HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

DATE:	**October 22, 2014 (Wednesday)**
TIME:	**5:30-7:30 p.m.**
LOCATION:	**Room 209, Second Floor Portland City Hall**

AGENDA

1. Review and accept Minutes of previous meeting held on October 8, 2014.

2. **Review and Recommendation to City Council to Terminate the Fore/India/Middle Street TIF District**– See enclosed Memorandum from Greg Mitchell.

3. **Review and Recommendation to City Council to Expand/Amend the Bayside TIF District**– See enclosed Memorandum from Greg Mitchell.

4. **Review and Recommendation to City Council – Conditional Approval of Affordable Housing Development Application from Avesta Housing for 73 Powsland Street –** See enclosed Memorandum from Mary Davis.

5. **Update, Review and Approval of 65 Munjoy Street RFP –** See enclosed Memorandum from Mary Davis.

6. **Executive Session:** Pursuant to 1 M.R.S.A. 405 (6)(C) and 5 M.R.S.A. 13119-A, the Committee will go into executive session to discuss and give guidance to staff regarding real estate negotiations/pending lawsuit update with regard to the Federated Companies Midtown Project

7. **2014 HCDC Work Plan for Review and Discussion –** See enclosed Memorandum from Jeff Levine, Greg Mitchell and Mary Davis.

Public Comment will be accepted on action items. **Councilor Kevin Donoghue, Chair**

Next Meeting Date: November 12, 2014

Housing & Community Development Committee
Minutes of October 8, 2014 Meeting

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, October 8, 2014 at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the HCDC was its Chair Councilor Kevin Donoghue, and members Councilors Jon Hinck and Nicholas Mavodones. Committee member Councilor John Coyne could not be present. City staff present included Historic Preservation Manager Deb Andrews, , Planning Division Director Alex Jaegerman, Planning and Urban Development Director Jeff Levine, Economic Development Director Greg Mitchell, Waterfront Coordinator William Needelman, and Senior Executive Assistant Lori Paulette.

Item 1: Review and accept Minutes from previous meeting held on October 8, 2014.

On motion made and seconded, the Committee voted unanimously to accept the minutes as published.

Item 2: Review and Recommendation to City Council to Terminate the Bay House TIF District.

Mr. Mitchell said that this TIF termination is being brought to HCDC for its recommendation to the City Council. Because the Bay House has now sold residential condominiums in the TIF District, which is not an allowable use in TIF Districts, this termination is now in order. This project will receive an FY14 TIF payment, but, due to the condo sales, the TIF payments are reduced to zero, and termination is now recommended.

Chair Donoghue asked if there was any public comment.

Anthony Donovan asked if this is terminated because of the proposed Downtown Transit Oriented Development (TOD) TIF district, and it was indicated that this is being terminated due to the residential condo sales, which is not an allowable use.

There being no further comment, the public comment session was closed.

On motion then made and seconded, the Committee voted unanimously to forward this item to the City Council with a recommendation that this TIF be terminated.

Item 3: Review and Recommendations: India Street Sustainable Neighborhood Plan

Item 4: Review of plans for the Portland Company/58 Fore Street Site

Chair Donoghue indicated that there would be no vote on these items and requested that they be taken together. Public comment will be taken after staff presentation.

Mr. Levine said that the consultant started in 2013 for the India Street Sustainable Neighborhood Plan (ISSNP), which brought in experts from the Muskie School. The India Street Neighborhood Advisory Committee (ISNAC) voted 9-1 (Nazor) on September 22 to recommend to the City Council that the ISSNP be adopted as an element the Portland Comprehensive Plan. This is planned to be before the Council on October 20th, to be referred to the Planning Board and Historic Preservation Board for further development and recommendation back to the City Council.

Mr. Levine said that the major recommendations of the Plan include establishment of an India Street Historic District – no boundary included in the plan, rather policy statements; develop a Form Based Code (FBC) to replace the zoning districts in the neighborhood; and, promote affordable housing City-wide. All three recommendations are evolving by respective bodies, including ISNAC HP Work Group, FBC Work Group, and Affordable Housing through this Committee, Planning Board, and City Council.

Regarding the Portland Company, Mr. Levine discussed the topography of the area, while noting that it was currently in a WSU zone. The Developer has requested a rezone to B-6. He noted that heights in the B-6 zone default to 65 feet unless a height overlay is adopted. Staff is recommending that a height overlay, based on the Eastern Waterfront Master Plan (EWMP) height study, matching heights in that study be adopted for this site. This will be discussed in a Planning Board Workshop on October 21 as part of the rezoning request to B-6.

Mr. Levine said that Portland Landmarks has requested the Historic Preservation (HP) Board nominate the site as a local Historic District, which would require the vote of two HP Board members. This would then be heard by the Planning Board, with its recommendation to the City Council to designate an historic district. The HP Board has not acted on this. The Developer has conducted studies of the historic character of the various buildings on site. City staff also retained a local consultant to conduct a full historic survey of the site, and it has retained a structural consultant to review those issues independently.

Staff is recommending the rezoning application be taken up first, as it is timely now, with a basic issue of maritime use or B6. Regarding the historic element, two members of the HP Board can initiate the process. Mr. Levine requested feedback from the Committee on timing – zoning first then HP, or in tandem. It is an amazing site both for development and historic elements.

Councilor Hinck said he was inclined to do the zoning first, but would like to hear from the public first.

Councilor Mavodones asked about the historic process, and would the Council have to vote yes or no, or could there be modifications made, noting that the HP Board vote may influence him. Ms. Andrews said that the Council has the prerogative to amend, and not necessarily vote straight up or down on what is presented.

Chair Donoghue asked about common policy threads between ISSNP and the Portland Company site, and Mr. Levine said that these properties do border each other. The issues identified in the ISSNP apply to the Portland Company property as well, i.e., historic preservation and affordable housing.

Chair Donoghue asked about the historic district for the ISSNP, and Mr. Levine said that the land use discussions may help form what should be/should not be included as part of that district. This holds true as well for the Portland Company site, i.e., during the rezoning review, it may be that portions of the property are highlighted for possible inclusion in an historic district. Based on the EWMP, Planning Board review, public feedback, work groups - what makes sense will evolve for both areas.

Ms. Andrews noted that HP Board recommendations go to the Planning Board; the Planning Board looks at these recommendations in the larger context of comprehensive plan.

Chair Donoghue said the meeting would lose its quorum at 6:15 as Councilor Hinck needed to leave at that time. He then opened the meeting for public comment.

Jim Brady, developer of the Portland Company, said that he acquired this property a year ago of approximately 10 acres. He is familiar with the EWMP and its 28 guiding principles to consider, including the historic element. He has been working with City staff for the past 18 months regarding land use policy and procedures for zoning and map text amendments, which should be the first step. He also had an historic building inventory and structural analysis done.

Sally Oldham of the West End said she is speaking as a resident and not in her role of Trustee for Portland Landmarks. India Street and Portland Company are different sites from an historical perspective. The Portland Company should go through the HP Board process. This property is of major significance for Portland. The complex has been determined eligible for the National Register of Historic Places by the Maine Historic Preservation Commission.

Tony Donovan said that ISSNP is going back to working groups, so it is premature to have it be part of the Comprehensive Plan. It also does not address job creation or commercial development. He requested that his 3-page comments submitted earlier to Planning be included in the packet (they are attached hereto). Regarding the Portland Company complex, the B6 zone would be good for the site.

Alan Kuniholm, Portland Society of Architects (PSA), said that the ISSNP and Portland Company site are two different subjects. He then had an addendum to PSA 9/22 statement in the packet regarding the ISSNP; that statement is attached.

Ed MacColl, Simba, Inc., said that they need parking in this area involved with the ISSNP. A more general problem on this plan is that owners below Fore Street were not represented, and there are no residents represented, both of which properties are applicable in the Plan.

Hillary Bassett, Executive Director of Portland Landmarks, requested that the zoning amendment and HP Board processes occur simultaneously to assure timeliness and clarity. She then read her attached comments.

Chair Donoghue, noting that it was 6:15 and Councilor Hinck had to leave, suspended public comments for the moment.

Councilor Hinck said that he is impressed with the ISSNP, but not convinced it needs to be adopted as it stands today. Regarding the Portland Company, he thinks the B6 zone makes sense. He looks forward to a compatible development on that property, and historic preservation is an important element for the site. Councilor Hinck said that he does not believe every structure needs to be preserved as is. There needs to be flexibility on HP and uses contemplated.

Chair Donoghue said that although there is no quorum, he would reopen public comment.

Barbara Vestal, regarding the Portland Company, requested that the City not abandon too quickly the current zoning at WSU. WSU was adopted in 1993 and has flexibility that the prior owner did not use, as it includes contract zone provisions. Marine uses should remain.

Chair Donoghue, noting no further public comments, closed the public comment session.

Bill Needelman said that the Developer is proposing that the current WSU zoning on the site (land side) be amended to B6, and the current zoning on the water side, now at WSU, be amended to EWPZ, which is the current zoning abutting the property on the water side, with amendments.

Councilor Mavodones said that there is minimal interest in contract zones on the Council. He asked about the EWPZ extension and its uses. Mr. Needelman said that the WSU zone at the water's edge should be reviewed. He then described differences and similarities between the WSU and EWP zones.

Councilor Mavodones said that he is generally supportive of the ISSNP but questioned inclusiveness as was suggested by Mr. MacColl. Regarding the Portland Company, he is pleased to see this property move forward to be developed. He agreed with staff's recommendation that zoning should be addressed first. The HP Board can do what it feels appropriate, but zoning should be considered first. There is a balancing act, for instance, housing – he would like to see some affordability; historic – perhaps part of the complex would be historic. Overall, he looked forward to learning more about the project.

Chair Donoghue, as co-Chair of the ISSNP group, said that historic district review by Planning Board before City Council would be good. He is sensitive to historic areas, and housing affordability is also important. The ISSNP group has completed its scope; next is further work for ordinance revisions, and ISNAC subgroups will assist.

Regarding the Portland Company, Chair Donoghue said that the B6 zone includes residential housing, which is costly now in that area. Affordability interests would have to be balanced.

Mr. Jaegerman said that the Planning Board workshop approach to zoning is based on the application received, which was for a zone change to B6. This process could take 2 to 3 workshops; it is complicated and may take to the end of the year.

Ms. Andrews said that timing of the HP Board is an initial workshop in 30 days, dependent on structural analysis completed first. With public hearing and then to Planning Board, it may be 4 months before this would go to the City Council.

Councilor Mavodones asked about the process for the City's consultant for the structural engineering analysis, and Mr. Levine said than an RFQ was issued and then selection was based on who met the qualifications.

Councilor Mavodones noted that there was no request for historic designation for the Portland Company within the past five years.

Chair Donoghue asked about the complex and would it be an historic landmark or district.

Ms. Andrews said landmark status is typically for an individual building; district is a complex of buildings. The HP Board would look at the resources and what meets the criteria.

Chair Donoghue discussed the Portland Complex in terms of a TOD TIF and the Hublink project, tying in the Thompson's Point TOD TIF to the eastern waterfront.

Mr. Mitchell said that the Portland Company, at the present time, is in the growth area of the Waterfront TIF District. The proposed Downtown TOD TIF area now does not include the Portland Company property, so this boundary could be relooked at in this regard for transit purposes.

Mr. Levine said that the feedback has been helpful, and staff will continue with the zoning amendment process, and recommend to the HP Board that they not move ahead at this time. Regarding housing on the property, staff will look at housing affordability, perhaps with a broader approach to the area.

Item 5: Review of PACTS Land Use and Transit Technical Assistance Project

Mr. Jaegerman said that this project comes from the Gorham East-West corridor project, which has the potential to provide improved access between Portland and communities to the west. The City has been asked to identify high priority growth areas/centers of opportunity that could be considered as project areas that could feasibly be linked by increased transportation choice. Staff is suggesting East Bayside and its potential job growth. There is $100,000 available to divided among six communities, which includes Portland.

Chair Donoghue opened the meeting for public comment.

Tony Donovan suggested a center of opportunity as more Thompson's Point to the Westgate Shopping area. He also mentioned that MTA and MDOT are looking at a six-lane area from Saco to Gorham, which the Sierra Club will be opposed to.

Mr. Jaegerman said that Saco to Gorham project is separate from this.

Public comment session was then closed.

Chair Donoghue said that he would like to see a useful product, and Mr. Levine said it could be tailored with three policy goals, for instance.

Chair Donoghue agreed that Thompson's Point to Westgate is another good suggestion, as this will be a growth area. A check in with that District Councilor may offer more insight; Councilor Mavodones agreed.

Staff thanked the Committee for the feedback.

Item 6: Communication Item: CDBG Application for Fy2015-2016.

Mr. Levine said that this was a communication for an update on timing/dates for the CDBG process; no major changes.

Item 7: 2014 HCDC Work Plan for Review and Discussion

After reviewing the Work Plan, "Future Work Plan Items" were added: India Street Lot; Police Parking Lot; and, consideration of the Portland Company as a TOD TIF.

The meeting then dispersed at 7:20 p.m.

Respectfully,

Lori Paulette

To: City of Portland India Street neighborhood Planning Committee

August 7, 2014

Regarding the India Street Sustainable Neighborhood Plan Critical Action # 9

Are there any Critical Actions that you believe need further discussion or revisions? For example, should future visions for transportation and rail be incorporated into this plan?

The ISN Plan, from inclusionary zoning to historic designation and FBC is a "future vision". No need to single out passenger rail any differently. The SLR Project plan is currently part of local, state and federal planning to restore passenger rail to this neighborhood. Just as the ISN Plan considers the impacts of reconstructing Franklin Street, the plan should consider the land-use implications of a multi-modal system of transit at this adjacent waterfront location.

Yes there should a critical action recommendation to design alternatives to automobiles coming into the already congested waterfront and India Street neighborhood. The recommendation should focus on a transportation system that includes passenger rail. The State of Maine owned SLR railway corridor, which shares the right of way with the Eastern Prom recreational trail, is more than a resource for attaining sustainability. Passenger rail is the critical element of a multi-modal system that connects people to places. Planning for that "last mile" is the responsibility of the community and should be incorporated into the Plan for the India Street neighborhood.

The SLR rail corridor is adjacent to the ISN and offers connections to towns and regions beyond the city, including Canada. The rail corridor is a fixed route that will eventually move hundreds of thousands of people to a fixed railway station location. These people will arrive without cars and will access and travel through India Street, just as the travelers from Casco Bay Lines, cruise ships, and ferry to Nova Scotia do. They will need safe pedestrian access and bike routes. They will need public and private bus transit, along with car share, bike share, ferry services.

The ISN Plan references "Support existing Transportation Infrastructure initiatives" and "Emphasis on connectivity and where we propose that to take place". The plan should go further in recommending that the City design a system of mobility and access that meets the needs of people coming and going who will access Portland at this place by means other than a car. The ISN Plan should identify the transportation hub that is OceanGate, not as a "future vision", but as a resource that can be used (a lot sooner than rebuilding Franklin Street and for less money). The potential for developers to reduce the costs of parking and vehicular access should be noted, particularly in considering the regulatory impacts of FBC on new development.

The goal should be to establish a community-based system of mobility, e.g., transportation that contributes to the long term sustainability of the local economy, creating jobs and improving the environment. The strategy should be to provide cost- effective transportation to meet current and emerging mobility needs of an aging population who desire alternative means of access, and a younger generation demanding alternative 21st century options that require effective transportation alternatives to reach jobs, housing and markets.

Anthony J. Donovan, President Maine Rail Transit Coalition 84 Middle St. Portland, Maine
Mailto: MeLikesRail@GMail.com Phone: 207-329-6732

This is not just about rail. By incorporating connections to a multi-modal center for residents the City can provide more transportation choices. Development of safe, reliable and economical transportation choices decrease congestion and household transportation costs, reduce our dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health. A 21st century system of moving people is also a tool for attracting business and creating new jobs, something this plan otherwise does not address.

"Complete Streets" does not meet the design standards required for local, inner-urban pedestrian access. Complete streets is just that; a DOT engineering design for protecting the integrity of the street and automobile LOS. Only by fully engaging in a system of connectivity, supported by alternatives to cars, including a passenger rail operation will we meet sustainability goals. That type of planning may consider Complete Streets guidelines, but it should be focused first on safe, effective and efficient non-motorized transport, before making it convenient for cars. In fact it should make it inconvenient for cars by slowing them down and directing them to off-street parking at a cost that will make the drivers consider alternatives.

<u>The Problem with the Boundary</u>

Although the ISNA claims the boundaries were established after a long and detailed debate, we need to question as to whether that debate would have been better done in a more public forum. The Portland waterfront is almost sacred to most of the residents of the city, and region. That a preservation plan for an adjacent neighborhood would spill over into the waterfront requires a serious debate.

One of the primary criticisms of the ISN plan is that while regulating the India Street neighborhood for historic preservation and residential development, the plan does not recognize the connectivity to the transportation hub that is Portland's waterfront. While the plan has its champions, and may be what is needed to protect India Street neighbors from unwanted development, the impacts on the waterfront are unknown and the ISN Plan might possibly be an impediment to the highest and best use of the most valuable under-developed real estate on the eastern seaboard.

The inclusion of any land on the waterfront side of Fore Street, including the former Grand Trunk railway property and the Shipyard Brewery is a mistake. The problem is the regulatory boundaries of the ISN Plan include these undeveloped, underdeveloped or in the case of Shipyard Brewery industrial land, that is part of the Eastern Waterfront, an area of the city that was planned and accepted into the City Comprehensive Plan 10 years ago.

While the ISN plan is an effective instrument for preservation and integrity of the neighborhood to the benefit of the growing residential population, historic preservation, inclusionary zoning, building heights, mass and design, parking standards, street design requirements and other applications of government regulatory and planning is not in the best interest of obtaining the highest and best use of the waterfront.

Anthony J. Donovan, President Maine Rail Transit Coalition 84 Middle St. Portland, Maine
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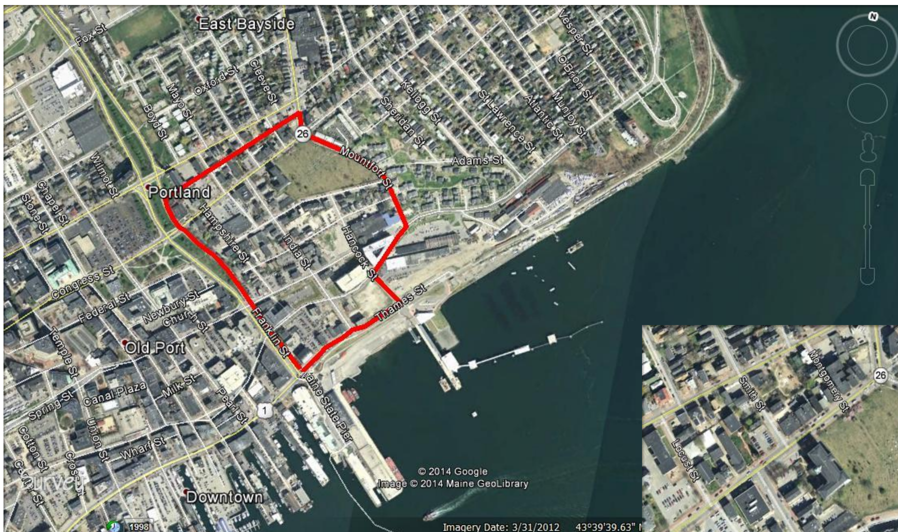
This was a most efficient process done in record time for an initiative of its scope. That those involved find this to be well-vetted is understandable. But now that the details on zoning and design requirements are out for public comment, it is evident that the boundary of the India Street neighborhood should not have been extended into the waterfront. In fact it is time to revisit the eastern waterfront and have some public discussion on the plans for the former Portland Company, the Shipyard Brewery, the Grand Trunk land, Munjoy South and the expansion of the OceanGate Transportation Center for inclusion of passenger rail.

end



Anthony J. Donovan, Founding Member

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Train Time

To:	India Street Neighborhood Advisory Committee
From:	Portland Society for Architecture
Date:	7 October 2014
Subject:	Addendum to 9/22 Statement

Dear Committee Members,

PSA wishes to clarify the following language included as part of our September 22 statement before the Committee:
"A majority of the proposed contributing buildings listed are small and on irregular-sized lots, and realized historic tax credit benefits would only start to be available at investment levels of $500,000 or more."

In making this statement, we did not mean to imply that historic preservation tax credits are unavailable below an investment level of $500,000 or more. That is not how the law is written. We were, instead, hoping to start a conversation about the practical reality that historic tax credits are rarely used at investment levels below an approximate figure of $500,000.

The law fully permits applications for smaller amounts, but the cost of hiring consultants and the extensive due diligence required means that projects below $500,000 are rarely able to access tax credit benefits. The creation of an Historic District can bring benefits to some property owners, but in our opinion it would be improper to claim that small residential property owners in an Historic District will be able to access the same level of financial assistance afforded large property owners and developers.

Thank you for the opportunity to add this clarification for the record.

Very truly yours,

Portland Society for Architecture
Board of Directors

Portland Society for Architecture
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Portland, Maine 04101
www.portlandarchitects.org

Greater Portland Landmarks
Housing & Community Development Committee
10/8/2014

Greater Portland Landmarks requests that the rezoning request and the consideration of a potential historic district designation for 58 Fore Street, the Portland Company Complex be considered simultaneously. There are several reasons for our request:

- Concurrent consideration assures coordination and timeliness, while also providing clarity for the development team.
- It is important that any planning board recommendation regarding the zoning represent that historic preservation reviews must address heights, density, and other issues, and may supersede zoning in some cases.
- Sutherland Consulting's research about the Complex has clearly established the local, state and national historic significance of the Complex. The City is now proceeding with a peer review of the developer's engineering study regarding structural integrity of the historic buildings. With completion of these reports, all the material for the review of the Portland Company Complex will be in place to decide on designation of a local historic district.

The Portland Company Complex was determined eligible for the National Register of Historic Places in 1974, and included as worthy of future local historic designation in the *City of Portland's Historic Resources Manual*, part of the City's comprehensive plan, effective August 1990.

In addition, the Guiding principles of the Eastern Waterfront Master plan specifically call for development to be "compatible with the surrounding areas, neighborhoods, natural environment and maritime uses, with objectives to "Encourage historic preservation and adaptive reuse of historic structures" , "Encourage compatible architecture," and "Preserve significant public view corridors to and from the water and along the waterfront."

We believe that the time is right to move forward with consideration of local historic district designation.

Thank you for your consideration.

Portland, Maine Yes. Life's good here.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Housing and Community Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: October 15, 2014

SUBJECT: **Review and recommendation to City Council on Termination of Tax Increment Financing District for Fore India Middle, LLC**

I. SUMMARY OF ISSUE

Fore India Middle, LLC ("Developer") received City Council approval for a Tax Increment Financing (TIF) District on September 5, 2012, for assistance related to Phase II redevelopment of the former Jordan Meats site adjacent to the Downtown Hampton Inn. See attached TIF District map.

The above TIF District was established to fund two primary activities which include:

1. Reimbursing the Project Developer, up to a maximum cap of $650,000, to pay for a portion of the actual cost of undergrounding overhead electric power lines and telecommunication services located along Middle Street between Franklin and India Streets, along with related sidewalk public infrastructure investment; and,

2. Fund City India Street neighborhood planning work - which has now been funded through other sources.

For background information, Phase I of the former Jordan Meats sites was constructed without City TIF district financial assistance. Phase I included a 94,000 sq. ft. mixed use project consisting of the 122-room Hampton Inn, the Sebago Brewing Company restaurant, and 12 residential condominium units. This first phase used .66 acres of the 1.75 acre site, leaving 1.09 acres remaining to be developed.

The approved TIF District includes 1.09 acres (remainder of the former Jordan Meats site). The proposed $25 million Project was planned to include a five-story, 180,000 sf. mixed-use project consisting of 12,600 sf. of retail space on Middle Street, 9,900 sf. of retail space on Fore Street, three levels of office space comprising 66,000 sf. on Middle Street, and 18 residential condominium units along Fore Street and India Street. In addition, there was to be two "internal" parking garages located behind the retail spaces (not visible from the street), one garage at the Fore Street level, and another garage one story above at the Middle Street level.

City staff recommends termination of this TIF District for the following reasons:

- The proposed $25 million mixed use Project, adjacent to Hampton Inn, was not built and associated undergrounding of electric power lines and telecommunication services was not constructed.

- TIF District was established for a four year time frame which expires in City fiscal year 2017.

- Fore India Middle, LLC Developer sold the entire former Jordan Meats site to Chatham Portland DT LLC.

- TIF District Credit Enhancement Agreement (CEA) was not signed by the Fore India Middle Street, LLC Developer and the City of Portland, and the CEA has not been assigned to the current property owners.

- A Downtown and Transit TIF is proposed to include the central core of the Portland Peninsula including the area in the existing Fore India Middle TIF District. City Council approval to terminate this TIF District must occur prior to City Council action on the proposed Downtown and Transit Oriented Development TIF District

Chatham Portland DT LLC, the current property owners, have been notified that City staff is advancing this recommendation for the TIF District's termination to the HCDC and City Council.

II. REASON FOR SUBMISSION

This is being submitted to the Housing and Community Development Committee (HCDC) for its recommendation to the City Council to terminate this TIF District.

III. INTENDED RESULT

The intended result is to have this TIF District terminated by the City Council and submitting this termination notification to the Maine Department of Economic and Community Development.

Under the proposed Downtown and Transit Oriented Development TIF District, staff will be recommending that the property included in the Fore India Middle TIF District be included in the new proposed Downtown and Transit Oriented Development TIF District.

IV. COUNCIL GOAL ADDRESSED

Implement the City's revised Tax Increment Financing (TIF) program that focuses on the creative of appropriately sized and designed TIF districts and advances other Council goals in the areas of transit, economic development, public infrastructure, and municipal finance.

V. FINANCIAL IMPACT

There is no financial impact related to terminating the Fore India Middle Street TIF District.

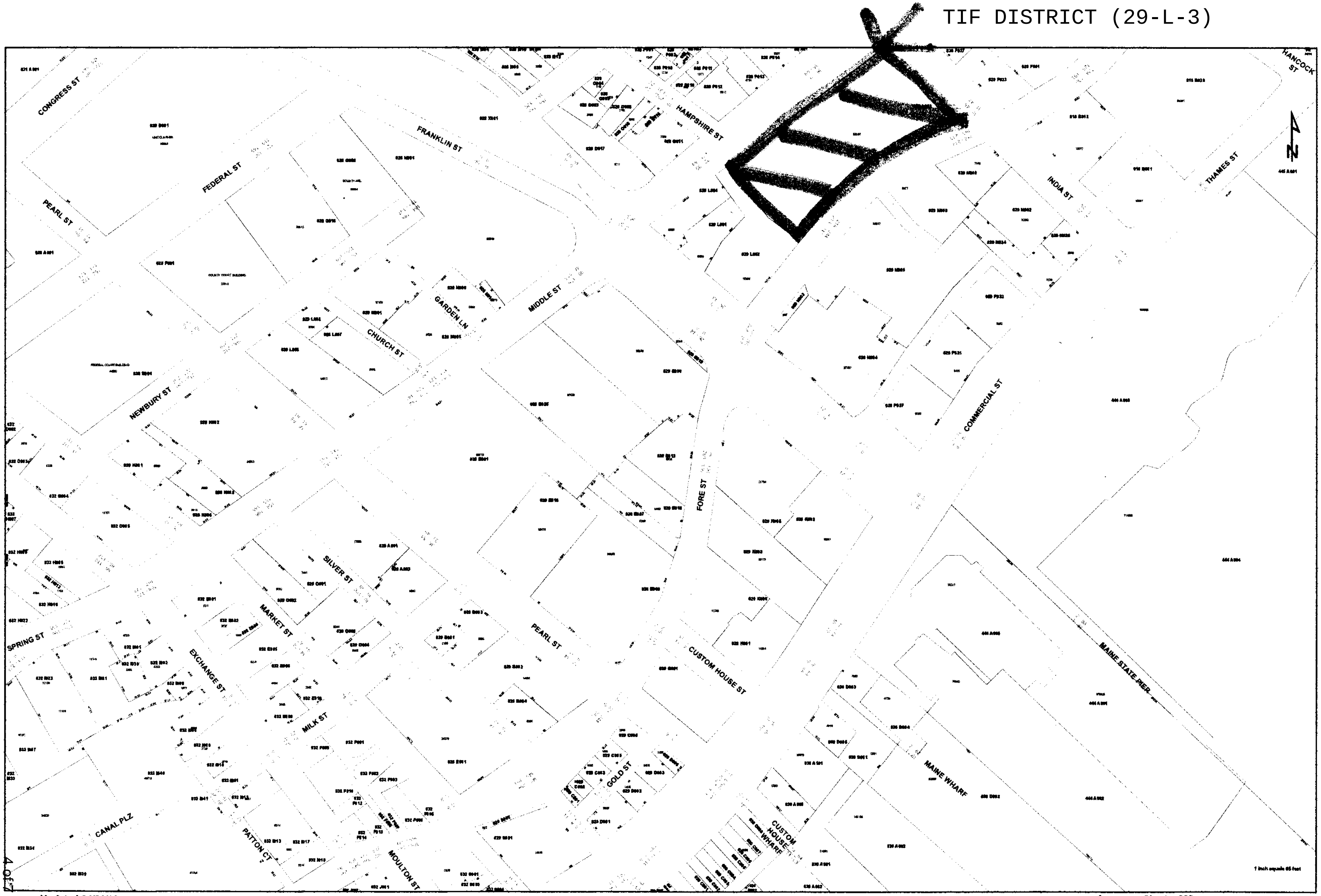
VI. STAFF RECOMMENDATION

For the previously stated reasons, City staff is recommending that this TIF District be terminated.

VIII. LIST ATTACHMENTS

- Fore India Middle TIF District map.
- Order as passed approving the Fore India Middle TIF District of 9/5/2012

FORE INDIA MIDDLE LLC -
TIF DISTRICT (29-L-3)



Updated 04/01/08

Assessor Chart - 029

A TRUE COPY Katherine L. Jones
ATTEST: Katherine L. Jones, City Clerk
Portland, Maine
DATE 9/5/2012

Order 25-12/13
Tab 25 2-16-12

MICHAEL F. BRENNAN (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
EDWARD J. SUSLOVIC (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

JOHN R. COYNE (5)
JOHN M. ANTON (A/L)
JILL C. DUSON (A/L)
NICHOLAS M. MAVODONES (A/L)

ORDER APPROVING THE CREATION OF THE FORE INDIA MIDDLE STREET MUNICIPAL DEVELOPMENT DISTRICT AND TAX INCREMENT FINANCING DISTRICT, APPROVING THE DEVELOPMENT PROGRAM FOR THE DISTRICT, AND AUTHORIZING THE EXECUTION OF A CREDIT ENHANCEMENT AGREEMENT

WHEREAS, the City of Portland is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the City as a Municipal Development and Tax Increment Financing District, and to adopt a Development Program for such District; and

WHEREAS, Fore India Middle, LLC intends to develop its Phase II mixed use development at 209 Fore Street into approximately a five-story 180,000 sf. mixed use project consisting of 12,600 sf. of retail space on Middle Street, 9,900 sf. of retail space on Fore Street, three levels of office space comprising 66,000 sf. on Middle Street, and 18 residential condominium units along Fore Street and India Street, with two "internal" parking garages, within the proposed Fore India Middle Street Municipal Development and Tax Increment Financing District (the "District"); and

WHEREAS, the project will help to provide continued employment for the citizens of Portland and the surrounding region; improve and broaden the tax base in the City of Portland; and improve the economy of the City of Portland and the State of Maine; and

WHEREAS, there is a need to encourage development within the City of Portland through the establishment of Municipal Development and Tax Increment Financing Districts in accordance with the provisions of Chapter 206 of Title 30-A; and

WHEREAS, the City of Portland has held a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5223, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City; and

WHEREAS, the City of Portland desires to designate the Fore India Middle Street Municipal Development District and Tax Increment Financing District and adopt a Development Program for such District; and

WHEREAS, approval will be sought and obtained from the Maine Department of Economic and Community Development, approving the designation of the District and the adoption of the Municipal Development Program for the District;

Given first reading on July 16, 2012. Passage 6-2 on 8-6-2012 (Councilor Coyne absent).

NOW THEREFORE BE IT HEREBY ORDERED BY THE CITY COUNCIL AS FOLLOWS:

__Section 1.__ The City of Portland hereby finds and determines that:

(a) At least 25%, by area, of the real property within the Fore India Middle Street Municipal Development District and Tax Increment Financing District, as hereinafter designated, is acreage suitable for commercial siting as defined in 30-A M.R.S.A. § 5223; and

(b) The total area of the Fore India Middle Street Municipal Development District and Tax Increment Financing District does not exceed 2% of the total acreage of the City, and the total area of all development districts within the city does not exceed 5% of the total acreage of the City; and

(c) The original assessed value of equalized taxable property of the Fore India Middle Street Municipal Development District and Tax Increment Financing District as of April 1, 2012 plus the original assessed value of equalized taxable property of all existing tax increment financing districts within the City does not exceed 5% of the total acreage of the City; and

(d) The aggregate value of indebtedness financed by the proceeds from tax increment financing districts within Cumberland County, including the proposed District, does not exceed $50 million adjusted by a factor equal to the percentage change in the United States Bureau of Labor Statistics Consumer Price Index, United States City average, from January 1, 1996 to the date of calculation; and

(e) The City expects that the acquisition, construction and installment of all real and personal property improvements, buildings, structures, fixtures and equipment within the district contemplated by the Development Program will be completed in accordance with State law; and

(f) The designation of the Fore India Middle Street Municipal Development District and Tax Increment Financing District and pursuit of the Fore India Middle Street Municipal Development Program as the Municipal Development Program will generate substantial economic benefits for the City and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statues, as amended, the City hereby designates the Fore India Middle Street Municipal Development and Tax Increment Financing District, as more particularly set forth in the document entitled "Fore India Middle Street Municipal Development and Tax Increment Financing District Development Program" as presented to the City Council substantially in the form attached hereto as Exhibit A and that document is hereby incorporated by reference into this Order and approved as the Municipal Development Program for the District (the "Development Program").

Section 3. Pursuant to the provisions of 30-A M.R.S.A. § 5224, the City hereby adopts the statement of the percentage of Assessed Value to be retained by the City set forth Attachment 3in the Fore India Middle Street Municipal Development and Tax Increment Financing Program (Exhibit A) for purposes of said Section 5224.

Section 4. The City Manager be, and hereby is, authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to the State of Maine Department of Economic and Community Development for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5226(2).

Section 5. The City Manager be, and hereby is, authorized to execute and deliver the Credit Enhancement Agreement substantially in the form described in the Development Program and attached as Exhibit B hereto, and execute such other documents as may be required to fulfill the purpose of this order.

Section 6. The foregoing designation of the District and the adoption of the Development Program for the District shall automatically become final and shall take full force and effect upon receipt by the City of approval of the designation of the District and adoption of the Development Program by the Department of Economic and Community Development, without requirements of further action by the City, the Council or any other party.

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Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Housing and Community Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: October 15, 2014

SUBJECT: **Review and Recommendation to the City Council to amend the Bayside TIF District to expand the TIF District Geography**

I. SUMMARY OF ISSUE

This matter is being presented to the Housing and Community Development Committee (HCDC) for review and recommendations to the City Council to amend the existing approved Bayside Tax Increment Financing (TIF) District to expand the geographic area of the TIF District to align with *Bayside Vision Plan* boundaries.

Background Information

The existing Bayside TIF District, originally approved by the City Council on March 31, 2003, included 11 acres. This TIF District was expanded on July 6, 2005 to include a total of 62.18 acres. See attached existing approved Bayside TIF District map.

To date, TIF District revenues have been used to invest in the following:

- Credit Enhancement Agreement for the Intermed Building
- Credit Enhancement Agreement for the Bayside Student Housing Project
- Infrastructure for Whole Foods
- HUD 108 Loan Repayment

As part of discussions to establish a new Downtown/Transit Oriented Development District, staff was directed to present amendments to expand the geographic boundaries for the existing approved Bayside TIF District geography at the same 100% TIF capture rate.

Proposed Bayside TIF District Amendments.

The primary reason to amend the existing approved Bayside TIF District is to expand the TIF District geography by adding 67 acres to align the entire Bayside TIF District boundaries with the boundaries of the *Bayside Vision Plans*. See attached Bayside Vision Plan Map. The amendment to include this additional acreage impacts the Bayside TIF District calculations through-out the TIF District documents.

Attached, in a marked revision format and in clean format, is the Amended and Restated Bayside TIF District Program documents.

It is noted that under State TIF law, there are acreage and value limitations related to establishing TIF Districts City-wide. Those TIF Limitations include:

Acreage: 5% of Total Acreage; Portland's Total Acreage is 12,386;
5% is 619.30 acres

Value: 5% of Total Aggregate Value; Portland's FY14 Total Aggregate Value is $7,551,450,000;
5% is $377,572,500

The proposed Bayside TIF District expansion will result in all approved TIF Districts calculations as follows (with TOD TIFs and Downtown TIFs exempted from calculations):

Acreage: 253.50 acres TIF'd, which is 2% of total; leaving 365.8 acres that can be TIF'd
Value: $370,021,490 TIF'd, which is 4.9% of total; leaving $7,551,010 that can be TIF'd

While the City is near the "value" limit, it is noted that proposed TIF district terminations (Bay House TIF District, Fore India Middle Street) and TIF District reductions (Riverwalk and Arts) will free up value capacity that will provide enough flexibility going forward.

II. REASON FOR SUBMISSION

This expanded Bayside TIF District is being presented to the HCDC for its review and recommendation to the City Council.

III. INTENDED RESULT

The intended result is to invest Bayside TIF funds in the entire area of Bayside included in the *Bayside Vision* documents. The current area of the Bayside TIF District has seen investments from the Intermed Building to Walgreens to Whole Foods, to name a few. Expanding the district to include all of Bayside will open the doors to investment in infrastructure to spark further development and job creation.

IV. COUNCIL GOAL ADDRESSED

Implement TIF Program that focuses on the creation of appropriately sized and designed TIF districts and advances other Council goals in the areas of transit, economic development, public infrastructure, and municipal finance.

V. FINANCIAL IMPACT

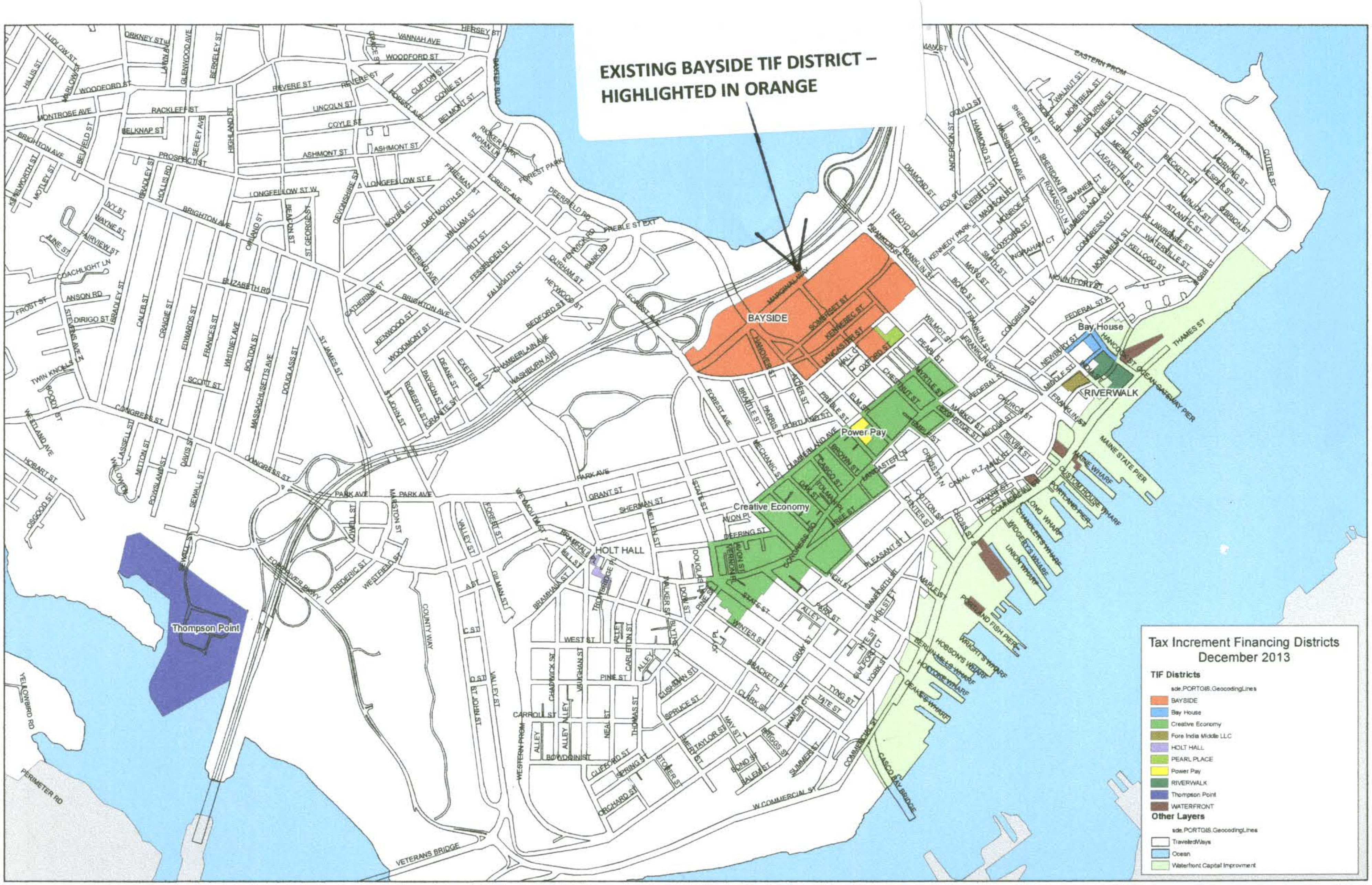
With the expanded Bayside TIF District, the City will realize additional savings in tax sheltering benefits in an annual estimated amount of approximately $73,062 yearly; in addition to $607,245 yearly in tax sheltering savings from the original TIF District, for a combined tax sheltering savings of $680,307.

VI. STAFF RECOMMENDATION

Staff recommends that the HCDC forward this to the City Council with a recommendation for approval in substantially the form as presented.

VIII. LIST ATTACHMENTS

- Existing Bayside TIF District Map – p. 4
- Existing Bayside TIF District Map and Proposed Expansion Area – p. 5
- Bayside Vision Map – p. 6
- Amended and Restated Bayside TIF District Program in Marked Revision Format – pp. 7 to 16
- Amended and Restated Bayside TIF District Program in Clean Format – pp. 17 to 25
- Spreadsheets for TIF Models – pp. 26 to 31


EXISTING BAYSIDE TIF DISTRICT –
HIGHLIGHTED IN ORANGE
BAYSIDE
Bay House
RIVERWALK
Power Pay
Creative Economy
HOLT HALL
Thompson Point
Tax Increment Financing Districts
December 2013
TIF Districts
sde.PORTGIS.GeocodingLines
BAYSIDE
Bay House
Creative Economy
Fore India Middle LLC
HOLT HALL
PEARL PLACE
Power Pay
RIVERWALK
Thompson Point
WATERFRONT
Other Layers
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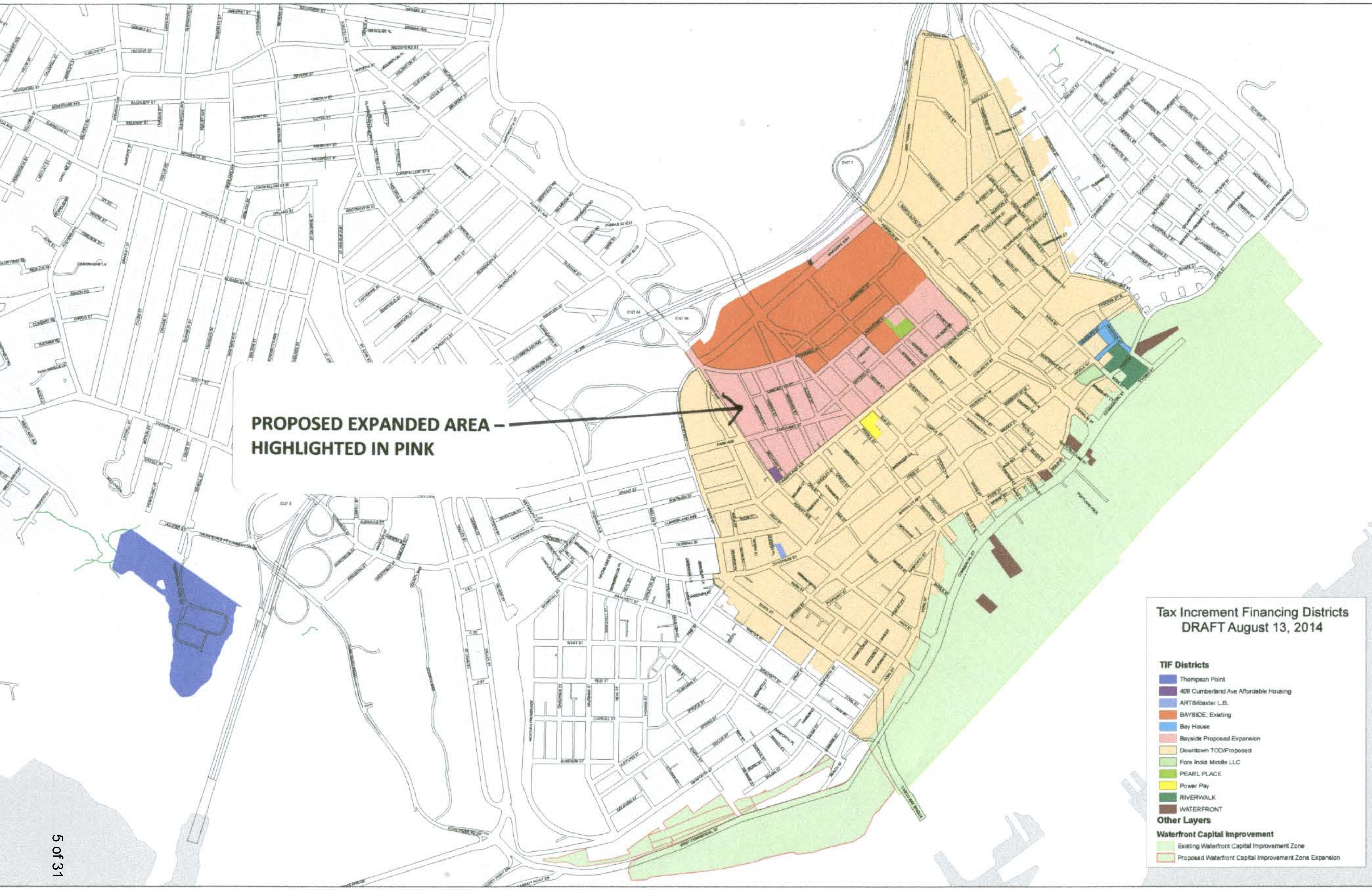
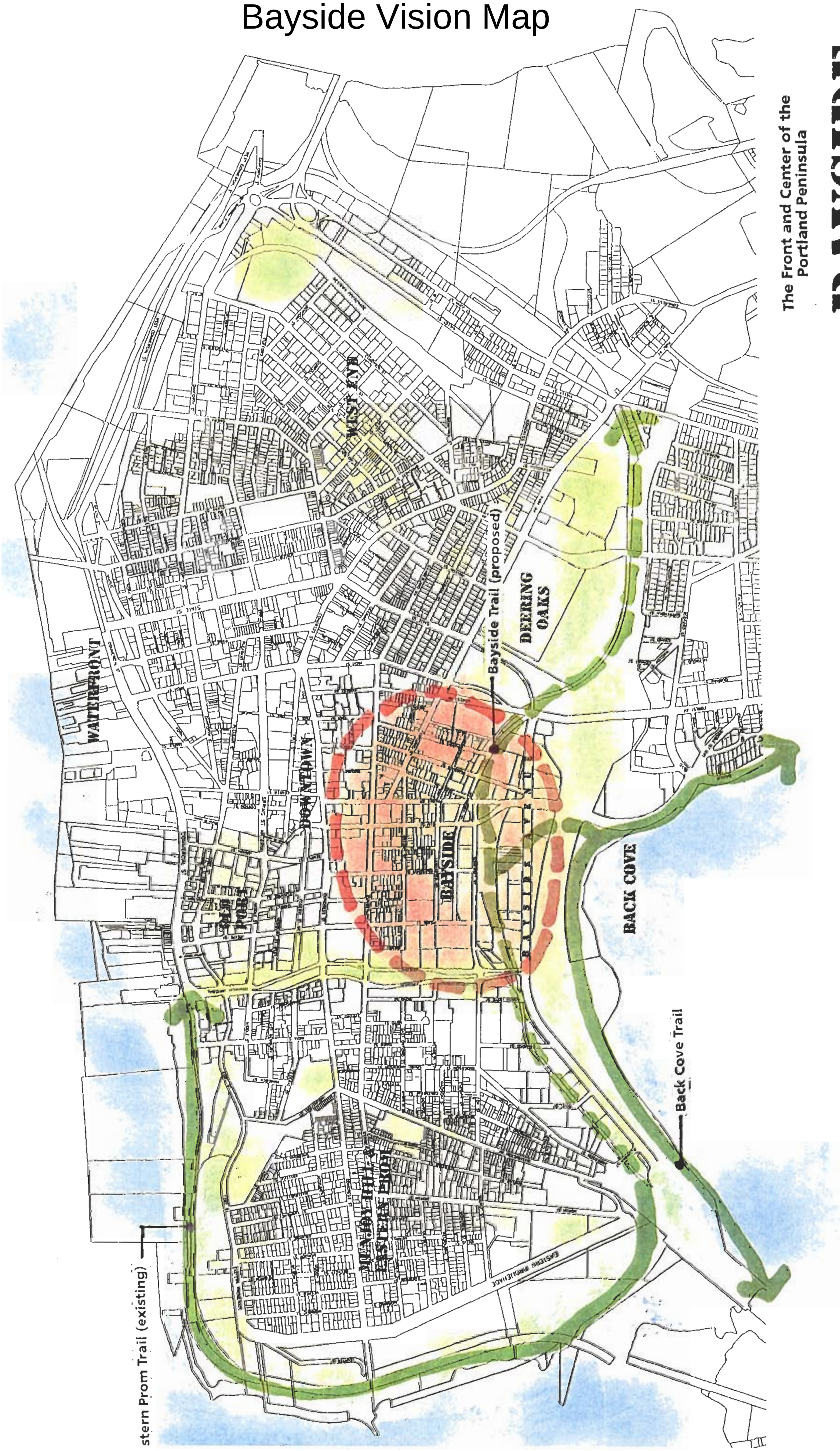
TraveledWays
Ocean
Waterfront Capital Improvment


Tax Increment Financing Districts
DRAFT August 13, 2014
TIF Districts
Thompson Point
409 Cumberland Ave Affordable Housing
ARTS/Baxter L.B.
BAYSIDE, Existing
Bay House
Bayside Proposed Expansion
Downtown TOD/Proposed
Fore India Middle LLC
PEARL PLACE
Power Pay
RIVERWALK
WATERFRONT
Other Layers
Waterfront Capital Improvement
Existing Waterfront Capital Improvement Zone
Proposed Waterfront Capital Improvement Zone Expansion
PROPOSED EXPANDED AREA –
HIGHLIGHTED IN PINK

Bayside Vision Map



The Front and Center of the Portland Peninsula

BAYSIDE

PORTLAND, MAINE

I. Introduction/Updated 2014

East and West Bayside continue to be gateways to Portland's peninsula. A lot of changes to East and West Bayside have occurred since the Bayside (West) TIF Districted was adopted by the City Council on March 17, 2003. Relocation of one scrap yard and the addition of new medical office buildings, new housing for college students, planned market rate housing and commercial space associated with the Federated Midtown Project, two new grocery stores, pharmacies, and financial institutions have transformed West Bayside's industrial heritage to a more compact urban development pattern, which extends the Central Business District to I-295. East Bayside has been experiencing its own transformation with new coffee shops, artist studios, and new housing. Continued attention to the West Bayside TIF District is needed to fulfill the *Bayside Vision*.~~, the front and center of the Portland peninsula, has long been characterized by its industrial heritage. Today, much of the commercial area of the Bayside landscape consists of vacant railroad land, large warehouses, parking lots and two operating scrap metal recycling facilities. These uses exist in the context of a city and an active Bayside Neighborhood Association that is enthusiastic about building a community where families can live, work, shop and play, enjoying the convenience of a vibrant, 24-hour urban setting. It has been long recognized that denser, more compatible development is the key to realizing the dream of a revitalized Bayside.~~

History

In 1996, the process began when the City of Portland obtained funding from the Environmental Protection Agency (EPA) to undertake a Brownfield's Pilot Project in Bayside. The City designated a ten-lot, 14-acre parcel between Oxford Street and Marginal Way as the Bayside Brownfield's Project Area and has since created a $500,000 loan fund for the express purpose of cleaning up the site to clear the way for future development. The study area was subsequently enlarged to incorporate the area from Congress Street to I-295, and from Franklin Arterial to Forest Avenue, which is approximately 129~~15~~ acres.

Since 1996, the City of Portland has been working with a team of consultants on planning for opportunities for the reuse of the Bayside land. An extensive public participation process, which involved hundreds of participants, produced a plan entitled "A New Vision for Bayside". The Bayside plan identifies the following eleven development principles and five critical actions in order to transform this area into a vital, productive and diverse urban neighborhood:

Development Principles

- Urban Gateway
- Economic and Employment Opportunities
- A Walkable District
- A Critical Mass of Dwellings
- Transit Oriented Development
- Multi-level Parking Structures
- A Neighborhood Center
- Recreation and Open Space
- A Social Service Network
- Environmental Remediation

- Scrap yard Redevelopment

Critical Actions

- Acquire the Railroad Property
- Redevelop the Scrap yard Parcels
- Build More Housing
- Create Transit Oriented Development
- Secure the Future of Portland's Social Service Network

Public participation continues to be an ongoing aspect of the Plan's implementation. The Bayside Neighborhood Association and the Bayside Community Development Corporation ~~Development Committee ("BDC")~~ include~~s~~ neighborhood property owners, residents, commercial owners and tenants~~, representatives from surrounding neighborhoods and various interest groups. There are also several BDC subcommittees focused on specific plan aspects. They include Housing, Trail & Open Space, Co-Development and Transportation~~.

Since adopting the Bayside Vision Plan in December 1999 as a part of the Comprehensive Plan, the City has moved forward on several of the identified critical actions. After several years of complex negotiations with Guilford Transportation and the Maine Department of Transportation, the City purchased the Railroad property. Using Housing and Urban Development ("HUD") and Economic Development Administration ("EDA") funding, this 6+ acre parcel made the City a major property owner in the area of Bayside slated primarily for commercial redevelopment.

EDA and City Capital Improvement Funds have been used to rebuild the sewer system along Somerset Street, adjacent to the railroad parcel, as well as to extend Chestnut Street from Somerset Street to Marginal Way. These improvements were key infrastructure investments for new development in Bayside. The City ~~is~~continues to be committed to investing in Bayside as funding becomes available, but clearly a variety of financing mechanisms have been and will continue to be needed.

With these first actions completed, attention ~~is now being~~has been focused on the need for structured parking ~~and the relocation of the two operating scrap metal recycling facilities~~associated with the Federated Midtoown Project. At meeting after meeting, then Bayside Development Committee (BDC) members ~~have~~ stated unequivocally that the Bayside ~~p~~Plan cannot be implemented to its fullest without structured parking; and that the entire redevelopment plan hinges upon the relocation of the scrap metal recycling facilities. Furthermore, it is clear that the private sector cannot afford to make new investments in Bayside that include the cost of creating structured parking, nor can the market alone bear the cost of relocating the scrap metal recycling facilities.

The first such private development project which included constructing garages occurred on property that was sold by the City to two private developers (Capital, LLC and Southern Maine Student Housing, LLC) who planned a then estimated $38,400,000 in new taxable commercial investment. The project consisted of a 72,000 sq. ft. office building, perched upon a 430 space parking garage with ground floor retail, alongside a 405 bed student housing facility with a 130 space parking garage. The cost of constructing the structured parking added more costs to the project than market rents could support, so financing relief was sought through the use of Credit Enhancement Agreements (Exhibit D) so that the project moved forward with the density sought for Bayside. This entire investment occupies just over 3 acres by reducing the footprint and allowing for vertical expansion.

The purpose of this Amended TIF application is to create an increased revenue source that can meet these needs, as well as other development principles and critical actions items contained in the *Bayside Vision Report I and II*, and to expand the District to include all of the Bayside area included in the *Bayside Vision*. ~~With respect to building parking garages to facilitate high-density development, whether publicly owned and pledged as a repayment for a bond, or privately owned and financed through the use of Credit Enhancement Agreements, the TIF funds will help create the structured parking appropriate for an urban area. In addition, this TIF will provide the funds necessary to relocate the two scrap metal recycling facilities, including pledging the future tax revenue as a repayment source to HUD, who has agreed to fund the capital costs of this effort with a $3,900,000 loan. This TIF designation will add another source of revenue to the implementation of the overall plan for the redevelopment of Bayside and will exist in the context of that larger effort. The Bayside TIF District is meant to be complimentary to the efforts mentioned above and those planned for the future.~~

~~With a funding source for structured parking created through this TIF, the City's Division of Economic Development will market Bayside to prospective businesses and developers. As development within the District occurs, additional revenue will be captured in this program, which would be directed toward financing the design and construction of a public garage, and/or allocated through the use of Credit Enhancement Agreements to allow developers to finance and construct garages along with commercial building projects.~~

~~The first such project is anticipated to occur on property that is being sold by the City to two private developers (Capital, LLC and Southern Maine Student Housing, LLC) who are planning an estimated $38,400,000 in new taxable commercial investment. The project consists of a 72,000 sq. ft. office building, perched upon a 430 space parking garage with ground floor retail, alongside a 405 bed student housing facility with a 130 space parking garage. The cost of constructing the structured parking would add more costs to the project than market rents could support, so financing relief is being sought through the use of Credit Enhancement Agreements (Exhibit D) so that the project can move forward with the density sought for Bayside. This entire investment will only occupy just over 3 acres by reducing the footprint and allowing for vertical expansion.~~

This Amended TIF District will assist in accomplishing the goals of the *Bayside Vision.* The public benefits associated with an expanded Bayside TIF District include:

- Provide support for Portland's **continued economic development;**

- Help increase the **vibrancy and stability of the Bayside neighborhood;**
- Create **employment opportunities** for area residents;
- Produce **tax shift benefits** averaging an estimated savings to the City of $680,307 annually;
- Improve the general economy of Portland and the State of Maine.

II. Amended Development Program

A. The Amended Project

With this amended and restated Development Program, t~~T~~he City of Portland seeks to expand~~the designation of~~ the Bayside Redevelopment Tax Increment Financing District to align with the area of Bayside contained in the *Bayside Vision Plans I and II* for the purposes of:

- creat~~eing a publicly owned multi-level~~ additional parking structures
- entering into Credit Enhancement Agreements with developers to facilitate the construction of new taxable commercial investment in Bayside
- relocation of the one remaining scrap metal recycling facility and acquisition of scrap metal yard site
- infrastructure (roadway and sidewalk) improvements with respect to Whole Foods Market (located in District)
- pledging TIF revenue as a repayment source to HUD or any other agency or entity that finances Bayside investment~~,~~
- public infrastructure improvements for both pedestrians and transit, lighting, and open space/trails~~and~~
- supporting the E~~e~~conomic ~~d~~Development ~~division~~Department with funds to market and prepare for redevelopment land in Bayside
- cover the City's Economic Development Department staff costs~~.~~

The success of these efforts will enhance the City's ability to attract new investment to Bayside, leading to a densely developed commercial district, which will create new taxable value and provide expanded opportunities for employment. The City's ~~Division of~~ Economic Development Department will market the City's land as potential building sites to prospective businesses and developers, in addition to promoting Bayside as a whole.

B. The Amended Development District

Properties that are to be designated as part of the Amended~~a~~ TIF District and are the subject of this application are shown on the revised attached map (Exhibit C-2), containing approximately 67 acres with an original assessed value of $78,251,800 - real property value only - as of March 31, 2014. When this 67 acres is added to the existing Bayside TIF District of 62.18, the Amended District would total 129.18 acres Note: The City is now adjusting the previously submitted approved acreage of 77 to 62.18 based on current City GIS mapping. This adjustment is reflective of the properties which make up the original assessed value for the district as of 3/31/2007 of $44,066,380 – real and personal property value.~~.~~

The Amended TIF District will apply to only new value generated within the District and will not affect the current property tax base.

C. The Amended Development Program

The City of Portland, by designating the Amended Bayside Redevelopment TIF District, will potentially capture all new investments made within the Amended District. The City is projecting to capture ~~on average 58~~up to 100% of the new assessed value over the original assessed value, and retain from the district the new tax revenues generated from that captured assessed value. These revenues will be allocated to the Project Cost Account for the purposes described in II.A. above. Each year, the City Council may adjust the specific amount to be captured and retained for purposes of this Amended TIF, based upon the needs of the Amended District, and the commitments made through Credit Enhancement Agreements, collateral for loan or bond repayment, and the like.

D. Municipal Use of TIF Revenues

The City of Portland seeks authorization to utilize the revenues generated from the Amended Bayside TIF District to support economic development in Bayside through the development of ~~a~~ multi-level parking structures, as a source of repayment for a HUD loan to relocate the scrap metal recycling facilities, as well as to assist in any relocation of the remaining scrap metal recycling facility not associated with a HUD loan, or for any other City borrowing so authorized for the benefit of the District, including infrastructure improvements for both pedestrians and transit, lighting, and open space/trails, as detailed in II.A above. In addition, the City will allocate a portion of the retained revenue to the Economic Development Department~~ivision~~ to support staffing and marketing efforts to attract additional development in Bayside, and to make commercial investments in land and infrastructure deemed appropriate for the economic redevelopment of the District. The City may also, from time to time, enter into Credit Enhancement Agreements to promote additional commercial taxable investment within the District.

See Exhibit ____ - Table of Municipal Uses of TIF Revenues and Project Cost Statute.

E. Operational Components

1. ~~1.~~ Public Facilities

The City will invest in projects to further goals of the *Bayside Vision*, as outlined in II.A above.

2. Uses of Private Property

The Amended Bayside Economic Redevelopment Program and TIF District includes both public and private property. The funds generated from this district will be used to support commercial investment on both public and private land.

3. Plans for relocation of persons displaced by development activities.

Though not contemplated at this point, any possible relocation costs of displaced persons resulted from one or more City projects funded through this Amended Development Program shall be covered by the City as required.

~~2~~4. Environmental Controls

The Amended Development Program proposes improvements that will comply with all federal, state and local rules and regulations and applicable land use requirements.

5~~3~~. Plan of Operation of Amended District

During the life of the Amended Tax Increment Financing District~~s~~, the City of Portland, City Council, or their designee, will be responsible for the administration of the District~~s~~.

III. Physical Description

A. Total acreage of the municipality: 12,386 taxable acres

B. Total acreage proposed for amended tax increment financing district: ~~76 acres~~
62.18 acres – Approved TIF District
67.00 acres – Proposed TIF District Expansion
129.18 total acres

C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 1.0~~0.61~~4%

D. Total acreage of all existing and proposed TIF Districts in the municipality as of 6/30/2014: ~~153.9 acres~~

Existing (inc. TOD):	216.50 (Includes existing Bayside of 62.18 acres)
Less TOD Acres:	-30.00
Proposed:	67.00
Total:	253.50

E. Percent line D of line A (cannot exceed 5%): 2~~1.24~~%

F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:

1. Blighted acres N/A . Line F1 divided by line B = _________.

2. Acreage in need of rehabilitation, redevelopment or conservation N/A . Line F2 divided by line B = _________.

3. Acreage suitable for commercial siting = 129.18~~76~~ . Line F3 divided by line B = 100% .

G. Enclosed municipal maps:

1. Area map showing site location of the Amended TIF District in relation to geographic location of municipality (Exhibit B).

2. Site map showing tax map locations of the ~~and~~ Amended TIF District (Exhibit C-2).

IV. Financial Plan

A. Costs and Sources of Revenues

The original Bayside TIF District comprised an area of approximately 11 acres of real property with an original assessed value of $1,608,190 as of March 31, 2002. On July 6, 2005, t~~T~~he City Council authorized an expansion of the TIF District as shown on Exhibit C to a total of ~~76~~62.18 acres (see explanation in II.B above), with a revised original assessed value of $44,066,380 as of March 31, 2007 – real and personal property value. Exhibit C-2 is a map showing the Amended District encompassing the original 62.18 acres, as well as the 67 acres for this expansion. The real property value in this expanded area of 67 acres has an Original Assessed Value as of March 31, 2014, of $78,251,800. ~~The incremental development within the District is estimated to add an additional $24,425,930 of new assessed value to the City in FY 08. With additional investments planned, the increase in assessed value in FY 09 is estimated to be $52,390,930, which will rise further in FY 10 to an estimated $74,089,830.~~

The Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the District~~s~~ to be captured and designated as TIF Revenues. The City will apply the retained revenues to the economic development activities described in the Amended Development Program. To date, these activities include:

- Assisting with the Financing for ~~a City~~ Parking Structures~~Garage~~ – est. $10~~7~~,000,000+
- Credit Enhancement Agreements with Capital, LLC and Southern Maine Student Housing, LLC for the construction of 550 structured parking spaces - $6,000,000 ($450,000 per year for 10 years, and $300,000 per year for an additional 5 years).
- Repayment for HUD Loan to Relocate Scrap Metal Recycling Facilities – est. $6,300,000 ($400,000 per year for 15 years).
- Economic Development Department~~ivision~~ Staffing and Land Preparation and Marketing – est. $500,000

The attached Revised Exhibit A details the projections of retained revenues based upon the anticipated assessed value increases within the District. Revised Exhibit A is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

This Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Bayside TIF Development Program Account is established consisting of a project cost account ("Project Cost Account") pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of Company Cost Subaccounts (Company Cost Subaccount), pledged to and charged with payment to authorized companies under the terms of an approved Credit Enhancement Agreement for reimbursements for eligible project costs, and a City Cost Subaccount (the "City Cost Subaccount") pledged to, and charged with, payment to the City for the cost of approved economic development expenses.

C. Financing Plan

The original TIF District comprised an area of approximately 11 acres of real and personal property. The value of the real and personal property within the district as of March 31, 2002 was established as the original assessed value. With the subsequent expansion, the value of the additional real and personal property within the district expansion as of March 31, 2007 was established as the original assessed value, with that value being $44,066,380. With this additional expansion from 62.18 to add 67 acres to the District, for a total of 129.16 acres, the value of real property within the expanded District of 67 acres has a March 31, 2014 date established as the original assessed value, or $78,251,800 as detailed in Section IV.A. above.

The developments within the described Amended Bayside TIF District will add significant new taxable value in the City of Portland. TIF revenues will be allocated as described on Revised Exhibit A to finance the costs described in the Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained, or a specific amount to be retained within the Amended District, and the actual annual assessed value within the Amended District, to be determined by the City Council on a yearly basis.

V. Amended Financial Data

A. Total 2014~~07~~ value of equalized property in the municipality: $7,551,450,000~~653,400,000~~

B. Original assessed value of all properties in all existing and proposed TIF districts:

Existing	$296,740,160~~23,655,200~~ (Includes existing Bayside TIF)
Less TOD:	-$4,970,470
Proposed	$78,251,800~~44,066,380~~
Total	$370,021,490~~67,721,580~~

Line B divided by line A = 4.9~~0.88~~% (cannot exceed 5%).

C. Estimate of increased assessed value by year after implementation of the development program: See Revised Exhibit A

D. Percentage of increased assessed value to be applied to the development program fund: See Revised Exhibit A

E. Estimated annual tax increment: $~~729,057~~1,717,654 (Average)

F. Total average annual value of development program fund: $~~629,167~~1,717,654 (Average)

G. Annual principal and interest payment of bonded indebtedness: N/A at this time

H. Financial assumptions and safeguards: The City of Portland is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit.

VI. Tax Shifts

A. Average Annual Amount:

General Purpose Aid to Education Tax Shift: $~~352,398~~593,812

Municipal Revenue Sharing Tax Shift: $~~68,360~~47,751

County Tax Shift: $~~46,137~~38,745

Total Average Annual Savings: $~~466,895~~680,307

VII. Municipal Approvals

A. Public Hearing Notice

The City of Portland did giver proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §5253. The notice was published on ~~May 19, 2006~~ in a newspaper of general circulation (see Exhibit E).

B. Public Hearing

A Public Hearing at which the proposed Amended Bayside Municipal Tax Increment Financing District was discussed was held on ~~June 5, 2006~~ in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Exhibit F.

C. Authorizing Votes

An attested copy of the resolution of the Portland City Council designating the Amended Municipal TIF district created for the implementation of the Bayside Redevelopment Program is included as Exhibit G.

D. Assessors Certification

An attested copy of the certification by the City of Portland Tax Assessor as to the revised Original Assessed Value of the expanded Bayside Municipal Tax Increment Financing District is included as Exhibit H.

I. Introduction/Updated 2014

East and West Bayside continue to be gateways to Portland's peninsula. A lot of changes to East and West Bayside have occurred since the Bayside (West) TIF Districted was adopted by the City Council on March 17, 2003. Relocation of one scrap yard and the addition of new medical office buildings, new housing for college students, planned market rate housing and commercial space associated with the Federated Midtown Project, two new grocery stores, pharmacies, and financial institutions have transformed West Bayside's industrial heritage to a more compact urban development pattern, which extends the Central Business District to I-295. East Bayside has been experiencing its own transformation with new coffee shops, artist studios, and new housing. Continued attention to the West Bayside TIF District is needed to fulfill the *Bayside Vision*.

<u>History</u>

In 1996, the process began when the City of Portland obtained funding from the Environmental Protection Agency (EPA) to undertake a Brownfield's Pilot Project in Bayside. The City designated a ten-lot, 14-acre parcel between Oxford Street and Marginal Way as the Bayside Brownfield's Project Area and has since created a $500,000 loan fund for the express purpose of cleaning up the site to clear the way for future development. The study area was subsequently enlarged to incorporate the area from Congress Street to I-295, and from Franklin Arterial to Forest Avenue, which is approximately 129 acres.

Since 1996, the City of Portland has been working with a team of consultants on planning for opportunities for the reuse of the Bayside land. An extensive public participation process, which involved hundreds of participants, produced a plan entitled "A New Vision for Bayside". The Bayside plan identifies the following eleven development principles and five critical actions in order to transform this area into a vital, productive and diverse urban neighborhood:

Development Principles

- Urban Gateway
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- A Walkable District
- A Critical Mass of Dwellings
- Transit Oriented Development
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- Scrap yard Redevelopment

Critical Actions

- Acquire the Railroad Property
- Redevelop the Scrap yard Parcels
- Build More Housing
- Create Transit Oriented Development
- Secure the Future of Portland's Social Service Network

Public participation continues to be an ongoing aspect of the Plan's implementation. The Bayside Neighborhood Association and the Bayside Community Development Corporation include neighborhood property owners, residents, commercial owners and tenants.

Since adopting the Bayside Vision Plan in December 1999 as a part of the Comprehensive Plan, the City has moved forward on several of the identified critical actions. After several years of complex negotiations with Guilford Transportation and the Maine Department of Transportation, the City purchased the Railroad property. Using Housing and Urban Development ("HUD") and Economic Development Administration ("EDA") funding, this 6+ acre parcel made the City a major property owner in the area of Bayside slated primarily for commercial redevelopment.

EDA and City Capital Improvement Funds have been used to rebuild the sewer system along Somerset Street, adjacent to the railroad parcel, as well as to extend Chestnut Street from Somerset Street to Marginal Way. These improvements were key infrastructure investments for new development in Bayside. The City continues to be committed to investing in Bayside as funding becomes available, but clearly a variety of financing mechanisms have been and will continue to be needed.

With these first actions completed, attention has been focused on the need for structured parking associated with the Federated Midtoown Project. At meeting after meeting, then Bayside Development Committee (BDC) members stated unequivocally that the Bayside Plan cannot be implemented to its fullest without structured parking; and that the entire redevelopment plan hinges upon the relocation of the scrap metal recycling facilities. Furthermore, it is clear that the private sector cannot afford to make new investments in Bayside that include the cost of creating structured parking, nor can the market alone bear the cost of relocating the scrap metal recycling facilities.

The first such private development project which included constructing garages occurred on property that was sold by the City to two private developers (Capital, LLC and Southern Maine Student Housing, LLC) who planned a then estimated $38,400,000 in new taxable commercial investment. The project consisted of a 72,000 sq. ft. office building, perched upon a 430 space parking garage with ground floor retail, alongside a 405 bed student housing facility with a 130 space parking garage. The cost of constructing the structured parking added more costs to the project than market rents could support, so financing relief was sought through the use of Credit Enhancement Agreements (Exhibit D) so that the project moved forward with the density sought for Bayside. This entire investment occupies just over 3 acres by reducing the footprint and allowing for vertical expansion.

The purpose of this Amended TIF application is to create an increased revenue source that can meet these needs, as well as other development principles and critical actions items contained in the *Bayside Vision Report I and II*, and to expand the District to include all of the Bayside area included in the *Bayside Vision*.

This Amended TIF District will assist in accomplishing the goals of the *Bayside Vision.* The public benefits associated with an expanded Bayside TIF District include:

- Provide support for Portland's **continued economic development;**
- Help increase the **vibrancy and stability of the Bayside neighborhood;**
- Create **employment opportunities** for area residents;
- Produce **tax shift benefits** averaging an estimated savings to the City of $680,307 annually;
- Improve the general economy of Portland and the State of Maine.

II. Amended Development Program

A. The Amended Project

With this amended and restated Development Program, the City of Portland seeks to expand the Bayside Redevelopment Tax Increment Financing District to align with the area of Bayside contained in the *Bayside Vision Plans I and II* for the purposes of:

- create additional parking structures
- entering into Credit Enhancement Agreements with developers to facilitate the construction of new taxable commercial investment in Bayside
- relocation of the one remaining scrap metal recycling facility and acquisition of scrap metal yard site
- infrastructure (roadway and sidewalk) improvements with respect to Whole Foods Market (located in District)
- pledging TIF revenue as a repayment source to HUD or any other agency or entity that finances Bayside investment
- public infrastructure improvements for both pedestrians and transit, lighting, and open space/trails
- supporting the Economic Development Department with funds to market and prepare for redevelopment land in Bayside
- cover the City's Economic Development Department staff costs

The success of these efforts will enhance the City's ability to attract new investment to Bayside, leading to a densely developed commercial district, which will create new taxable value and provide expanded opportunities for employment. The City's Economic Development Department will market the City's land as potential building sites to prospective businesses and developers, in addition to promoting Bayside as a whole.

B. The Amended Development District

Properties that are to be designated as part of the Amended TIF District and are the subject of this application are shown on the revised attached map (Exhibit C-2), containing approximately 67 acres with an original assessed value of $78,251,800 - real property value only - as of March 31, 2014. When this 67 acres is added to the existing Bayside TIF District of 62.18, the Amended District would total 129.18 acres Note: The City is now adjusting the previously submitted approved acreage of 77 to 62.18 based on current City GIS mapping. This adjustment is reflective of the properties which make up the original assessed value for the district as of 3/31/2007 of $44,066,380 – real and personal property value.

The Amended TIF District will apply to only new value generated within the District and will not affect the current property tax base.

C. The Amended Development Program

The City of Portland, by designating the Amended Bayside Redevelopment TIF District, will potentially capture all new investments made within the Amended District. The City is projecting to capture up to 100% of the new assessed value over the original assessed value, and retain from the district the new tax revenues generated from that captured assessed value. These revenues will be allocated to the Project Cost Account for the purposes described in II.A. above. Each year, the City Council may adjust the specific amount to be captured and retained for purposes of this Amended TIF, based upon the needs of the Amended District, and the commitments made through Credit Enhancement Agreements, collateral for loan or bond repayment, and the like.

D. Municipal Use of TIF Revenues

The City of Portland seeks authorization to utilize the revenues generated from the Amended Bayside TIF District to support economic development in Bayside through the development of multi-level parking structures, as a source of repayment for a HUD loan to relocate the scrap metal recycling facilities, as well as to assist in any relocation of the remaining scrap metal recycling facility not associated with a HUD loan, or for any other City borrowing so authorized for the benefit of the District, including infrastructure improvements for both pedestrians and transit, lighting, and open space/trails, as detailed in II.A above. In addition, the City will allocate a portion of the retained revenue to the Economic Development Department to support staffing and marketing efforts to attract additional development in Bayside, and to make commercial investments in land and infrastructure deemed appropriate for the economic redevelopment of the District. The City may also, from time to time, enter into Credit Enhancement Agreements to promote additional commercial taxable investment within the District.

See Exhibit ____ - Table of Municipal Uses of TIF Revenues and Project Cost Statute.

E. Operational Components

1. Public Facilities

The City will invest in projects to further goals of the *Bayside Vision*, as outlined in II.A above.

2. Uses of Private Property

   The Amended Bayside Economic Redevelopment Program and TIF District includes both public and private property. The funds generated from this district will be used to support commercial investment on both public and private land.

3. Plans for relocation of persons displaced by development activities.

   Though not contemplated at this point, any possible relocation costs of displaced persons resulted from one or more City projects funded through this Amended Development Program shall be covered by the City as required.

4. Environmental Controls

   The Amended Development Program proposes improvements that will comply with all federal, state and local rules and regulations and applicable land use requirements.

5. Plan of Operation of Amended District

   During the life of the Amended Tax Increment Financing District, the City of Portland, City Council, or their designee, will be responsible for the administration of the District.

III. Physical Description

A. Total acreage of the municipality: 12,386 taxable acres

B. Total acreage proposed for amended tax increment financing district:
62.18 acres – Approved TIF District
67.00 acres – Proposed TIF District Expansion
129.18 total acres

C. Percent of line B of line A (line B divided by line A cannot exceed 2%): 1.04%

D. Total acreage of all existing and proposed TIF Districts in the municipality as of 6/30/2014:

Existing (inc. TOD):	216.50 (Includes existing Bayside of 62.18 acres)
Less TOD Acres:	-30.00
Proposed:	67.00
Total:	253.50

E. Percent line D of line A (cannot exceed 5%): 2%

F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:

1. Blighted acres N/A . Line F1 divided by line B = _________.

2. Acreage in need of rehabilitation, redevelopment or conservation N/A . Line F2 divided by line B = _________.

3. Acreage suitable for commercial siting = 129.18 . Line F3 divided by line B = 100% .

G. Enclosed municipal maps:

1. Area map showing site location of the Amended TIF District in relation to geographic location of municipality (Exhibit B).

2. Site map showing tax map locations of the Amended TIF District (Exhibit C-2).

IV. Financial Plan

A. Costs and Sources of Revenues

The original Bayside TIF District comprised an area of approximately 11 acres of real property with an original assessed value of $1,608,190 as of March 31, 2002. On July 6, 2005, the City Council authorized an expansion of the TIF District as shown on Exhibit C to a total of 62.18 acres (see explanation in II.B above), with a revised original assessed value of $44,066,380 as of March 31, 2007 – real and personal property value. Exhibit C-2 is a map showing the Amended District encompassing the original 62.18 acres, as well as the 67 acres for this expansion. The real property value in this expanded area of 67 acres has an Original Assessed Value as of March 31, 2014, of $78,251,800.

The Amended Development Program provides for the new tax revenues generated by the increase in assessed value of the District to be captured and designated as TIF Revenues. The City will apply the retained revenues to the economic development activities described in the Amended Development Program. To date, these activities include:

- Assisting with the Financing for Parking Structures – est. $10,000,000+
- Credit Enhancement Agreements with Capital, LLC and Southern Maine Student Housing, LLC for the construction of 550 structured parking spaces -

$6,000,000 ($450,000 per year for 10 years, and $300,000 per year for an additional 5 years).

- Repayment for HUD Loan to Relocate Scrap Metal Recycling Facilities – est. $6,300,000 ($400,000 per year for 15 years).
- Economic Development Department Staffing and Land Preparation and Marketing – est. $500,000

The attached Revised Exhibit A details the projections of retained revenues based upon the anticipated assessed value increases within the District. Revised Exhibit A is a projection based upon best available information and is included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Account

This Development Program requires establishment of a Development Program Account pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

The Bayside TIF Development Program Account is established consisting of a project cost account ("Project Cost Account") pledged to, and charged with, payment of project costs. The Project Cost Account shall consist of Company Cost Subaccounts (Company Cost Subaccount), pledged to and charged with payment to authorized companies under the terms of an approved Credit Enhancement Agreement for reimbursements for eligible project costs, and a City Cost Subaccount (the "City Cost Subaccount") pledged to, and charged with, payment to the City for the cost of approved economic development expenses.

C. Financing Plan

The original TIF District comprised an area of approximately 11 acres of real and personal property. The value of the real and personal property within the district as of March 31, 2002 was established as the original assessed value. With the subsequent expansion, the value of the additional real and personal property within the district expansion as of March 31, 2007 was established as the original assessed value, with that value being $44,066,380. With this additional expansion from 62.18 to add 67 acres to the District, for a total of 129.16 acres, the value of real property within the expanded District of 67 acres has a March 31, 2014 date established as the original assessed value, or $78,251,800 as detailed in Section IV.A. above.

The developments within the described Amended Bayside TIF District will add significant new taxable value in the City of Portland. TIF revenues will be allocated as described on Revised Exhibit A to finance the costs described in the Amended Development Program. Actual payments to the Project Cost Account will be adjusted based upon the applicable annual percentage retained, or a specific amount to be retained within the Amended District, and the actual annual assessed value within the Amended District, to be determined by the City Council on a yearly basis.

V. Amended Financial Data

A. Total 2014 value of equalized property in the municipality: $7,551,450,000

B. Original assessed value of all properties in all existing and proposed TIF districts:

Existing	$296,740,160 (Includes existing Bayside TIF)
Less TOD:	-$4,970,470
Proposed	$78,251,800
Total	$370,021,490

Line B divided by line A = 4.9% (cannot exceed 5%).

C. Estimate of increased assessed value by year after implementation of the development program: See Revised Exhibit A

D. Percentage of increased assessed value to be applied to the development program fund: See Revised Exhibit A

E. Estimated annual tax increment: $1,717,654 (Average)

F. Total average annual value of development program fund: $1,717,654 (Average)

G. Annual principal and interest payment of bonded indebtedness: N/A at this time

H. Financial assumptions and safeguards: The City of Portland is under no obligation to repay any bonds that would involve a pledge of the City's full faith and credit.

VI. Tax Shifts

A. Average Annual Amount:

General Purpose Aid to Education Tax Shift: $593,812

Municipal Revenue Sharing Tax Shift: $47,751

County Tax Shift: $38,745

Total Average Annual Savings: $680,307

VII. Municipal Approvals

A. Public Hearing Notice

The City of Portland did giver proper Notice of Public Hearing in accordance with the requirements of 30-A M.R.S.A. §5253. The notice was published on in a newspaper of general circulation (see Exhibit E).

B. Public Hearing

A Public Hearing at which the proposed Amended Bayside Municipal Tax Increment Financing District was discussed was held on in the Portland City Council Chambers. A copy of the minutes of that meeting is included as Exhibit F.

C. Authorizing Votes

An attested copy of the resolution of the Portland City Council designating the Amended Municipal TIF district created for the implementation of the Bayside Redevelopment Program is included as Exhibit G.

D. Assessors Certification

An attested copy of the certification by the City of Portland Tax Assessor as to the revised Original Assessed Value of the expanded Bayside Municipal Tax Increment Financing District is included as Exhibit H.

Exhibit ___

City of Portland - TIF Values for Bayside TIF Year 1 to 3, or Tax Years 2003 to 2005

Original Area: 11 Acres
OAV a/o 3/31/2002: 1,608,190

Table Reflects:
1) Actual Percentages Captured
2) Actual Mill Rate
3) Actual Yearly Property Values

Bayside TIF - Years 1 to 3 (FY04 to FY06) - City of Portland- TIF Table (OAV ao 3/31/2002 $1,608,190)									
Various Percent Sheltered from Original Bayside TIF - Years 1 to 3									
TIF Year	Tax Year-April 1	Increased Assessed Value Real & PP Prop.	% of Value Captured	Captured Valuation	Mill Rate	Total New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	2003	$6,191,580	1.00%	$61,916	26.83	$1,661	$0	$1,661	$164,434
2	2004	$7,295,740	1.00%	$72,957	26.53	$1,936	$0	$1,936	$191,620
3	2005	$9,171,480	54.00%	$4,952,599	20.13	$99,696	$0	$99,696	$84,926
3 Year TIF Total		**$22,658,800**		**$5,087,472**		**$103,292**	**$0**	**$103,292**	**$440,981**
Average Annual						$34,431	$0	$34,431	$146,994

Exhibit ___

City of Portland - TIF Values for Bayside TIF Year 1 to 3, or Tax Years 2003 to 2005

Original Area: 11 Acres

OAV a/o 3/31/2002: 1,608,190

Table Reflects:
1) 1% Capture Yr 1; 1% Capture Yr 2; 54% Capture Yr 3
2) Mill Rates: Yr 1-26.83; Yr 2-26.53; Yr 20.13

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland-Bayside Original TIF for Years 1 to 3 (FY04 to FY06)

Various Percent Sheltered From Original Bayside TIF - Years 1 to 3 (FY04 to FY06)

				Avoided Formula Impacts from Sheltering of Valuation			
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered 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	2003	$6,191,580	$61,916	$502	$40	$33	$575
2	2004	$7,295,740	$72,957	$591	$48	$39	$677
3	2005	$9,171,480	$4,952,599	$40,116	$3,226	$2,621	$45,963
3 Year TIF Total		**$22,658,800**	**$5,087,472**	**$41,209**	**$3,314**	**$2,693**	**$47,215**
Average Annual			$1,695,824.13	$13,736	$1,105	$898	$15,738

City of Portland TIF Values for Bayside TIF

Original Area w 1st Expansion: 62.18 Acres

OAV a/o 3/31/2007: $44,066,380

Table Reflects:

1) Actual Percentages Captured Years 4 to 12
2) Projected 100% Captured Years 13 to 30
3) Actual Yearly Property Valuation Years 4 to 12
4) Projected Increase Property Valuation of 1% Years 13 to 30
5) Projected Increase of Mill Rate of 2% Years 13 to 30

Orignal Bayside TIF - Actual Years 4 to 12 (FY07 to FY15); Projections Years 13 to 30 (FY16 to FY33) - City of Portland- TIF Projection Table (OAV AO 3/31/2007 OF $44,066,380)

Actual Various Percent Sheltered from Original Bayside TIF Years 4 to 12; 100% Sheltered Years 13 to 30)

TIF Year	Tax Year-April 1	Increased Assessed Value Real & PP 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
4	2006	$11,052,960	28.00%	$3,094,829	16.31	$50,477	$0	$50,477	$129,797
5	2007	$23,657,250	1.00%	$236,573	17.10	$4,045	$0	$4,045	$400,494
6	2008	$49,496,900	100.00%	$49,496,900	17.74	$878,075	$0	$878,075	$0
7	2009	$69,217,260	78.00%	$53,989,463	17.74	$957,773	$0	$957,773	$270,141
8	2010	$68,355,920	71.00%	$48,532,703	17.92	$869,706	$478,338	$391,368	$355,232
9	2011	$62,808,110	73.00%	$45,849,920	18.28	$838,137	$427,450	$410,687	$309,996
10	2012	$66,477,790	47.00%	$31,244,561	18.82	$588,023	$441,017	$147,006	$663,089
11	2013	$65,716,350	98.00%	$64,402,023	19.41	$1,250,043	$450,016	$800,028	$25,511
12	2014	$65,131,890	83.00%	$54,059,469	20.00	$1,081,189	$443,288	$637,902	$221,448
13	2015	$66,223,873	100.00%	$66,223,873	20.40	$1,350,967	$472,838	$878,129	$0
14	2016	$67,326,775	100.00%	$67,326,775	20.81	$1,400,936	$476,318	$924,617	$0
15	2017	$68,440,707	100.00%	$68,440,707	21.22	$1,452,597	$479,357	$973,240	$0
16	2018	$69,565,778	100.00%	$69,565,778	21.65	$1,506,005	$361,441	$1,144,564	$0
17	2019	$70,702,099	100.00%	$70,702,099	22.08	$1,561,217	$359,080	$1,202,137	$0
18	2020	$71,849,784	100.00%	$71,849,784	22.52	$1,618,291	$356,024	$1,262,267	$0
19	2021	$73,008,946	100.00%	$73,008,946	22.97	$1,677,287	$352,230	$1,325,056	$0
20	2022	$74,179,699	100.00%	$74,179,699	23.43	$1,738,267	$365,036	$1,373,231	$0
21	2023	$75,362,160	100.00%	$75,362,160	23.90	$1,801,295	$0	$1,801,295	$0
22	2024	$76,556,445	100.00%	$76,556,445	24.38	$1,866,438	$0	$1,866,438	$0
23	2025	$77,762,673	100.00%	$77,762,673	24.87	$1,933,762	$0	$1,933,762	$0
24	2026	$78,980,964	100.00%	$78,980,964	25.36	$2,003,339	$0	$2,003,339	$0
25	2027	$80,211,437	100.00%	$80,211,437	25.87	$2,075,241	$0	$2,075,241	$0
26	2028	$81,454,215	100.00%	$81,454,215	26.39	$2,149,542	$0	$2,149,542	$0
27	2029	$82,709,421	100.00%	$82,709,421	26.92	$2,226,320	$0	$2,226,320	$0
28	2030	$83,977,179	100.00%	$83,977,179	27.46	$2,305,653	$0	$2,305,653	$0
29	2031	$85,257,615	100.00%	$85,257,615	28.00	$2,387,625	$0	$2,387,625	$0
30	2032	$86,550,855	100.00%	$86,550,855	28.56	$2,472,319	$0	$2,472,319	$0
27 Year TIF Total		$481,914,430		$350,906,441		$40,044,566	$5,462,433	$34,582,134	$2,375,708
Average Annual						$1,483,132	$202,312	$1,280,820	$87,989

Exhibit ___

City of Portland TIF Values for Bayside TIF

Original Area w 1st Expansion: 62.18 Acres

OAV a/o 3/31/2007: $44,066,380

Table Reflects:

1) Actual Percentages Captured Years 4 to 12
2) Projected 100% Captured Years 13 to 30
3) Actual Yearly Property Valuation Years 4 to 12
4) Projected Increase Property Valuation of 1% Years 13 to 30
5) Projected Increase of Mill Rate of 2% Years 13 to 30

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model

Actual Percent Sheltered From Bayside TIF Years 4 to 12 (FY07 to FY15); 100% Projected Capture TIF Years 13 to 30 (FY16 to FY33)

				Avoided Formula Impacts from Sheltering of Valuation			
TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase In County Tax	Total Avoided Impacts
4	2006	$11,052,960	$3,094,829	$25,068	$2,016	$1,638	$28,722
5	2007	$23,657,250	$236,573	$1,916	$154	$125	$2,196
6	2008	$49,496,900	$49,496,900	$400,925	$32,240	$26,169	$459,333
7	2009	$69,217,260	$53,989,463	$437,315	$35,166	$28,541	$501,021
8	2010	$68,355,920	$48,532,703	$393,115	$31,612	$25,660	$450,386
9	2011	$62,808,110	$45,849,920	$371,384	$29,864	$24,243	$425,491
10	2012	$66,477,790	$31,244,561	$253,081	$20,351	$16,527	$289,959
11	2013	$65,716,350	$64,402,023	$521,656	$41,948	$34,036	$597,640
12	2014	$65,131,890	$54,059,469	$437,882	$35,212	$28,577	$501,671
13	2015	$66,223,873	$66,223,873	$536,413	$43,135	$34,997	$614,545
14	2016	$67,326,775	$67,326,775	$545,347	$43,853.22	$35,579	$624,779
15	2017	$68,440,707	$68,440,707	$554,370	$44,578.78	$36,166	$635,115
16	2018	$69,565,778	$69,565,778	$563,483	$45,311.60	$36,760	$645,554
17	2019	$70,702,099	$70,702,099	$572,687	$46,051.74	$37,359	$656,098
18	2020	$71,849,784	$71,849,784	$581,983	$46,799.28	$37,964	$666,747
19	2021	$73,008,946	$73,008,946	$591,372	$47,554.30	$38,576	$677,503
20	2022	$74,179,699	$74,179,699	$600,856	$48,316.87	$39,193	$688,366
21	2023	$75,362,160	$75,362,160	$610,433	$49,087.06	$39,817	$699,337
22	2024	$76,556,445	$76,556,445	$620,107	$49,864.96	$40,447	$710,419
23	2025	$77,762,673	$77,762,673	$629,878	$50,650.64	$41,083	$721,611
24	2026	$78,980,964	$78,980,964	$639,746	$51,444.17	$41,725	$732,915
25	2027	$80,211,437	$80,211,437	$649,713	$52,245.64	$42,374	$744,332
26	2028	$81,454,215	$81,454,215	$659,779	$53,055.12	$43,029	$755,863
27	2029	$82,709,421	$82,709,421	$669,946	$53,872.70	$43,690	$767,509
28	2030	$83,977,179	$83,977,179	$680,215	$54,698.45	$44,359	$779,272
29	2031	$85,257,615	$85,257,615	$690,587	$55,532.46	$45,033	$791,153
30	2032	$86,550,855	$86,550,855	$701,062	$56,375	$45,715	$803,152
27 Year TIF Total		$1,852,035,056	$1,721,027,067	$13,940,319	$1,120,989	$909,379	$15,970,688
Average Annual				$516,308	$41,518	$33,681	$591,507

Bayside TIF Model For FY07 to FY33 w OAV of $44,066,380 ao 3-31-2007

Exhibit ___

City of Portland - TIF Model - For Expanded Area Only of Bayside TIF for TIF remaining years of FY16 to FY33

2nd Expanded Area: 67 acres
OAV a/o 3/31/2014: $78,251,800

Model Assumes:
1) 1% Yearly Increase in Valuation;
2) 2% Yearly Increased in Tax Rate; and,
3) 100% Yearly Capture Rate

City of Portland- Expanded Bayside TIF Projection Table - For Add'l 67 Acres; OAV $78,251,800									
TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop. At 1%/Yr.	% of Value Captured	Captured Valuation	Projected Mill Rate (inc. 2%/Yr)	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
13	2015	$782,518	100.00%	$782,518	20.20	$15,804	$0	$15,804	$0
14	2016	$1,572,861	100.00%	$1,572,861	20.60	$32,401	$0	$32,401	$0
15	2017	$2,371,108	100.00%	$2,371,108	21.01	$49,822	$0	$49,822	$0
16	2018	$3,177,337	100.00%	$3,177,337	21.43	$68,097	$0	$68,097	$0
17	2019	$3,991,628	100.00%	$3,991,628	21.86	$87,260	$0	$87,260	$0
18	2020	$4,814,063	100.00%	$4,814,063	22.30	$107,344	$0	$107,344	$0
19	2021	$5,644,721	100.00%	$5,644,721	22.74	$128,383	$0	$128,383	$0
20	2022	$6,483,686	100.00%	$6,483,686	23.20	$150,414	$0	$150,414	$0
21	2023	$7,331,041	100.00%	$7,331,041	23.66	$173,473	$0	$173,473	$0
22	2024	$8,186,870	100.00%	$8,186,870	24.14	$197,599	$0	$197,599	$0
23	2025	$9,051,256	100.00%	$9,051,256	24.62	$222,831	$0	$222,831	$0
24	2026	$9,924,287	100.00%	$9,924,287	25.11	$249,211	$0	$249,211	$0
25	2027	$10,806,048	100.00%	$10,806,048	25.61	$276,780	$0	$276,780	$0
26	2028	$11,696,626	100.00%	$11,696,626	26.13	$305,582	$0	$305,582	$0
27	2029	$12,596,111	100.00%	$12,596,111	26.65	$335,664	$0	$335,664	$0
28	2030	$13,504,590	100.00%	$13,504,590	27.18	$367,070	$0	$367,070	$0
29	2031	$14,422,154	100.00%	$14,422,154	27.72	$399,851	$0	$399,851	$0
30	2032	$15,348,893	100.00%	$15,348,893	28.28	$434,056	$0	$434,056	$0
18 Year TIF Total		**$141,705,797**		**$141,705,797**		**$3,601,642**	**$0**	**$3,601,642**	**$0**
18 Year Averages						**$200,091.20**		**$200,091.20**	

O:\TIF\Bayside\Expanded Bayside TIF FY2015\Bayside TIF Model For FY16 to FY33 - Expanded Area Only w OAV of $78,251,800 ao 3-31-2014

Exhibit ___

City of Portland - TIF Model - For Expanded Area Only of Bayside TIF for TIF remaining years of FY16 to FY33

2nd Expanded Area: 67 acres

OAV a/o 3/31/2014: $78,251,800

Model Assumes:
1) 1% Yearly Increase in Valuation;
2) 2% Yearly Increased in Tax Rate; and,
3) 100% Yearly Capture Rate

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- Expanded Area Only of Bayside - TIF Projection Model

				Avoided Formula Impacts from Sheltering of Valuation			
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
13	2015	$782,518	$782,518	$6,338	$510	$414	$7,262
14	2016	$1,572,861	$1,572,861	$12,740	$1,024	$833	$14,597
15	2017	$2,371,108	$2,371,108	$19,206	$1,544	$1,255	$22,006
16	2018	$3,177,337	$3,177,337	$25,736	$2,070	$1,682	$29,488
17	2019	$3,991,628	$3,991,628	$32,332	$2,600	$2,113	$37,045
18	2020	$4,814,063	$4,814,063	$38,994	$3,136	$2,548	$44,678
19	2021	$5,644,721	$5,644,721	$45,722	$3,677	$2,988	$52,387
20	2022	$6,483,686	$6,483,686	$52,518	$4,223	$3,432	$60,173
21	2023	$7,331,041	$7,331,041	$59,381	$4,775	$3,880	$68,037
22	2024	$8,186,870	$8,186,870	$66,314	$5,333	$4,333	$75,979
23	2025	$9,051,256	$9,051,256	$73,315	$5,896	$4,790	$84,001
24	2026	$9,924,287	$9,924,287	$80,387	$6,464	$5,252	$92,103
25	2027	$10,806,048	$10,806,048	$87,529	$7,039	$5,719	$100,286
26	2028	$11,696,626	$11,696,626	$94,743	$7,619	$6,190	$108,551
27	2029	$12,596,111	$12,596,111	$102,028	$8,204	$6,666	$116,899
28	2030	$13,504,590	$13,504,590	$109,387	$8,796	$7,146	$125,330
29	2031	$14,422,154	$14,422,154	$116,819	$9,394	$7,632	$133,845
30	2032	$15,348,893	$15,348,893	$124,326	$9,997	$8,122	$142,446
18 Year TIF Total		**$141,705,797**	**$141,705,797**	**$1,147,817**	**$92,300**	**$74,995**	**$1,315,112**
18 Year TIF Averages				**$63,767.61**	**$5,127.77**	**$4,166.37**	**$73,061.75**

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: October 17, 2014

SUBJECT: Affordable Housing Development Application
Avesta Housing Proposal – 73 Powsland Street

I. SUMMARY OF ISSUE

The Affordable Housing Development Application for 2014-2015 was released on August 15. The application made up to $225,000 in HOME funding available for affordable housing development. At this time, one proposal has been submitted seeking $225,000. The applicant is Avesta Housing Development Corporation.

73 Powsland Street: This is a proposal for 34 one- and two-bedroom units of rental housing for peoples ages 55 and over with incomes at or below 60% of the area median income. The project is located in the B-5 Urban Commercial Mixed Use Zone. The B-5 zone allows multi-family, single family and industrial development. The proposed development would be a permitted use within the B-5 zone and is designed to meet the current zoning standards.

The developer has not submitted an application for site plan and subdivision review. Planning Staff reviewed the conceptual drawings submitted with the application proposal and identified challenges in regards to pedestrian connectivity, sidewalks, wetlands and drainage. In addition, there are neighborhood concerns and opposition with the development of this site.

The Housing and Community Development Division has been working with a consultant, Global Deal Funding to assist with the underwriting review of proposed projects. The consultant has provided a written analysis which is included in this packet. In summary, the consultant indicated:

Developer Capacity: Developer is well position financially and has significant experience with this type of project.

Financial Underwriting: Project raises no concerns in the areas of operating expenses, debt service coverage ratio and development costs.

Program Intent: HOME Program is designed to assist developers in creating affordable rental housing by providing low cost capital. Project is viable without HOME funds because of other investment sources (LIHTC and AHP funding from the Federal Home Loan Bank). Any reduction in the developer fee would be offset by a raise in LIHTC equity or deferral of the fee.

HOME funds request: $225,000, 0% interest rate loan, deferred for 30 years or until the sale or transfer of the property. City Investment/total units = $6,618; City Investment/sq ft = $6.

II. COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

Promote Housing Availability – Provide increased availability in all segments of the housing market while ensuring that there is a suitable balance of housing opportunities among those sectors.

III. FINANCIAL IMPACT

The Project pro-forma budget provided by the developer indicates a request for approximately $225,000 in HOME funding for this project in the form of a 0% interest loan, deferred for 30 years or until sale or transfer.

IV. STAFF ANALYSIS AND RECOMMENDATION

The FY 2014-2015 Affordable Housing Development Budget made available $391,709 (includes $71,709 for CHDO) for the development of a wide-range of types of housing. The Affordable Housing Development Program Application indicated up to $250,000 would be available in the first round with an additional $141,709 being reserved for possible funding of a future City-selected project.

At this time, staff is requesting committee approval to provide a conditional commitment of funds for this project. The approval will be conditioned on the completion of all standard commitment requirements including:

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 $225,000 based on maximization of LIHTC equity raise", to ensure that the City's contribution is leveraged to the maximum extent possible.

4. 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.

7. Site Plan approval from the Portland Planning Board.

V. ATTACHMENTS

Excerpts from Application Proposal

Project Narrative, Conceptual Drawings, Site Location Map, Project Schedule, Sources and Uses, Operating Budget, 20-Year Proforma, Market Analysis Executive Summary

Consultant Underwriting Analysis

73 Powsland Street

Project Narrative

Avesta Housing Development Corporation requests $225,000 under the City of Portland's Development of Affordable Housing RFP to provide critical financing for the development of 73 Powsland Street Apartments.

The proposed development will include 34 one- and two-bedroom apartments for people ages 55 and over with incomes at 50% and 60% of the Area Median Income. Twenty-one apartments will be reserved for seniors at 50% AMI, and 13 apartments will be reserved for seniors at 60% AMI. Projected rents for 73 Powlsand Street are estimated to be 42% lower than comparable market-rate apartments. 73 Powsland Street is strategically located within close proximity to public transportation, banking, medical services and retail operations, making it an ideal location for a senior community. Residents will not only enjoy the close proximity to these services but the businesses and civic institutions will continue to derive benefit from the patronage and participation of the senior community.

73 Powsland Street would help address Maine's growing need for senior housing. Maine ranks second in the nation for the number of people over age 65 and has the highest median age of all states. By 2015, more than 8,000 new units of senior housing are expected to be needed to meet demand. Additionally, far too many seniors face severe housing affordability problems. Of the 86,000 low-income households in Maine paying more than 50% of their income toward housing, close to 40% (34,000) are over age 55. This project would provide quality affordable housing for the growing number of seniors who call Portland home. Portland's senior population will grow by nearly 11% between 2014 and 2019. Many of these people have lived in this community their entire lives but face the stark reality of no longer being able to afford or maintain their current home.

Avesta knows senior housing in Portland is in high demand, as there are currently 312 households waiting for 76 apartments at Avesta's two existing senior communities in Portland. A market study for the project concluded the project is well-located in a market that has strong demand for housing for low-income households, and would therefore lease up quickly, in five months (see attached market study for additional information).

73 Powsland Street will also bring economic diversity to the neighborhood by serving senior households with incomes of between $27,000-$37,000 a year. The Area Median Income as defined by HUD, by comparison, is $77,300. The property will be non-smoking (see attached non-smoking policy for more information).

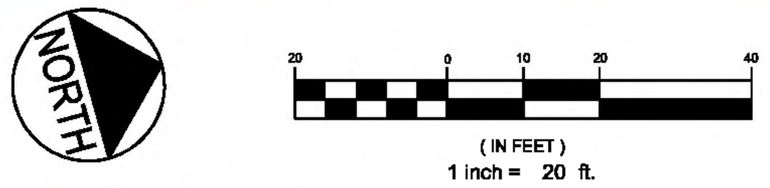
In addition to the City FedHOME funds sought through this application, the project will be financed through an AHP grant and AHP subsidized loan and federal Low Income Housing Tax Credits. Since the project will use tax credits as a primary funding source, the ownership entity will be a limited partnership. A Maine limited partnership named Avesta Powsland Street LP will own the project. The General Partner of the LP entity will be Pinecone Housing Corporation, of which Avesta Housing Development Corporation is the sole member.

Avesta has a distinguished track record of developing and operating housing for the extended benefit of the community. Avesta currently owns or manages over 1,900 residential apartments. With over 40 years of developing and managing housing projects, Avesta has the experience and expertise to ensure

long-term compliance, maintenance and affordability. The current 15-year operating budget assumes a 2% annual increase in rents and a 3% annual increase for operating expenses. This budget includes a pre-funded operating reserve of $120,318 (required by Maine State Housing) with additional annual reserve deposits of $15,300 (see attached Pro-Forma and 15 Year Operating Budget for more detail).
73 Powsland Street will build upon Avesta Housing's commitment to construct and subsequently manage buildings that are long-term community assets. 73 Powsland Street will be designed to maximize energy performance, minimize adverse environmental impacts, provide healthy living spaces, conserve natural resources and promote sustainable development. The project will comply with the City of Portland's Green Building Code, Maine State Housing's Green Building Standards, and Avesta's own green design guidelines. In addition, the project will meet ADA accessibility requirements and provide four handicap units, as well as meet all fair and equal housing regulations as required.

73 Powsland is located in the B-5 Urban Commercial Mixed Use Zone, which allows multi-family, single family commercial and industrial development. Avesta's proposed development is a permitted use in that zone and meets all zoning requirements; therefore, we anticipate Planning Board approval by January 2015. The project will utilize five vacant lots at the end of Powsland Street to build a single structure that complements the existing neighborhood, which is comprised of multi-family and single-family residential buildings. These lots are zoned for a mix of residential and commercial uses. This proposal will help preserve the quiet, residential character of the neighborhood better than commercial developments that are permitted for the zoning.

The four-story, flat-roofed building will be designed as a contemporary take on New England architecture. Below-grade parking will preserve the neighborhood feel, and visual buffers and landscaping will also positively contribute to the project's compatibility with the neighborhood. Finally, the civil design of the project provides the opportunity to improve site drainage and manage storm water, to the benefit of adjacent sites and nearby watersheds.



PRELIMINARY - NOT FOR CONSTRUCTION

REV	DATE	DESCRIPTION	
1	-	-	
REVISIONS			P.E. STEPHEN BUSHEY LIC. # 7429

PROJECT: POWSLAND STREET HOUSING

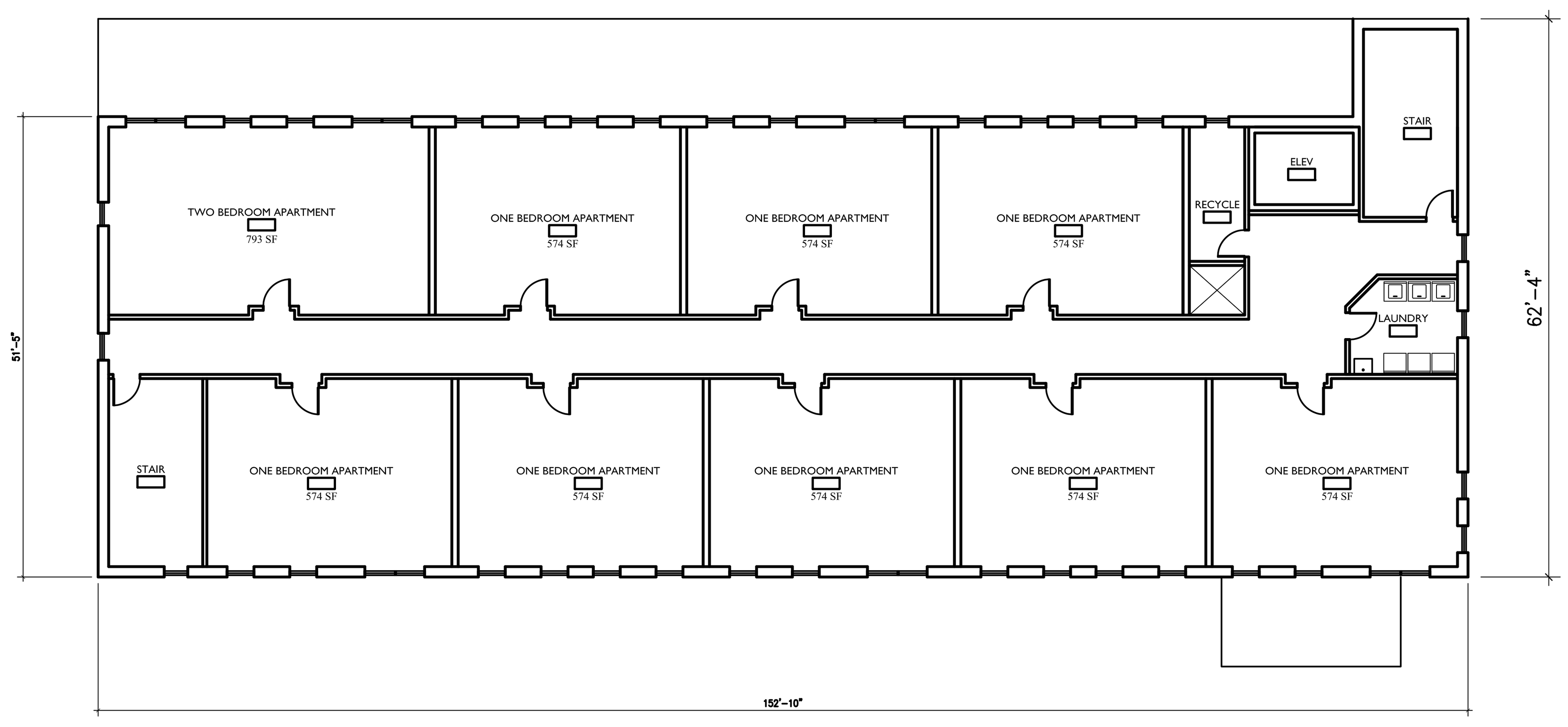
SHEET TITLE: CONCEPT 1

CLIENT: AVESTA

FST 100 YEARS
FAY, SPOFFORD & THORNDIKE, INC.
ENGINEERS · PLANNERS · SCIENTISTS
778 MAIN ST, SUITE 8, SOUTH PORTLAND, ME 04106

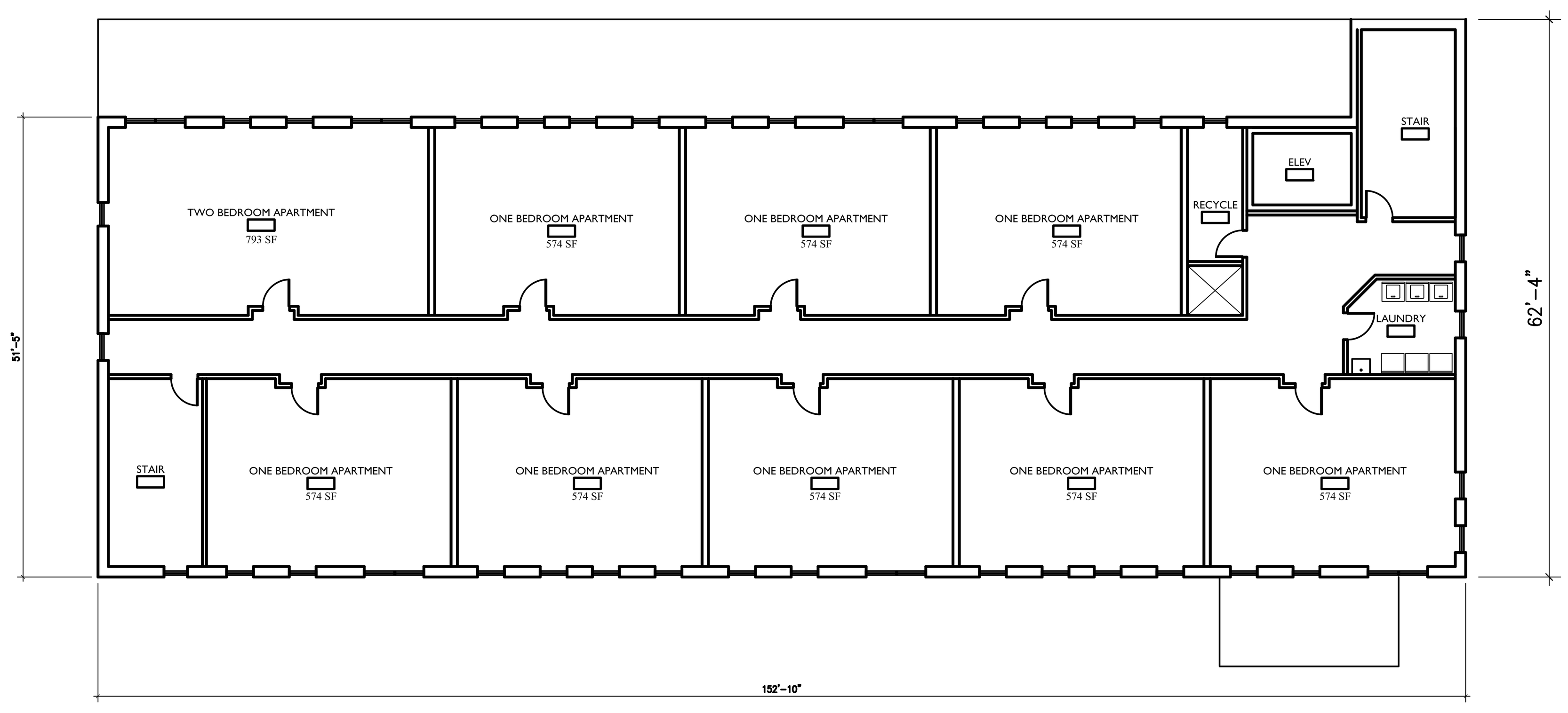
DRAWN:	CMW	DATE:	MARCH 2014
DESIGNED:	SRB	SCALE:	1" = 20'
CHECKED:	SRB	JOB NO.	SP-M152
FILE NAME:	SP-M152-CONCEPT 2		
SHEET	C-1.0		

R:\SP-M152 Avesta Powsland St. Housing Portland, ME\Cadd\Concept Set\dwg\SP-M152-CONCEPT 2.dwg winter_c 3/26/2014 1:54 PM



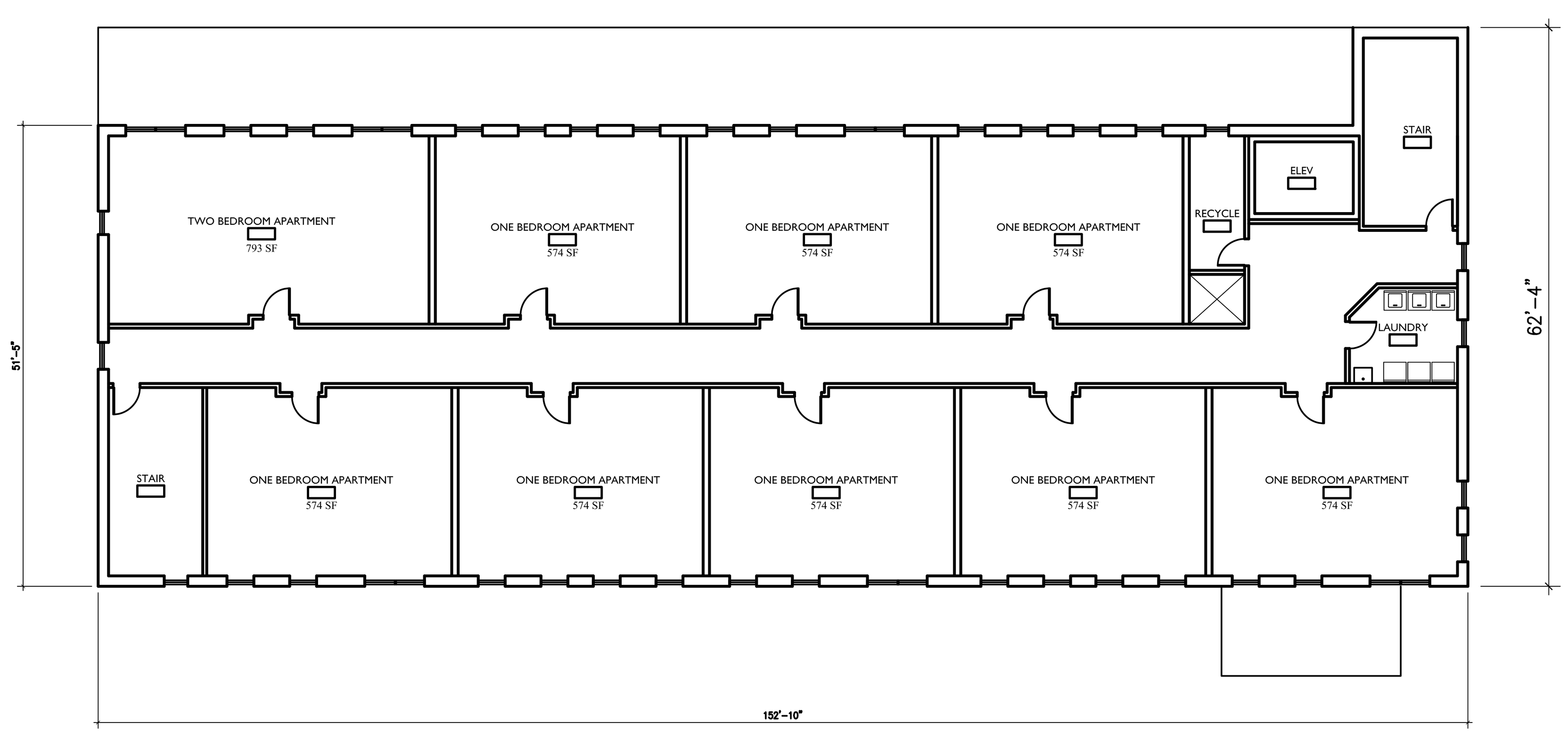
4TH FLOOR PLAN 1/16" = 1'-0"

7,998 SF



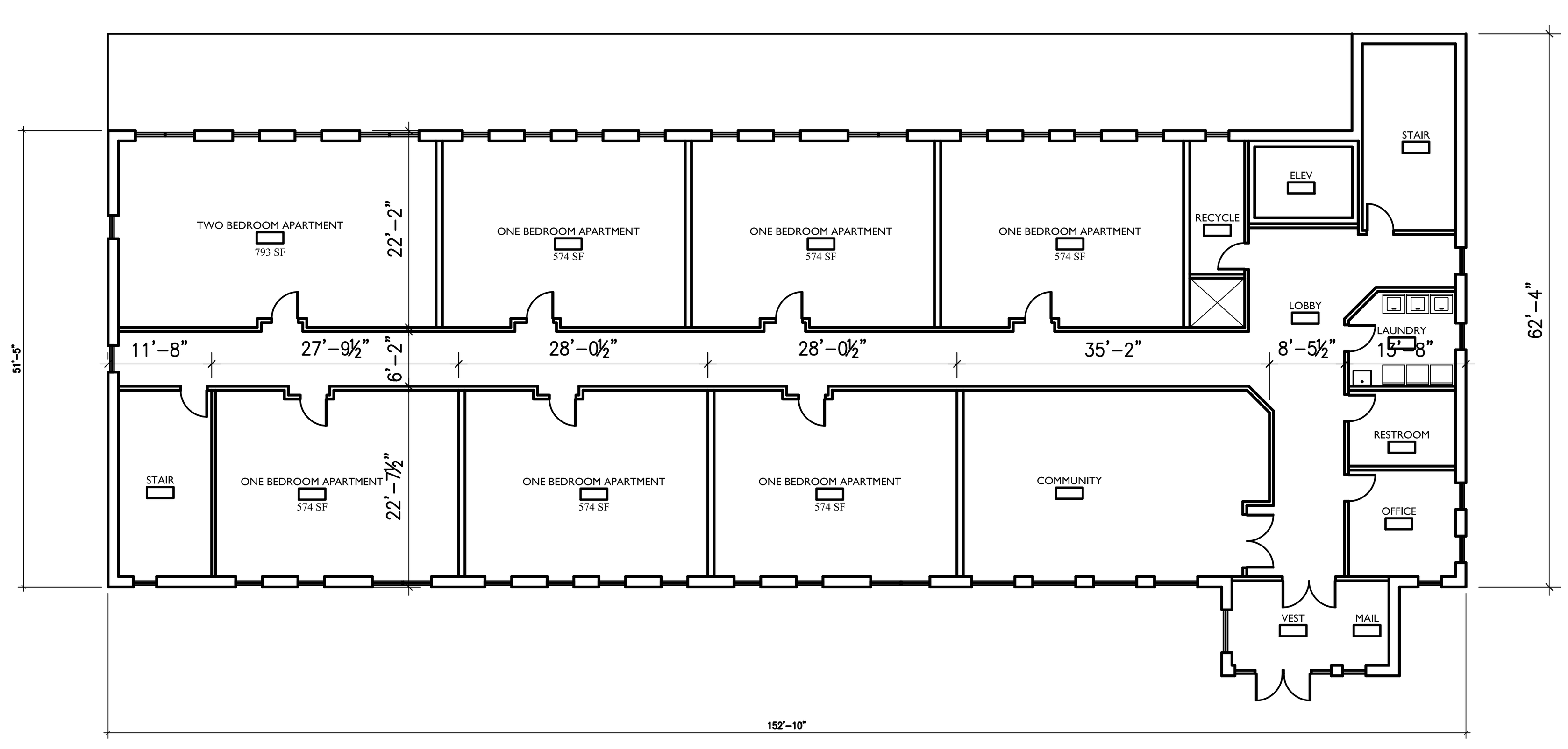
3RD FLOOR PLAN 1/16" = 1'-0"

7,998 SF



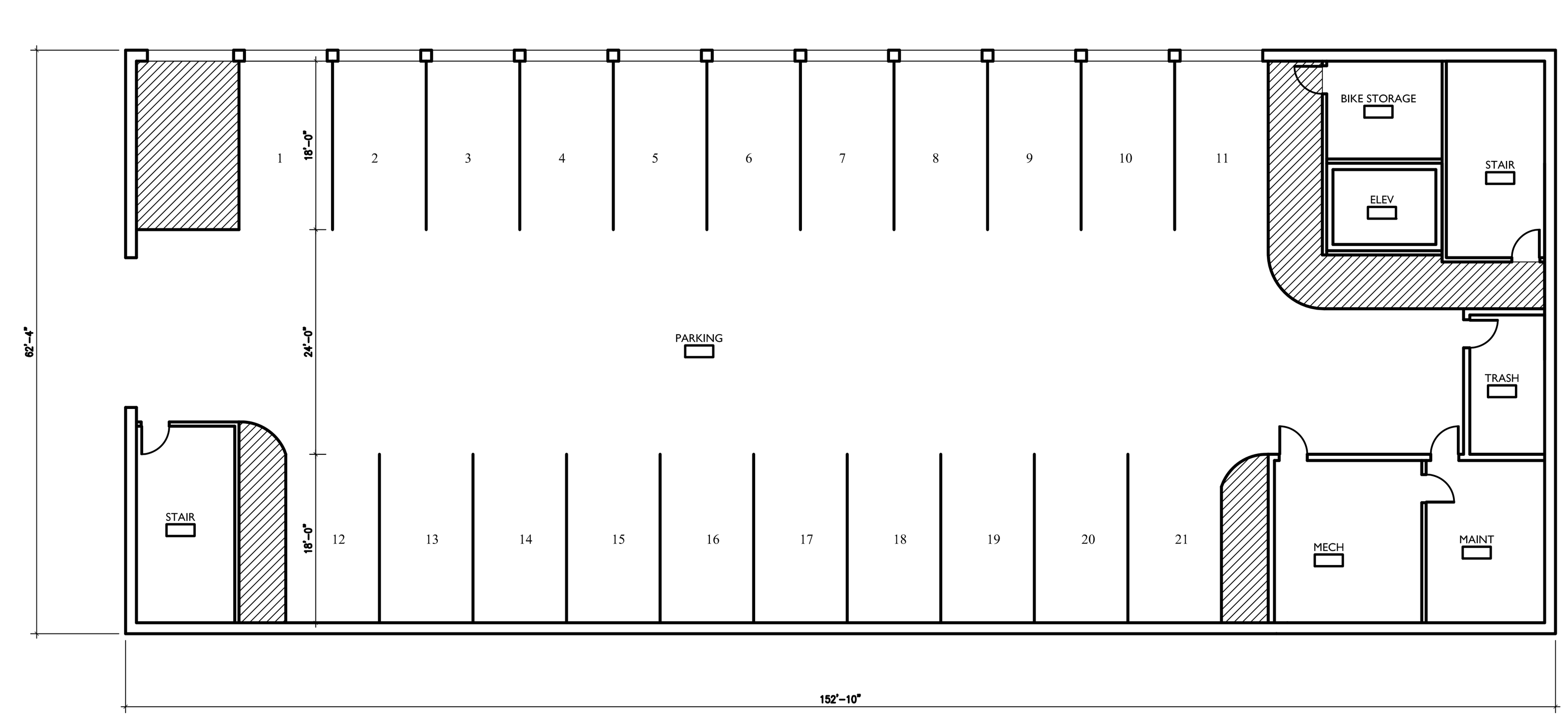
2ND FLOOR PLAN 1/16" = 1'-0"

7,998 SF



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

8,198 SF



PARKING LEVEL 1/16" = 1'-0"

9,527 SF

AVESTA HOUSING

Gawron Turgeon ARCHITECTS

FRONT ELEVATION - EAST 1/16" = 1'-0"

LEFT ELEVATION - SOUTH 1/16" = 1'-0"

RIGHT ELEVATION - NORTH 1/16" = 1'-0"

REAR ELEVATION - WEST 1/16" = 1'-0"

AVESTA HOUSING

Gawron Turgeon ARCHITECTS

6. Site Location Map

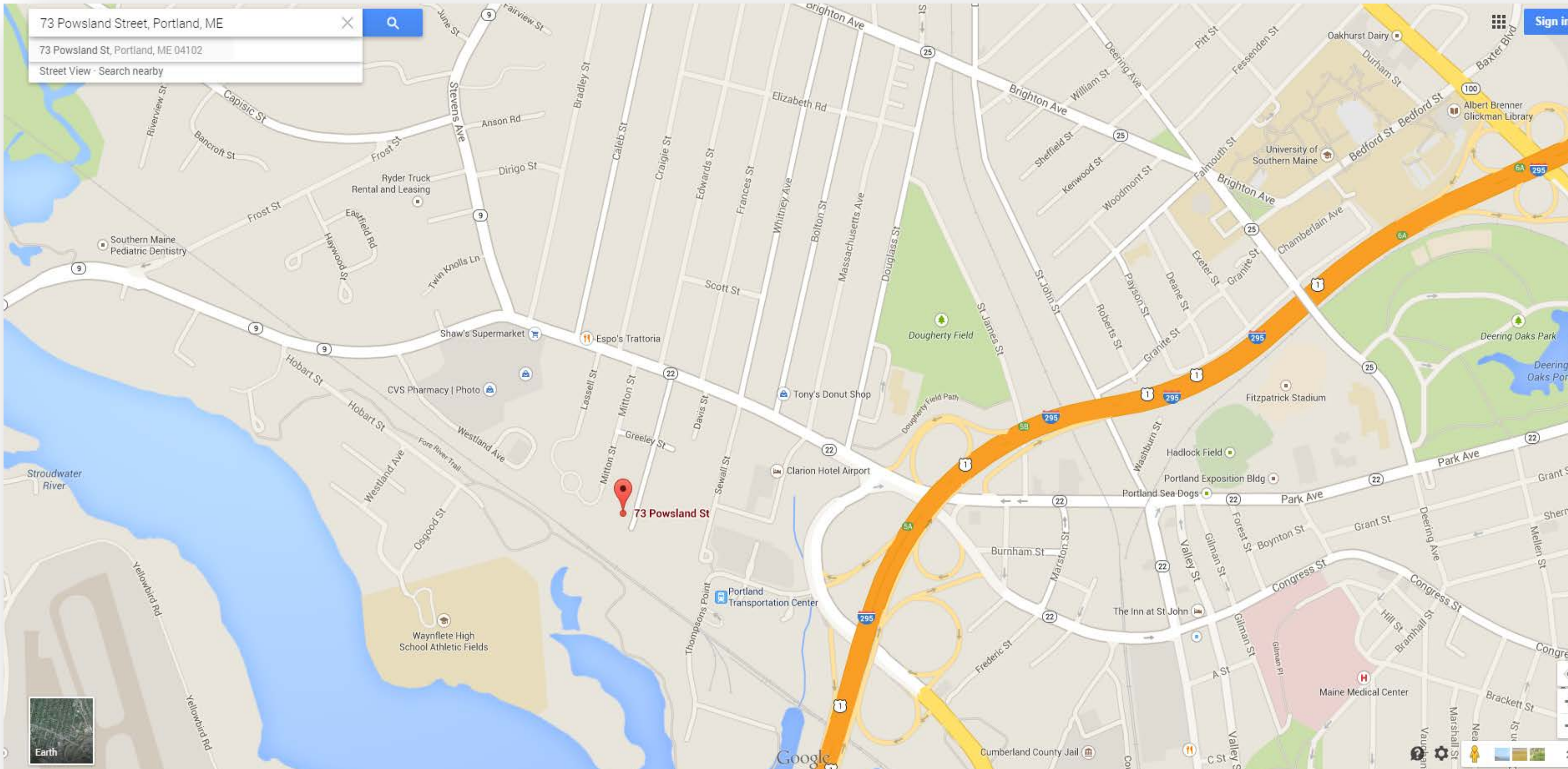


Fig: Site Location

73 Powsland Street - Portland, ME

Project Completion Schedule

Activity	Actual/Scheduled Date Month/Year
A. SITE	
Option/Contract	11/18/13
Site Acquisition	09/01/15
Zoning Approval	05/01/15
B. FINANCING	
Construction Loan Commitment	08/01/15
Permanent Loan Commitment	08/01/15
Other Sources Committed	08/01/15
C. PLANS AND SPECIFICATIONS	
50%	05/01/15
90%	07/01/15
100%	08/01/15
D. CONSTRUCTION LOAN CLOSING	09/01/15
E. CONSTRUCTION START	09/01/15
F. SUBSTANTIAL COMPLETION	09/01/16
G. COMPLETION OF CONSTRUCTION	09/01/16
H. LEASE-UP	
Lease-up Begins	09/01/16
Sustained (95%) Occupancy	03/01/17

11. Sources and Uses:

Sources and Uses of the project:

The project 73 Powsland Street shall be funded using three different funding sources – LIHTC Equity, AHP funds and City FedHOME funds. The sources will come from 9% Low Income Housing Tax Credits from Maine State Housing Authority, FHLBB AHP subsidized loan and FHLBB AHP subsidy. The AHP subsidized loan shall be amortizing at 2.20% interest rate for 30 years.

The funds shall be used towards construction (hard) costs, acquisition, soft costs, financing fees for tax credits, project reserves (operating deficit reserves, pre-funded replacement reserves, tax & insurance reserves) and developer's fees.

SOURCES AND USES OF FUNDS		
Sources of Funds		
Low Income Housing Tax Credit Equity	$	5,535,732
AHP Subsidized Loan	$	1,040,538
AHP Subsidy	$	500,000
City FedHOME	$	225,000
TOTAL SOURCES	**$**	**7,301,270**
Uses of Funds		
Construction Costs	$	5,345,435
Soft Costs	$	702,421
Financing Costs	$	156,619
Acquisition	$	300,000
Reserves	$	236,795
Developer's Fee	$	560,000
TOTAL USES	**$**	**7,301,270**

12. Operating Budget

Project Operating Budget

The operating budget of the project is as shown below:

OPERATING BUDGET FOR YEAR 1		
Rental Income	$	325,728
Vacancy Loss (at 5%)	$	(16,286)
Other Income (Laundry)	$	3,400
EFFECTIVE GROSS INCOME	**$**	**312,842**
Administrative Expenses	$	48,032
Utilities	$	46,500
Maintenance Expenses	$	50,700
Taxes & Insurance	$	52,240
Resident Services	$	12,558
TOTAL OPERATING EXPENSES	**$**	**210,030**
REPLACEMENT RESERVE FUNDING	**$**	**15,300**
NET OPERATING INCOME	**$**	**87,512**

13. 20-Year Proforma

The 20 year proforma shows positive cash-flow through Year 16. The property has a positive cash flow through Year 16, and has a health Debt Service Coverage Ratio through the first fifteen years.

PROFORMA AND INCOME/EXPENSE STATEMENT			TRENDING ASSUMPTIONS:			RENT: Increase at 2% annually		OPERATING EXPENSES: Increase at 3% annually		
Income/Expense	**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**	**Yr 6**	**Yr 7**	**Yr 8**	**Yr 9**	**Yr 10**
Effective Gross Income	312,842	319,098	325,480	331,990	338,630	345,402	352,310	359,357	366,544	373,875
Less Operating Expense	238,330	245,480	252,844	260,430	268,243	276,290	284,579	293,116	301,909	310,967
Net Operating Income	74,512	73,618	72,636	71,560	70,387	69,113	67,732	66,241	64,634	62,908
Less AHP Repay	47,411	47,411	47,411	47,411	47,411	47,411	47,411	47,411	47,411	47,411
Cash Flow	27,100	26,207	25,225	24,149	22,976	21,701	20,321	18,830	17,223	15,497
Debt Coverage Ratio(RLP)	1.57	1.55	1.53	1.51	1.48	1.46	1.43	1.40	1.36	1.33
Operating Reserve Balance	129,235	135,697	142,482	149,606	157,086	164,941	173,188	181,847	190,940	200,487
Income/Expense	**Yr 11**	**Yr 12**	**Yr 13**	**Yr 14**	**Yr 15**	**Yr 16**	**Yr 17**	**Yr 18**	**Yr 19**	**Yr 20**
Effective Gross Income	381,352	388,979	396,759	404,694	412,788	421,044	429,464	438,054	446,815	455,751
Less Operating Expense	320,296	329,905	339,802	349,996	360,496	371,310	382,450	393,923	405,741	417,913
Net Operating Income	61,057	59,075	56,957	54,698	52,292	49,733	47,015	44,131	41,074	37,838
Less Other Repay	47,411	47,411	47,411	47,411	47,411	47,411	47,411	47,411	47,411	47,411
Cash Flow	13,645	11,664	9,546	7,287	4,881	2,322	(396)	(3,281)	(6,337)	(9,573)
Debt Coverage Ratio(RLP)	1.29	1.25	1.20	1.15	1.10	1.05	0.99	0.93	0.87	0.80
Operating Reserve Balance	210,511	221,036	232,088	243,693	255,877	268,671	281,708	292,513	300,801	306,268

125 John Roberts Road, Suite 12
South Portland, Maine 04106
207-780-0201
Fax 207-780-8060
www.signalgroup.com

Comprehensive Market Study

For

73 Powsland Street

73 Powsland Street
Portland, Maine 04102

Date of Report:

September 5, 2014

Prepared For

Avesta Housing

307 Cumberland Avenue
Portland, Maine 04101

A. Executive Summary

Feasibility/ Key Conclusions:

The subject will be well located in a market that has strong demand for housing targeted to low-income rental households.

As supported by the current waitlist maintained by the Portland Housing Authority and the subsidized properties within the PMA, the subject is well located in a market that has strong demand for housing targeted to low-income rental households.

Although the supply of rental housing units, exceeds the demand, we expect the subject's units will compete favorably in the market for the following reasons: (1) more than 65 percent of the housing stock is more than 50 years old; (2) all of the elderly subsidized properties are 100% occupied with waitlists of up to five years; and (3) the Portland Housing Authority which administers the vouchers in the PMA reported extensive waitlists.

Subject Property:

73 Powsland Street will be a newly constructed building that will be located at on Powsland Street in Portland, Maine. The proposed project will consist of a total of 34 one- and two-bedroom units. Occupancy of the units will be restricted to 55+.

Under the proposed financing program, occupancy in all of the units will be restricted to households whose incomes are at or below 60 percent of Area Median Income (AMI) and 21 units will be restricted to household whose incomes are at or below 50 percent of AMI.

Purpose of Study:

The Signal Group (TSG) analyzed historic and projected demographic data in the market area to determine the demand for the proposed project. This data was obtained from HISTA Data from Ribbon Demographics, LLC (produced by Nielsen, Inc. based on a Custom Tabulation of 2008-2012 American Community Survey Data by the U.S. Bureau of the Census; estimates and projections by Nielsen, Inc.); U.S. Census Data and American Community Survey. TSG also conducted a survey to gather specific information about the properties that provide the most comparable housing options in the market and to determine what the market-rate rent for the units would be.

Market:

Because of the urban character of the subject neighborhood, the Primary Market Area (PMA) for the study was the City of Portland. The secondary market area is Cumberland County.

Population:

In the PMA, population is estimated to have increased 0.4 percent between 2010 and 2014 and is projected to increase 0.3 percent between 2014 and 2019. The population in Cumberland County is projected to increase at a larger 1.3 percent between 2010 and 2014 and another 1.3 percent between 2014 and 2019. Population in the State is projected to increase 0.1 percent 2010 and 2014 and remain unchanged between 2014 and 2019.

Population of individuals 55+ is estimated to have increased from 15,804 in 2010 to 17,394 (10.1 percent increase) in 2014 and increasing to 19,257 (10.7 percent increase) between 2014 and 2019.

Because of a decrease in household size, the number of households in the PMA is estimated to increase by 1.3 percent between 2010 and 2014 and is projected to increase 1 percent between 2014 and 2019.

Housing:

Demand. TSG's analysis estimates that the demand for rental housing in 2014 will be 18,671 units, 26.3 percent of which will be occupied by one- to four-person households age 55+, indicating demand in the PMA for the subject's units. We estimate that the rental units needed will increase to 18,831 by 2019.

Supply. Supply was estimated by adding the number of rental housing units, both occupied and vacant estimated for 2014, and the number of rental units currently in the planning stages. This produces a total number of 18,910 rental units in 2014. Approximately 65 percent of the housing stock was constructed prior to 1960 and are more than 50 years old; and approximately 52 percent were constructed prior to 1940 and are more than 70 years old.

Conclusion. Our estimate of 18,910 units in 2014 compared to the estimate demand of 18,671 indicates a slight excess supply of 235 units in 2014. Demand will increase to 18,831 in 2019 and the excess supply drops to 79 units.

- All of the rental units included in the estimate will be available for occupancy; and
- All of the units planned and permitted will be available for occupancy.

Affordable Housing:

AMI for the Portland ME HUD Metro Area is $77,300 and the Median household income according to the American Community Survey (2012) is $42,155 for the City of Portland. An estimated 1,049 one- to four-person households in the PMA age 55+ have adequate income to afford residency at the project in 2014. In addition, there are 2,865 one- to four-person households age 55+ below the minimum income for eligibility that would be able to afford rents at the subject with a voucher. This creates a total of 3,914 one- to four-person renter households age 55+ at or below the maximum income in 2014.

The estimate of one- to four-person households in the PMA age 55+ that have adequate income to afford residency at the project in 2019 increases to 1,192.

There are 1,374 55+ owner-occupied units that have adequate income to afford residency at the project that could elect to sell their home and move into the subject property.

Portland Housing Authority administers 1,809 vouchers with 5,000 households on the waiting list. PHA recently opened the waitlist using a new system shared with Westbrook Housing and South Portland Housing.

Market Rent: We selected six properties that we judged to be most comparable to the subject and analyzed the current rent of the one- and two-bedroom units. After adjusting these rents to the proposed subject's units, we determined the market rent for the subject to be $1,215 for the one-bedroom units and $1,530 for the two-bedroom units.

Tax Credit/Market Rent Differential The affordable rents, based on LIHTC guidelines, for 50 and 60 percent of AMI are as follows: $726 and $871 for the one-bedroom units and $870 and $1,044 for the two-bedroom units.

It is our opinion that the maximum proposed rent for the project of $871 and $1,044 is an achievable rent as is demonstrated by the estimated market rent of $1,215 and $1,530

The average maximum tax credit rent for the units at 60% of AMI is utilized to determine the percentage compared to the market rent. Because there are two unit types, the weighted average based on the number of units of each bedroom type is used.

Unit Type	*Number of Units*	*Gross Tax Credit Rent*	*Monthly Gross Rent*
One-Bedroom	30	$860	$25,800
Two-Bedroom	4	$1,032	$4,128
Total	34		$29,928
Weighted Average			$880

Unit Type	*Number of Units*	*Gross Market Rent*	*Monthly Gross Rent*
One-Bedroom	30	$1,215	$36,450
Two-Bedroom	4	$1,530	$6,120
Total	34		$42,570
Weighted Average			$1,252

The weighted average market rent is 42.2 percent higher than the weighted average tax credit rent.

Captures Rates: In order to attain 100% occupancy, the subject will need to capture:

- 0.87 percent of the 3,914 one- to four-person renter households age 55+ at or below the maximum income for eligibility in the PMA for 2014;
- 3.24 percent of the 1,049 income-eligible one- to four-person renter households age 55+ estimated in the PMA for 2014.

Penetration Rates: The penetration rate is the capture rate required for the proposed project and for all other projects scheduled to open within six months of the proposed project. Of the several projects in the planning/construction stages, there are an estimated 204 units located in LIHTC properties in the PMA. Based on our estimated there are 1,049 income-eligible one- to four-person renter households in the PMA in 2014; the penetration rate for the project is 4.02 (34/(1,049 – 204)). It should be noted that there are no known proposed elderly projects within the PMA.

Absorption Rates: Based on our analysis of the market and the demand for the subject units, we project that the property would lease units at the rate of seven per month, resulting in a absorption period of approximately five months. This rate is supported by (1) the demand for affordable housing units as supported by the current market occupancy and wait list data; and (2) information obtained regarding leaseup time for properties within the PMA and in other markets in the State.

Global Deal Funding, LLC
Shamrock Development Associates, Inc.
Advisory Services

MEMORANDUM

To:	Mary Davis
From:	Sean Carpenter
Re:	Underwriting Powsland St. HOME Request
Date:	October 1, 2014

As requested, we have reviewed the submission for the Powsland Street development that seeks $225,000 in City HOME funds for the completion of its development. The project intends to utilize 9% LIHTC from Maine Housing, AHP interest subsidy first mortgage, and AHP direct subsidy funds to complete the deal. Attached to this memorandum is an underwriting analysis based on the information we had at the time of review.

Developer Capacity: Avesta Housing is well positioned to handle the execution of this development. Their financial position and experience in developing affordable housing is significant and should give little concern as to the ability to complete the project in accordance with its plans. Additionally, since the project will utilize LIHTC and AHP funds, the City should take note that the developer is experience in layering subsidies on projects. In this area, a detailed examination of the other partners would not be necessary.

Third Party Reports: The Third Party reports provided in the application provide a quick view of the project potential. Particularly the market analysis indicates a strong need for affordable housing in the area. The existence of a wait list at other elderly properties coupled with a strong absorption rate strengthen this deal. Environemntal concerns were not reviewed.

Financial Underwriting: When underwriting a transaction, certain areas raise red flags that could extend doubt on the financial viability of a trabsaction. These areas include operating expenses, debt service coverage ratios, excessive development costs and assumptions that do not meet industry standards. This projects raises no concerns on any of the areas described.

Meets Program Intent: The Home Investment partnership Program is designed to assist developers incorporate cost effective multi-family units into their development plans by incentivizing wiith low cost capital. This project stands alone as viable without HOME funds because of its rent limitations on the LIHTC program and low cost capital provided by The AHP program from the Federal Home Loan Bank. Additionally, the developer fee on the project is “all cash” making any reduction in expected HOME Funds provided by the City to be offset by eith a raise in LIHTC equity or a deferral of the fee.

Portland, Maine
Yes. Life's good here.

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: October 17, 2014

SUBJECT: Review and Recommendation to Proceed with a RFP for the Sale and Development of 65 Munjoy Street (former Adam's School Parking Lot)

SUMMARY

As requested by the Committee at your September 24th, staff attended the October 13, 2014 meeting of the Munjoy Hill Neighborhood Association Board of Directors and presented an overview of the proposed redevelopment of 65 Munjoy Street. Staff answered questions regarding the site plan process, feasibility study, affordability and parking.

Based on previous information provided to the Committee along with the information in the study included in this packet, staff is requesting that the Committee make a determination on the issuance of an RFP for development of this site.

COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

Promote Housing Availability – Provide increased availability in all segments of the housing market while ensuring that there is a suitable balance of housing opportunities among those sectors. Objective: Complete assessment of and, as appropriate, begin to offer city owned property to construct affordable housing.

FINANCIAL IMPACT

Land cost is not reflected in the financial feasibility analysis presented. This site has an approximate assessed value of $162,000. Any additional funds would be made available through the FY 2014-2015 HUD HOME funds set aside for affordable housing or the Housing Trust Fund.

STAFF ANALYSIS

In 2006 the Adams School closed and the City Council established the Adams School Reuse Committee. The Reuse Committee was charged with preparing recommendations for the reuse of the former school site. After extensive community outreach, the Adams School Reuse Committee issued a report which was accepted by the City Council in September of 2007. The vision of the Reuse Committee was to create the possibility of life-cycle living on Munjoy Hill by creating a variety of unit types and sizes in a mixed-income development. The committee wanted to create the maximum number of possible homeownership units that would be affordable at all different income levels. A Request for Proposals was issued in 2007 and Avesta Housing was the only developer to submit a proposal. The Avesta proposal included a 40 unit affordable residential development and community park. Due to market issues in 2008, it was difficult to obtain financing for the whole project and Avesta asked to divide the property into two parcels. The main parcel was developed into the existing 16 unit Adams School Condominium project. Avesta requested an option to develop the second parcel (which included the parking lot and the green space adjacent to the new playground) at a later date. The City elected not to grant the option to Avesta.

As noted above, the parking lot at 65 Munjoy Street was part of the original Avesta proposal. Currently, the site is used by the neighborhood for off-street and snow-ban parking. There has been neighborhood opposition to development of this site because of the loss of parking. Existing snow ban parking options include East End School, Cutter Street, Ocean Gateway Garage. Last year parking was allowed along the water side of the Eastern Prom from Turner to East End School which created approximately 100 spaces.

STAFF RECOMMENDATION

Staff is seeking direction and approval from the Committee to issue a Request For Proposals.

As mentioned above, the Bluestone Planning Group prepared the Munjoy Street Affordable Housing Feasibility Study. The study identifies two triple-decker styled flats with flat roofs as the most viable design option. This design would yield 8 units – two 2-bedroom units on the ground floor of approximately 800 net square feet and one 2- 3 bedroom unit of approximately 1,000 square feet on the 2nd and 3rd floors. The design would include two surface on-site parking spaces.

At the September 24th meeting, the HCDC asked for a re-evaluation of the design in response to the concerns raised in regards to parking. Staff is suggesting that any proposed design should include one practical tandem space per unit be included on site.

Based on this design scenario, the financial analysis indicates that these units would be more feasible as affordable home ownership units targeted to households between 100% to 120% of the area median income (Family of Two = $61,875-$74,250 & Family of Four = $77,313-$92,760). The analysis suggests a sales price of $217,000-$235,000 for the two bedroom units and $245,000-$285,000 for the three bedroom units.

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Mary Davis
Division Director, Housing & Community Development Division

Housing and Community Development staff is seeking a recommendation from the Committee to proceed with an RFP process to solicit interest in this site for residential development. Staff is also seeking Committee approval of the RFP with discretion to staff to make minor edits.

ATTACHMENTS
Munjoy Street Affordable Housing Feasibility Study dated August 28, 2014
Draft RFP for the Development of 65 Munjoy Street September 2014

389 Congress Street / www.portlandmaine.gov / tel, 207•756•8246 / tty, 207•874•8936 / fax, 207•874•8949

City of Portland
Request for Proposals
For the Sale and Reuse of Property
Located at
65 Munjoy Street

RFP # XXXX

Notice and Specifications

Sealed proposals for furnishing the City of Portland with the Development of Affordable Housing, as specified herein, will be received by the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, until XXXday, XXXX, 2014 at 3:00 p.m. at which time they will be publicly opened. Proposals shall be submitted with the attached forms, and returned in sealed envelopes plainly marked on the outside "**SALE AND REUSE OF 65 MUNJOY STREET**." Proposals that are late and/or submitted via fax or electronic communication will not be accepted. All proposals shall be held open to acceptance for sixty days from opening.

All questions must be submitted in writing to the Purchasing Office. These may be mailed; hand delivered, faxed to (207) 874-8652 or e-mailed to mff@portlandmaine.gov and be received no later than five (5) business days prior to the opening date. Questions received after this time will not be addressed. Any interpretation, correction, or change of this document will be made only by written addenda. Changes in any other manner will not be binding on the City of Portland.

The disposal of this real estate shall be on the basis of a negotiated proposal, with the City of Portland reserving the right to refuse any or all proposals. *All proposers are advised that the property will be sold "as-is" and "where-is", in its existing condition, with no warranties either expressed or implied.* The City disclaims any and all responsibility for injury to proposers, their agents or others while examining the property or at any other time.

Proposals from vendors not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a vendor receive this Request from a source other than the City of Portland, please contact (207) 874-8654 to ensure that your firm is listed as a vendor for this RFP.

GENERAL INFORMATION

The City of Portland, Maine seeks proposals from qualified developers for the purchase and development of the former Adams School parking lot site located at 65 Munjoy Street (hereafter, "the lot"). The site is designated on the City of Portland Tax Assessor's Map as Map 3, Block M, Lot 5.

Summary of Request

The City of Portland is committed to provide a balance of housing opportunities and has set a goal to evaluate the use of city-owned property to construct affordable housing. As one step in accomplishing this goal, the City of Portland will accept proposals for the development of affordable housing on the lot located at 65 Munjoy Street, Portland, Maine (Map 3, Block M, Lot 5).

An environmental assessment was conducted at the lot by Credere Associates, LLC through a subcontract with the City. Polycyclic aromatic hydrocarbons (PAHs), lead, and arsenic were detected in soil exceeding Maine Department of Environmental Protection (DEP) regulatory guidelines, which should be considered during preparation of proposals. The property is currently being reviewed for inclusion in the Maine DEP Voluntary Response Action Program (VRAP) and the VRAP Work Plan is attached to this RFP as Exhibit 2.

To facilitate the development of this site, the City of Portland may make funding available from the following City resources:

1. FY 2014-2015 HUD Home Investment Partnership Program (HOME) Funds (which may include a mandatory set-aside for CHDO organizations or organizations eligible for CHDO certification). The HUD definition of a CHDO organization is attached as Exhibit #1 entitled Definition of a Community Housing Development Organization (CHDO).

2. Brownfield Revolving Loan Funds through the City of Portland's Economic Development Department.

3. FY 2014 City Housing Trust Funds

The City of Portland's Division of Housing and Community Development uses the RFP process to ensure that public resources are utilized for maximum public benefit while accomplishing specific objectives and providing fair access to all applicants.

General Guidelines

Developments shall provide affordable rental or home ownership units. Note that "affordability" is defined by the standards outlined in Division 30 Section 14-485 of the City's Land Use Code. Proposals which include the use of HOME funds must meet the income and/or rent restrictions of the HOME program. Rental developments shall provide units to households earning no more than 60% of the area median income and ownership developments shall provide units to households earning no more than 80% of area median income.

Proposals which include the use of City Housing Trust Funds must meet the income and rent restrictions outlined in City Ordinance Chapter 14, Division 30, Section 14-485 which requires that rental developments shall be affordable to households earning no more than 80% of the area median income and ownership developments shall be affordable to households earning no more than 120% of the area median income.

The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed.

Redevelopment should incorporate costs and measures to properly manage contaminated soil in compliance with state and federal regulations. In general, any soil disturbance should be conducted in accordance with the requirements of the Maine DEP VRAP Work Plan.

The proposed use of funds, leveraging of other public and private resources, terms of affordability, design compatibility, readiness, financial feasibility, development experience, management capacity, and unit mix are among the scoring factors to be used in the review process.

This RFP outlines the selection criteria which all projects applying for these funds must meet, as well as scoring factors which will be used by the City of Portland to evaluate the proposals.

I. Background

The site at 65 Munjoy Street contains approximately 6,771 square feet. It is located on Munjoy Hill, on the southeast end of the Portland peninsula, in a neighborhood which is largely defined by 19th and early 20th century buildings. A public playground is adjacent to the site. The site is zoned R-6.

An ASTM E 1527-13 compliant Phase I Environmental Site Assessment (ESA) was conducted for the lot by Credere Associates, LLC dated July 1, 2014. The ESA identified surface staining, documented petroleum impacts, and historical industrial use of the lot and surrounding area as conditions of environmental concern. These conditions were assessed during a Phase II ESA conducted in July 2014. Results of the investigation identified approximately 150 to 200 cubic yards of petroleum impacted soil at a depth of approximately 5 to 7 feet, and approximately 950 to 1,250 cubic yards of PAH. lead, and arsenic impacted soil. These results were submitted to VRAP for review and inclusion in the program. These contaminated soils will likely require offsite disposal as special or hazardous waste during development in accordance with the VRAP Work Plan.

II. Goals for This RFP

The goal for the sale and development of the property at 65 Munjoy Street is to promote the development of affordable housing with a high standard of quality, design, and livability. Proposals should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered, including the potential R-6 Zone changes currently under consideration). Design principles should promote efficient use of land to create infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements that are reflective of the surrounding traditional neighborhood. Heights shall be less than or equal to the surrounding buildings and should minimize the impact of shadows on the adjacent public playground. They should also incorporate high standards of energy efficiency and “green” design criteria.

Proposals should consider the recommendations outlined in the Munjoy Street Affordable Housing Feasibility Study completed by Bluestone Planning Group a copy of which is included as Exhibit #3. In summary, the study identifies the preferred design concept as two triple-decker styled flats with flat roofs. The design would create 8 home-ownership units targeted to households with incomes between 100% to 120% of the area median income (Family of Two = $61,875-$74,250 & Family of Four = $77,313-$92,760). The design concept suggests four units in each building – two 2-bedroom units on the ground floor of approximately 800 net square feet and one 2- 3 bedroom unit of approximately 1,000 square feet on the 2nd and 3rd floors and include two on-site surface parking spaces. Based on a subsequent review of the study at the September 24th meeting of the Housing and Community Development Community, design proposals should include one practical tandem space per unit be included on site.

SCOPE OF SERVICES

General Specifications

All proposals submitted for this funding must meet the following selection criteria to be considered further in the review process.

A. Eligible Projects

1) Projects must create affordable ownership housing units targeted to households with incomes between 100% to 120% of the area median income (Family of Two = $61,875-$74,250 & Family of Four = $77,313-$92,760).

2) Projects requesting HOME funds must provide home ownership units to households that meet the income the HOME Program.

3) Projects receiving funding through this RFP must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for every household and making educational materials on tobacco treatment programs available to residents through the resident service coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.

4) Projects that will properly manage contaminated soil in accordance with state and federal regulations.

B. Site Information and Criteria

1) Purchase Price: The City of Portland is willing to consider the value of the property as a subsidy source for projects that provide at least six (6) with a preference of eight (8) or more ~~XXXX of~~ affordable units. The use of the City's Housing Trust Fund will be considered, however, strong preference will be given to proposals where the value of the property is the only source of subsidy by the City of Portland.

2) Local Approvals: Local land use approval is not required prior to submittal of the proposal.

3) The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.

4) Proposals must not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered, including the potential R-6 Zone changes currently under consideration).

5) Proposal must include language indicating the applicant has considered the environmental conditions of the lot and understands the implications of these conditions. The proposal may include a plan summary for addressing said environmental conditions and any planning institutional controls to be applied to the property.

C. Financial Feasibility

1) Financial Projections: Financial proposals must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio.

2) Use of City funding resources: All projects will be reviewed for the proposed use of City funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding.

D. Applicant Capacity

All applicants must demonstrate capacity to develop, own and manage the proposed project. In the case of a proposal for home ownership housing, applicants must demonstrate capacity to market the units for the sale. All proposals must provide evidence of a development team with the capacity to successfully complete the project including;

1) Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.

2) An architect, general contractor and professionals on the team with the experience and capacity to complete the project.

3) An environmental consultant to ensure proper management and handling of contaminated soils as well as establish an environmental management plan after development.

4) A management team with qualified personnel and the capacity and experience to operate, manage and maintain the affordable rental property of size and mix of the proposed project and/or effectively market affordable home ownership housing.

5) Qualified staff with the capacity to perform ongoing property ownership requirements such as budgeting, tax accounting and oversight of management and maintenance.

6) A portfolio of current affordable housing projects that are financially sound and meeting their established goals. Projects that successfully redeveloped contaminated properties should be highlighted.

7) Support Services: Proposals containing rental units targeted to special needs populations must include commitments for support services to be provided to the residents.

E. Term of Affordability

The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed. ~~Term of affordability shall be defined by the standards outlined in Division 30 Section 14-485 of the City's Land Use Code.~~ Proposals ~~However, proposals~~ which include the use of HOME funds for home ownership projects must have a plan for long-term affordability that meets HOME Program recapture or resale regulations.

F. Design Compatibility

Projects must be designed to contribute to the character of the neighborhood and adhere to the following guidelines.

1) **Connect the Neighborhood** The development should not be an island unto itself, but rather blend into and enhance the surrounding Munjoy Hill community.

2) Design Considerations

a. **High Quality Design** Excellence in architectural and landscape design is expected.
b. **Traditional Design** Design shall be reflective of the surrounding traditional neighborhood and shall create an infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements of the neighborhood. Buildings should orient to the street.
c. **Green Design** The site and buildings shall be designed to meet the City's Green Building Code.
d. **Streetscape** The development shall enhance the pedestrian experience and the public realm. Alternative transportation modes shall be accommodated and incorporated in the project.
e. **Height** Heights shall be less than or equal to the average of structures in a 2 block radius.

f. **Permeability** Design shall be permeable or porous. View corridors are encouraged.
g. **Heterogeneity** Design of the buildings on the site shall be heterogeneous, not homogenous.
h. **Accessibility** Universal Design principles shall be incorporated wherever feasible, to ensure that the design is physically accessible to the greatest range of users.

G. Timeframe

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

PROPOSAL REQUIREMENTS

Complete responses to this RFP, should include eight (8) complete copies of each proposal including one original bearing the hand written signature of an officer or employee having authority to bind the organization and the following, in the order outlined below.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of proposal.

i. Project Summary

A brief description of the project, no longer than two pages, to include the number and type of units, tenants or owners to be served, special features, the impact on the neighborhood and other ways the proposal meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

ii. All Proposals Must Provide The Following:

1) Conceptual architectural and site plans

2) A soil management plan or provision to prepare one including who shall prepare the document and their qualifications upon award

3) A project schedule showing critical path events and their timeframe for completion;

4) Map showing location of site

5) Corporation/partnership articles and by-laws

6) Most recent audit or federal tax returns for the last three years, and financial statements for the last two years

7) Documentation demonstrating certification or eligibility to obtain certification as a CHDO (if seeking HOME CHDO funds)

8) A brief development team summary, including:

- The type of organization/ownership structure
- The names of Board of Directors, Corporate Officers, or Owners, as appropriate
- Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification
- Brief description of similar projects completed
- A list of all projects currently in development with status and projected timeframe

9) A sources and uses funding statement

10) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.

11) Applicant must include a marketing plan for the sale of home ownership units.

12) An analysis and discussion of market demand justifying the need for the proposed project.

SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the proposals.

I. Point System for Evaluating and Scoring Proposals (Maximum Points 100)

1. Proposed use of resources to achieve the City of Portland's goals and address demonstrated need. **25 points**

   Maximum points will be awarded for those proposals that demonstrate sufficient market demand, create housing options which promote economic diversity in the neighborhood in which the development is located, ~~and~~ include a policy prohibiting smoking and where the value of the property is the only source of subsidy by the City of Portland.

2. Financial feasibility, including cost, development budget, operating pro forma and the provision of secured and leverage funds. **25 points**

   Maximum points will be awarded for those proposals that include a complete set of financial documents to support the financing request, contain a realistic set of sources and uses development budgets.

3. Applicant's ability to complete project, including development team, experience, capacity, project readiness and timeframe for completion. **20 points**

Maximum points will be awarded for those proposals that demonstrate a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and capacity to fulfill their responsibilities and the readiness of the project to proceed.

4. Impact on surrounding neighborhood, including design compatibility and environmental issues. **30 points**

   Maximum points will be awarded for those proposals where the design is consistent with neighborhood design characteristics, amenities and unit design are well thought out and appropriate, meet the requirements of the City of Portland's Green Building Code, and where provisions to protect the surrounding community during contaminated soil disturbance are proposed.

II. RFP Evaluation and Selection Process and Timeframe

Proposals will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

1) Upon closing of the RFP application period, all proposals will be reviewed for completeness.

2) Complete proposals will be reviewed under the scoring factors in order to recommend the most qualified proposals based on the information submitted. The proposal review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.

3) Recommendations, along with all proposals and scoring information, will be forwarded to the City Council's Housing and Community Development Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval. Public presentations may be required.

4) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.

5) The evaluation and review process should be substantially complete by XXXXXX, 2014. Applicants will be notified of their proposal status as soon as possible.

6) Based on City Council approval, a purchase and sale agreement will be negotiated (see legal requirements) and as appropriate, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

INSTRUCTIONS AND OTHER INFORMATION

A. The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals for city funding, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

B. Confidentiality: Proposals received by the City of Portland shall become a matter of public record subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B

C. Compliance with Federal Law: The selected applicant will be required to certify that the development and management of the proposed housing will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the Davis-Bacon Act, the Lead Based Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.

D. All applications seeking HOME Program funding must meet the rules and regulations of the HOME Program as noted in 24 CFR Part 92 and the requirements of the Consolidated and Further Continuing Appropriations Act of 2012 (PL 112-55).

LEGAL REQUIREMENTS

The selected developer will be required to provide a performance guaranty in the form of a letter of credit or a performance bond, the performance of the developer's obligations outlined in this Request for Proposal and subsequent contract to be negotiated with the City. This performance guaranty is separate from any performance guaranty that will be required as a result of the City's site plan review process.

The City shall convey the described real estate by quitclaim deed to the developer, or where the City has obtained a warranty deed for the real estate, it shall provide a warranty deed for the same to the developer. Any deed from the City will contain a restriction in the deed that the property must meet the permanent affordability requirements as described in this Request for Proposals.

In the event the City makes a financial contribution to a developer and to secure the developer's obligations, the City shall have a security interest in the form of a mortgage in the real estate to be developed. The terms of the mortgage shall be negotiated with the developer at the time of the commitment of funds.

EQUAL EMPLOYMENT OPPORTUNITIES

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional

Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

The City of Portland reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the bidder is current in its financial obligations to the City of Portland.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations. Additionally, all contaminated soil should be managed in accordance with state and federal regulations.

The successful bidder shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than $400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

Pursuant to City of Portland procurement policy and ordinance, the City of Portland is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City of Portland. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Bidders who are delinquent in their financial obligations to the City of Portland must do one of the following: bring the obligation current, negotiate a payment plan with the City of Portland's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful bidder.

The City of Portland, Maine, reserves the right to waive any informalities in proposals, to accept any proposal or portion thereof, and, to reject any and all proposals, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following equipment delivery and acceptance, and following the receipt of correct invoices for all items covered by the purchase order. In submitting bids under these specifications, bidders should take into account all discounts, both trade and time allowed in accordance with this payment policy and quote a net price. The City of Portland is exempt from the State's sales and use tax as well as all Federal excise taxes.

XXXXX, 2014

Matthew F. Fitzgerald
Purchasing Manager

Appendices

Exhibit #1. HUD definition of a Community Housing Development Organization (CHDO)

Exhibit #2. VRAP Work Plan

Exhibit # 3 Munjoy Street Affordable Housing Feasibility Study completed by Bluestone Planning Group

PROPOSAL

THIS PAGE MUST BE INCLUDED

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their proposal is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this proposal or in any portion of the profits that may be derived there from, has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City of Portland employee who would be paid to perform services under this proposal. An example of indirect interest would be a City of Portland employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The proposer acknowledges the receipt of Addenda numbered ______________________
If Applicable

COMPANY NAME: ____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: ______________________ DATE: __________
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: ____

ADDRESS: ____

____

TELEPHONE: ______________________ FAX: ______________________

E-MAIL: ____________________FEDERAL TAX ID NUMBER: ______________

NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. This sheet must be signed and returned with the proposal package.

EXHIBIT #1 – DEFINITION OF A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION

1. Is a private nonprofit organization under State or local laws;

2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:

    i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
    ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for profit entity may not appoint the remaining two-thirds of the board members; and
    iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;

4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;

5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two thirds of the board members;

6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"

7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or bylaws;

8. Maintains accountability to low-income community residents by:

    i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

   ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and

10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

CREDERE ASSOCIATES, LLC
776 Main Street
Westbrook, Maine 04092
Phone: 207-828-1272
Fax: 207-887-1051

September 17, 2014

Mr. Nicolas Hodgkins
Maine Department of Environmental Protection
Bureau of Remediation and Waste Management
Division of Remediation
Voluntary Response Action Program
17 State House Station
Augusta, Maine 04333-0017

Subject: **Voluntary Response Action Program Work Plan**
Adams School Parking Lot (Map 3, Block M, Lot 5)
65 Munjoy Street, Portland, Maine

Dear Mr. Hodgkins:

On behalf of the City of Portland (the City), Credere Associates, LLC (Credere) has prepared an environmental work plan (the Work Plan) for the property located at 65 Munjoy Street in Portland, Maine (the Site). The Site was formerly the parking lot for the former Marada Adams School, which was located adjoining the Site to the northeast. The current owner of the Site is the City of Portland; however, the City intends to sell the Site to be development as a multi-family residential property. This work plan outlines proposed soil handling practices to be implemented if/when the Site is redeveloped.

Credere is concurrently submitting a Voluntary Response Action Program (VRAP) Application for Technical Assistance to the Maine Department of Environmental Protection (DEP). This work plan will supplement the application in that it provides the means of assuring contaminated soil at the Site will remain beneath the current asphalt cover until redevelopment occurs, and that soil will be properly managed and disposed once redevelopment begins.

Lead and arsenic have been documented in surface soil exceeding the residential Maine DEP Remedial Action Guidelines (RAGs) across the Site. The Phase II investigation concluded that the arsenic and lead impacts were consistent with the observed fill material, which was generally located from 0 to 4 or 5 feet below ground surface (bgs). It was estimated approximately 950 to 1250 cubic yards of lead and arsenic impacted soil, or fill material, is present at the Site's surface.

Additionally, extractable petroleum hydrocarbon (EPH) fractions C11-C22 aromatics were detected in two locations along the northeast side of the Site at a depth of 5 to 7 feet bgs. The petroleum impacted soil at the Site was presumed to have been impacted by the former/historical

USTs associated with the adjacent former Marada Adams School, which was located near the northern corner of the Site. It was estimated approximately 150 to 200 cubic yards of petroleum impacted soil are located at the interval of approximately 5 to 7 feet along the northeast edge of the Site.

The following sections present our cleanup approach to addressing these Site contaminants during redevelopment.

Soil Management

Soil impacted by concentrations of oil and/or hazardous substances at levels that exceed the Maine DEP residential RAGs have been identified at the Site. Current known soil conditions were described in Credere's August 8, 2014, Phase II Environmental Site Assessment (ESA), and is enclosed with the VRAP application.

Based on the currently available information, impacted soil would meet the definition of a "special waste" as presented in the Maine DEP's Maine Solid Waste Management Rules: Chapter 400 upon removal from the Site. Soil at the Site has not been assessed for hazardous waste characterization at this time.

Currently, the Site being used as a parking lot and is covered with an intact layer of asphalt serving as a cover. Based on the nature of the Site and likely structural needs (i.e. sub-grade foundation) of a future multifamily building, the removal of impacted soil will be conducted in certain areas. Due to the size of the Site, onsite reuse is not expected to be feasible and offsite disposal will be necessary. Soil characterization, handling, and offsite disposal should be conducted in accordance with the Soil Management Plan included in **Attachment A**. If contaminated soil remains onsite after redevelopment, a cover system should be installed for areas of the Site not covered by the building footprint.

Following the completion of special waste soil removal and disposal activities and the construction of the cover system over remaining impacted soil, a summary of completed actions and the applicable disposal documentation will be submitted to the Maine DEP.

Groundwater Management

Groundwater impacted by concentrations of oil and/or hazardous substances have not been assessed at the Site; however, based on the documented impacts to soil at the groundwater interface and evident migration of petroleum contamination with groundwater, excess groundwater generated during excavation activities for utilities, foundations, and other subsurface structures will be collected and managed on-site. Following appropriate analysis and facility acceptance, this water will be discharged to the Portland Water District publically owned treatment works (POTW) or other suitable facility.

Please note that groundwater may percolate up to the ground surface during the installation of piles and during the compaction of soils. This groundwater may be infiltrated back into the subsurface environment, however, it must be prevented from entering the storm water system.

Following the completion of groundwater removal and disposal activities, a summary of completed actions and the applicable disposal documentation will be submitted to the Maine DEP.

Closing

We hope that the information included in this document meets the requirements for the development of a NAAL to ensure liability protection for the Citty, their successors, assigns, lenders, and fiduciaries as provided by the VRAP.

If any questions or concerns arise during your review of this submittal, please do not hesitate to contact the undersigned at (207) 828-1272 extension 15 or adrouin@crederellc.com.

Sincerely,
Credere Associates, LLC

Allison Drouin
Geologist/Project Lead

Robert I. Patten, P.E., L.S.P., LEED-AP
Vice President

cc: Nick Hodgkins, Maine DEP
Mary Davis, City of Portland

Attachment A – Soil Management Plan

Attachment A – Soil Management Plan

CREDERE ASSOCIATES, LLC
776 Main Street
Westbrook, Maine 04092
Phone: 207-828-1272
Fax: 207-887-1051

September 17, 2014

Mary Davis
City of Portland
389 Congress Street
Portland, Maine 04101

RE: **Soil Management Plan**
Adams School Parking Lot
65 Munjoy Street, Portland, Maine

Dear Ms. Davis:

The following document describes methods and procedures to be used during the redevelopment of the Adams School Parking Lot property located at 65 Munjoy Street in Portland, Maine (the Site). The activities and practices described below are necessary to fulfill the applicable regulatory requirements and to manage potential risk to human and environmental receptors associated with contaminated soil. Included in this Soil Management Plan (SMP) are:

- A description of soil conditions and associated regulatory applicability
- A listing of proper health and safety work practices and protective equipment for use during Site work activities
- A description of onsite soil management procedures including soil handling, stockpiling, and dust control for use during Site work activities
- A description of the onsite soil reuse procedures including the soil cover system
- A summary of the methods to be used for the proper transport and disposal of excess soil that may be generated during redevelopment

1. INTRODUCTION & APPLICABILITY

According to previously completed environmental investigations, soil at the Site has been impacted by concentrations of oil and/or hazardous materials exceeding the May 8, 2013, Maine Department of Environmental Protection (DEP) Remedial Action Guidelines (RAGs) and May 23, 2014, RAGs for Petroleum Sites. Maximum contaminant concentrations based on available data are summarized below:

Table 1 - Maximum Known Contaminant Concentrations		
Analytical Group	**Analyte**	**Maximum Concentration (mg/kg)**
Carbon Fraction Range Extractible Petroleum Hydrocarbons (EPH)	C11-C22 aromatic hydrocarbons	**1,400**
Polycyclic Aromatic Hydrocarbons (PAH)	2-Methylnaphthalene	3.9
	Fluorene	2.3
	Phenanthrene	4.6
Total RCRA 8 Metals	Arsenic	**24**
	Lead	**3,300**

Bold - exceeds the Maine DEP residential RAG

2. GENERAL HEALTH AND SAFETY PLAN

The following serves as guidelines for health and safety procedures to be employed during general construction activities at the Site. These guidelines should be supplemented by a Site-specific health and safety plan to be prepared by the contractor.

Based on previous environmental assessments completed at the Site, the expected contaminants of concern include, EPH, lead, and arsenic in soil. The primary route for contact with impacted materials at the Site is dermal absorption. Secondary routes include inhalation, dermal absorption, incidental uptake and active ingestion. As such, the utilization of basic personal protective equipment (PPE) will minimize the potential for exposure while conducting construction activities at the Site.

Training

Based on previous environmental assessments completed at the Site, the contaminants of concern include arsenic, lead, PAHs, and petroleum constituents in soil. Consistent with these conditions, all personnel who will be directly handling or otherwise may be exposed to impacted media shall have 40 hour Occupational Safety & Health Administration (OSHA) CFR 1910.120 training, 3 days of supervised field experience, and current 8-hour OSHA refresher training.

Exposure pathways at the Site include dermal absorption (e.g. through contact with soil), incidental uptake (e.g., inhalation of dust), active ingestion (e.g. eating with dirty hands), and inhalation (i.e. inhalation of volatilized vapors). As such, the utilization of basic Level D personal protective equipment (PPE) will minimize the potential for exposure to contaminants while conducting site work activities at the Site.

Personal Protective Equipment

Based on the hazard evaluation, Level D PPE has been initially designated for all personnel who will be directly handling or otherwise may be exposed to impacted media at the Site. The contractor's Health and Safety Officer may upgrade PPE to Level C or higher if additional hazards are identified during Site work.

Specific Level D PPE to be used at the Site includes the following:

- Steel toe work boots with latex over boots as required
- Safety glasses with side shields
- Work gloves
- Nitrile inner gloves
- Hard hat
- Coveralls

Work Zone Monitoring

Due to the potential for impacts to ambient air during construction, the work zone should be monitored periodically using a photoionization detector (PID), particularly when petroleum impacted soil is exposed or disturbed. Ambient air should not exceed 10 parts per million by volume (ppm_v) sustained for a 15 minute period.

Additionally, the property boundaries should be monitored for ambient dust levels to ensure fugitive dust is not migrating from the Site onto adjoining or nearby properties. As a general rule of thumb, visible ambient dust should be controlled using wet suppressant methods and exposed soil should be covered during down time.

General Operating Procedures

In addition to the above basic health and safety guidelines, the following procedures will be followed during activities conducted at the Site which create the potential for exposure to impacted soil:

- Work conducted at the Site shall be directed by a qualified environmental professional.
- The Site shall be surveyed and cleared by DigSafe.
- All equipment used during excavation activities shall be properly cleaned and decontaminated.
- Any indication of conditions more hazardous than those anticipated, or the observation circumstances which would render the above basic health and safety procedures inappropriate, shall result in the evacuation of the work area and a reassessment of health and safety procedures by a qualified environmental professional.

3. ONSITE SOIL MANAGEMENT

The following section will provide procedures for the excavation, storage, and disposal of excess soil generated during construction activities at the Site.

All impacted soil that will remain at the Site, including materials planned for reuse and undisturbed *in situ* impacted soil if identified in the future, will be covered to minimize the direct contact hazard for future Site users.

Onsite Reuse of Soil

All areas of the Site should be covered according to the below specifications:

- All features and subsurface infrastructure will be installed and the grading of impacted materials shall be completed consistent with the design requirements for the Site.
- Any excess or future identified impacted soil that cannot be re-used at the Site will be removed in accordance with **Section 4** of this SMP.
- A permeable geotextile fabric or similar material, such as snow fence (i.e. marker layer), will be placed directly over the impacted soil to indicate the distinction between the cover and the underlying impacted soil to remain at the Site. A separate marker layer will not be necessary below impermeable surfaces such as concrete walkways, asphalt pavement, or concrete foundations, since these materials will serve as the marker layer. The geotextile marker layer will extend from landscaped areas to the exterior limit of these impermeable areas.
- A minimum of 12 inches of clean fill shall be placed as cover material over the marker layer. The covered areas will be loamed, seeded, mulched, or otherwise permanently stabilized to prevent erosion and damage to the soil cover. If the marker layer must be compromised to facilitate landscape installation, a replacement marker layer shall be installed prior to the placement of any new non-impacted material.
- As necessary, existing pavement located atop competent base materials will be removed and properly disposed off-Site. Asphalt removal will be conducted in such a way as to prevent disturbance of the base materials below. Clean gravel may be added to meet finish grades but no soil disturbance will occur unless conducted by appropriate trained personnel and required by Site construction plans. The new pavement or concrete (minimum of 3 inches) will be considered to be the marker layer and cover in these areas.

Soil Stockpiling and Storage

Soil excavated from the Site may be temporarily stored or removed following waste disposal characterization and acceptance at an appropriate receiving facility. Soil stored at the Site will be placed atop 20-mil polyethylene sheeting and securely covered by 10-mil or 20-mil polyethylene sheeting. Berms shall be constructed around the edges of the stockpiles, the base shall be sloped to create leachate collection points, and storm water runoff will be diverted away from any soil stockpile or storage area when feasible.

Due to the size of the Site, soil may be more conveniently live loaded into trucks for offsite disposal at an appropriate facility or temporarily stored within secure, water resistant, DOT-approved bulk containers. All stockpiled or containerized soil will be stored within a secure area of the Site and properly labeled to minimize potential contact. In addition, all soil stockpiled or otherwise stored at the Site will be inspected daily for tears, holes, or other failures in the polyethylene sheeting or storage container.

Dust Control

Dust control requirements will be a contractual responsibility of the general contractor for the Site and will be documented by the owner's Environmental Professional during redevelopment activities. Dust control measures shall be employed during excavation and grading, and to control dust around stockpiles, haul roads, and any other exposed soils.

- At a minimum, wet suppression shall be used to provide temporary control of dust. Wet suppression will be applied on a routine basis and/or as directed by the owner's Environmental Professional to adequately control dust. Depending upon weather conditions and work activity, several wet suppression applications per day, and/or the use of granular calcium chloride or similar commercially manufactured dust control agents, may be necessary to adequately control dust. Aside from routine wet suppression, alternate dust control measures are subject to approval by the owner's Environmental Professional.
- Water runoff generated by dust control will be retained and disposed in accordance with the requirements of the appropriate regulatory agencies.
- Vehicles leaving the Site shall have no mud or dirt on the vehicle body or wheels. Any foreign matter on the vehicle body or wheels will be physically removed prior to vehicles entering a public roadway. Vehicles will not be permitted to leave the Site with exterior mud or dirt that has the potential to be deposited on public roadways.

4. OFFSITE SOIL DISPOSAL

During redevelopment or if future need arises, all excess impacted soil (e.g. during future landscape installations) shall be transported and disposed offsite in accordance with all applicable federal and state regulations. The following subsections provide appropriate procedures for the characterization and offsite disposal of special waste soil.

Waste Characterization Sampling

Waste characterization sampling will be required in order to meet facility acceptance requirements. As such, the owner's Environmental Professional will collect representative samples from the special waste soil for analysis by an independent, Maine-certified laboratory. At a minimum, and in accordance with disposal facility requirements, laboratory criteria will include, but may not be limited to, the following analyses:

- Total petroleum hydrocarbons (TPH)
- Volatile organic compounds (VOC)
- Semi-volatile organic compounds (SVOC)
- Polychlorinated biphenyls (PCB)
- RCRA 8 Metals
- pH
- Ignitibility, conductivity, and reactivity (sulfide and cyanide)
- Additional toxicity characteristics leaching procedure (TCLP) analysis where necessary

Following the results of the above analyses, an appropriate disposal or recycling method will be selected and a soil disposal acceptance package should be prepared and submitted to the facility.

Soil Transport and Recycling / Disposal

Prior to shipment, an appropriate recycling or disposal application will be submitted to the selected facility to obtain acceptance approval. Following facility acceptance, impacted soil will be removed from the Site for proper recycling or disposal. The loading of impacted soil will be conducted in accordance with the requirements of this SMP. All impacted soil loading and transport activities will be overseen by the owner's Environmental Professional. All equipment used for the transport of impacted soil will be properly licensed in accordance with applicable state and federal regulations. Haul truck cargo areas shall be securely and completely covered during material transport on public roadways.

Each shipment of impacted soil will be accompanied by appropriate transport documentation, such as a hazardous waste manifest or bill of lading. An official record of each shipment of impacted soil from the Site, including tonnage, will be presented to the owner's Environmental Professional following delivery to the receiving facility.

If there are any questions, please contact the undersigned.

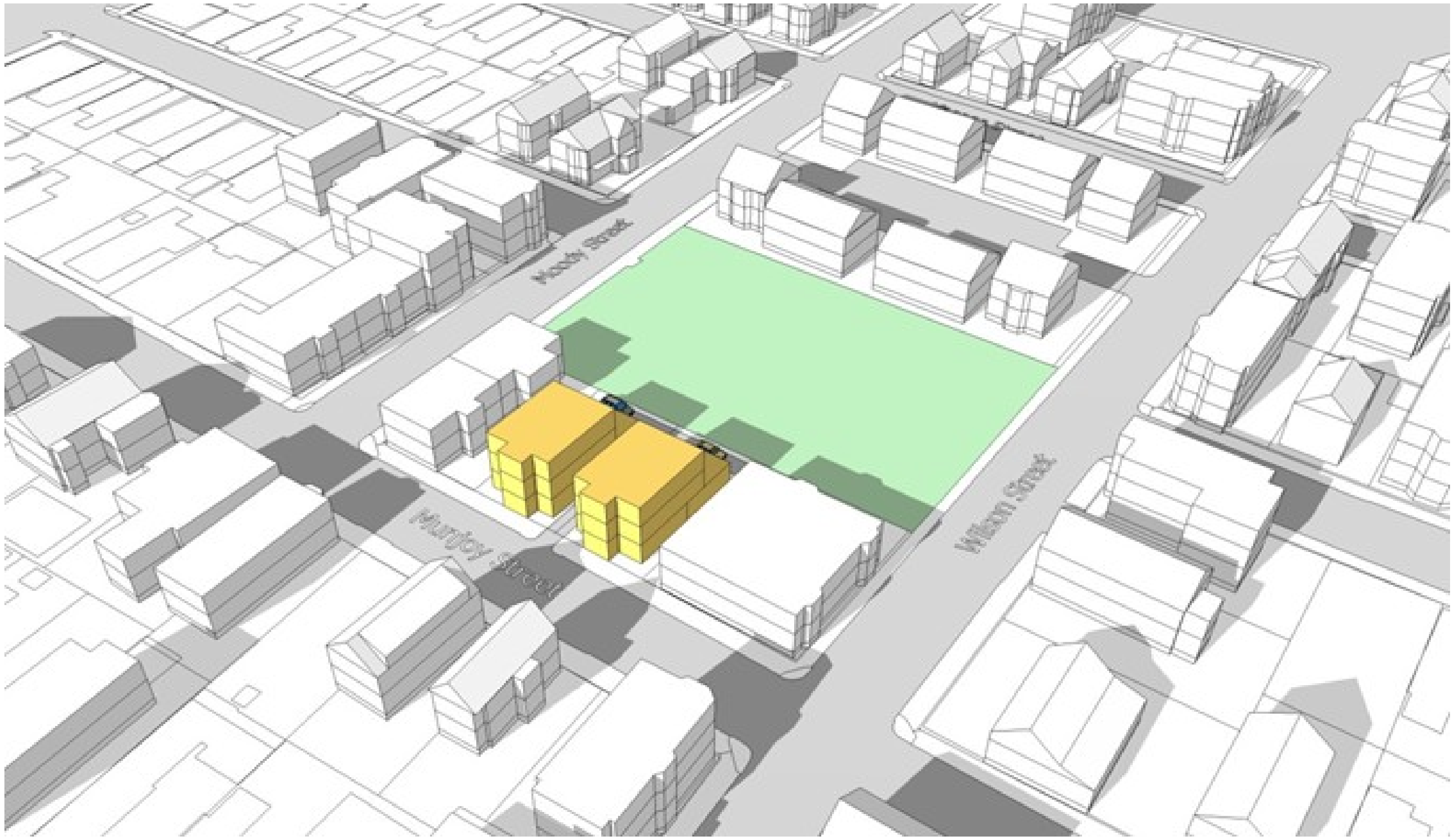
Sincerely,
Credere Associates, LCC

Allison Drouin
Geologist/Project Lead

Rip Patten, P.E., L.S.P., LEED-AP
Vice President

Munjoy Street Affordable Housing Feasibility Study

FINAL DRAFT



City of Portland, Maine
Planning & Urban Development Department

BPG / Bluestone Planning Group
Stantec Consulting Services, Inc.
Stull and Lee, Inc.

August 28, 2014

Munjoy Street Site illustrating the adjoining neighborhood context and scale: *This photograph shows the old Adams School before it was demolished and before the new Adams School Condominiums on Vesper Street, and the new midblock playground and park were recently constructed.*

TABLE OF CONTENTS

1.0 Introduction & Goals

In July of 2014, the City of Portland Maine and the City Council, via its Planning & Urban Development Department, asked our team of design and real estate financial and funding consultants to examine the feasibility of developing new permanently affordable family-sized housing units on a small city-owned parcel of land on Munjoy Street in a residential neighborhood north of downtown Portland. This small 6,800 sq. ft. (0.15 acre) remnant parcel had been a part of the former Adams School block bounded by Vesper, Moody, Munjoy and Wilson Streets, and was used as that school's parking lot. In 2013 - 2014 most of the block was redeveloped as the Adams School Condominiums on Vesper Street and a new city playground and open space at mid-block.

Munjoy Street Affordable Housing Site

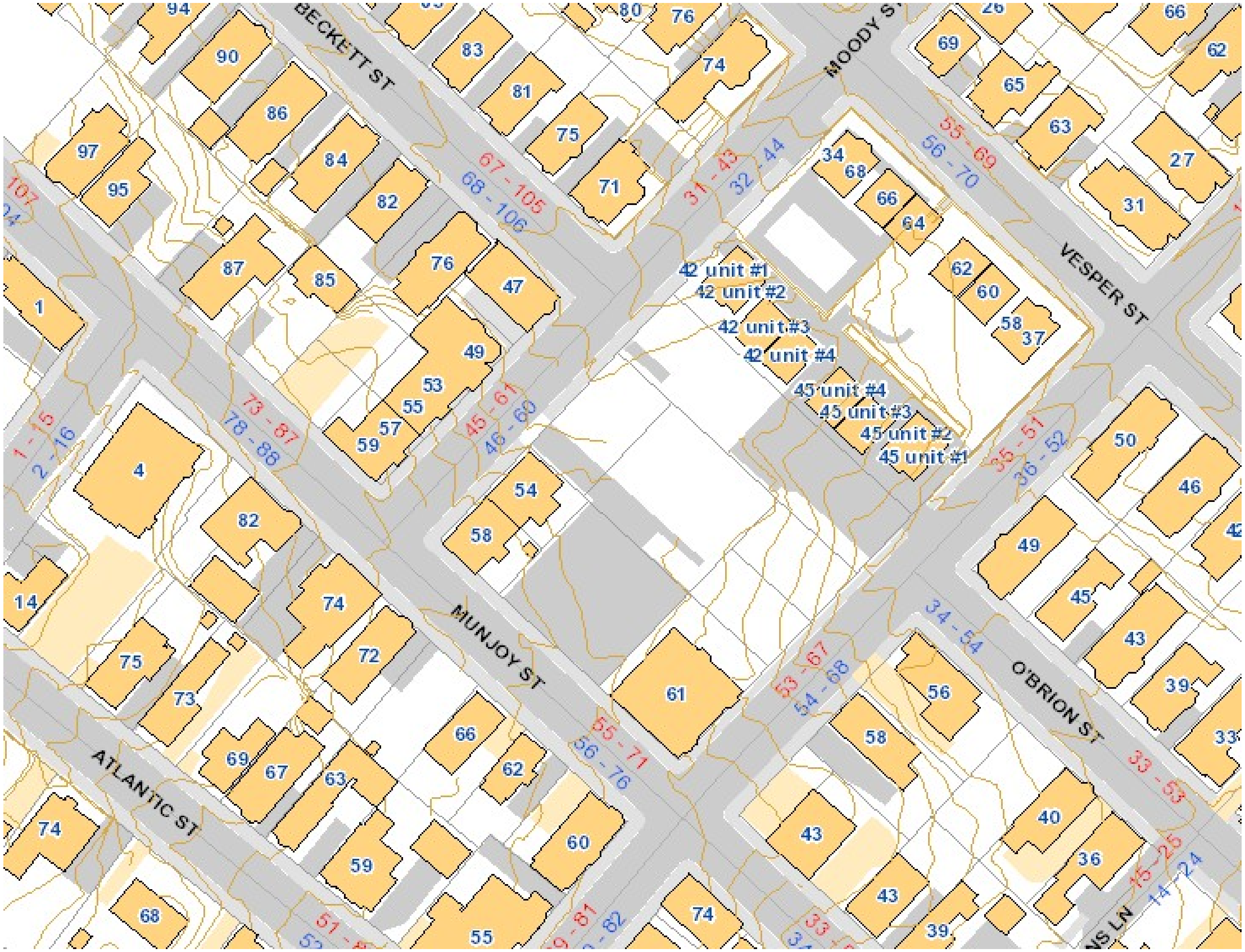
The assignment given our team was to explore physical alternatives and financial feasibility to maximize affordable housing options on the target site while simultaneously blending in size and scale with the surrounding two and three story multi-family residences on adjoining parcels and blocks. Specifically, the goals of this feasibility exercise were to:

- ❑ Attempt to maximize the number of affordable family size housing units (min. 2 bedroom units), but in no case provide fewer than eight (8) new apartments;
- ❑ Develop housing no taller than three floors in height to fit the scale and height of homes on the surrounding blocks;
- ❑ Design the housing to meet new proposed R-6 District zoning standards and dimensional criteria;
- ❑ Provide only a limited number of on-site parking spaces, in accordance with parking criteria proposed in the new R-6 District zoning amendments. Provide the remainder of required parking on-street;
- ❑ Try to avoid locating new on-site parking spaces along the Munjoy Street frontage. Instead, either place on-site parking at the side or rear of the lot, and/or visually screen parking from street view;
- ❑ Design the new housing to a scale and height so as not to cast extended shadows over a new adjoining playground and green open space; and
- ❑ Examine the financial and funding feasibility of developing this housing for permanent affordable ownership family housing and provide the option of utilizing HOME funds.

2.0 Background and Context

The 6,800 sq. ft. (0.15 acre) Munjoy Street parcel is located in a relatively dense two and three story residential neighborhood north of downtown Portland and is close to the harbor. The site was once part of the city's Adams School property. In recent years, the school was closed and torn down so that the site could be redeveloped for affordable ownership housing, a playground, and open space.

Over the past year, sixteen (16) new family-sized two-story affordable townhouse units - Adams School Condominiums - were completed on the northeast portion of the block adjoining Vesper St. on a significantly larger parcel of land. Immediately to the southeast of this new housing, in the center of the former Adams School block, the City has also developed a new playground and green open space. The target Munjoy Street site is the last remaining undeveloped remnant parcel of the old Adams School. It is adjoined on Munjoy Street, on either side, by two-story privately-owned multi-family residential buildings.

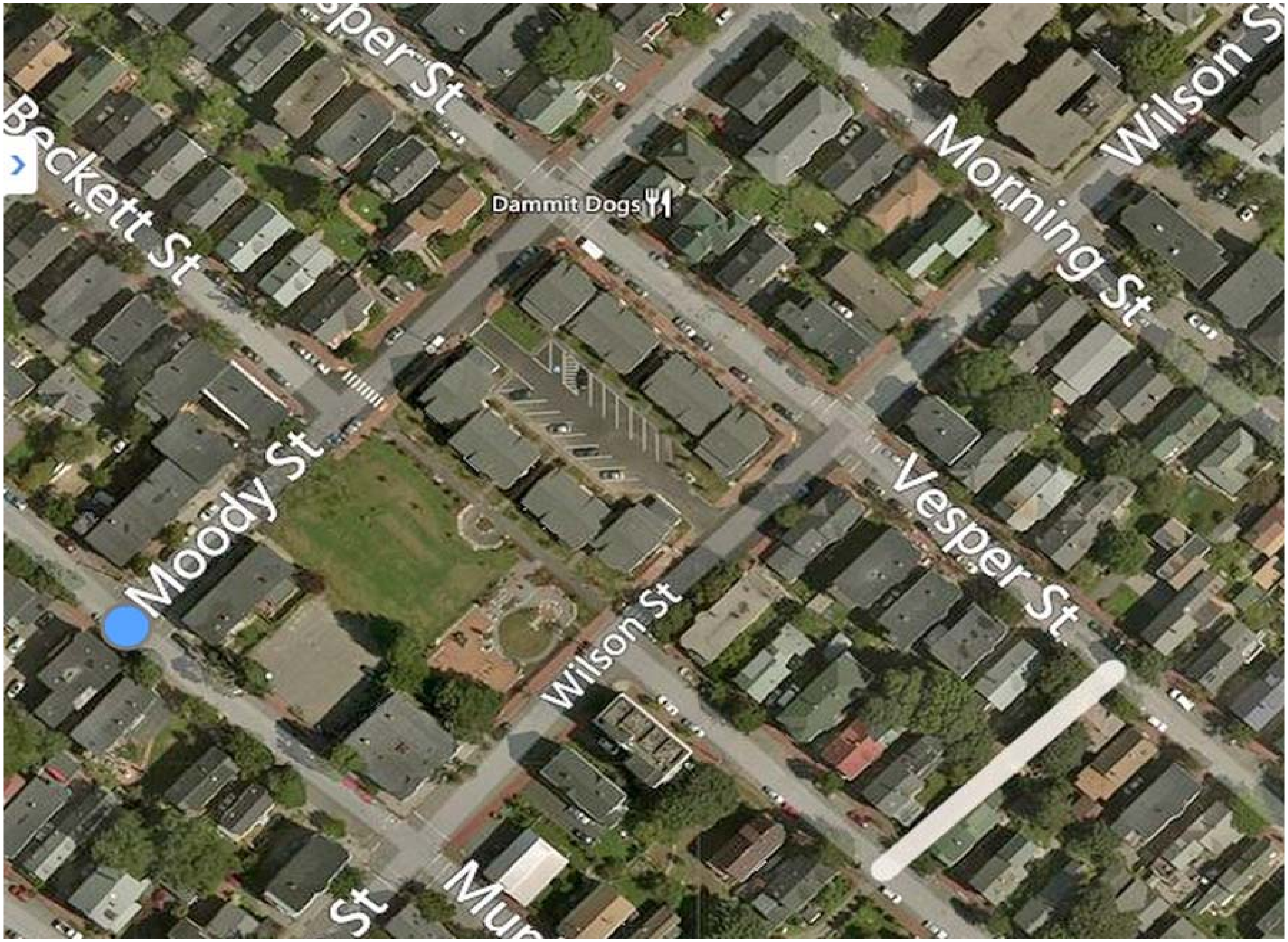


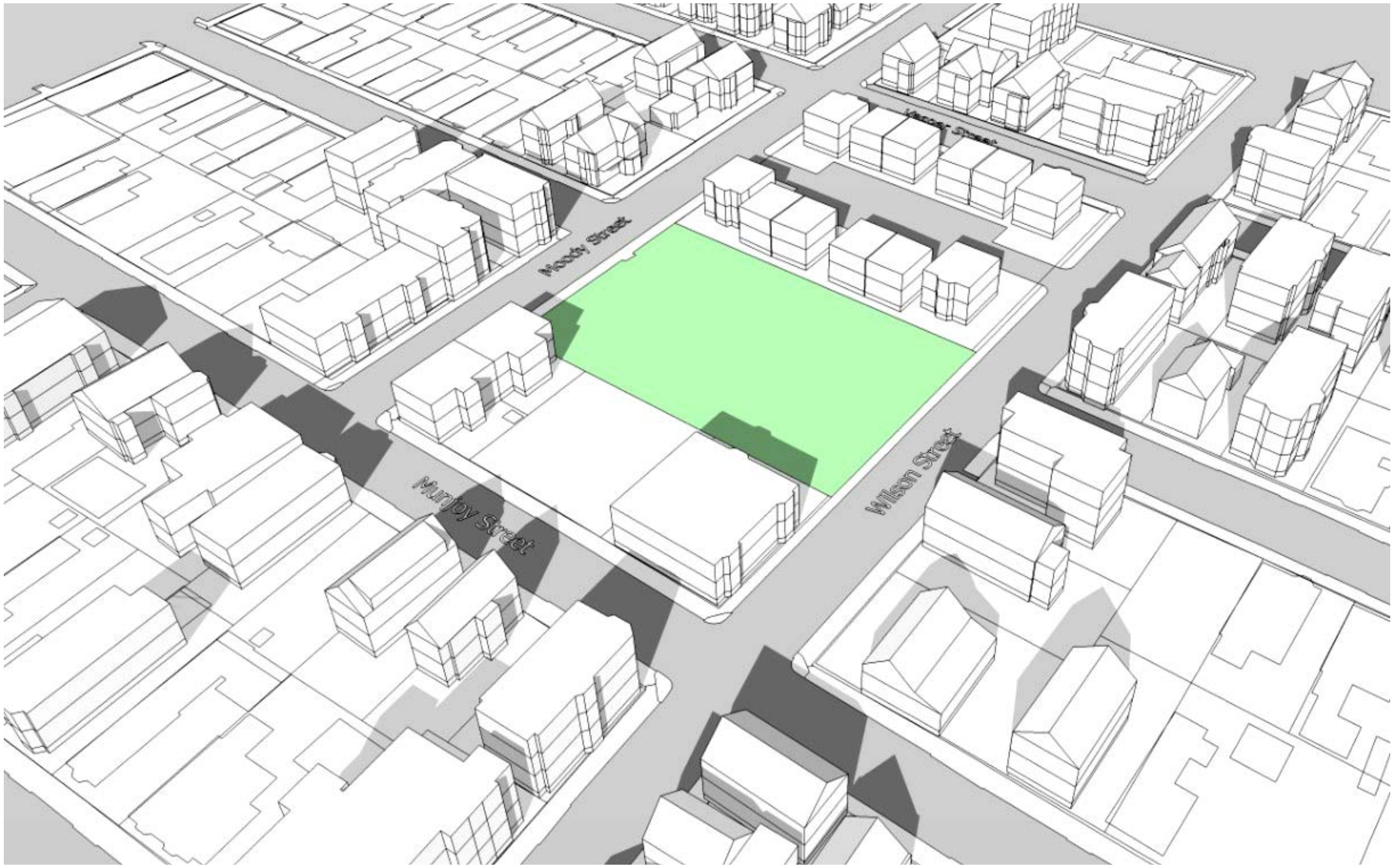
Adams School Condominiums on Vesper Street

3.0 Existing Site Conditions

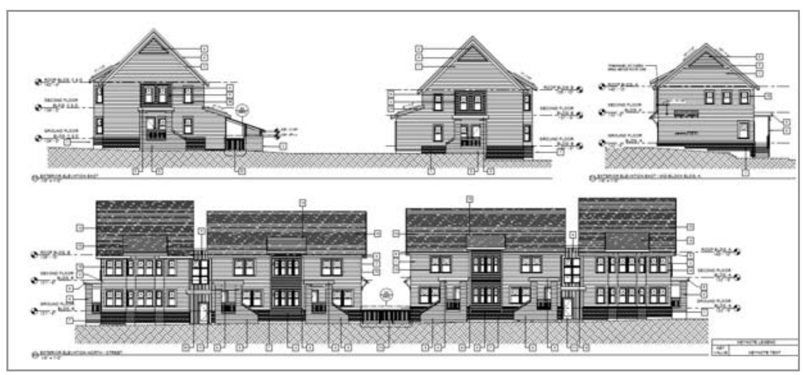
3.1 The Site

The 6,800 sq. foot site is topographically flat. Approximately 80 feet wide and 85 feet deep, the site is 0.15 acres in size. It is bounded on its northeast by a new city green open space and a playground on Wilson Street.





Aerial view looking northeast with the new Vesper Street affordable housing units to the top of the old Adams School block, the new playground and future park in the middle of the block, and the target site on Munjoy Street situated between existing multi-family residential buildings to either side.



Adams School Condominium Vesper St. two-story housing: Architectural elevations

3.2 Existing & Proposed R-6 District Zoning Standards

In anticipation of new development at this site and elsewhere in the R-6 Zoning District, the City is proposing zoning amendments to allow increased residential densities.

Potential R-6 Amendments to Dimensional Requirements		
Residential Dimensional Requirements	***Existing***	***Proposed***
Lot Size	4,500 sf	2,500 sf
Min. Lot Area/Dwelling Unit	1,000-1,200 sf	725 sf
Lot Area/Lodging House Rooming Unit	250 s.f	250 s.f
Street Frontage	40 feet	30 feet
Front Yard Setback	10 feet, or no more than average depths of adjacent front yards	5 feet, or no more than average depths of adjacent front yards
Rear Yard Setback	20 feet	10 feet
Side Yard Setback	10-15 feet, variable by height	5 feet
Side Yard on Side Street	10 feet	0 feet
Maximum Lot Coverage	40-50%, variable by # of dwelling units/lot	60%
Minimum Lot Width	40 feet	30 feet
Maximum Height	45 feet	45 feet
Landscaped Open Space	20-30%, variable by # of dwelling units/lot	20%
Parking	1 space/unit	1 space/unit, except none required for first 3 units

3.3 Phase I Environmental Site Assessment (ESA) Report Conclusions

On July1, 2014, Credere Associates LLC, working in behalf of the City of Portland, completed a Phase I Environmental Site Assessment of the former Adams School site and target Munjoy Street Site based on a history of earlier identified contaminants on adjoining sites. Credere Associates recommended that a Phase II ESA investigation be conducted at the Site to assess Recognized Environmental Conditions (RECs) identified in the Phase I ESA.

4.0 Issues & Opportunities

4.1 Opportunities

- Provide an opportunity to build additional affordable family home-ownership housing on Munjoy Street at the site of the former Adams School parking lot.

- Strengthen, through infill, the residential street frontage on Munjoy Street, instead of a parking lot, to visually enhance the residential character of Munjoy Street.

4.2 Issues

- Because the site is small (0.15 acres) and dimensionally limited (80 ft. x 85 ft.), it is difficult to fit both the minimum target number of new housing units (8 DUs min.) on the site and a sufficient number of surface on-site parking spaces to support this number of housing units, as required by zoning; *unless*, 1) some spaces are built at grade but under the overhang of upper floors, or 2) the target site is subdivided into two lots so that the 3-car parking space exemption per lot provided for in the proposed zoning can be taken advantage to minimize the total on-site parking requirements.

- To accommodate the minimum number of target housing units (8DUs), it is likely that three story buildings will be required. Means must therefore be sought (e.g. rear upper story building setbacks adjacent to the park) to minimize shadows cast on the adjacent playground and future park. By further adding pitched roofs as a desired design feature, the length of shadows may be extended.

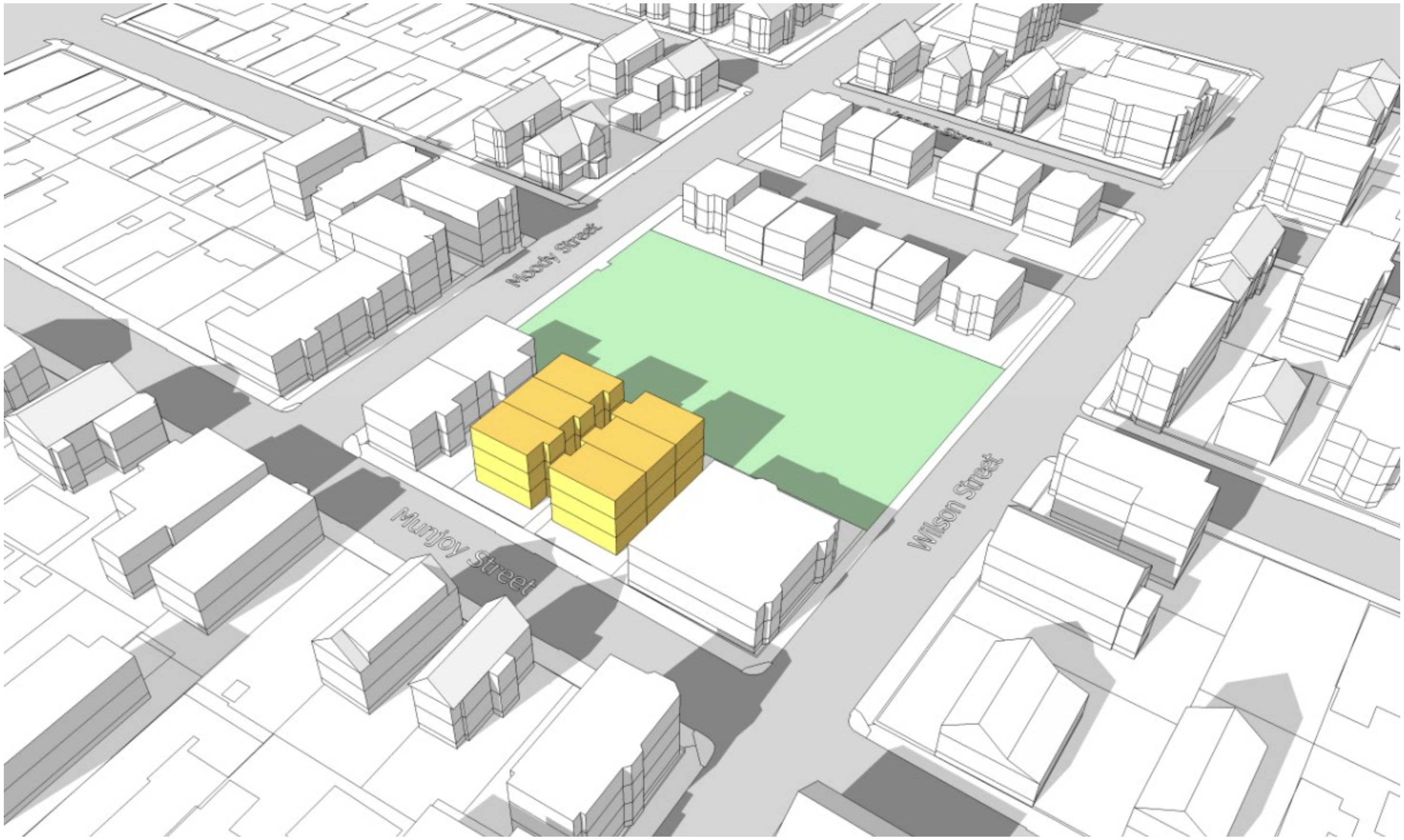
- A Phase II Environmental Site Assessment (ESA) may be required for the Munjoy Street site. If contaminants are found, they may have to be remediated or removed.

5.0 Alternative Housing Scenarios

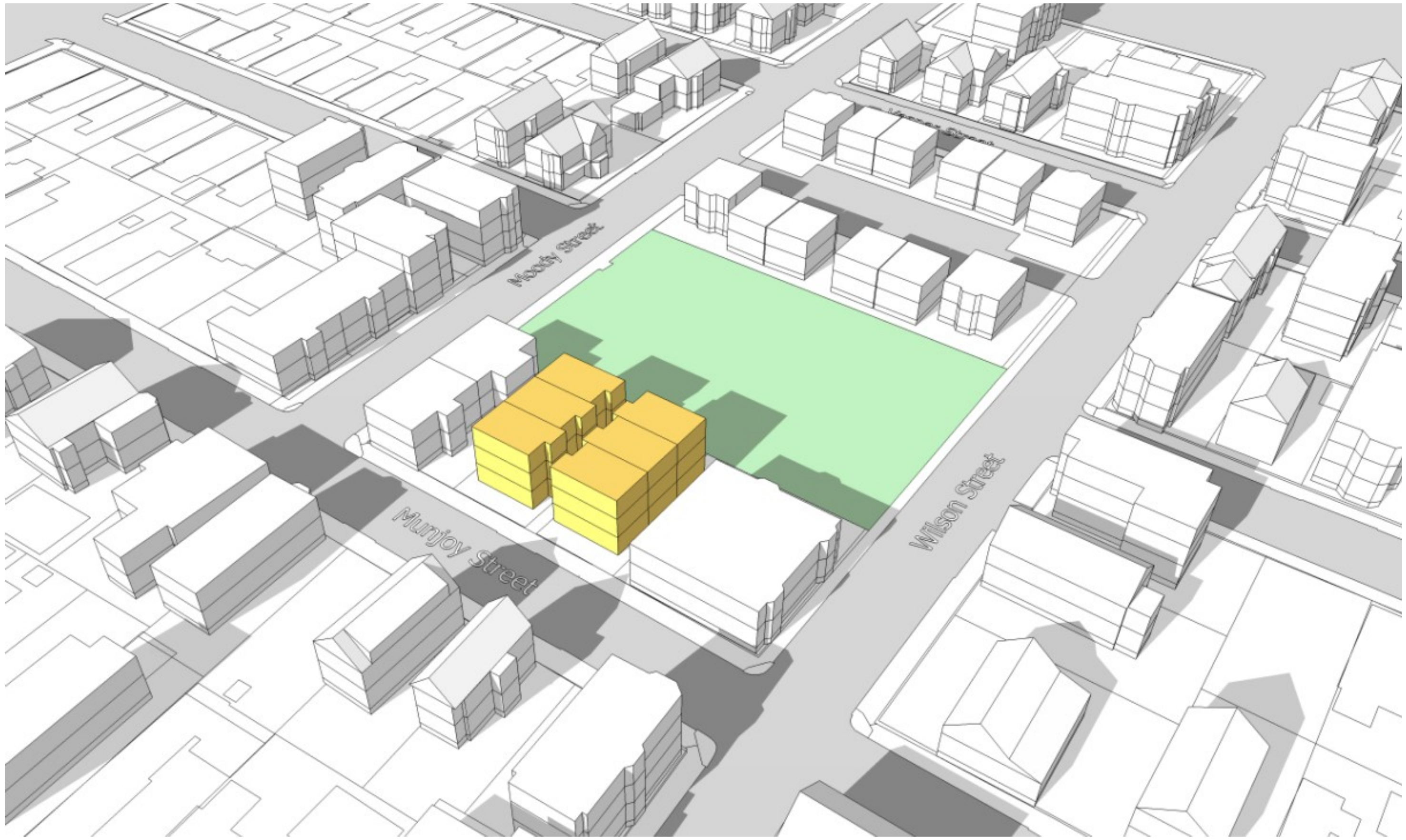
A number of alternative housing typologies were investigated for the Munjoy Street site before a Preferred Alternative was selected. These options are summarized below. Illustrations of each Alternative are shown on the following pages.

Alternative Housing Scenarios: Summary Table					
Alt. No.	**Housing Type**	**No. of Units**	**No. of Floors**	**No. of Parking Spaces**	**Density [DUs / Acre] / Comments**
Alt. A	Attached Two-Story Townhouses	6	2	0	40 DUs / acre - Pitched Roof
Alt. B1	Attached two-Story Townhouses over Ground Floor Flats [Facing center walkway]	12	3	0	80 DUs / acre - Flat roofs
Alt. B2	Attached Two-Story Townhouses over Ground Floor Flats [Facing street & facing park]	12	3	4 tandem spaces in 2 driveways	80 DUs / acre - Flat roofs
Alt. C1	Garden Apartment Flats [4 DUs / ea. floor]	12	3	2 tandem spaces in driveway	80 DUs / acre - Flat roof
Alt. C2	Garden Apartment Flats [4 DUs / ea. upper floor + 2 DUs / ground floor]	10	3	6-7 surface spaces underneath upper floors	66 DUs / acre - Flat Roof
Alt. D1	Two 'Triple Decker' Flats [1 DU on ea. upper floor + 2 smaller DUs on ground floor] [Subdivided Lot]	8	3	2 surface spaces at rear or in driveway	52 DUs / acre - Flat roof - Subdivided Lot
Alt. D2	Two 'Triple Decker' Flats [1 DU on ea. upper floor + 2 smaller DUs on ground floor] [Subdivided Lot}	8	3	2 tandem surface spaces in driveway	52 DUs / acre - Pitched Roof - Subdivided Lot

Alternative A: Attached Two-Story Townhouses – 6 DUs



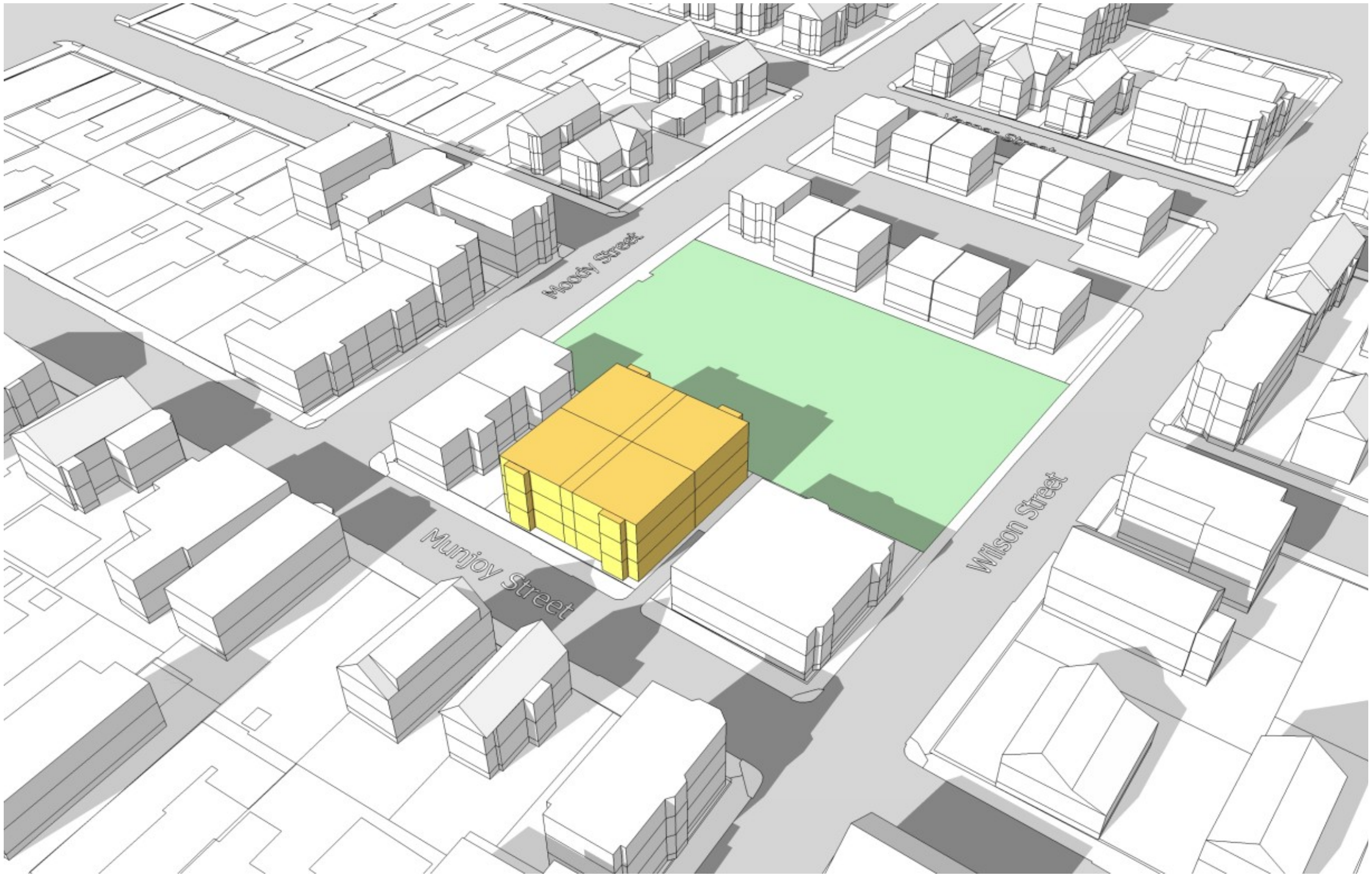
Alternative B1: Attached Two-Story Townhouses Over Ground Floor Flats – 12 DUs
[Fronts facing internal walkway]



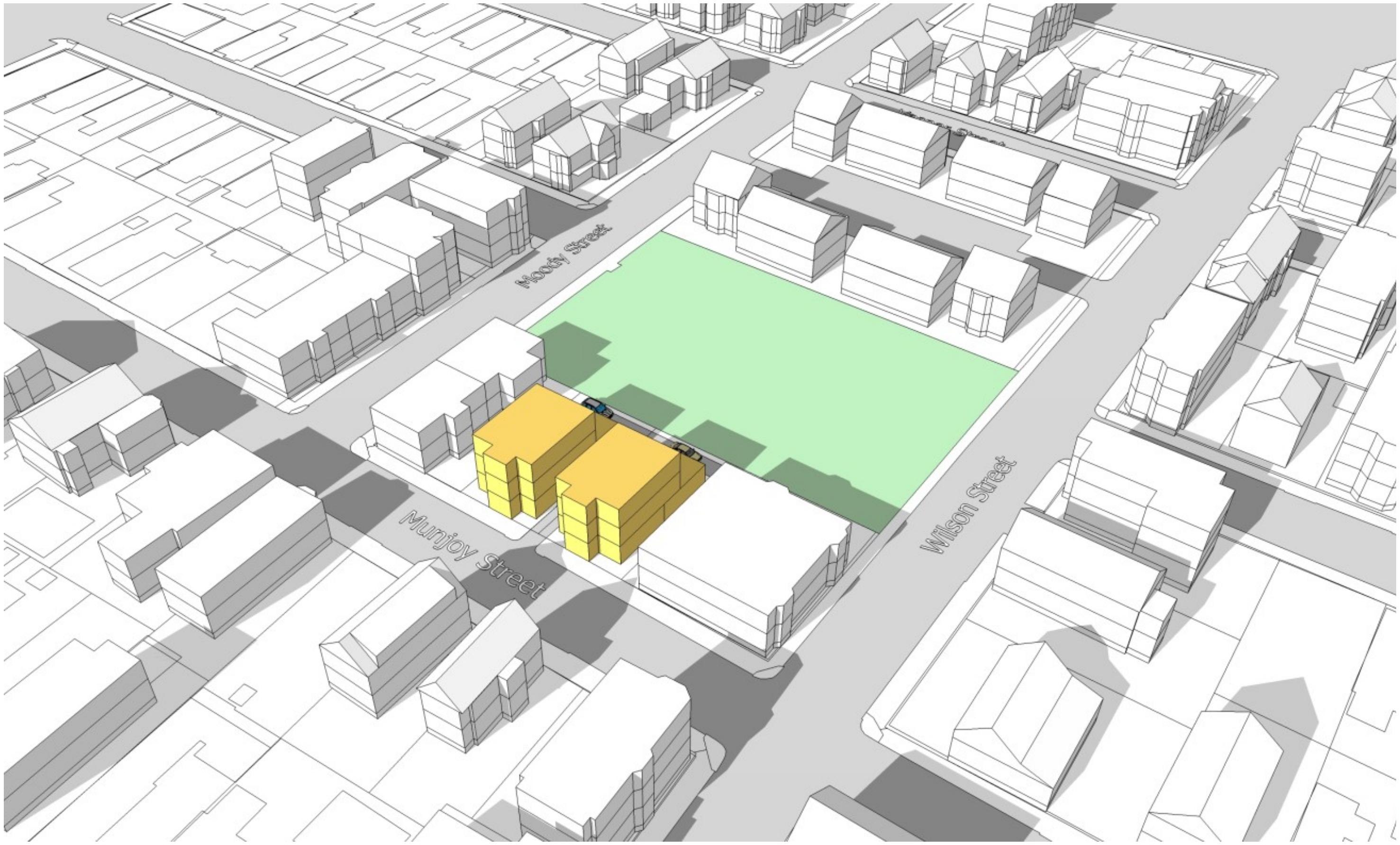
Alternative B2: Attached Two Story Townhouses over Ground Floor Flats – 12 DUs
[Building fronts facing both Munjoy Street and the Park]

Alternative C1: Garden Apartment Flats (4 DUs / floor) – 12 DUs

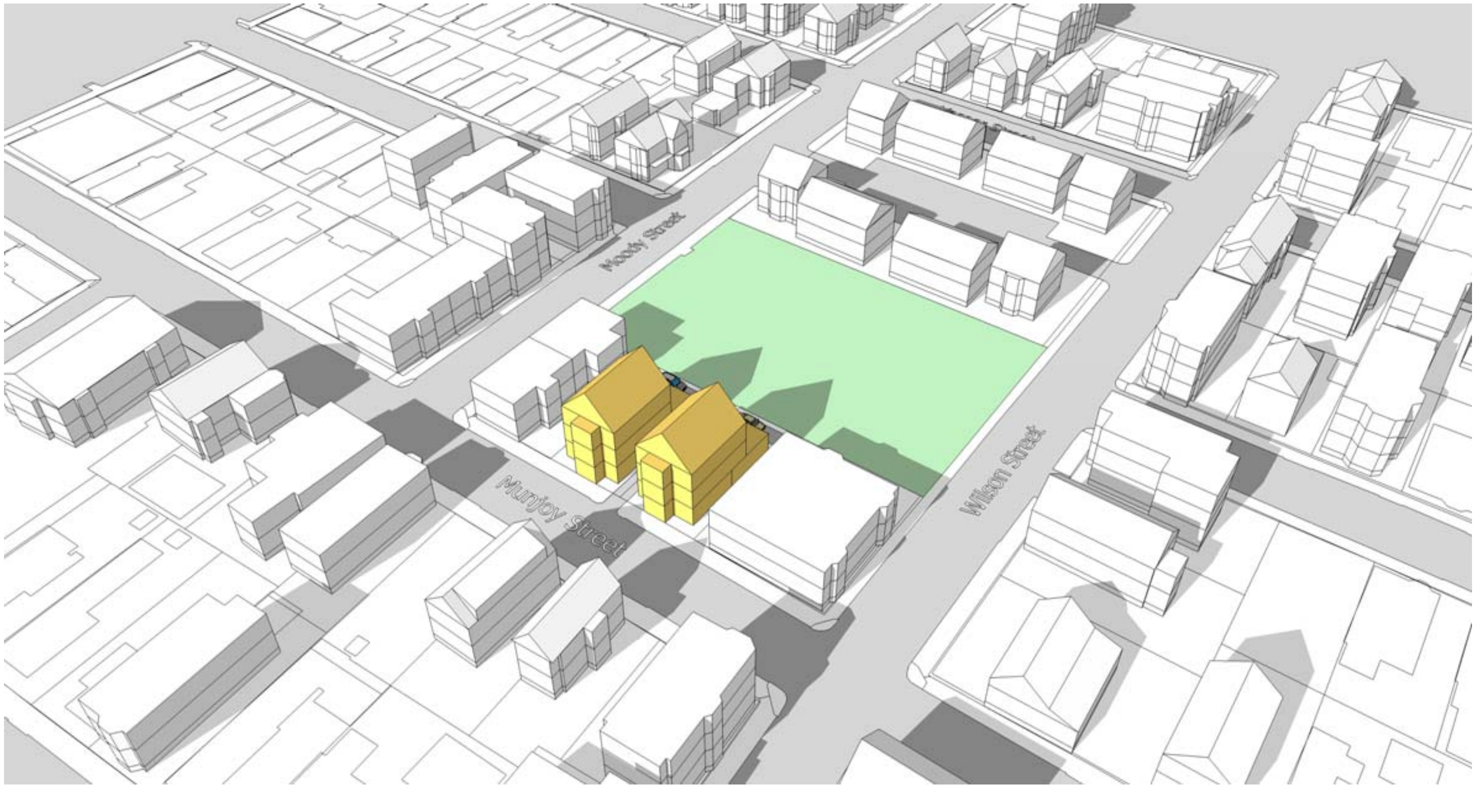
Alternative C2: Garden Apartment Flats – 10 DUs
[Parking on grade under the overhang of upper floors]



Alternative D1: Two 'Triple-Decker' Styled Flats – 8 DUs
[Flat roofs]



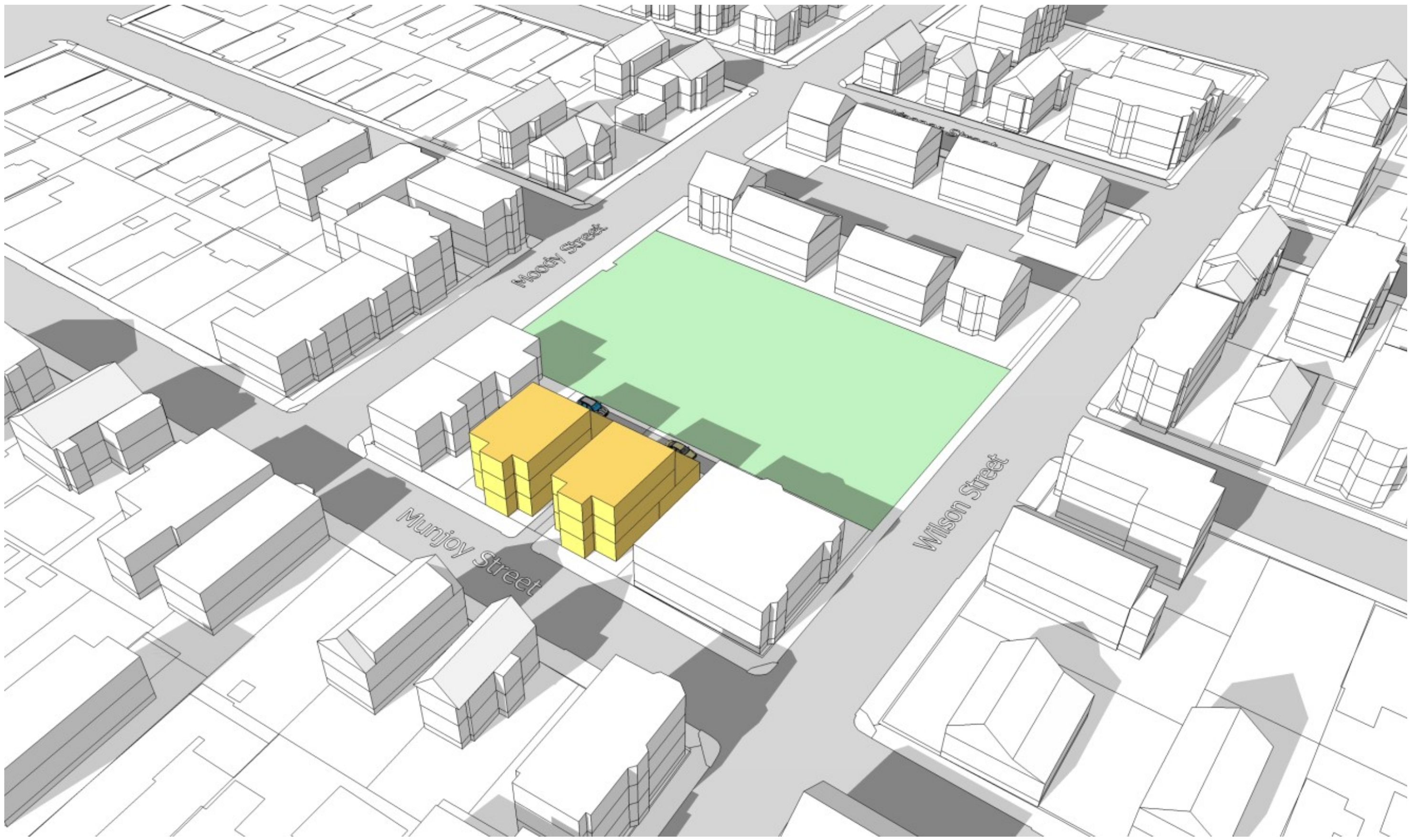
Alternative D2: Two 'Triple Decker' Styled Flats - 8 DUs
[Pitched roofs]



6.0 Preferred Housing Alternative – ‘Triple Decker’ Styled Flats [8 DUs]

Based upon the City’s review of the alternatives illustrated on the previous pages, a preference was expressed for Alt. D1 – ‘Two Triple Decker-Styled Flats’ with flat roofs because it best fit the scale and style of surrounding neighborhood residences. This scenario illustrates a larger flat on each of upper floors 2 and 3, and two smaller flats on the ground floor of these three story buildings – for a total of 8 DUs. Each upper story flat is approximately 1,000 net square feet in size (2 or 3 BRs); and each of the smaller ground floor flats are approximate 800 net square feet in size (2 BRs).

A total of two surface parking spaces are provided on-site. In order to meet the zoning parking requirement of 1 parking space / unit, the land parcel is subdivided into two lots – which allows 6 parking spaces in total to be exempted from the parking requirements – thereby leaving a requirement for only 2 on-site spaces.

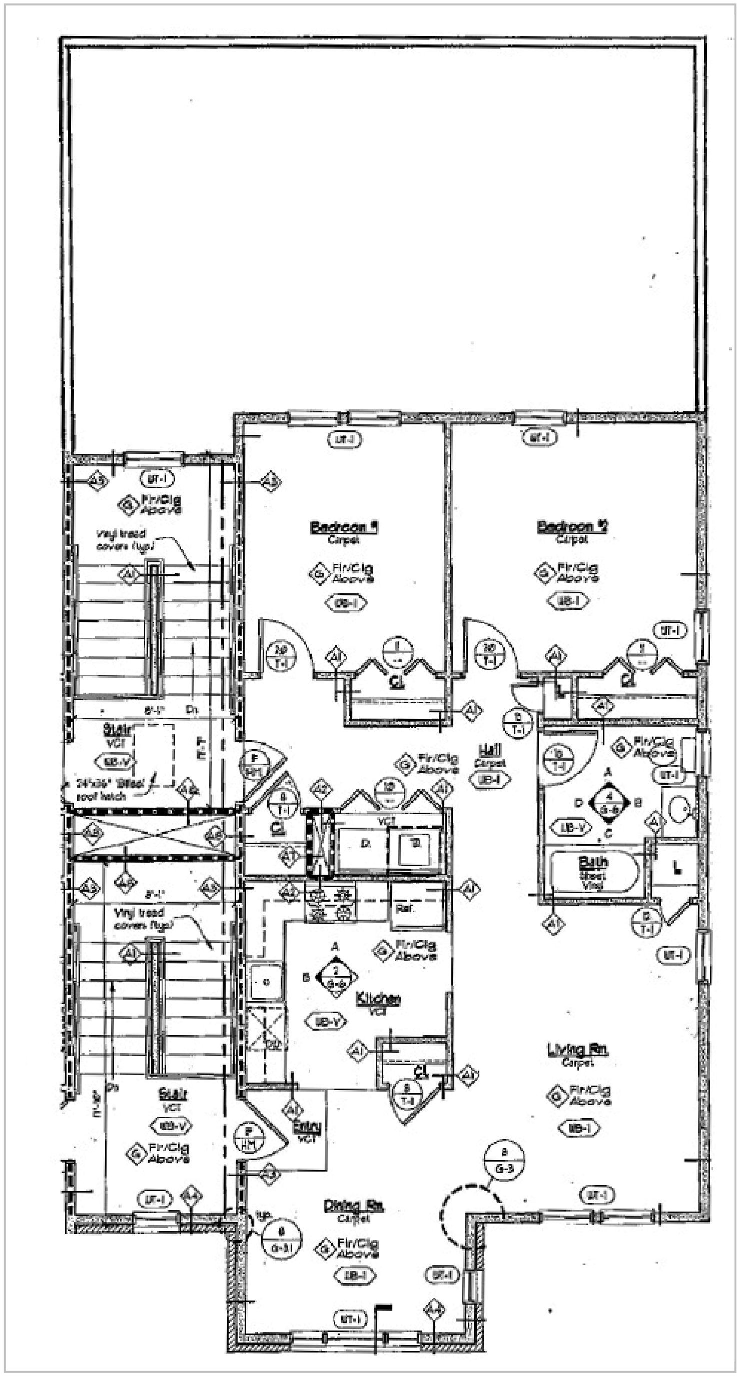


Preferred Housing Plan:
Example Upper Floor (Floors 2 & 3) Flat Plan

The prototypical floor plan shown at the right illustrates a typical 2 bedroom apartment flat plan on each of upper floors 2 and 3 .(These units are sufficiently large in size to be designed as 3 bedroom units as well).

At the top of the plan is the roof deck over the rear ground floor apartment.

This plan is illustrative only. Other floor plan layouts are of course possible.



Preferred Housing Plan: Prototype Triple-Decker Style Example

The photo at right illustrates two side-by-side three-story triple-decker styled housing types that are similar in scale to the suggested Preferred Plan.

7.0 Shadow Impact Evaluation

In order for the City to evaluate the shadow impacts of each housing alternative on the adjacent open space and playground to the north of the Munjoy St. site, all the alternatives were prepared in 3D SketchUp drawing software which allows shadows to be studied on any day of the year and at any time of the day. The illustration below shows the plan-view impact of shadows from the Preferred Alternative on March 21st at 3 pm. *In general, the Preferred Alternative will have very minimal shadow impact on the Playground on Wilson Street, although there may be some shadows cast on the open space at the center of the block.*

Our consultant team has provided the Planning and Urban Development Department with the digital SketchUp models so it can test the alternatives in-house for any time of day and any day of the year.

8.0 Financing, Funding & Implementation Strategies

[Stantec Consulting Services, Inc.]

Memo

To:	Jeff Levine City of Portland	From:	Carol Gladstone Stantec Consulting
Cc:	Larry Bluestone Drew Leff	Date:	August 27, 2014

As part of the Munjoy Street Affordable Housing Feasibility Study, we reviewed financial feasibility of two alternative scenarios – affordable rental with HOME eligible rental levels (60% AMI), and affordable home ownership at a mix of 100 and120% AMI.

Primary Findings:

- The preferred plan is relatively inefficient since it is two side-by-side buildings (and thus has two sets of stairs), and the square footage per unit at 1154 GSF is therefore high. The units themselves were also relatively large as one and two bedroom unit. The project is more feasible if these are developed as small two and three bedroom units, which is what we have assumed in the analysis. However, it is noted that these are now relatively small units.
- Because of unit size, costs per unit are relatively high at $236,000 per unit. The project is too small to consider use of low income tax credits, and HOME funding alone cannot bridge the sizable gap between supportable debt and project cost for affordable rental.
- There is a better fit with affordable home ownership. Assuming units prices half at 100% AMI and half at 120%, the project is roughly break-even on a cost basis. This reflects sales prices that are consistent with prices being achieved in affordable ownership projects currently on the market.
- The financial analysis reflects the assumption that there is no land cost.
- There are two unknowns that should be explored further as the project advances.
    - We did not have information about potential remediation scope and cost, and the budget carried for site development needs verification.
    - The current plans do not include on-site parking for residents. The feasibility of this assumption should be further tested.

Financial Analysis – Assumptions and Summary:

Program: the preferred plan is a building of 9232 gross square feet, and 7312 net rentable square feet, and includes eight units. The average unit size is 1154 GSF/unit, which is relatively high due to the inefficiency of the preferred plan with side-by-side buildings, and thus two internal stairs. The units themselves average 914 NSF, and we suggested that as the plans develop that they be considered as two and three bedroom units rather than one and two bedroom units. Revenue projections are based on this program.

Project Costs: based on current construction costs of comparable projects of $125/GSF and standard soft costs, we projected total development costs of $205/ SF, which is consistent with other current projects. This includes 10% construction contingency and 5% project contingency, to address potential construction cost escalation and other potential scope issues. This assumes land is contributed by the City. The budget does not include potential premiums for site remediation beyond an $100,000 site development allowance.

Project costs per unit of $236,600 are relatively high because of the relatively larger unit sizes compared to other affordable housing projects.

Rental Revenue and Debt Capacity: based on rental rates at the 60% AMI level, and operating expenses, taxes and reserves of $5800/ unit, the net operating income is $58,000 when stabilized in current dollars. This can support approximately $784,000 of debt, leaving a sizable funding gap of $1.1 million, or $138,000/ unit.

Sales Projections: sales revenue was projected based on supportable prices at the 100 and 120% level, and then adjusted downwards to correspond to prices being achieved **today** in other affordable ownership projections. No price escalation was included in the projections. Based on sales prices of $217,000 – $235,000 for two bedroom units and $245,000 - $285,000 for three bedroom units, the project is roughly break-even.

Other Assumptions:

- **Land Cost:** land is included at no cost to the project.
- **Remediation:** no premiums for potential remediation costs are included beyond an $100,000 site development allowance.
- **Parking:** two spaces are provided in the plans, and are designated as visitor parking, not parking for residents.

Financial summary pages follow, including:

Program and Development Cost Summary

Net Operating Income Projection

Gap Analysis: Loan Summary/Debt Capacity and Sales Projection

STANTEC CONSULTING SERVICES INC.

Carol Gladstone
Principal
Phone: 617-654-6035
Fax: Sender's Fax

Munjoy Street Affordable Housing *8/28/2014*

Program & Development Cost Summary

Site and Building Area

Site SF			6,800
Gross Building Area SF			9,232
Net rentable SF (NSF)			7,312
Total Usable	79%	net-to-gross	**7,312**
Site Uses			
Parking Spaces on site	400	SF	2
Lanscaped Areas	2,520		
Building Footprint	3,880	SF	

Building Program

3 Levels/ side-by-side walk up units	NSF	Units	NSF/Unit
Level 1	3,240	4	810
Level 2	2,036	2	1018
Level 3	2,036	2	1018
Total	7312	8	
Average Unit Size (NSF)	*914*		
Average Unit Size (GSF)	*1154*		

Development Costs Summary

Acquisition			$0
Construction			
Site Work + Remediation	LS		$129,200
Construction	$125	*Per GSF*	$1,154,000
Construction Contingencies	10%		$115,400
		TOTAL:	**$1,398,600**
Soft Costs			**$340,330**
A&E + related fees	$143,664		
Project legal & insurance	$137,963		
Financing & Interest	$58,703		
Developer Fee	4%		**$67,000**
Project Contingency	5%		**$86,947**
TOTAL DEVELOPMENT COST			**$1,892,877**
		Cost/ GSF	**$205**
		Cost/ Unit	**$236,610**

Munjoy Street Affordable Housing *8/28/2014*

Net Operating Income Projection - Affordable Rental

Program

	SF	Market	High Home (60% AMI)	Total Units
2 BR	810		4	4
3 BR	1018		4	4
Unit Count		**0**	**8**	**8**
		0%	**100%**	**100%**

Monthly Rental Rates

	Market	HUD FMR	High Home
Studio		$688	
1 BR	*$900-$1000*	$819	$831
2 BR	*~ $1250*	$1,012	$1,019
3 BR	*$1300+?*	$1,339	$1,273

Rental Revenue

	Market	High Home	All Units
Studio			
1 BR		$0	
2 BR		$4,076	
3 BR	$0	$5,092	
	Market	**High Home**	**All Units**
Total Monthly	**$0**	**$9,168**	**$9,168**
	Market	**High Home**	**All Units**
Total Annual	**$0**	**$110,016**	**$110,016**

Parking Revenue

Parking Spaces (Visitor spaces)	2
Monthly Rate	$0
Monthly Revenue	$0
Annual Revenue	**$0**

Effective Gross Income

		Per Unit	Total
Apartments		$13,752	$110,016
Parking		$0	$0
Subtotal		$13,752	$110,016
Less: Vacancy Loss	5.00%	($688)	($5,500)
EGI		$13,065	**$104,516**

Expenses & Utilities

	Per Unit/Annual	Total/Annual
Expenses		
Total Expenses	**$4,450**	**$35,600**
Utilities	**Per Unit/Annual**	**Total/Annual**
Total Utilities	$950	**$7,600**
	Per Unit	**Total**
Total Annual Expenses & Utilities	$5,400	**$43,200**

Annual Net Operating Income (NOI)

		Per Unit	Total
EGI		$13,065	$104,516
Less: Expenses & Utilities		($5,400)	($43,200)
Less: Reserves	per unit	($400)	($3,200)
NOI		$7,265	**$58,116**

Munjoy Street Affordable Housing **8/272014**

Gap Analysis

Loan Summary - Debt Capacity

Loan Amount	
NOI	$58,116
DSC	115%
Available for Debt Service	**$50,536**
Debt Terms	
Rate	5.0%
Amortization (years)	30
Loan Amount	
Loan Amount	**$784,489**
Fee	inc in costs
Total	**$784,489**
Annual Loan Payment:	**$50,536**
Total Development Costs	**$1,892,877**
Gap	**($1,108,388)**
Gap per Unit	**($138,549)**

Affordable Home Ownership Sales Projection

	SF	100%	120%	Total Units
Studio	445	n/a		0
1 BR				0
2 BR	810	2	2	4
3 BR	1018	2	2	4
Unit Count		**4**	**4**	**8**
		50%	**50%**	**100%**

Sales Prices

	Per Unit	Per Unit	Total
2 BR Units	$217,000	$235,000	$904,000
3 BR Units	$245,000	$285,000	$1,060,000
			$1,964,000
Less: cost of Sales - 2.0 %		2.0%	($39,280)
Total Revenue from sales			**$1,924,720**
Project Costs			**$1,892,877**
		Gap	**$32,000**
		Per unit	**$4,000**

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Housing & Community Development Division Director
Jeff Levine, Planning & Urban Development Director
Greg Mitchell, Economic Development Director

DATE: October 17, 2014

SUBJECT: 2014 HCDC Calendar

Attached is a standing communication on your agenda, the updated Committee Calendar.

DRAFT 2014 Housing & Community Development Committee meeting Calendar

Meetings: 2nd & 4th Wednesday of each month

As of October 16, 2014

January

Jan. 8 Meeting:

2014 Draft HCDC Work Plan for preliminary discussion subject to change after January 13 City Council goal setting workshop.

For Review and Recommendation to Council - Pearl Place TIF district amendments Wilmot Street – Possible Reacquiring – Executive Session

Tenant Based Rental Assistance Program update

Housing First Pre-Development RFP – Review Draft

Communication: Update on CDBG Workforce Development Program

Jan. 22 Meeting:

Presentation on proposed amendments to parking requirements and the Sustainable Transportation Fund for possible action

Economic Development Vision and Plan – Work Plan Update for 2014-2015

February

February 12, 2014 Meeting:

Possible City lease/acquisition of property for City Department Consolidation/Forward to Council – Public and Executive Session

Start Downtown TOD/TIF Discussion

Update on Housing Plan and Consultant Services RFP/Communication Item

February 26 Meeting:

Housing Program Budget Recommendation to Council

Review City sites for residential development or sale including former Adams School property Nova Scotia Ferry Service Operator Lease – Executive Session

March

March 12 Meeting:

Continue Downtown TOD/TIF District Discussion

Nova Scotia Ferry Service Operator Lease/Possible Recommendation to City Council

Review & Recommendation: Updated Citizen Participation Plan

Review & Recommendation: 3 year renewal of Cumberland County HOME Consortium, 2015-18

March 26 Meeting:

Presentation on proposed amendments to the B2 zones for possible action

Review and possible approval of Affordable Housing RFP

Creative Portland PACE Project in Bayside for Review/Direction and executive session for possible Cityowned Bayside property disposition discussion.

Spring Street Garage Space Leases (Pirates and Adjacent Vacant Space)

Communication: Update on the discussion of city sites for residential development

Communication: CDBG funding recommendations from Committee & City Manager; Annual Action Plan

April **April 9 Meeting:**

Presentation on proposed amendments to R-6/R-7 zones for feedback Review of draft of possible RFP for city-owned lot on Munjoy Street

April 23 Meeting:

Spring Street Garage Space Leases (Pirates and Adjacent Vacant Space)

Executive Session Tugboat Lease Renewal at Portland Ocean Terminal

Donation of Property to City on Rowe Avenue

Communication: Annual Action Plan, due to HUD May 15 Review of Housing First RFP Responses

May **May 14 Meeting:**

AHTIF Request – 134 Washington Avenue

Executive Session: Real estate negotiations associated with the Federated Companies Midtown Project and their financial contribution toward the cost of Somerset Street reconstruction.

May 28 Meeting:

Downtown TOD/TIF District – Continue Discussion

Executive session/public session for guidance and approval to move forward with disposition process for a tax-acquired property on Cliff Island.

Tugboat Lease Renewal at Portland Ocean Terminal

June **June 11 Meeting (Meeting Canceled):**

June 25 Meeting:

Disposition process recommendation to staff for tax-acquired property on Cliff Island

Downtown TOD/TIF District – Continue Discussion

Executive Session: Real estate negotiations associated with the Federated Companies Midtown Project and their financial contribution toward the cost of Somerset Street reconstruction.

July **July 9 Meeting (Meeting Canceled):**

July 23 Meeting (Meeting Canceled):

August

August 13 Meeting:

Continuation and final policy direction on new Downtown TOD/Arts TIF District.

Disposition process recommendation to staff for tax-acquired property on Cliff Island

Review and vote to recommend to City Council action on Federated Companies Midtown Project documents, including Somerset Street Cost Share Agreement Executive Session:

- Proposed Ready Seafood Company Lease Amendments;
- Proposed Shucks Maine Lobster Lease Amendments;

- Proposed new tenant and lease terms for use of second floor office space located in Portland Ocean Terminal.

August 27 Meeting

Disposition process recommendation to staff for tax-acquired property on Cliff Island

Update on City-owned lot on Munjoy Street

65 Hanover Street Property/review draft RFP for development of affordable homeownership units, i.e. workforce housing at 100% to 120% AMI and property disposition of 71 Hanover Street.

Housing Trust Fund Annual Plan

Review of potential development site located at 157 Brackett Street Reed School Re-Use

September

September 10, 2014 (Meeting Canceled)

September 24, 2014

65 Munjoy Street – Update and Review of Draft RFP

157 Brackett Street – Review of Draft RFP

For Review and Comment: Consolidated Annual Performance Evaluation Report (CAPER) due to HUD September 30.

For Review and Comment/ Recommendation to Council if necessary: Recommendations for improvement to CDBG process.

Update on Portland Economic Development Plan 2014-2014 Work Plan activities, including the 2014/2015 Portland Economic Scorecard.

Executive Session:

- Proposed Development on Spring Street/Cotton Street
- Proposed new tenant and lease terms for use of second floor office space located in Portland Ocean Terminal

October

October 8

Communication: CDBG Application is available/Process Update.

India Street Plan

Portland Company/58 Fore Street Update

Bay House TIF District termination vote and recommendation to City Council PACTS Land Use and Transit Technical Assistance

October 22

~~Recommendation to City Council on award of proposal for tax-acquired property on Cliff Island.~~ Fore/India/Middle Street TIF District termination vote and recommendation to City Council; Bayside TIF District Expansion Amendment - vote and recommendation to City Council; ~~Inclusionary Zoning~~

65 Munjoy Street – Update, Review and Possible Approval of RFP

Affordable Housing Development Application– review of proposal received Midtown Project – tentative executive session

November

November 12

Recommendation to City Council on award of proposal for tax-acquired property on Cliff Island. 65 Hanover/52 Alder Street – Update, review of feasibility study and draft RFP

71 anover Street – Review of draft RFP

Riverwalk TIF District Reduction Amendment - vote and recommendation to City Council;

Annual City wide TIF District Activity Report/review and recommendation to City Council HCDC Annual Accomplishment Report/review and recommendation to City Council

~~Start discussion related to Riverside Street area wide needed public infrastructure status and improvements.~~

157 Brackett Street – Update, Review and Possible Approval of RFP

Tentative: Shucks Maine Lobster and Ready Seafood Company Lease Amendment vote and recommendation to City Council.

Inclusionary Zoning

New Downtown TOD/Arts TIF District vote and recommendation to City Council, including:

- Creative Economy & Arts TIF District – vote and recommendation to City Council to reduce boundary.

November 26 Canceled

December

December 10

~~New Downtown TOD/Arts TIF District vote and recommendation to City Council, including:~~

- ~~Creative Economy & Arts TIF District – vote and recommendation to City Council to reduce boundary.~~

December 24 Canceled

Future Work Plan Items

Update on city-owned lot at 98 High Street

Area-wide Affordable Housing TIF District discussion

Short Term Rentals

India Street Lot

Police Parking Lot

Consideration of Portland Company as a TOD TIF

Wilmot Street

Start discussion related to Riverside Street area wide needed public infrastructure status and improvements.