state and federal law, including, but not limited to, categories based on race, color, religious creed, sex, sexual preference, national origin, age, physical handicap or mental handicap, and based on receipt of public assistance, as provided in 5 M.R.S. §4581-A and as amended from time to time.

*Housing unit* means one (1) or more rooms forming a single unit including food preparation, living, sanitary and sleeping facilities used or intended to be used by two (2) or more persons living in common or by a person living alone.

*Landlord* means an owner, manager, lessee, sublessee, managing agent or other person having the right to rent or sell or manage any housing unit or rental property or any agent of these individuals or entities.

*Tenant* means an individual, individuals, an entity, entities, a lessee or sub-lessee, or other person having the right to rent any housing unit or rental property or any agent of

these individuals or entities. This definition includes a Tenant at will as described in 14 M.R.S. §6002, as amended from time to time.

(Ord. No. 76-16/17, 11-21-2016)

**6-222. Discrimination prohibited in sale or rental of housing units.**

(a) A Tenant shall have the right to secure a rental housing unit without being refused that right on the basis of discrimination because of race, color, sex, sexual orientation, physical or mental disability, ancestry, national origin, or family status, pursuant to 5 M.R.S. Section 4581-A, et. seq., as amended from time to time.

(b) A Landlord shall not refuse to rent or impose terms of tenancy on any Tenant who is a recipient of federal, state or local public assistance, including medical assistance and housing subsidies primarily because of the individual's status as a recipient as described in 5 M.R.S. §4581-A(4), as amended from time to time.

(Ord. No. 76-16/17, 11-21-2016)

**6-223. Notification of rent increases.**

Notwithstanding 14 M.R.S. Section 6015, a Landlord shall give seventy-five (75) days' written notice of any rent increase to a Tenant.

(Ord. No. 76-16/17, 11-21-2016)

**6-224. Protection of Tenants.**

(a) The Planning Department or its designee shall create and make available on the City's publically accessible web site a plain language document that explains Tenancy at Will and the rights and responsibilities of Tenants and Landlords of rental housing units. That document shall also include a checklist of required notices concerning environmental lead hazards, energy efficiency or radon testing, pursuant to 14 M.R.S. Sections 6030-B, 6030-C, and 6030-D, respectively, as amended from time to time.

(b) The document referenced above shall be provided by Landlords to all Tenants in the City of Portland at the commencement of the rental of a housing unit and shall be provided again upon any update to the document made by the Planning Department.

(c) An acknowledgement of receipt of the documents described above must be signed by all Tenants, and a copy of the acknowledgement kept on file by the Landlord for at least three (3) years and made available for inspection at the request of the City of Portland.

(d) At the time of the annual registration required by Chapter 6, Article VI of the City of Portland Code of Ordinances, all Landlords must certify to the City that they have provided the above-referenced documents to each of their respective Tenants.

(Ord. No. 76-16/17, 11-21-2016)

#### **6-225. Rental Housing Advisory Committee**

(a) There is hereby created a Rental Housing Advisory Committee (the "Committee").

(b) The Committee shall be comprised of ~~nine seven~~ (97) members, including three (3) ~~members who are landlords~~ ~~Landlord representatives~~, three (3) ~~members who are tenants~~ ~~Tenant representatives~~ one (1) member who is not a landlord or a tenant, one (1) member experienced in legal rights/interest of tenants, and one (1) member with experience in legal rights/interests of landlords. ~~and one (1) at large resident representative who is neither a Tenant nor a Landlord of rental property, all of whom shall be appointed by the City Council.~~ All members of the Committee shall be residents of the City of Portland and shall serve staggered terms set by City Council order.

(c) The Committee shall be co-chaired by one (1) Landlord representative and one (1) Tenant representative as agreed to by the members of the Committee.

(d) The Committee shall meet not less than quarterly and shall undertake the following duties:

- ~~1. Compile and provide the Housing Committee with City of Portland housing market data;~~
- ~~2. Report annually to the Housing Committee on the state of the housing market in the City of Portland; and~~
3. Provide the Housing Committee with recommendations or proposals for improvements, modifications, or changes regarding landlord and tenant policy issues to the City's housing ordinances or policies.
4. Identify educational opportunities, seminars, and

materials that would be useful to landlords and tenants.

(Ord. No. 76-16/17, 11-21-2016)

**6-226. Variation by agreement.**

No provision of, or right conferred by, this Article may be waived by a Tenant, by agreement or otherwise, and any such waiver shall be void. Any attempt to require, encourage or induce a Tenant to waive any provision hereof or right hereby shall be a violation of this Article. Nothing herein shall be construed to void any term of a lease that offers greater rights than those conferred hereby.

(Ord. No. 76-16/17, 11-21-2016)

**6-227. Limitation of liabilities.**

(a) Nothing in this Article shall be interpreted to contravene the general laws of the State of Maine; and

(b) Nothing in this Article shall be construed to create additional liabilities greater than those already existing under law or to create new private causes of action.

(Ord. No. 76-16/17, 11-21-2016)

**6-228. Enforcement and remedies.**

(a) Any violation of sections 6-223, 6-224 and 6-225 of this Article may be considered a civil infraction and may be enforced pursuant to the Portland City Code Chapter 1, §1-15.

(b) Any violation of §6-222 of this Article shall be enforced as required by the Maine Human Rights Act, 5 M.R.S. §§4551, et seq.

(Ord. No. 76-16/17, 11-21-2016)

**6-229. Severability.**

The provisions of this Article are severable. If any of its provisions are held invalid by act of competent jurisdiction, all other provisions of this Article shall continue in full force and effect.

(Ord. No. 76-16/17, 11-21-2016)



Jeff Levine, AICP  
Director, Planning & Urban Development Department

## Memorandum

**To:** Housing Committee  
**From:** Jeff Levine, Director  
**Date:** June 1, 2018  
**Re:** Hotel Linkage Fee Study

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At an earlier meeting, you had expressed interest in the possibility of a linkage fee for hotel developments to fund the Housing Trust. Such a linkage fee would be assessed on newly developed hotels at the time of completion based on the fact that hotels employ a large number of low income workers, many of whom need to live near their place of employment due to their hours of work or other factors. The linkage fee would be a one-time assessment to the hotel based on the number of rooms or square feet that would be paid into the Housing Trust to help provide that housing.

Attached are two memos. One is from City staff providing an overview of commercial linkage fees generally. The second is a draft of study commissioned by the Department and completed by the Greater Portland Council of Governments (GPCOG) that analyzes the need for affordable housing that is produced by a new hotel. That study is an important part of developing a commercial linkage ordinance and allows us to establish what amount the fee might be.

Based on the GPCOG draft study, which may be revised slightly prior to final completion, they find we could charge a hotel linkage fee of up to \$3,977 per room or \$5.93 per square foot. As mentioned above, this is not an annual fee but a one-time fee upon completion of the hotel.

We are interested in your response to this potential new tool to mitigate the housing pressures brought about by new commercial development. If you believe this approach is reasonable, the next step would be to draft a linkage fee for review by the Planning Board and City Council. Also attached is a sample linkage ordinance from Cambridge, MA, to give you a sense of what such an ordinance would look like.

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**To: Jeff Levine, Planning & Urban Development Director**  
**From: Stephanie Carver, GPCOG Planning Director**  
**Date: 5/29/18**  
**RE: Proposed Methodology for Hotel Linkage fees**

## **Introduction**

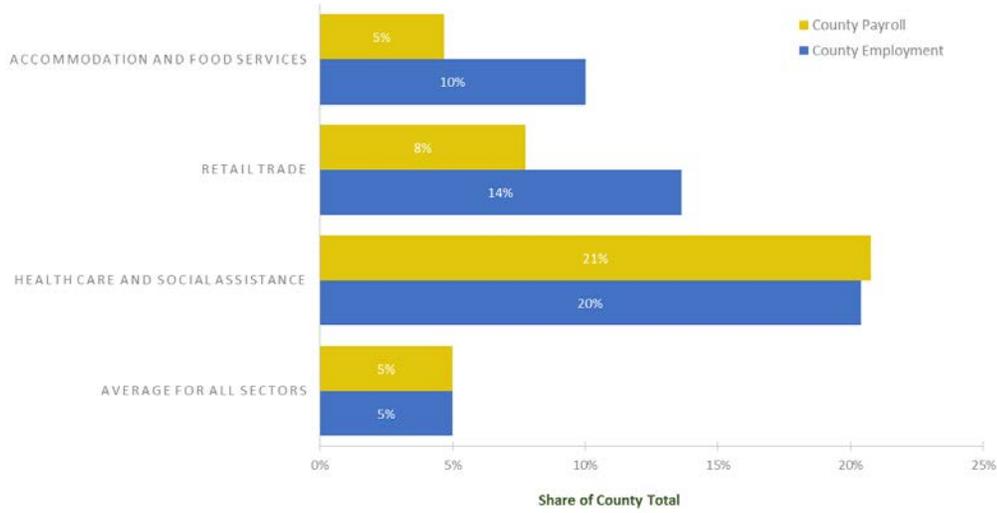
The City of Portland's Department of Planning & Urban Development is examining the feasibility of a proposal for assessing commercial impact fees on hotel development. The purpose of this memo is to provide information to the City regarding the use of linkage fees for this purpose and outline a potential methodology for the calculation of a fee.

## **Background**

Linkage fees are impact fees that cities may choose to implement to help mitigate the impact of new commercial development on the demand and availability of affordable housing. Prior to implementing a fee policy, communities often conduct a study to identify the connection, or “nexus” between new commercial development and the need for additional affordable housing. It is assumed that new commercial development contributes additional workers to a city’s workforce and adds new worker households. In many industries, a percentage of these households do not make enough to live and work in the same city. Looking outside the city to find affordable housing often results in longer commute times and higher transportation costs. If implemented, a linkage fee is typically charged to a developer as a condition of approval and it is assessed based on total square footage or number of units in the development.

The City's Comprehensive Plan identifies the increasing demand for affordable housing as an emerging issue and sets a goal of pursuing “policies to enable people who work in Portland to have the option to live in Portland.” To be considered affordable, housing should consume no more than 30% of a household's income including rent, mortgage, utilities and other household related costs. Of the 1,130 housing units that were permitted and/or built in Portland between 2010 to 2014, including apartments, condominiums and single-family homes, just 29% were offered at a rent or sales price affordable to a household earning the median income<sup>1</sup>.

**CUMBERLAND COUNTY EMPLOYMENT 2016**



Source: US Census County Business Patterns, 2016

The Maine office of Tourism estimates over 36 million tourists visited Portland in 2017. Hotel development is steadily increasing, with 1,811,050 square feet of hotel development representing 2,647 units currently in operation throughout the City<sup>ii</sup>. According to the US Census, the accommodation and food service sector is the third largest share of employment in Cumberland County, representing 10% of the County’s workforce but only 5% of the County’s payroll. In fact, the median employee in this sector earns \$312 a week or \$16,224 per year, nearly half of the median wage in Cumberland County of \$696 per week or \$36,192 per year<sup>iii</sup>. A worker employed at the median wage for the County earns 85% of the household income needed to afford the median rent in Portland, while the average accommodation and food service worker earns a median wage that is 37% of the household income needed to afford the median rent in Portland.<sup>iv</sup>

**COMPARISON OF MEDIAN WEEKLY WAGE BY INDUSTRY 2016**

	Portland	Cumberland County	Maine
Accommodation and Food Service	\$353	\$312	\$290
Retail Trade	\$418	\$466	\$410
Health Care and Social Assistance	\$685	\$699	\$611
Total - All Industries	\$616	\$696	\$611

Source: US Census American Community Survey 2016 5-year sample

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According to the Maine State Housing Authority the average rent (including utilities) for a two-bedroom apartment in Portland is \$1,053 per month and the household income needed to afford the average rent in Portland is \$42,111 per year. This is a conservative estimate because if adding new units into the housing stock would likely require new construction which is typically more expensive to develop.

## Methodology

Methodologies used to calculate linkage fees vary, but in most cases the analysis begins with an estimation of the number of new employees associated with a typical development, in this case a hotel. A formula is used to calculate the affordability gap between what workers can afford to pay for housing and the average cost of market rate housing.

In Portland's case, a link is established between the creation of new jobs in the hotel sector and the increased demand for affordable housing through the following steps:

- **New Jobs.** Industry data was used to estimate the number of direct jobs that will be created by the new hotel with 180 units. According to the Urban Land Institute the typical hotel employs between 0.5-0.8 employees per hotel room. Using an average value of 0.65 employees per hotel room it is estimated that a hotel with 180 rooms will employ 117 people. The current ratio of jobs per household was used to estimate how many households will be created by this new employment.
- **Households.** Currently there are 155,014 employed civilians aged 16 and over in Cumberland County and 117,871 total households. This means that on average there are 1.3 jobs per every household in Cumberland County. Based on this ratio it was estimated that the 117 additional jobs created by a new hotel will create 89 new households. However, it is assumed these jobs will be split up between different occupations, such as management, sales, service, and maintenance, and depending on the occupation, the wages for each occupation may be higher or lower than the median wage for the hotel industry. Therefore, industry occupation employment and wage data examined from the ACS was used to estimate how many new households will be low income.

**EMPLOYED POPULATION PER HOUSEHOLD 2016**

	Portland	Cumberland County	Maine
Employed Civilian Population 16+	37,737	155,014	652,638
Total Households	30,211	117,871	551,109
Jobs/Household	1.2	1.3	1.2

Source: American Community Survey 2016 5-year estimate

- Jobs by Occupation.** Based on industry and occupation employment data from the ACS 64% of jobs in the hotel industry are service occupations, 19% of hotel jobs are management occupations, 13% of hotel jobs are sales and office occupations, and the remainder are maintenance and transportation occupations. The total number of jobs and households that will be created in each occupation was calculated by multiplying the share of hotel employment by occupation by the total number of new hotel jobs created.

**NEW JOBS AND HOUSEHOLDS BY OCCUPATION CREATED BY NEW HOTEL EMPLOYMENT**

	Share of Hotel Employment	Number of New Jobs	Number of New Households
Service	64%	74	57
Sales and Office	13%	15	11
Transportation	4%	4	3
Maintenance	1%	1	1
Management	19%	22	17
Total - All Occupations	100%	117	89

Source: American Community Survey 2016 5-year estimate;  
GPCOG Analysis

- Household Income.** To calculate the household income for each household in each occupation category the median wage by occupation data for Cumberland County from the ACS was used. This calculation assumes 1 person in each new household works full time in the hotel industry and any additional workers in the household earn the area median income.

**NEW HOUSEHOLDS AND HOUSEHOLD INCOME BY OCCUPATION**

	Number of New Households	Median Wage for Hotel Income Earner	Median Wage for Second Income Earner	Total Household Income
Service	57	\$18,109	\$11,403	\$29,512
Sales and Office	11	\$30,444	\$11,403	\$41,847
Transportation	3	\$31,695	\$11,403	\$43,098
Maintenance	1	\$33,421	\$11,403	\$44,824
Management	17	\$52,910	\$11,403	\$64,313

Source: GPCOG Analysis and American Community Survey 2016 5-year estimates

- Affordability Gap.** These estimates for household income by occupation were compared to affordability data from the Maine State Housing Authority to show the difference between what the new households created by hotel employment earn and the minimum income needed to afford a two-bedroom apartment in Portland. These results show that households with Service or Sales and Office occupations have a household income that is lower than the minimum income needed to afford rental housing in Portland. This household affordability gap is largest (\$12,599) for households with Service occupations, which also represent nearly 2/3 of households created by the new hotel employment.

**AFFORDABILITY GAP**

	Number of New Households	Total Household Income	Income Needed to Afford Rent in Portland	Household Affordability Gap	Total Affordability Gap
Service	57	\$29,512	\$42,111	\$12,599	\$712,873
Sales and Office	11	\$41,847	\$42,111	\$264	\$3,029
Transportation	3	\$43,098	\$42,111	NA	\$0
Maintenance	1	\$44,824	\$42,111	NA	\$0
Management	17	\$64,313	\$42,111	NA	\$0
Total					\$715,901

Rental Affordability Source: Maine State Housing Authority, 2017

- Aggregate Affordability Gap.** Next, the household affordability gap for each occupation was multiplied by the number of households with employment in each occupation to arrive at a total affordability gap of \$715,901 per year. This number represents the difference between these households' ability to pay for their housing and the market cost of their housing based on the median monthly rent. In reality these households will likely face much higher rental housing costs since the current shortage of rental housing in Portland means that rents for new units are significantly higher than the median rent.

- 
- **Final Calculation.** When we divide the affordability gap of \$715,901 by the number of new hotel rooms, we get an average affordability gap per room of \$3,977, or \$5.93 per square foot. Therefore, a fee of just under \$6 per square foot would cover a minimum justified housing affordability gap for the 89 new households created by a new 180 unit hotel employment for one year.

This example estimate represents the full cost of the affordability gap for employment in one hotel for one year based on available data. The fee we have estimated is a maximum and a city may choose to assess a lower percentage of this fee since multiple industries could potentially impact the demand for affordable housing. Furthermore, this fee could be re-evaluated periodically as circumstances such as inflation, rents, and rental housing supply change.

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<sup>i</sup> Portland 2030 Housing Demand, GPCOG 2015

<sup>ii</sup> Data from City of Portland, Department of Planning & Urban Development.

<sup>iii</sup> 2016 median wage data from the US Census American Community Survey (ACS)

<sup>iv</sup> (Source: US Census County Business Patterns, 2016).



Jeff Levine, AICP  
Director, Planning & Urban Development Department

## Memorandum

**To:** Jeff Levine  
**From:** James Dealaman  
**Date:** July 21, 2017  
**Re:** Linkage Fees

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### **Summary:**

Staff are beginning preliminary stages of analysis on the potential for revision to the ordinance and determining the feasibility of a proposal for commercial impact fees on hotel development. Comments and discussion are encouraged on the topic in addition to other dialogue around reinforcing existing housing tools to promote affordable housing opportunities.

### **Commercial Linkage Fees:**

As early as the 1970s municipal governments have implemented commercial impact fees (i.e. commercial linkage fees) to mitigate the impact of new development on the demand for affordable housing. That is to say, any new commercial development, while contributing to a City's workforce, is often connected to creating a number of new worker households with a percentage of those needing affordable housing. A number of these newly created jobs often do not provide adequate financial means for workers to live in the same city as where they work due to the high cost of housing. Furthermore, in cities where access to affordable housing is already scarce, commercial developments can exacerbate demand for housing, and many workers who cannot afford to live nearby find themselves in the position of needing to commute longer distances. Generally, when implemented an impact fee is charged to a developer as a condition of approval of a development project for purpose of mitigating these impacts of the project. Before implementing an impact fee policy, policymakers try to identify a "nexus" or connection between the fee and the actual impacts of the project, and typically the fee will represent the proportional impact the project is creating. Cities may choose to establish this relationship between a development project and the fee charged by undergoing a Job-Housing Nexus Analysis or "nexus study," then followed by a feasibility study. Commercial impact fees are routinely re-evaluated and revisited annually and adjusted based on new data, inflation, and other trends.

### **Discussion:**

Portland currently possesses 1,811,050 square feet of hotel/motel development which represents 2,647 units on the market at large. Due to a steady uptick in hotel development in recent years, commercial impact fees on hotel development are being considered due to their impacts on affordable housing demand and the lack of a mitigation fee structure currently in place. Currently, one of the largest hotel developments under construction located at 158 Fore Street will add an additional 180 units (120,760 square feet). If a commercial impact fee condition of approval were introduced (into Sec. 14-487 Ensuring Workforce Housing) at a nominal rate of \$5.00 per square foot, a future development of this scale would raise \$603,000 worth of funding that could further support the revenue of the Housing Trust Fund to fund affordable housing projects. Other alternatives less practiced by municipalities include charging fees based on number of units, or requiring offsite construction of affordable rental units.

**Attachments:**

- **Attachment A** - Linkage Fees in California Bay Area Cities (City of Palo Alto Commercial Linkage Fee Nexus Study)
- **Attachment B** – Summary and Benefits (Association of Bay Area Governments)
- **Attachment C** – Sections from Maine Lodging Outlook 2016 MEREDA (Pinnacle Advisory Group)
- **Attachment D** - Commercial Linkage Fees Explained (InclusionaryHousing.Org)

Figure VI-10. Existing Linkage Fees in Bay Area Cities

City	Commercial Development Subject to Fees	Fee Amount
Walnut Creek	All development commercially classified i.e. R&D, for-profit medical offices/hospitals, etc.	\$5.00 per SF
Oakland	Office and Warehouse/Distribution	\$5.24 per SF used for office of warehouse /distribution needs beyond 25,000 SF
Dublin	Industrial, Office, R&D, Retail, Services & Accommodations	Industrial: \$.048 per SF Office: \$1.24 per SF R&D: \$0.81 per SF Retail: \$1.00 per SF Services & Acc.: \$0.42 per SF * Buildings less than 20,000 SF are exempt.
Pleasanton	All commercial office or industrial development projects	\$2.87 per SF Adjusted annually based on CPI
Alameda	Retail, Office, Warehousing, Manufacturing, Hotel//Motel	Retail: \$2.24 per SF Office: \$4.42 per SF Warehouse & Manufacturing: \$0.77 per SF Hotel/Motel: \$1,108 per room/suite May be adjusted annually based on CPI
Napa	Office, Hotel, Retail, Industrial (Industrial, Warehouse, Wine Production)	Office: \$1.00 per SF Hotel: \$3.00 per SF Retail: \$0.80 per SF Industrial: \$0.50 per SF
San Rafael	Office or R&D, Retail, Restaurant, Personal Service, Manufacturing, Light Industrial, Warehouse, Hotel/Motel	5,000 SF or more to provide affordable housing units or pay a fee * \$254,599 per unit Office & R&D: 0.03 units Retail, Restaurant or Personal Service: 0.0225 units Manufacturing or Light Industrial: 0.01625 units Warehouse: 0.00875 units Hotel/Motel: 0.0075 units

Figure VI-10. Summary of Existing Linkage Fees in Other Bay Area Cities (Continued)

<b>City</b>	<b>Commercial Development Subject to Fees</b>	<b>Fee Amount</b>
Petaluma	Commercial, Retail, Industrial	Commercial: \$2.14 per SF Retail: \$3.69 per SF Industrial: \$2.21 per SF
Emeryville	Any development of non residential uses for which a discretionary permit or building permit is required	\$4.00 per SF
Berkeley	Developments in non-residential and R-4 Zones, except in South Berkeley IX Target Area, over 7,500 SF	Office/Retail/Restaurant/Hotel/Lodging/R&D: \$4.50 per SF Industrial/Manufacturing/Warehouse/Storage: \$2.25 per sq. ft

Sources: The Non-Profit Housing Association of Northern California, Strategic Economics, and Vernazza Wolfe Associates, Inc, 2015.

## **Commercial Linkage Fee**

### ***Summary and Benefits:***

A portion of jobs created by new commercial development – hotel, retail, office, etc.- are low-paying and the new employees cannot afford market-rate housing. With commercial linkage fees – also known as job-housing linkage fees - developers are expected to ameliorate some of the housing impacts generated by such projects. This impact is measured through a Job-Housing Nexus Analysis that shows the connection between the construction of new commercial buildings, employment, and the need for affordable housing. They are usually performed by consulting firms that have specialized in this type of analysis.

Methodologies vary, but in most cases the analysis begins with an estimation of the number of employees for a prototypical 100,000 sq.ft. building and ends with the cost per-square foot for that building to provide housing for those employees who would live in that locality but could not afford to live there. Consultants routinely recommend fee levels much lower than the maximum. Given that, depending on the land use, there are different concentrations of employees per area of buildings, fee levels vary, with office usually the highest, and warehousing the lowest. Some localities, heavily impacted by specific types of development, might exact fee from only those uses, as is the cases in some Silicon Valley cities targeting the high tech industry.

Commercial linkage fees are adopted at the local level, and as such they reflect the diversity of each locality’s economic, political and cultural traits. Linkage fees can vary by development type, fee level, exemptions, options/thresholds, terms of payment, and results. About twenty cities in California have enacted commercial linkage fees. Compared to the number of localities with inclusionary housing programs, the number of localities with commercial linkage fees is rather low. A possible explanation is fear of discouraging economic growth. However, reasonable fees enacted in areas experiencing high levels of economic growth and strong demand for commercial space should not negatively affect the rate of commercial development. This is especially true if one considers that the additional costs to developers will bring about a readjustment of land prices in a period of a few years, i.e., the landowner will pay the additional cost of development through a reduction of the price of land. (See below, Jobs-Housing Nexus Study Prepared for the City of San Diego by Keyser Marston associates, Inc. August 2013, page 62).

### ***Potential Policies:***

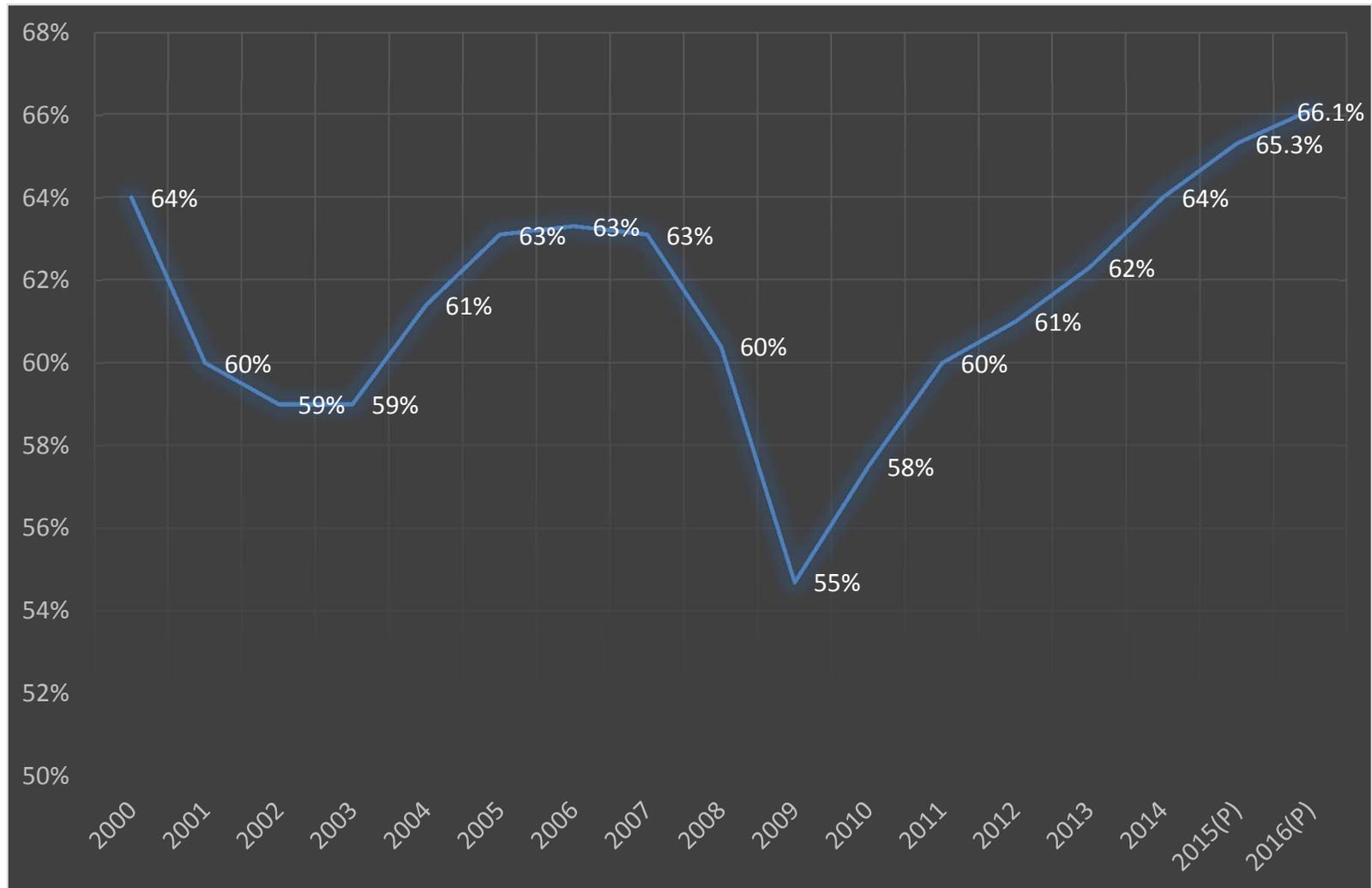
- Some cities in the Bay Area already have commercial linkage fees. Those cities experiencing high levels of growth should consider increasing their existing fees. In some cases there are no provisions for inflation adjustment, as in Berkeley. The City of San Diego passed legislation last year to increase their fees to reflect the failure in adjusting their fees since 1990, the date of adoption of their program. Finally, cities without commercial linkage fees but experiencing high rates of commercial growth should consider adopting a commercial linkage fee program.

### ***Model Ordinances/Useful Sources:***

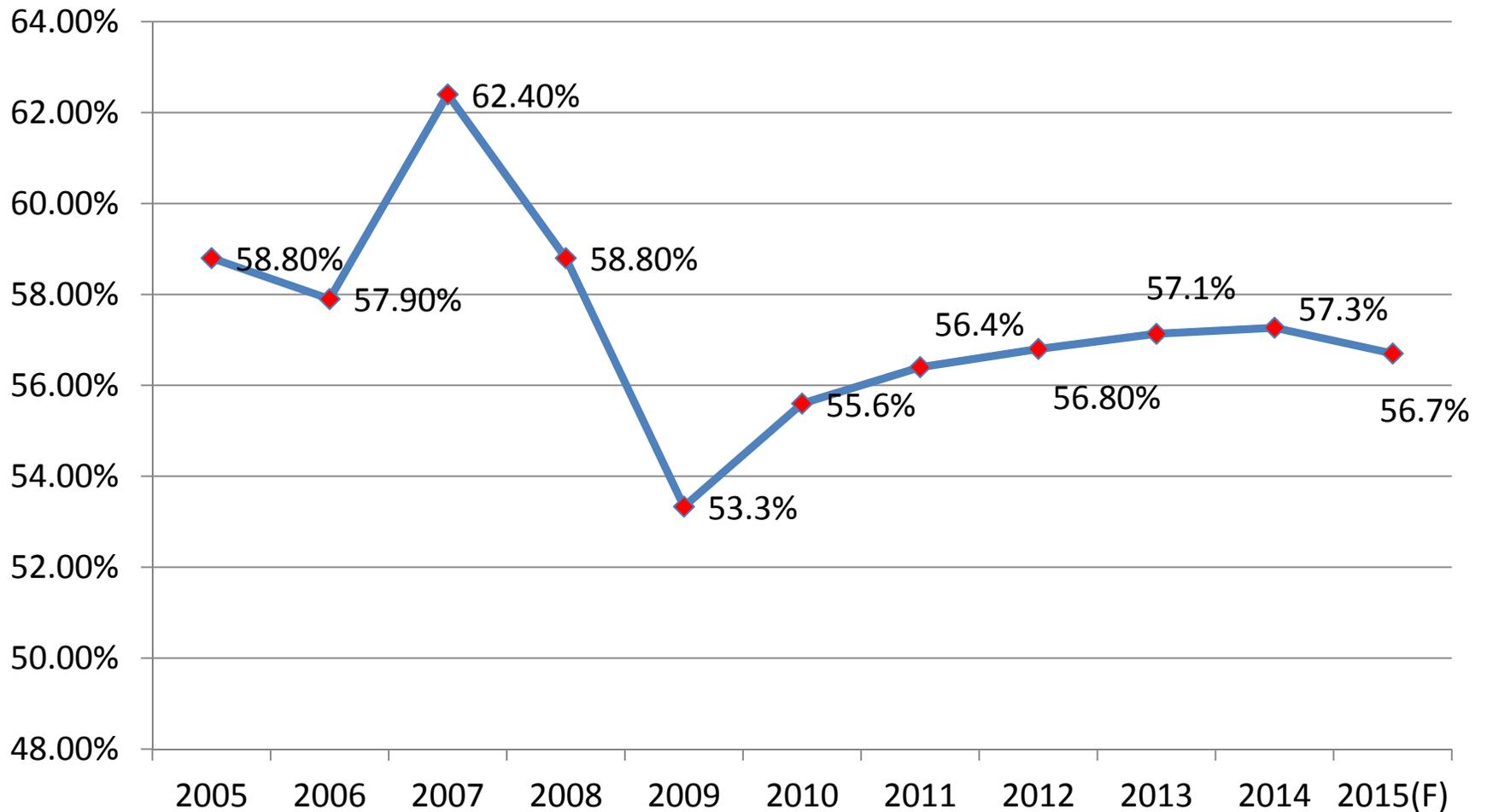
- City of Menlo Park Commercial Development Fee - Zoning Code Chapter 16.96.030, Link: <http://www.codepublishing.com/CA/menloPark/?MenloPark16/MenloPark1696.html>
- City of Oakland Jobs/Housing Linkage Fee - Building Code Chapter 15.68. Link: [http://library.municode.com/HTML/16308/level2/TIT15BUCO\\_CH15.68JOHOIMFEAFHOTR\\_FU.html#TOPTITLE](http://library.municode.com/HTML/16308/level2/TIT15BUCO_CH15.68JOHOIMFEAFHOTR_FU.html#TOPTITLE)

- City of Oakland Jobs/Housing Linkage Fee Nexus Study and related reports. Link: <http://www2.oaklandnet.com/Government/o/hcd/s/Data/DOWD008692#linkage>
- Jobs- Housing Nexus Study Prepared for the City of San Diego by Keyser Marston associates, Inc. August 2013:  
[http://sdhc.org/uploadedFiles/Real\\_Estate/Best\\_Practices\\_Task\\_Force/SDHC%20Job%20Housing%20Nexus%20Study%202013\(1\).pdf](http://sdhc.org/uploadedFiles/Real_Estate/Best_Practices_Task_Force/SDHC%20Job%20Housing%20Nexus%20Study%202013(1).pdf)
- City of San Jose, Housing Needs and Strategy Study Session Follow-up Administrative Report, Link: <http://sanjoseca.gov/DocumentCenter/View/12862>
- San Mateo County 21 Elements, Development Impact Fee 21 Jurisdiction Grand Nexus Study, Link: *To be added in 2014 to [www.21elements.com](http://www.21elements.com).*

## U.S. Occupancy 2000–2016(P)



## Maine Occupancy 2005 – 2015(F)

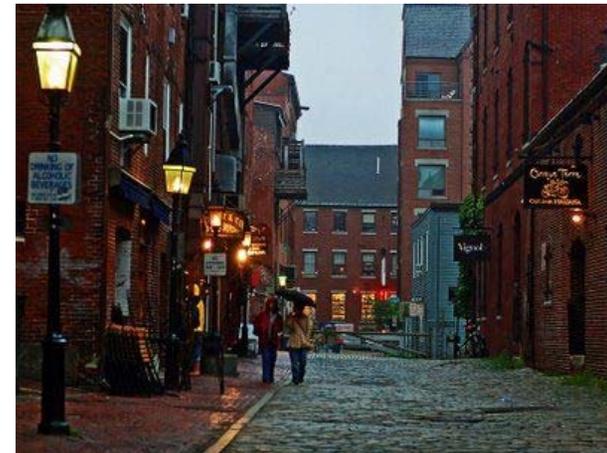


## Portland (Peninsula) Market Snapshot

	T12 November 2015	Change from Prior Year
Occupancy	70%	3.6%
ADR	\$190.02	0.1%
RevPAR	\$132.29	3.7%

Source: Smith Travel Research

- Trip Advisor Top 10 Destination on the Rise
- Press Hotel open and absorbed
- Lots of interest – proposed AC by Marriott
- Demand still leisure driven
- No rate wars...yet



PINNACLE ADVISORY GROUP



# Commercial Linkage Fees

Commercial linkage fees are charged to developers of new office or retail properties and used to fund the development of affordable housing. Sometimes called jobs-housing linkage fees, these fees are typically assessed on a per square foot basis.

## Housing Seattle



### Commercial Linkage Fee (housing impact mitigation)

- New commercial development pays a mitigation fee by the square foot (\$5 - \$17), or provides an equivalent amount of affordable housing on or off site.
- The amount of allowed commercial development is increased by about 1 Floor Area Ratio (FAR).
- Affordable housing mitigation is required for all commercial development on the site.

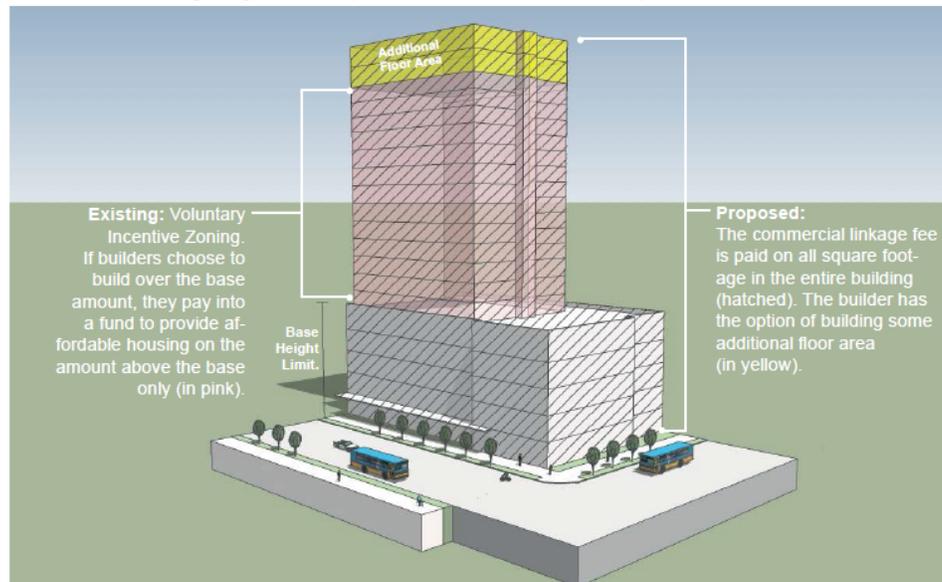


Photo from the City of Seattle, 2015 <http://murray.seattle.gov/mayor-murray-councilmember-obrien-introduce-legislation-to-build-new-affordable-housing/#sthash.MqvIBjEw.dpbs>

## Arlington County, Virginia

Arlington County assesses a commercial linkage fee of \$1.77 per square foot, which was expected to generate almost \$14 million in revenue between fiscal years 2013 and 2016. To give its program more flexibility, Arlington also allows commercial developers to build units if they prefer.

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## Boston, Massachusetts

Boston has one of the oldest commercial linkage programs in the country. It charges about \$8 per square foot of new commercial development for the provision of affordable housing. While recent data is not available, between 1986 and 2000, Boston's linkage fees generated \$45 million in revenue, which funded nearly 5,000 affordable units. To address concerns over concentrations of poverty, Boston requires at least half of its fee revenues to be invested in neighborhoods that have less than the citywide average of affordable housing or have a demonstrated need for producing or preserving affordable housing.

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## Common Questions

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Who bears the cost of linkage or impact fees?➤

**Mostly landowners.** There is general agreement among economists that much of the cost of impact fees on new development are ultimately born by landowners who have to accept lower prices for their land from developers who now face a new expense.

Most of the research on impact fees is focused on fees to finance public services or infrastructure. The economics of these fees are slightly different because they are seen as funding services that the buyers of homes would value. There are empirical studies showing impact fees resulting in higher home prices and other studies showing fees driving down land prices instead. Researchers debate whether any home price increases are the direct result of the fees or the indirect result of increased demand driven by the infrastructure improvements that the fees finance.

A 2003 review\* of 27 academic papers on the topic concluded that where buyers and developers have other options:

“the cost of the impact fee is pushed backward to sellers of land ... and sellers must reduce the sale price of land in such scenarios.”

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Are fees more efficient?➤

Under the right circumstances, off-site production with in-lieu fees or linkage fees can result in more affordable homes than on-site production. However, increased production is not automatic.

Effective use of fees relies a number of key resources, which are not necessarily available in every community. These include:

- The availability of other locally controlled financing sources to leverage inclusionary housing funds,
- The capacity of public agency staff, the availability of local nonprofit or private partners with affordable housing development experience, and
- The availability of land for development of affordable housing.

Even when all these elements are present, successful off-site strategies require careful attention to unit locations in order to achieve some level of economic integration or fair housing outcomes.

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Can fees offer more flexibility?➤

**Yes:** Inclusionary program administrators often value the flexibility that in-lieu fees or linkage fees can offer. Fee revenue can be used to produce units that are outside the operating parameters of the inclusionary housing program, such as lower AMI units, special needs housing, homeless housing, or transitional housing. This can be invaluable to the community especially if other funding sources are limited.

Fee revenue can also be used to balance the outcomes. For example, if the program is primarily producing affordable for-sale units, the fees can be used to produce affordable rental housing. Or if development is concentrated in one area, the fees can be used to provide affordable housing in areas where no development is occurring. Fees can also be used to pay for capital improvements or to preserve affordability of existing properties.

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What are the steps in enacting a linkage fee?➤

**There are three major best practices for setting a linkage or housing impact fee:**

1. **Base the fee on the findings of a nexus study.** A linkage or housing development impact fee is intended to mitigate the impact of a given development on the community. For example, a new retail project would be expected to generate a certain number of lower-wage jobs which impacts the housing market by creating a predictable increase in demand for lower cost housing. It is important that the city establish the fee based on the measurable contribution of a likely project to the overall need for affordable housing. A nexus study can make that connection and can also be a means for establishing legal defensibility of the fee. A nexus study will establish a maximum fee that is consistent with the housing need created by new development of various types. *Keep in mind that the nexus study should not be confused with the feasibility study, which focuses on whether a fee or other requirement will be financially feasible for developers.*)
2. **Consider a performance option for residential projects.** Even for primarily fee programs, the city can offer developers the option of providing units on site in lieu of paying the fee. An on-site or off-site performance option might appeal to certain developers who want to closely and publicly associate with the provision of the affordable housing that their project generates.
3. **Phase in the fee over time.** Any new fee will add to the cost of development. A sudden increase in costs could be difficult to absorb. Phasing a new fee in stages over a two or three years will allow time for land prices to adjust appropriately without unduly impacting projects that are in the development pipeline

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Is an on-site inclusionary requirement better than a housing impact fee?➤

An increasingly popular alternative to inclusionary housing programs is to charge a housing development impact fee on new residential development to pay for affordable housing. Typically, fee revenue is deposited in a housing trust fund and used to facilitate construction of additional units for low- and moderate-income households or to achieve other affordable housing goals.

There are some advantages to housing impact fees. In many states that prohibit mandatory inclusionary housing programs, it is permissible to charge fees.

Additionally, housing development impact fees have the same advantages as in-lieu fees: they offer flexibility and can be used to leverage other sources of funding, like Federal Low Income Housing Tax Credits. They also face some of the same challenges. For example it is important to make sure the money is not spent primarily in low-income neighborhoods.

To enact a housing development impact fee, cities must first conduct a nexus study that shows the relationship between new housing or jobs and the need for affordable housing. While a nexus study documents the maximum legal fee, a second study, called a feasibility study shows what fee levels will not adversely impact development.

The legal environment is different in every state and it changes rapidly. It is important to consult with an attorney to fully understand if housing development impact fees are permitted in your jurisdiction.

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What is the best way to set the level of a linkage or impact fee?➤

Generally communities commission a nexus study to determine the extent to which new development (residential or commercial) contributes to the need for affordable housing. They use the results of this study to determine the exact dollar amount of any linkage or impact fee.

Residential linkage fees can either be a set price for each new home or can be calculated based on the square footage of the new home. On the lower end, Mountain View, California charges new residential development \$10 a square foot, while Santa Monica, Californiacharges approximately \$28 a square

foot. Berkeley, California charges \$28,000 for each new market rate home to fund affordable housing.

Boston, Massachusetts has one of the oldest commercial linkage programs in the country. It charges new commercial development over \$8 a square foot. From 1986–2000 Boston generated \$45 million in linkage fees, which funded nearly 5,000 units.\* Arlington County, Virginia also has a commercial linkage fee of \$1.77 a square foot, which was expected to generate almost \$14 million in revenue between fiscal year 2013 and 2016.

Commercial linkage fees often vary depending on the type of development (office, hotel, industrial). For example, Menlo Park, California charges almost \$15 a square foot for office developments and just over \$8 a square foot for industrial and other uses.

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When is a Nexus study necessary?➤

A linkage fee is intended to mitigate the impact of a given development on the community. That's why it is important that the fee be established based on the measurable contribution of a likely project to the overall need for affordable housing.

A nexus study is the established methodology for making that connection. The nexus study should focus on likely residential and commercial project types in the targeted higher-growth neighborhoods. The study will establish a maximum fee that would be consistent with the housing need created by new development of various types, but the city could choose to set the fee at a lower level if the maximum allowable fee would negatively impact development.

What can jurisdictions do if their state does not allow rental inclusionary zoning?➤

There are a number of options for states that do not allow cities to use rental inclusionary zoning. This situation usually arises because the legislature or a court has decided that inclusionary zoning is a form of rent control.

At least six states (California, Colorado, Texas, North Carolina, Oregon, and Wisconsin) do not allow cities to require developments to provide rental inclusionary homes. This has created a situation where condominium projects must provide affordable housing, but not rental developments. The specifics are different in all states so it is important to check with local attorneys, but there are a number of strategies that other cities have used.

### Charging Impact Fees

Many cities have adopted an affordable housing impact fee. Impact fees require that rental developers contribute money to an affordable housing trust fund. The size of the impact fee can vary dramatically, from under \$1 a square foot to over \$20 a square foot depending on local conditions. (Some jurisdictions charge a set price per unit, rather than per square foot.)

Before this can be done, a nexus study must be conducted.

Impact fees work well in areas with high home prices because the nexus study shows a strong connection. Cities with lower housing costs will only be able to legally justify a more modest impact fee level.

Some cities have set the impact fee as the default requirement and allowed developers to choose to provide rental units as an alternative. Because the default option

is paying the fee and developers are choosing to provide the units, it may be more likely to withstand a legal challenge. When implementing the impact fee, it is a good practice to offer developers flexibility as well as incentives to participate. This will both make development more likely to happen and also reduce the likelihood of a successful court challenge.

## Development Agreements

In some states, it is possible to require affordable units when developers voluntarily enter into Development Agreements – generally as a result of receiving some specific public benefits.

## Partnering with Housing Authorities or Nonprofits

States generally allow housing authorities, local governments, or nonprofits to operate affordable rental developments, even where rent control is forbidden. It may be possible to partner with these groups to ensure that all development contributes to affordable housing.

Boulder, Colorado requires that new rental developments provide affordable rental units on site or offsite, but the homes are owned by the local housing authority or similar agency so they are exempt from the state prohibition. The City of Boulder purchases the unit from the developer at an affordable price, and then sells or gives it to the Housing Authority or similar agency. Rental developments also have the option of providing a cash payment or dedicating land to the city.

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**Helipad.** Any area of land or water, or building, other than an airport which is made available for the landing and takeoff of helicopters or other aircraft.

**Home Occupation.** For an occupation customarily carried on at home, the use of a room in a dwelling as an office, studio, or work room by a person residing on the premises and in connection with which there is kept no stock in trade nor commodity sold on the premises.

**Hospital** An institution under Section 51, Chapter 111, G.L., for the purpose of caring for persons admitted thereto for diagnosis, medical, surgical or restorative treatment which is rendered in said institution.

**Incentive Project.** Any new development that consists of at least thirty thousand (30,000) square feet of Gross Floor Area devoted to one or more of the following uses listed in Section 4.30 of the Zoning Ordinance: Sections 4.31 i-1 (Hotel or motel), 4.32 f (Radio and television studio), 4.33 b-5 (College or University not exempt by statute, specifically including those uses and facilities listed in Subsection 4.56 c-4, c-5, and c-6), 4.33 c (Noncommercial Research Facility), 4.33 d (Health Care Facilities), 4.33 e (Social Service Facilities), 4.34 (Office and Laboratory Use), 4.35 (Retail Business and Consumer Service Establishments), 4.36 (Open Air or Drive In Retail Service), 4.37 (Light Industry, Wholesale Business and Storage), and 4.38 (Heavy Industry). For the purpose of this definition, new development shall mean (1) construction of new buildings or additions to existing buildings to accommodate uses in the above list, (2) substantial rehabilitation of buildings to accommodate uses in the above list for which the buildings were not originally used, or (3) Gross Floor Area whose use is changed from a use not included in the above list to a use included in the above list. In no case shall Gross Floor Area devoted to a Municipal Service Facility or Other Government Facility be considered an Incentive Project.

**Inclusionary Housing Project.** Any development of detached single-family, two-family, multifamily, and townhouse housing, elderly oriented congregate housing, and lodging houses as set forth in Sections 4.31 a-h and i-3, or development which includes any such residential use and at least one non-residential use, that creates at least ten (10) dwelling units or at least ten thousand (10,000) square feet of residential Gross Floor Area on one (1) lot or Development Parcel or two (2) or more adjoining lots in common ownership or under common control at any time within five (5) years following the first date of application for any special or building permit for development on the lot or lots or at any time within the twelve (12) months immediately preceding the first date of application for any special or building permit. For the purpose of this definition, development shall include (1) construction of new buildings or additions; (2) increasing the number of dwelling units or amount of residential Gross Floor Area within an existing residential building; (3) occupancy of existing buildings which have not been used for any residential use for a period of at least two (2) years; or (4) conversion of Gross Floor Area in existing buildings from non-residential to residential use. Development of fewer than ten (10) dwelling units and fewer than ten thousand (10,000) square feet of residential Gross Floor Area may be an Inclusionary Housing Project where the owner chooses voluntarily to comply with the provisions of Section 11.203.

**Institutional Use.** The use of land or structures for the non-profit charitable, benevolent, spiritual, instructional or custodial activities of government, education, religious, health care, social service, fraternal/sorority or similar organizations.

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Amendment as ordained by City Council on February 10, 1992. For purposes of this Section 11.80, the following shall be considered new economic activity:

- 11.82.1** Construction of any new building which will be a principal use under Subsections 4.31i-2 (hotel/motel), 4.34 (office and laboratory), 4.35 (retail business and consumer service), 4.36 (drive-in retail and service), 4.37 (light industry, wholesale business and storage) and 4.38 (heavy industry) of the table of use regulations.
- 11.82.2** Expansion or alteration of an existing building occupied by a principal use included in one of the use categories listed in Subsection 11.82.1, provided that such expansion or alteration will increase the gross floor area of the building by five thousand (5000) square feet or more.
- 11.83** *Employment Opportunity Certification.* When applying for a building permit for applicable development as specified in Subsection 11.82, the applicant for such permit shall file with the Superintendent of Buildings a certification from the City Manager, or his designee, that the applicant has prepared and filed with the City a statement indicating how the proposed development will comply with the most recently adopted *Cambridge Citizens Employment Plan*.

**11.200 INCENTIVE ZONING AND INCLUSIONARY HOUSING**

**11.201 Purposes.**

The purposes of Sections 11.200 to 11.206 are to promote the public health, safety, and welfare by accommodating the expansion of commercial and residential opportunities throughout the city; by providing for a full range of housing choices throughout the City for households of all incomes, ages, and sizes in order to meet the City's goal of preserving diversity by mitigating the impacts of commercial and residential development on the availability and cost of housing and especially housing affordable to low and moderate income households; by increasing the production of affordable housing to meet anticipated housing and employment needs throughout the city; by providing a mechanism through which commercial and residential development can contribute in a direct way to increasing the supply of affordable housing in exchange for a greater density or intensity of development than that otherwise permitted as a matter of right; and by establishing standards for the use of such contributions from the application of incentive zoning and inclusionary housing provisions.

**11.202 Incentive Zoning.** The developer or owner of an Incentive Project shall make a Housing Contribution in accordance with this Section 11.202.

- (a) Calculation of Housing Contribution. The Housing Contribution shall be calculated by multiplying the Gross Floor Area devoted to the uses that qualify the new development as an Incentive Project by the Housing Contribution Rate effective at the time the Superintendent of Buildings issues the first building permit for the Incentive Project. If a building permit is not required, the Housing Contribution Rate shall be the rate effective at the time the Housing Contribution is provided.
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- (b) Housing Contribution Rate. The Housing Contribution Rate effective on September 28, 2015 shall be twelve dollars (\$12.00) per square foot of Gross Floor Area devoted to the uses that qualify the new development as an Incentive Project. The effective rate shall be subject to annual escalation equal to annual percentage increases in the Consumer Price Index (CPI) Housing Index for Boston-Brockton-Nashua, MA-NH-ME-CT or similar index to reflect changes in dollar values over time; however, annual decreases in CPI shall not cause the contribution rate to be decreased. In addition, on September 28 each year from 2016 to 2018 inclusive, the Housing Contribution Rate shall increase by one dollar (\$1.00). The table below sets forth the Housing Contribution Rate over time.

Effective Date	Housing Contribution Rate
September 28, 2015	\$12.00 per square foot.
September 28, 2016 (Annual Adjustment)	\$13.00 per square foot.
November 16, 2016 (CPI Adjustment)	\$13.50 per square foot.

- (c) Timing of Payment. The developer or owner of an Incentive Project shall provide the Housing Contribution to the Managing Trustee of the Affordable Housing Trust or its designee, who shall certify to the Superintendent of Buildings that the requirements of this Section are met prior to issuance of a certificate of occupancy for the Incentive Project. If the Gross Floor Area of an Incentive Project is subsequently increased accommodating uses that qualify as Incentive Project uses, then notwithstanding the size of the increase, a Housing Contribution calculated in the manner set forth in this Section shall be provided for every square foot of that increase.
- (d) Reevaluation of Housing Contribution Rate. The City shall initiate a reevaluation of the Housing Contribution Rate and any other aspect of these Incentive Zoning Provisions at an interval of no less than three (3) years from the time the rate was last amended by the City Council. Such reevaluation shall include a report provided to the City Council reviewing economic factors including but not limited to development activity, commercial rents per square foot, employment growth, housing trends measured in terms of, but not limited to, vacancy rates, production statistics, and prices for dwelling units, and the nexus between Incentive Projects and housing.

### 11.203 Inclusionary Housing.

#### 11.203.1 Applicability.

- (a) Except as otherwise provided, this Section 11.203 shall apply in all zoning districts throughout the city.
- (b) The requirements of this Section 11.203 shall apply to any Inclusionary Housing Project issued a special permit or, if no special permit has been issued, a building permit on or after December 1, 2016, (the date of the first advertisement of the most recent amendment to this Section 11.203)

**DRAFT**  
**2018 Housing Committee Work Plan**  
**June 1, 2018**

June 5, 2018

1. (Action Item) 5:30 pm to 6:30 pm - Joint meeting with the Economic Development Committee to Review and Recommend to the City Council Affordable Housing TIF Requests
2. (Action Item) Review and Recommendation to the City Council – Funding Requests Received from the Affordable Housing Development HOME Fund Application
3. (Action Item) Review and Recommendation to City Council of Amendments to Ordinance: Section 6-225 of the Tenant Housing Rights Ordinance. (Housing Advisory Board)
4. Hotel Linkage Fee Discussion
5. 2018 Work Plan Discussion

June 27, 2018

1. Presentation and Discussion of Community Land Trust model
2. Review and Discussion of City-Owned Property re: housing development potential
3. (Action Item) Review and Recommendation to the City Council/Planning Board Hotel Linkage Fee
4. Communication Item: FY19 HUD Annual Allocation Plan
5. 2018 Work Plan Discussion

July 25, 2018

1. Rental Housing Safety & Inspection Program - Implementation and Financial Report
2. Short Term Rental Registration Program - Implementation and Financial Report
3. (Action Item) Review and Recommendation to the City Council Increase in Short Term Rental Registration Fees
4. (Action Item) Review and Recommendation to the City Council Community Land Trust Model
5. Review and Discussion of possible changes to the Condo Conversion Ordinance
6. (Action Item) Review and Recommendation to the City Council Housing Trust Fund Allocation(s)
7. 2018 Work Plan Discussion

August 22, 2018 - canceled

September xx, 2018 (to be scheduled)

September 26, 2018

1. (Action Item) Review and Recommendation to City Council/Planning Board Amendments to Condo Conversion Ordinance
2. Communication Item: FY18 HUD Consolidated Annual Performance Report
3. 2018 Work Plan Discussion

October xx, 2018 (to be scheduled)

October 24, 2018

1. Presentation of Key Updates to the 2017 Housing Report
2. 2018 Work Plan Discussion

November 28, 2018

1. Review of 2018 Annual Committee Report
2. 2018 and 2019 Work Plan Discussion

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COMPLETED WORK

January 24, 2018

1. Review 2017 Housing Policy Proposals.
2. Review 2017 Housing Committee Report; Goals, Work Plan, and Accomplishments.
3. Review Summary of Feedback of Housing Policy Proposals.
4. First Review of Developer Feedback on the Inclusionary Zoning Ordinance.
5. Update on 2018 Short Term Rental registration process.
6. 2018 Work Plan Discussion

February 12, 2018

1. Review Housing Policy Proposals
2. Review Public Feedback on Housing Policy Proposals
3. 2018 Work Plan Discussion

February 28, 2018

1. Housing Program Budget - Review and Recommendation to the City Council
2. Overview of the Housing and Community Development Division
3. Overview of the Housing Trust Fund
4. Communication Items: Community Land Trust Information; City-owned property information; Text Analysis of Housing Report Survey
5. 2018 Work Plan Discussion

March 28, 2018

1. 14-403
2. HomeStart
3. Affordable Housing Development HOME Fund Application - Review and Approval to Issue by the Committee
4. Franklin Reserve Massing Study/GPCOG overview of Brownfields Planning Grant
5. 2018 Work Plan Discussion – including a discussion of the Council’s goal setting session

April 25, 2018

1. Rental Market Survey results presentation
2. Review and Vote to Recommend to the City Council Amendments to Chapter 6 re: Disorderly House Ordinance.
3. Housing Trust Fund Annual Plan
4. Tax Acquired and City-Owned Property – Westbrook Street
5. 2018 Work Plan Discussion

Communication Items:

Portland Water District water efficiency and repair services program

Inclusionary Zoning Workflow Update

May 23, 2018

1. Review Funding Requests Received from the Affordable Housing Development HOME Fund Application
2. (Action Item) Review and Recommendation to the City Council of the 2018 Housing Trust Fund Annual Plan
3. Review of Amendments to Ordinance: Section 6-225 of the Tenant Housing Rights Ordinance. (Housing Advisory Board) (Public Comment)
4. Communication Item: HUD FY18/19 Funding Update
5. 2018 Work Plan Discussion