

1. 9/14/16 Housing Committee Agenda

1.I. 9/14/16 Housing Committee Agenda

Documents:

[HOUSING COMMITTEE AGENDA 09.14.2016.PDF](#)

2. Brief Update By City Staff On Revisions Made To The Housing Committee Work Plan

2.I. HC Revised Work Plan Memo 9.9.2016

Documents:

[HC REVISED WORK PLAN MEMO 9.9.2016.PDF](#)

3. Brief Overview Of "Tiny Home" Policy Challenges In Portland – See Enclosed Memorandum From Housing & Community Development Staff Tyler Norod, Housing Planner

3.I. Tiny House Memo 9.9.2016

Documents:

[TINY HOUSE MEMO 9.9.2016.PDF](#)

4. Review Of Revisions Made To The Mayor's Proposed Rental Housing Security Ordinance – See Enclosed Memorandums From Corporation Counsel, Danielle P. West-Chuhta And Housing & Community Development Staff Tyler Norod, Housing Planner

4.I. Review Of Rental Housing Security Ordinance Revisions 9.9.2016

Documents:

[REVIEW OF RENTAL HOUSING SECURITY ORDINANCE REVISIONS 9.9.2016.PDF](#)

4.II. Corporation Counsel Housing Committee Memo Re Revised Ordinance Proposal

Documents:

[CORPORATION COUNSEL HOUSING COMMITTEE MEMO RE REVISED ORDINANCE PROPOSAL.PDF](#)

5. HOME Fund Development Applications – See Enclosed Memorandum From Housing & Community Development Staff Tyler Norod, Housing Planner. Public Comment Will Be Taken As This Is An Action Item

5.I. HOME Applications Memo 9.9.2016

Documents:

[HOME APPLICATIONS MEMO 9.9.2016.PDF](#)



HOUSING COMMITTEE

DATE: September 14, 2016 (Wednesday)
TIME: 5:30 p.m. – 7:30 p.m.
LOCATION: City Hall, City Council Chambers

AGENDA

1. Public Comment: The Committee will hear from members of the public who signed up to speak at the previous Housing Committee meeting on August 24th but were unable to contribute their testimony due to time constraints.
 - a. Frank D'Alessandro – Pine Tree Legal
 - b. Crandall Toothaker – Landlord
 - c. Crystal Cron – Portland Tenants Union
 - d. Cate Vaughan – Hope Acts
 - e. Brit Vitalius – Southern Maine Landlords Association (SMLA)
 - f. Tom Watson – Port Property Management
 - g. Chris Quint – Regional Chamber
2. Brief update by City Staff on revisions made to the Housing Committee work plan.
3. Brief overview of “Tiny Home” policy challenges in Portland – See enclosed memorandum from Housing & Community Development staff Tyler Norod, Housing Planner.
4. Review of revisions made to the Mayor’s proposed Rental Housing Security Ordinance – See enclosed memorandums from Corporation Counsel, Danielle P. West-Chuhta and Housing & Community Development staff Tyler Norod, Housing Planner.
5. HOME Fund Development Applications – See enclosed memorandum from Housing & Community Development staff Tyler Norod, Housing Planner. Public comment will be taken as this is an action item.
6. Housing Committee member discussion and next steps

Councilor Jill Duson, Chair

Next Meeting Date: Wednesday, September 28, 2016, 5:30 PM
 Location – City Hall, City Council Chambers



Planning & Urban Development Department

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Mary Davis, Division Director
Tyler Norod, Housing Planner
Housing and Community Development Division

DATE: September 9, 2016

SUBJECT: Revised Housing Committee Work Plan

The attached revised Housing Committee Work Plan outlines the potential schedule for the Committee to review potential policy items identified by the preceding public process. The attached plan is a rough estimate of when items may come before the Committee. It is likely that some items may move to different dates as the Committee moves forward and various issues arise.

It should be noted, due to the Jewish holiday of Yom Kippur, the Committee will need to reschedule the regularly scheduled meeting on Wednesday, October 12th. At this time the Committee is tentatively considering rescheduling the meeting the following evening on Thursday, July 13th. The meeting would need to begin late at 7:00 PM due to an existing Finance Committee meeting that takes place on the same date from 5:00 – 7:00 PM.

Housing Committee Work Plan

August 10, 2016

- 1) City Manager Presentation – Executive Session
- 2) Presentation from Human Services Shelter Staff
- 3) Review Draft workplan bundles
 - a. Public Comment

August 24, 2016

- 1) Legal Update – Corporation Counsel Response to Committee Questions from 7/13/2016
- 2) Housing Insecurity Bundle
 - a. Rent Control
 - b. Non renewal of leases and minimum notification laws
 - c. Ordinance prohibiting discrimination against voucher holders
 - d. Landlord/Tenant Mediation Program
- 3) Other Proposals
 - a. The Mayor’s “Rental Housing Security Ordinance”
 - b. Councilor Thibodeau’s “Leeway Program”
 - c. Councilor Hinck’s “Tenant Relocation Assistance Ordinance” modeled after Seattle’s program
- 4) Public Comment

September 14, 2016

- 1) Public comment from attendees who did not have a chance to speak at the previous meeting due to time constraints
- 2) Brief update on revised work plan
- 3) Brief overview of “Tiny Home” policy challenges in Portland
- 4) Review revisions made to the Mayor’s proposed Rental Housing Security Ordinance
- 5) Review Home Fund Applications

September 28, 2016

- 1) Brief update on housing data and recent development trends in Portland
- 2) Committee Members to discuss and vote on a framework of potential housing insecurity policy recommendations for the Council
- 3) Public Comment

October 13, 2016 (Potentially switched to Thursday 8/13/2016 due to Yom Kippur Holiday. 7PM start time)

- 1) Review potential zoning amendments for example Morrill's Corner or a transportation corridor
- 2) Shelter Zoning
- 3) Short Term Rentals (Airbnb)

October 26, 2016

- 1) Existing Ordinance Bundle
 - a. Amend Housing Replacement Ordinance to allow for developers to make an off-site market rate unit affordable to low income households in lieu of paying a fee.
 - b. Clarify Condo Conversion regulations
 - c. Clarification on existing illegal housing units
- 2) Capitalization of Housing Trust Fund
 - i. Analysis of Portland, OR's TIF policy for funding their Housing Trust Fund
 - ii. Analysis of Brookline, MA policy to annually contribute any unexpected funds at the end of the fiscal year into the Housing Trust Fund

November 9, 2016

TBD

November 23, 2016 (Day before Thanksgiving)

TBD

December 14, 2016

- 1) Examine potential means of creating more Housing First development projects
- 2) Analysis of Pro's and Con's of long term ground leases vs the sale of City owned property

December 28, 2016

- 1) Annual Report
- 2) TBD



TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Mary Davis, Division Director
Tyler Norod, Housing Planner
Housing and Community Development Division

DATE: September 9, 2016

SUBJECT: Tiny Homes

The City receives a lot of questions about the ability to locate “tiny houses” in Portland. Here are some answers based on the current status of local ordinances and state building code:

Zoning

For zoning, a tiny house is considered a dwelling unit. The R-1, R-2 and R-3 residential zones only allow a single family home (dwelling unit). The R-4, R-5 and R-6 residential zones allow two family and multi-family dwellings as long as the lot size and land area per dwelling unit requirement can be met along with the other dimensional requirements. A dwelling unit is considered a permanent structure that is built on a foundation, frost wall or slab. Under the land use ordinance a single-family, single-component manufactured house needs to be installed on a full foundation or a concrete frost wall with the hitch or tow bar removed.

Building Code

For building code, the City is required to comply with the Maine Uniform Building & Energy Code (MUBEC) as adopted by the State. According to this code, a building shall either be constructed on site in accordance with the model code, IRC 2009, or as State-certified modular homes, which are those units that the manufacturer certifies are constructed in compliance with the State's Manufactured Housing Act or as Mobile Homes approved by the State Manufactured Housing Act. Manufactured housing must be certified by a "label, seal or other device affixed in accordance with rules adopted by the board, certifying the compliance of the housing and all applicable rules".

For buildings constructed on site, the IRC requires every dwelling to have at least one habitable room not less than 120 SF of gross floor area. All other habitable rooms, other than kitchens, shall be at least 70 SF, with the minimum horizontal dimension not less than 7'. Bathroom size shall be designed per the fixture clearance requirements of the IRC and UPC plumbing code. Currently, the municipal Fire Prevention Code has adopted sprinkler systems to be installed in new one and two family homes.

To summarize, under the zoning requirements and building code, the building either needs to be built on site on a foundation, frost wall or slab or meet the State Manufactured Housing Act.



Policy

The city is actively looking at the issue of tiny houses and what role they might play in helping address our housing needs. The biggest challenge appears to be the state building code, which the city is required to utilize. We are looking into whether we might lobby for changes in MUBEC to allow more flexibility for tiny homes, but such changes would not happen quickly and could require state legislation.



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

FROM: Tyler Norod, Housing Planner

DATED: September 9, 2016

RE: Revisions to the Mayor's Proposed "Rental Housing Security Ordinance"

On the afternoon of August 24, 2016, Mayor Ethan Strimling submitted to the Housing Committee revisions to his proposal for a new Rental Housing Security Ordinance. Given the timing of the submission staff and Corporation Counsel did not have an opportunity to review the proposed revisions prior to discussing the item with the Committee at that evening's meeting. This memo examines the proposed revisions from a policy and enforcement perspective. Corporation Counsel will submit a separate memo highlighting any potential legal concerns with the new aspects of the ordinance. For analysis of other components of the proposed ordinance please refer to the staff and Corporation Counsel memos written for the July 13th and August 24th meetings. Attached to this memo is a copy of the revised ordinance with new language highlighted in yellow.

Division 4: Termination of Tenancy

Revisions to Section 13.7.24 (2) included language that would require tenants to provide similar notice of 90 days to landlords when a tenant-at-will intends to move from an apartment. Markets typically fluctuate and although we are in the middle of what realtors call a "Landlords Market" things could change in the future making it seem reasonable and fair to require the same notification minimums for both tenants and landlords.

Revisions to Section 13.7.24(3)(F) may have certain legal concerns that have been addressed in previous memos from Corporation Counsel.

Revisions to Section 13.7.24(3)(H) regulating landlords of larger buildings appears to run into similar legal issues that were cited in previous memos from Corporation Counsel relating to constructive leases. Although well intentioned this section appears to have several logistical and practical problems that may make it difficult to enforce. With Maine's housing stock amongst the oldest in the nation, it is not uncommon for our buildings to often be in need of significant repairs. Placing limitations on how a building of a certain size may be vacated would likely place significant hurdles in terms of construction logistics and financing that would disincentivize the maintenance and upkeep of our City's aging housing stock. In addition, the City currently does not track how many units in buildings are turned over at any one time. Doing so would likely require additional oversight and be difficult to effectively enforce as it is unclear how the City would accurately track how many units were not renewed within any time frame other than a 100% complaint based system.

Revisions to Section 13.7.24(3)(H) allow landlords and tenants to come to a written mutual agreement to modify the length of any agreement governed by this ordinance. The intent appears to be to allow for situations where both the tenant and landlord do not want to have a “constructive lease” of one year and would like to contractually agree to a mutually beneficial shorter period.

Division 6: Housing Ombudsperson

This section proposes the creation of a new Office of Ombudsperson within City Hall. It is unclear what the costs of this position would be but given previous analysis for a potential mediation program it would likely be more than \$47,000-\$59,000 in salary and could potentially include other expenses related to funding a new office within City Hall. This proposal also does not clarify who the Office would report to and lacks a clear framework for responsibilities, budget, and oversight.

According to the proposal the Office would be a “clearinghouse of information regarding applicable laws, ordinances, and rules regarding residential tenancies in the City of Portland”. The job responsibilities and capacity noted in the revised ordinance are already possible and often occur within both existing City departments and outside organizations. The creation of this new office as proposed appears to be redundant. The City may be better served by simply working to improve communication with interested members of the public and relevant city departments or focus more on mediation services.

In past discussions it was assumed that the role of any ombudsman would be to serve as a mediator in tenant/landlord disputes. A memo delivered to the Committee on August 24th discussed why it would be better logistically and financially for the City not to hire an ombudsman but rather release an RFP for mediation services from other organizations already offering similar mediation services or higher additional personnel to help facilitate a tenant/landlord mediation program with outside mediators.

PORTLAND RENTAL HOUSING SECURITY ORDINANCE

DIVISION 1. GENERALLY

Sec. 13.7-21. Legislative findings and statement of policy.

The council finds that:

- (a) The population of the city consists of people of every socioeconomic group, some of whom are discriminated against in housing based upon their source of income;
- (b) There are currently inadequate protections to protect against discrimination in housing based upon source of income;
- (c) The lack of legal protection for individuals unfairly limits their housing choices and discourages them from publicizing acts of discrimination out of fear of reprisal;
- (e) It is the policy of the City to bring about through fair, orderly and lawful procedures, the opportunity of each person to obtain housing without regard to source of income;

Therefore, in order to protect the public health, safety and welfare, it is declared to be the policy of this city to prevent discrimination in housing on account of source of income.

Sec. 13.7-22. Definitions.

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings:

Discriminate. "Discriminate" includes, without limitation, segregate or separate.

Dwelling Unit and Multiple Dwelling Unit. is as defined in Section 6 of the City Ordinances in effect as of the date of the passage of this Ordinance.

Housing accommodation. "Housing accommodation" includes any building or structure or portion thereof, or any parcel of land, developed or undeveloped, which is occupied, or is intended to be occupied or to be developed for occupancy, for residential purposes excepting:

- (a) The rental of a one-family unit of a two-family dwelling, one (1) unit of which is occupied by the owner;
- (b) The rental of not more than four (4) rooms of a one-family dwelling which is occupied by the owner;
- (c) The rental of a unit that are licensed by the State of Maine as lodging places pursuant the provisions 22 M.R.S. § 2492.

(d) The rental of any portion of a dwelling for less than six months in any calendar year where the dwelling is the primary residence of the owner. For purposes of this section primary residence is defined a dwelling occupied by the owner for at least six months of every year.

Person. "Person" includes one (1) or more individuals, partnerships, associations, organizations, corporations, municipal corporations, legal representatives, trustees, trustees in bankruptcy, receivers and other legal representatives, and includes the city and all agencies thereof.

Source of Income. "Source of Income" means any lawful source of money that is paid to or for the benefit of a person seeking to rent a dwelling and includes grants.

Tenant-Based Rental Assistance. "Tenant-Based Rental Assistance" means any and all forms of tenant-based rental assistance and vouchers, including but not limited to:

- (a) Tenant-based rental assistance through the Section 8 Housing Choice Voucher Program, 42 U.S.C § 1437f (o)
- (b) Tenant-based rental assistance through the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C § 12701 et seq.;
- (c) Tenant-based rental assistance under the HUD-Veterans Affairs Supportive Housing (HUD-VASH), authorized by § 8 (o) (19) of the United States Housing Act of 1937, 42 U.S.C. § 1437f (o) (19);
- (d) Tenant-based rental assistance through the Shelter Plus Care Program authorized by title IV, subtitle F, of the Stewart B McKinney Homeless Assistance Act, 42 U.S.C. §§ 11403-11407b, as amended;
- (e) Tenant-based rental assistance through the Supportive Housing Program authorized by title IV, subtitle F, of the Stewart B McKinney Homeless Assistance Act, 42 U.S.C. §§ 11381-11389, as amended;
- (f) Tenant-based rental assistance through the Section 8 Disaster Voucher Program (DVP);
- (g) Tenant-based rental assistance through the Housing Opportunities for Persons with AIDS (HOPWA) Program, 42 U.S.C. § 12901 – 12912 as amended;
- (h) Tenant-based rental assistance through the Community Block Grant Program, 42 U.S.C. § 5301 et seq. as amended;
- (i) Tenant-based rental assistance through the Continuum of Care Program authorized by subtitle C of title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11381-11389; and

- (j) Tenant-based rental assistance through the Rural Development Voucher Program authorized through § 542 of the Housing Act of 1949, as amended. See 78 Fed. Reg. 49374 (Aug. 14, 2013) (proposed rule); and
- (k) Tenant-based rental assistance through the Maine Bridging Rental Assistance Program, authorized by M.R.S. Title 34-B § 3011; and
- (l) Tenant-based rental assistance through the Maine State Housing Authority Home To Stay Program, M.R.S. Title 30-A § 4771; and
- (m) Tenant-based rental assistance through the Maine State Housing Authority Stability Through Engagement Program, M.R.S. Title 30-A § 4771; and
- (n) Tenant-based rental assistance through the City of Portland's Tennant Based Rental Assistance Program, M.R.S. Title 30-A § 4771;
- (o) Tenant-based rental assistance through the City of Portland's General Assistance Program, authorized by M.R.S. Title 22 § 4301 et seq.; and
- (p) Such other Tenant-based rental assistance or rental vouchers or rental coupons as may be authorized under any federal, state, or local program.

DIVISION 2. FAIR HOUSING

Sec. 13.7-23. Unlawful housing discrimination.

It shall be unlawful housing discrimination, in violation of this article:

- (a) For a person to refuse to rent or negotiate for the rental of, or otherwise make unavailable or deny a dwelling to any person because of the person's source of income;
- (b) For a person to discriminate in the terms, conditions, or privileges of rental of a dwelling or in the provision of services or facilities in connection therewith because of the person's source of income;
- (c) For a person to make, print, or publish or cause to be made, printed or published, any notice, statement, or advertisement, with respect to the rental of a dwelling that indicates any preference, limitation, or discrimination based on a person's source of income;
- (d) For a person to represent to any person that any dwelling is not available because of the person's source of income or because of the requirements of the program providing the source of income;
- (e) For a person to exclude any person from admission to a dwelling because of the person's source of income;

(f) For a person to refuse to rent or negotiate for the rental of, or otherwise make unavailable or deny a dwelling to any person because of the person's source of income or because of the requirements of the program providing the source of income;

(g) For a person to refuse to participate in or comply with any federal, state, or local requirements of a tenant-based rental assistance program, including, but not limited to the following:

- 1) Refusing to allow inspections of a dwelling by the public housing authority or other entity administering a tenant-based rental assistance program;
- 2) Refusing to make reasonable repairs necessary for the dwelling to meet the housing quality standards of the tenant-based rental assistance program; such repairs will be considered reasonable if they do not substantially alter or change the housing unit or do not require repairs substantially different from those that would be required to bring the rental unit into compliance with the Maine Warranty of Habitability Act or local building or housing codes applicable for new construction
- 3) Refusing to complete any necessary paperwork, including but not limited to such documents as the *Request for Tenancy Approval* form, the *Housing Assistance Payments Contract*, and the *Tenancy Addendum* or applicable General Assistance forms; and
- 4) Refusing to provide information required by the public housing authority or other entity administering the source of income or tenant-based rental assistance program;

(h) For a person to use a financial or minimum income standard for any person participating in any tenant-based rental assistance program that requires the person to have a monthly income of more than two- and one-half times the person's share of the total monthly rent payable to the owner of the dwelling unit.

(i) For a person to use any tenant screening policy that actually or predictably results in a disparate impact on any person with tenant-based rental assistance unless (i) necessary to achieve one or more substantial, legitimate, nondiscriminatory interests of the dwelling owner and (ii) those interests could not be served by another practice that has a less discriminatory effect of persons receiving tenant-based rental assistance.

(j) For a person to use any tenant screening policy that denies housing to any tenant who receives tenant based rental assistance because of any negative credit history that was incurred prior to the tenant's receipt of tenant based rental assistance.

Sec. 13.7-24. Application.

Nothing in this article shall be construed in any manner to prohibit or limit the exercise of the privilege of every person and the agent of any person having the right to sell, rent, lease or manage a housing accommodation to set up and enforce specifications in the selling, renting, leasing or letting thereof or in the furnishings of facilities or services in connection therewith

which are not based on the source of income of any prospective or actual purchaser, lessee, tenant or occupant thereof.

DIVISION 3. RENT INCREASE LIMITATIONS

Sec. 13.7-29 Declaration of Emergency

Whereas a serious shortage of affordable rental housing units in the city has resulted in abnormally high rents and has produced serious threats to the public health, safety, and general welfare of the citizens of the community, the City Council hereby establishes this rent increase limitation ordinance.

Sec. 13.7-30 Rental Increases

Rent charged for a dwelling unit or multiple dwelling unit may only be increased as follows:

1. Rent charged for a dwelling unit or multiple dwelling unit may be increased by the landlord only after providing at least 90 days written notice to the tenant.
2. Rent charged for a dwelling unit or multiple dwelling unit may not be increased prior to the expiration of a lease term, during the initial year of any tenancy and no more than one time during any calendar year.
3. Rent charged for a dwelling unit or multiple dwelling unit may be increased only if all dwelling units owned by that entity are in compliance with the state's warranty of habitability law at 14 M.R.S. § 6021 and the city's Housing Code at Sec. 6-106 et seq.

DIVISION 4 TERMINATION OF TENANCY

Sec. 13.7.24

1. A constructive lease shall be imposed upon all residential tenancies for a period of one year after the creation of the tenancy that shall prohibit the termination of the tenancy except for good cause.
2. A tenant must serve upon the effected landlord a notice to quit at least 90 days prior to the expiration of the tenancy that advises the landlord that the tenant will not be renewing the tenancy.
3. For purposes of this ordinance a tenancy shall be deemed to be created as follows:
 - A. Upon the date this ordinance becomes effective except that this ordinance shall not modify the provisions of any existing written lease agreement.
 - B. When a tenant initially moves into a residential rental unit.

- C. When a new owner purchases the building in which a residential rental unit is located.
- D. Thirty (30) days after the expiration of the initial one year term where the landlord has not caused to be served upon the tenant a summons and complaint for forcible entry and detainer.
- E. Thirty (30) days after the expiration of a lease agreement in effect at the time this ordinance goes into effect where the landlord has not caused to be served upon the tenant a summons and complaint for forcible entry and detainer.
- F. The service of a summons and complaint under paragraphs D and E of this section shall only be deemed effective to terminate a tenancy if a landlord first serves upon the effected tenant a notice to quit at least 90 days prior to the expiration of the tenancy that advises the tenant that the landlord will not be renewing the tenancy.
- G. In any one year period a landlord who rents a building with the following number of units may not refuse to renew more than the following percentages of the tenancies created by this section except for cause:
 - 1. Between five and 10 units: 40 percent
 - 2. Between 11 and 15 units: 33 percent
 - 3. Between 16 and 21 units: 30 percent
 - 4. Over 21 units: 25 percent.

H. Notwithstanding another provision of this Ordinance, a landlord and tenant may mutually agree to modify the length of a tenancy created under this section. Any such modification must be in writing and may not be for a period of time that is less than 30 days. The notice required to terminate any mutually agreed tenancy of less than 90 days shall not be less than the term of the tenancy agreed to between the parties.

- 4. For the purposes of this ordinance good cause is defined as set forth in the written lease agreement entered into between the parties, or, in the event that there is no written lease agreement between the parties, good cause is defined at 14 M.R.S. § 6002(1) and (2).
- 5. Good cause shall not include the tenant's non-payment of a rent increase may in violation of this ordinance.
- 6. In any action of forcible entry and detainer there is a rebuttable presumption that the action is commenced in retaliation against the tenant if within one year prior to the commencement of the action the landlord has
 - A. Attempted to institute a rent increase made in violation of this ordinance;
 - B. Attempted to terminate a tenancy in violation of this Ordinance;
 - C. Illegally discriminated against a tenant in violation of this Ordinance.
 - 1. No writ of possession may issue in the absence of rebuttal of the presumption of retaliation

DIVISION 5. ENFORCEMENT

Sec. 13.7-25. Enforcement by civil action.

A violation of this article shall be a civil infraction and shall be enforceable in the Maine Superior Court in a civil action. Within the time limited, a person who has been subject to unlawful discrimination may file a civil action in the superior court against the person or persons who committed the unlawful discrimination.

Sec. 13.7-26. Burden of proof.

In any civil action under this article, there shall be a rebuttable presumption that the person seeking to enforce this ordinance shall have met the burden of proof upon a showing that the person was denied housing while being a recipient of tenant based rental assistance or that the Landlord attempted to terminate a residential tenancy within one year of the creation of said tenancy.

In all other civil actions to enforce this article the burden shall be on the person seeking relief to prove by a preponderance of the evidence that a violation of this Article has occurred.

Sec. 13.7-27. Remedies

Fair Housing

In any action filed under this article by any person:

If the court finds that unlawful discrimination occurred, its judgment shall specify an appropriate remedy or remedies therefor. Such remedies may include, but are not limited to:

1. An order to cease and desist from the unlawful practices specified in the order;
2. An order to rent a specified housing accommodation, or one substantially identical thereto if controlled by the respondent, to a victim of unlawful housing discrimination or eviction in violation of this ordinance;
3. An order requiring the disclosure of the locations and descriptions of all housing accommodations which the violator has the right to sell, rent, lease or manage;
4. An order to pay the Plaintiff's actual damages, including emotional damages, pain and suffering incurred by the Plaintiff as a result of the unlawful discrimination or eviction carried out in violation of this chapter; and
5. An order to pay to the complainant civil penal damages not in excess of one thousand dollars (\$1000.00) in the case of the first order under this article against the respondent, not in excess of two thousand dollars (\$2000.00) in the case of a second such order against the respondent, and not in excess of three thousand dollars (\$3000.00) in the case of a third or subsequent such order against the respondent; and

(c) The action shall be commenced not more than one (1) year after the act of unlawful discrimination complained of.

Unlawful Rent Increases

Upon a finding by a court that a landlord has charged a tenant an unlawful rent increase in violation of this article, the court shall award to the tenant actual damages; liquidated damages of \$500 or the equivalent of one month's rent, whichever is greatest; together with the aggregate amount of costs and expenses reasonably incurred in connection with the action. The court may also award to the tenant reasonable attorney's fees.

Illegal Eviction

Upon a finding by a court that a landlord has attempted to terminate a tenancy in violation of this article, the court shall award to the tenant actual damages; liquidated damages of \$500 or the equivalent of one month's rent, whichever is greatest; together with the aggregate amount of costs and expenses reasonably incurred in connection with the action. The court may also award to the tenant reasonable attorney's fees.

Sec. 13.7-28. Attorneys' fees and costs.

In any civil action under this article, the court, in its discretion, may allow the prevailing party reasonable attorneys' fees and costs.

DIVISION 6. HOUSING OMBUDSPERSON

The City Manager shall create the Office of Housing Ombudsperson.

The Ombudsperson shall be available to receive questions or complaints from either tenants or landlords. The Ombudsperson shall act as a clearinghouse of information regarding applicable laws, ordinances and rules regarding residential tenancies in the City of Portland. In response to any such inquiry or complaint the Ombudsperson shall direct the landlord or tenant to appropriate legal information regarding their inquiry or complaint.

DIVISION 7. SEVERABILITY

Sec. 13.7-30. Severability.

If any section, phrase, sentence or portion of this Article is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

MEMORANDUM

TO: Chair Duson and Members of the City of Portland Housing Committee
FROM: Danielle P. West-Chuhta, Corporation Counsel
DATE: September 9, 2016
RE: **Revised Proposed Rental Housing Security Ordinance**

I have reviewed the revised draft “Rental Housing Security Ordinance” that has been submitted to the Housing Committee (hereinafter “the Committee”) for its consideration. The following are some thoughts, questions, and concerns that I have regarding the revisions in the proposed ordinance (please note that some of the revisions may be addressed in more detail Tyler’s memo(s) to the Committee as they relate to practical or policy matters and not legal matters):

The new provisions in the revised proposal include, but are not limited to, amendments to address so-called “mass evictions,” language regarding tenant notice to landlords under the constructive lease provisions, and the creation of the Office of Housing Ombudsperson.

First, the revised ordinance contains language restricting so-called “mass-evictions.” The section in question specifically provides as follows:

A. In any one year period a landlord who rents a building with the following number of units may not refuse to renew more than the following percentages of the tenancies created by this section except for cause:

1. Between five and 10 units: 40 percent
2. Between 11 and 15 units: 33 percent
3. Between 16 and 21 units: 30 percent
4. Over 21 units: 25 percent.

This language is contained in the section in the revised ordinance regarding constructive leases. This entire section in which this language appears (including all the revised language) may be problematic since it purports to alter a landlord's ability to seek no cause evictions, which (as my prior memos discussed) is specifically already allowed under Maine law. Basically, this

limitation relies on taking away a right of action that is expressly provided for in Maine statutory law. Under the statute in question, a landlord can exercise his/her right to evict a tenant for no cause so long as they follow the notice requirements. Thus, by either creating constructive leases that remove that right and requiring cause for evictions or by limiting the number of tenants against whom the no cause eviction right can be exercised, the City would be exceeding its home rule authority (as it would be directly conflicting with Maine law).

Additionally, this revised section regarding constructive leases seeks to alter the burden of proof and when a writ of possession may issue. Under Maine law, a municipality does not have the authority to impose or alter the burden of proof or alter the writ of possession process in a Forcible Entry and Detainer (“FED”) action. As we have discussed (both orally and in my prior memos), this is a right of action created by State law and the City does not seem to have the authority to intervene in that process.

Next, you requested some additional research regarding the enforcement section of the proposed ordinance and the creation of a private right of action between a tenant and landlord if a violation of the ordinance should occur.

Maine has a myriad of case law discussing the power or lack thereof for municipalities to create a private right of action. The first case to touch upon the issue is Larrabee v. Penobscot Frozen Food, Inc., 486 A.2d 97 (Me 1984). The claim made by the plaintiff is that the defendant misstated the reason for termination and therefore committed unemployment fraud and failure to provide employee with written reasons for termination, both governed by state statute. *Id.* at 101. The plaintiff sought damages resulting from this conduct. *Id.* The court found that the statute did not expressly create a private right of action. *Id.* In addition, the plain language and the legislative history did not imply a creation of a private cause of action. *Id.* In its holding, the

court stated that if the Legislature intended for a party to have a private right of action it would have specifically provided for such a right. *Id.*

Continuing through the case history, it should be highlighted that cases dealing specifically with land use laws and zoning ordinances provide further guidance. Title 30-A M.R.S. §4452(4) provides that enforcement of land use laws and ordinances that have been created locally must be brought by the municipality. See Herrle v. Town of Waterboro, 2001 ME 1, 763 A.2d 1159. This is an explicit constraint on home rule power; that is, municipalities are allowed to enact and enforce ordinances, but enforcement must come from the municipality. See *id.*; see also Charlton v. Town of Oxford, 2001 ME 104, 774 A.2d 366.

Turning to the proposed revised ordinance, as my prior memo stated, the enforcement section would allow tenants to bring a civil action against landlords whom have committed unlawful discrimination. The case law cited above, as well as the statutory provisions explicitly provide that violations of a municipal ordinance must be brought by the municipality in question and therefore it is beyond a municipalities home rule authority to provide otherwise without specific statutory authority to do so.¹

Finally, as requested, I have reviewed the memo provided to the Committee by Attorney David Lourie. We both seem to agree most of my legal analysis of the proposal. I would further note that it would seem to be prudent to address to Attorney Lourie's suggestion to tighten up the language in the "Declaration of Emergency" section of the proposed ordinance if the Committee would like to move forward with any portion of the proposal.

¹ Please note that citing to and requiring a tenant to follow the Maine Human Rights Commission process would not seem to remedy this issue. This is because, as Maine law (30-A M.R.S. §3001) requires, the City is required to bring an action to enforce any potential ordinance violations.

**MEMORANDUM**

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Jeff Levine, Planning & Urban Development Director
Mary Davis, Housing & Community Development Division Director
Tyler Norod, Housing Planner, Housing & Community Development

DATE: September 9, 2016

SUBJECT: HOME Funding – Review of Applicants

At the Housing Committee meeting on February 24th, 2016 the Committee approved application criteria for staff to identify and recommend eligible development projects to apply for HOME Funding. The application went out to the public on May 2nd and closed on June 30th. Three proposals were received by the City. Jeff Levine, Planning & Urban Development Director and Tyler Norod, Housing Planner met on August 25th reviewed and scored the proposals. The proposals were reviewed according to the selection criteria stated in the Application. The selection criteria and the average scoring results are listed below.

SELECTION CRITERIA/ MAXIMUM VALUE	Developers Collaborative (St. Dominic's)	Portland Housing (58 Boyd St)	Avesta (977 Brighton Ave)
PROPOSED USE OF FUNDS (Assigned weight: 30)	27.5	29	29
FINANCIAL FEASIBILITY (Assigned weight: 25)	23.5	22	20
APPLICANT'S ABILITY TO COMPLETE PROJECT (Assigned weight: 25)	25	20	18
IMPACT ON SURROUNDING NEIGHBORHOOD (Assigned weight: 20)	20	16.5	16.5
TOTALS	96	87.5	83.5

Staff was impressed with the quality of all three applications, agreeing that each application had strengths and weaknesses across the scoring categories. Staff comments are listed below.

It should be noted, that any recommendation for City HOME funding from the Housing Committee to the Council is not the same as approval of any new development project. After carefully weighing the potential benefits and impacts on the City and surrounding neighborhood the Planning Board will ultimately decide if a project is approved. Any funding awarded will be contingent on the project's final approval by the Planning Board. This does not apply to the St. Dominic project which will not need Planning Board approval.

St. Dominic's Apartments:

The applicant, Developers Collaborative, purchased St. Dominic's Apartments in June of this year. The property is a three story historic structure located at 42 Gray Street in the West End. Originally built in 1865, the building was redeveloped into 12 units of low income housing in 2003 utilizing State Low Income Tax Credits (LIHTC). Due to deferred maintenance and mismanagement by the previous owner the building is in need of significant repair. Developers Collaborative submitted a request for \$254,485 in HOME funds to help make the necessary repairs to the building. Because the building is still in its LIHTC compliance period it is not feasible to utilize tax credits for the repairs.

In addition to making the necessary maintenance improvements for providing decent, safe, and affordable housing for its residents, Developers Collaborative have proposed setting aside 25% of the units for individuals or families residing in a Portland shelter.

One of the benefits of this proposal highlighted in staff's review, is that this project does not need to wait for awards of other public funding sources, such as LIHTC, in order to be utilized. Most new affordable development projects need additional time to layer other subsidy sources to complete a project after the City has awarded HOME Funds. The application of funds for the St. Dominic's project would be by comparison almost immediate.

Although Developers Collaborative has requested approximately \$254,000 in HOME Funds, due to requests from other applicants staff is recommending that the City provide \$191,000 instead so that other funds may be distributed to other project(s).

HOME funds request: \$191,000, 0% interest rate loan, deferred for 30 years or until the sale or transfer of the property.

City Investment/unit \$15,916.67

58 Boyd Street:

The Portland Housing Authority (PHA) is proposing to construct approximately 48 units of mixed-income rental housing. The project will offer 4 efficiency units, 24 one-bedroom units, 8 two-bedroom units, and 12 three-bedroom units. 45% of the units will be available to households earning at or below 50% of the area median income, 40% of the units will be available to households earning at or below 60% of the area median income, and 15% of the units will be market rate. The owner/developer is the Portland Housing Development Corporation (PHDC), a subsidiary of PHA.

The review committee supports the positive impact this development will have on the surrounding neighborhood. The project has the potential to be part of a larger multi-phased project that could include up to approximately 90 units of housing. The viability of this larger project will likely depend on the realignment of Franklin Street and its effect on the size of the land immediately adjacent to 58 Boyd Street. The project has been designed in a way to allow for future development should the realignment of Franklin make such a project feasible.

The 58 Boyd Street project was granted to approximately \$136,000 in CHDO funding through last year's HOME application process. In 2015, PHDC requested \$360,000 and was granted \$136,000. Since that time PHDC was able to obtain additional subsidies from the Federal Home Loan Bank and now only needs a total of \$200,000. Because \$136,000 in HOME Funds were already committed to this project last year, PHDC is only requesting \$64,000 from the 2016 HOME Fund pool. Allocating this additional \$64,000 from the 2016 grant would leave \$191,000 non-CHDO funds for other applicants.

HOME funds request - 2016: \$64,000, 0% interest rate loan, deferred for 30 years or until the sale or transfer of the property.

2016 City Investment/unit = \$1,333.33 Total City Investment of \$200,000 /unit - \$4,166.67

977 Brighton Ave:

Avesta Housing Development Corporation submitted an application requesting \$326,743 in 2016 HOME Funds to support the development of 25 units of affordable senior housing at 977 Brighton Ave. Fifteen units will be reserved for seniors earning up to 50% of Area Median Income (AMI) and ten units would be reserved at 60% AMI. The project is located in close proximity to public transportation, banking, medical services, and retail operations making it a good fit for senior housing.

The project is designed to help alleviate the growing need for affordable housing for Maine's aging population. Maine currently ranks second in the nation for the number of people over 65 and has the highest median age of all states.

HOME funds request: \$326,743, 0% interest rate loan, deferred for 30 years or until the sale or transfer of the property.

City Investment/Unit = \$13,069.72

STAFF RECOMMENDATION

As you may recall, the Application made available \$326,743 for the development of a wide-range of types of housing of which \$71,124 must be reserved for Community Housing Development Organizations (CHDO) with more flexibility for awarding the remaining \$255,000. Unfortunately, all three proposals cannot be funded at 100% of their request.

All three proposals are quality projects that are in line with the City's goals for housing. However, St. Dominic's Apartments received more points in part because they were considered to be more ready to immediately use the funds making the project more financially feasible and more ready to be completed. Although staff is not recommending that the City fully fund their

request for \$254,485, the \$191,000 in funding would allow for a majority of the necessary repairs to be completed while simultaneously allowing the HOME Funds to be used to support another project.

According to the City's criteria, PHDC's proposal for 58 Boyd Street scored well once again. Points were not maximized because the project did not appear to be as ready to proceed as St. Domonic's and because they are providing affordable housing in an area that already offers similar housing stock. The \$136,000 awarded to the 58 Boyd Street project in 2015 was part of the annual CHDO set aside. At the time, PHDC had planned to become certified as a CHDO but no longer plans to do so. It is recommended that the remaining \$71,124 in 2016 CHDO funds will be reworked within the HOME Fund Consortium, in which Portland is a member, in order to substitute those funds with non-CHDO HOME Funds to the PHCD project from this and last year's allocation.

Because the PHDC was already awarded \$136,000 in HOME Funds in 2015, staff recommends awarding \$64,000 in funding from the 2016 HOME Funds allocation to complete their total request for \$200,000.

At this time staff does not recommend funding Avesta's project at 977 Brighton Ave due in part to its higher cost per unit compared to the 58 Boyd Street project and its project readiness compared to St. Domonic's Apartments project. That said, staff hopes that if funds are not awarded this year that Avesta would consider reapplying next year once additional HOME Funds have been allocated by the federal government.

As part of the Maine State Housing Authority's (MSHA) Qualified Allocation Plan (QAP) application due in October, the developers that plan to apply for LIHTC funding are requesting letters of commitment of support for their projects prior to the September QAP submission deadline. If the Committee agrees with the staff recommendation, this letter would be conditioned on the completion of all standard commitment requirements, and the following additional recommendations:

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

their commitment if any significant alterations occur in the budget. A final commitment will be subject to a final budget.

6. Any substantial changes to the composition of the project, or the financial investment required, will be brought back to the committee and the council for review and approval.

ATTACHMENTS

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

- Developers Collaborative Application Overview
- Portland Housing Development Corporation Application Overview
- Avesta Housing Development Corporation Application Overview



June 8, 2016

City of Portland: Housing and Community Development Division
Attention: Mary Davis
389 Congress Street, Room 312
Portland, ME 04101

Re: 2016-2017 AHD HOME Funds Application for St. Dominic's Apartments

Dear Mary:

I am writing to submit the attached HOME Funds Application for St. Dominic's Apartments. We are currently in the process of purchasing the ownership interest of St. Dominic's Apartments, with a scheduled closing date of June 30. With this transfer of ownership, the building will also be under new management by Avesta Housing.

The HOME Funds are the only feasible source for correcting the years of deferred maintenance and mismanagement of the building. As the project is still in its LIHTC compliance period, it is not feasible to utilize tax credits nor will MaineHousing allow raising some of the rents from 50% AMI to 60% AMI. Thus there is no source of either capital or operating funds that will allow needed repairs. HOME Funds would allow us to make some necessary repairs and improvements for the existing tenants, and in return we would set aside **a full 25%** of units for individuals or families residing in a Portland shelter.

We hope you will find our supporting materials informative and comprehensive. We look forward to the prospect of working with the City to improve St. Dominic's Apartments.

Sincerely,

Kevin Bunker
Developers Collaborative

III. APPLICATION REQUIREMENTS

A. *Project Summary*

St. Dominic's School Apartments is currently a twelve unit affordable apartment building located at 42 Gray Street in Portland, Maine (see Exhibit C: Site Location). It is a three-story brick structure that was first constructed as a Catholic grammar school in 1865, and is listed on the National Historic Register and subject to historic preservation guidelines. In 2003, an adaptive reuse financed by LIHTC converted the building to apartments, with twelve units added in the former classroom spaces and preservation of the main hallways and circulation spaces. The building was added upon with a new egress stair tower and the roof was penetrated such that certain third floor units rise up into an effective fourth-level mezzanine with small rooftop decks. A Capital Needs Assessment was completed in 2014 and will serve as the basis for renovations that we hope to complete with HOME funds (see Exhibit H: Capital Needs Assessment and Exhibit I: Cost Estimate). Many of the necessary renovations are due to issues from the 2003 construction, lack of professional active management, and deferred maintenance on the property since then.

HOME funds are especially critical to this project in order to preserve the deeper subsidy 50% units, which are becoming more rare as MaineHousing incentivizes as many 60% units as possible. Since the project is still within its 15 year LIHTC compliance period, it is not financially feasible to re-syndicate (as was possible with Rosa True), nor will MaineHousing contemplate loosening income restrictions to increase project cash flow and provide a source for making even modest repairs over time.

The project has consistently lost money over the years due to its condition, and a downward spiral of disinvestment in the building has been accelerating for several years now. While it is never projected to cash flow significantly, some stability in the capital improvements will allow for more active maintenance and professional management that should prevent such problems in the future.

Concurrent with this application, the Project is in the process of transferring ownership control to Kevin Bunker of Developers Collaborative (see Exhibit A: Purchase and Sale Agreement) and will then be managed by Avesta Housing. Affordability restrictions set four units at 60% AMI and eight units at 50% AMI, and the term of affordability is 91 years, secured by a land use restriction covenant in the deed. However, with this funding, St. Dominic's would set aside 25% of the units in the Project for individuals or families residing in a Portland shelter (see section 14 below).

St. Dominic's Apartments is located in the R-6 district, which permits multifamily dwellings and has a purpose "to set aside areas on the peninsula for housing characterized primarily by multifamily dwellings at a high density providing a wide range of housing for differing types of households."

St. Dominic's has an occupancy policy that prohibits smoking in the units and the interior common areas of the project, includes a non-smoking clause in the lease for every household, and makes 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.

St. Dominic's meets the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. The building provides visual and acoustical privacy between units while maximizing natural light and ventilation within units. No environmental issues have been identified and the building will meet the requirements of the City of Portland's Green Building Code.

B. All Applications Must Provide the Following:

1) Evidence of site control (see Exhibit A: Purchase and Sale Agreement, dated May 27, 2016)

2) Conceptual architectural and site plans (see Exhibit B: Architectural and Site Plans)

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

Transfer of Ownership Closing: June 30, 2016

Construction Closing: January 2017 (can be sooner depending on timing of funds)

Construction Complete: May 2017

4) Map showing location of site (see Exhibit C: Site Location)

5) Corporation/partnership articles and by-laws (see Exhibit D: GP Articles and By-laws).

6) St Dom's Family Housing Inc.'s DUNS Number is 007049742.

7) Most recent audit or federal tax returns for the last three years and financial statements for the last two years (see Exhibit E: Financial Statements).

8) We are not seeking CHDO funds so have not provided documentation demonstrating certification or eligibility to obtain certification as a CHDO.

9) A brief development team summary:

- St. Dom's Housing Associates Limited Partnership owns the project and will be composed of 99.99% St. Dom's Housing LLC and 0.01% owned and controlled by St. Dom's Family Housing Inc. All shares of stock in the GP will be held by Kevin Bunker. Developers Collaborative Predevelopment LLC ("DC") will be the developer of the project and will operate through a development services agreement with St. Dom's Housing Associates Limited Partnership. DC is controlled and solely owned by Kevin Bunker..

- Kevin Bunker is the sole member of the General Partnership and manager of the developer LLC. He has developed over 300 units of Low Income Housing Tax Credit (LIHTC) projects since 2007.
- Brief description of similar projects completed:
 - Rosa True, Portland: renovation of existing affordable housing, 10 affordable family apartments, completed 2016
 - St. Andre's, Biddeford: renovation of existing affordable housing, 35 units of affordable elderly apartments, completed 2015
 - Mission Hill, Biddeford: historic preservation/adaptive re-use, 15 units of affordable elderly apartments, completed 2015
 - River Landing, Topsham: new construction, 36 units of affordable elderly apartments, completed 2015
 - Osprey Circle, South Portland: new construction, 48 units of affordable elderly apartments, completed 2014
 - Hyacinth Place, Westbrook: historic preservation/adaptive re-use, 37 units of affordable family apartments, completed 2013
 - Emery School, Biddeford: historic preservation/adaptive re-use, 24 units of affordable elderly apartments, completed 2012
 - Healy Terrace, Lewiston: historic preservation/adaptive re-use, 32 units of affordable elderly apartments, completed 2011
 - Gilman Place, Waterville: historic preservation/adaptive re-use, 35 units of affordable family apartments, completed 2010
 - Birch Hill Apartments, Lewiston: new construction, 20 affordable elderly apartments, completed 2010
- A list of all projects currently in development with status and projected timeframe:
 - Motherhouse, Portland: historic preservation/adaptive re-use, 88 affordable and market-rate elderly apartments, scheduled to be completed in Spring 2018
 - Hodgkins School, Augusta: historic preservation/adaptive re-use, 47 affordable elderly apartments, scheduled to be completed in Fall 2016
 - St. Ignatius, Sanford: adaptive re-use, 66 affordable elderly apartments, scheduled to be completed in Fall 2017

10) A sources and uses funding statement (see Exhibit F: Sources & Uses, Exhibit G: Capital Needs Assessment, and Exhibit H: Cost Estimate)

11) Preliminary operating budget identifying rents and expenses for the first year (see Exhibit I: Rents and Expenses)

12) A 15-year operating pro forma for the project (see Exhibit J: 15-year Operating Pro Forma)

13) The applicant has sufficient financial capacity for and experience in raising the type of capital needed to finance projects of this size and type and larger. As previously mentioned, Kevin Bunker has developed ten other LIHTC projects since 2007 and is currently developing three other LIHTC projects (see section B(9) for a list of these projects).

14) With this funding, St. Dominic's would set aside 25% of the units in the project for individuals or families residing in a Portland shelter. The City's Health and Human Services Department would be responsible for providing referrals, providing or coordinating supportive services and financial resources to assist with monthly rent payments. A Memorandum of Understanding between the City and St. Dominic's will document the services and expectations prior to disbursement of the City's funding.

15) St. Dominic's will be managed by Avesta Housing, located in Portland, Maine. Avesta has assets of \$180 million, an annual operating budget of \$26 million and a staff of approximately 100 employees. Avesta owns or manages more than 1,900 apartments and has staff certified as National Center for Housing Management Tax Credit Specialists and Certified Occupancy Specialists.

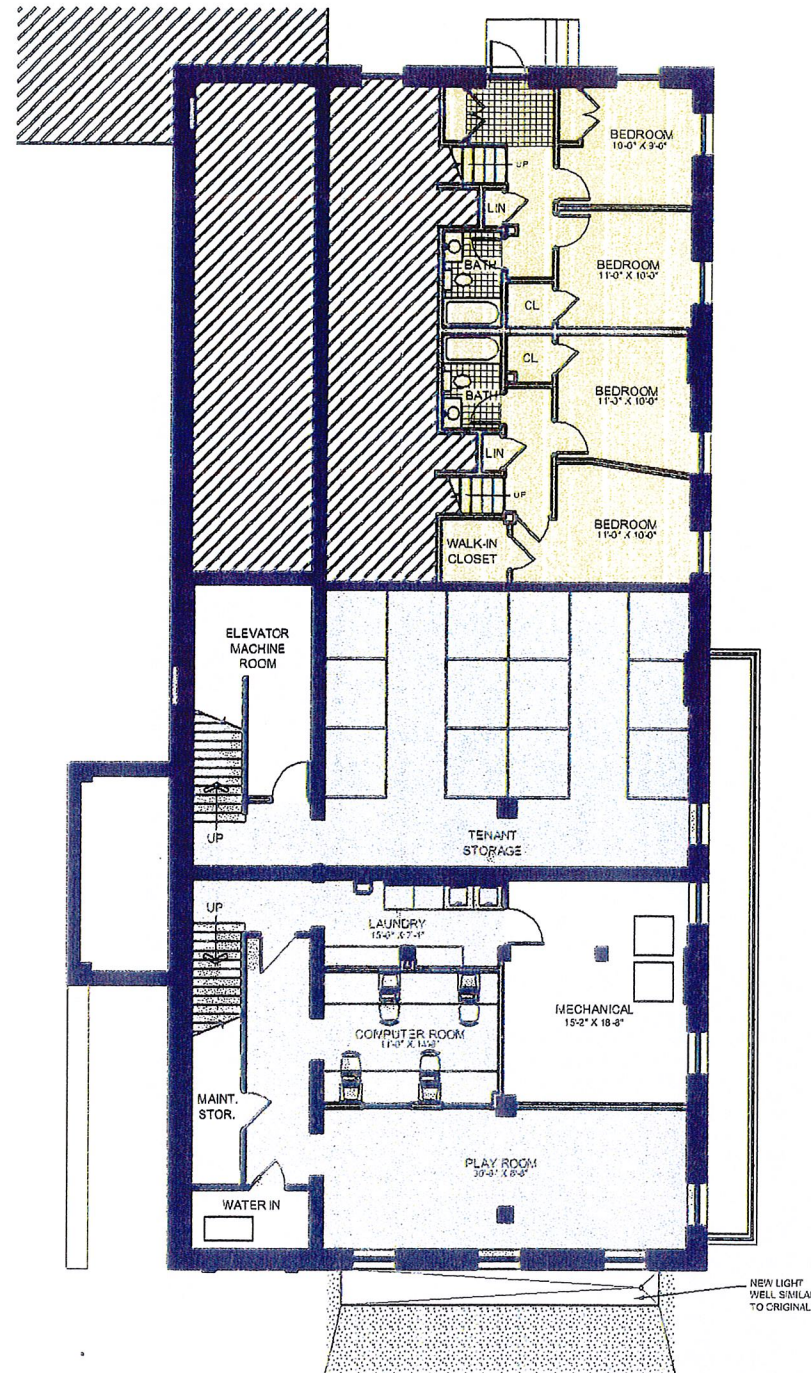
16) An analysis and discussion of market demand justifying the need for the proposed project:

St. Dominic's is currently operating with ten out of twelve occupied units but has been unsatisfactorily managed. With the transfer of ownership, Kevin Bunker will hire Avesta Housing as the property manager, and we do not anticipate any difficulty leasing St. Dominic's units at 95-100% occupancy. In the same neighborhood, Rosa True, another DC Project, has had eight units at 100% occupancy with a waiting list. In addition, based on the 2014 American Community Survey (ACS) 1-Year Estimates, the median household income for Portland is estimated at \$50,691. 11,139 households (37% of all households) make 69% or less of the median household income, most of whom would qualify to live at St. Dominic's.

Portland's vitality depends on the availability of a diverse array of housing options, particularly apartments, which are often the first and only choice for working professionals, immigrants, and families. Over the last five years, a number of trends have solidified:

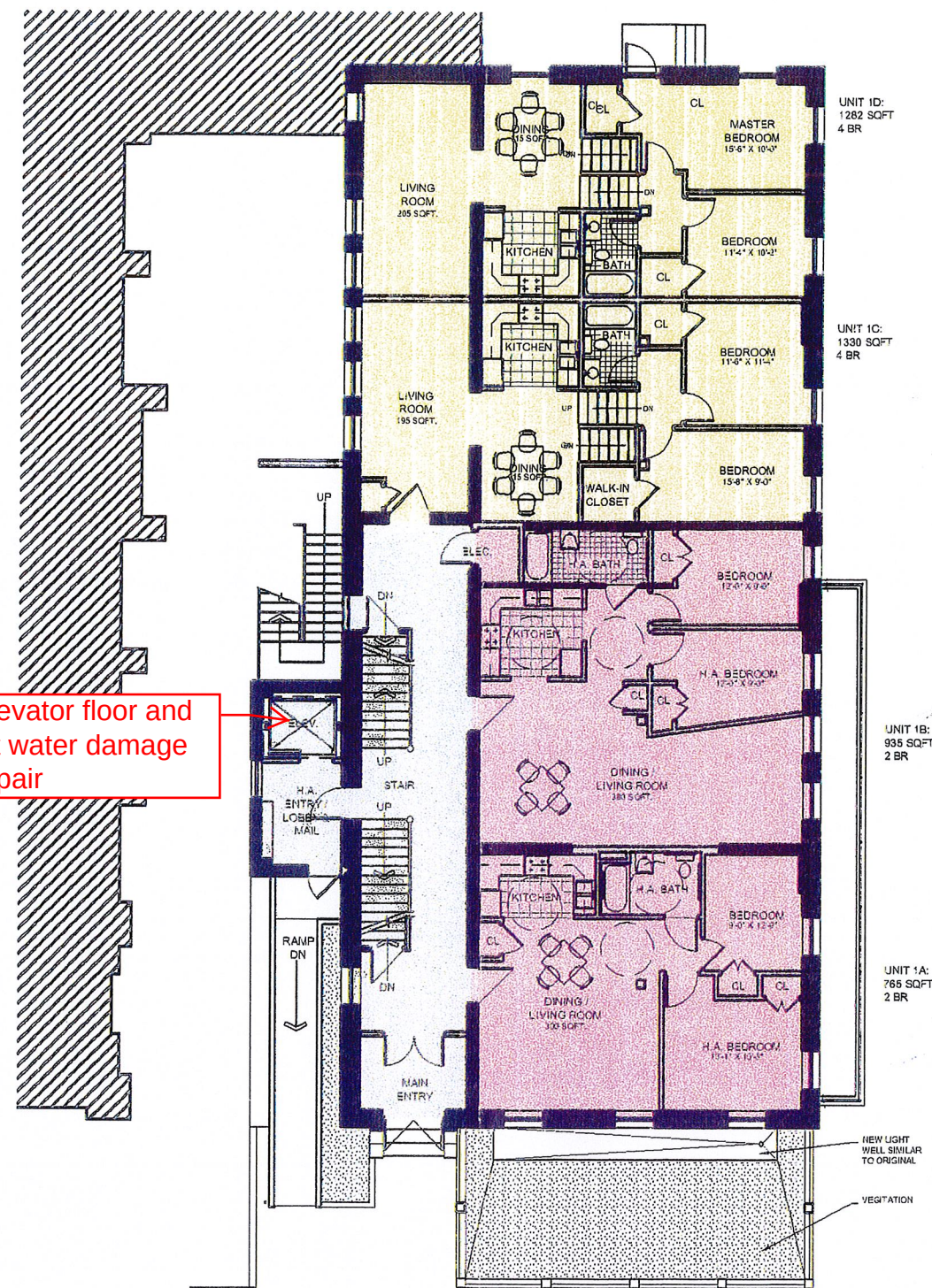
- 62% of Portland households earn less than the county's median income, including 38% of homeowners and 81% of renters.
- Over the last decade, the number of households earning less than median income has increased 10%.

As a result of these trends, the Portland Press Herald recently published a series called "No Vacancy," the work of a team of journalists who documented "Portland's unforgiving housing market. What they found was a city in harsh transition as wealthy newcomers displace less affluent residents." The need for quality, low income housing is clearly growing. Under new ownership and management, these proposed renovations will provide necessary improvements at St. Dominic's Apartments for families in need. And, these renovations can be done at a fraction of the cost of developing new apartments but will have much the same effect: adding new safe, decent, permanently affordable units to the housing stock. Finally, we are committing to help the most vulnerable homeless population, above and beyond the City requirement.



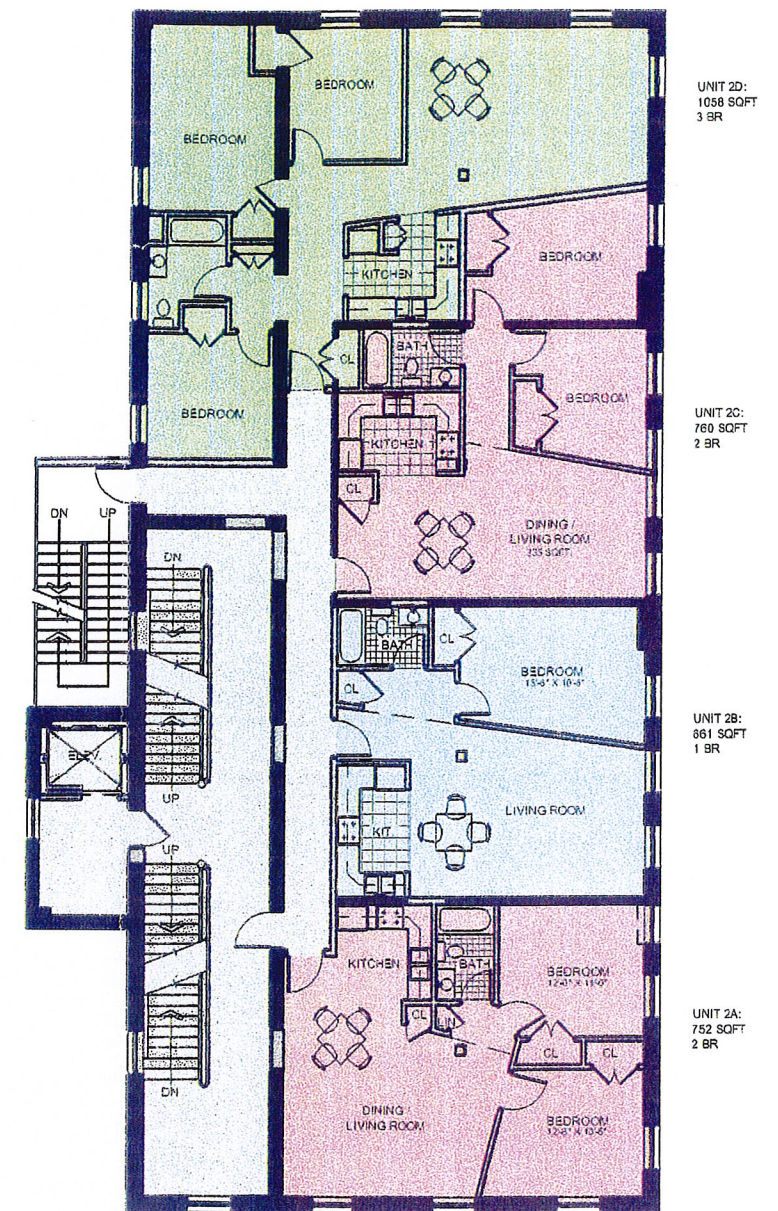
BASEMENT / LOWER LEVEL
SCALE: 1/16" = 1'-0"

Elevator floor and
pit water damage
repair



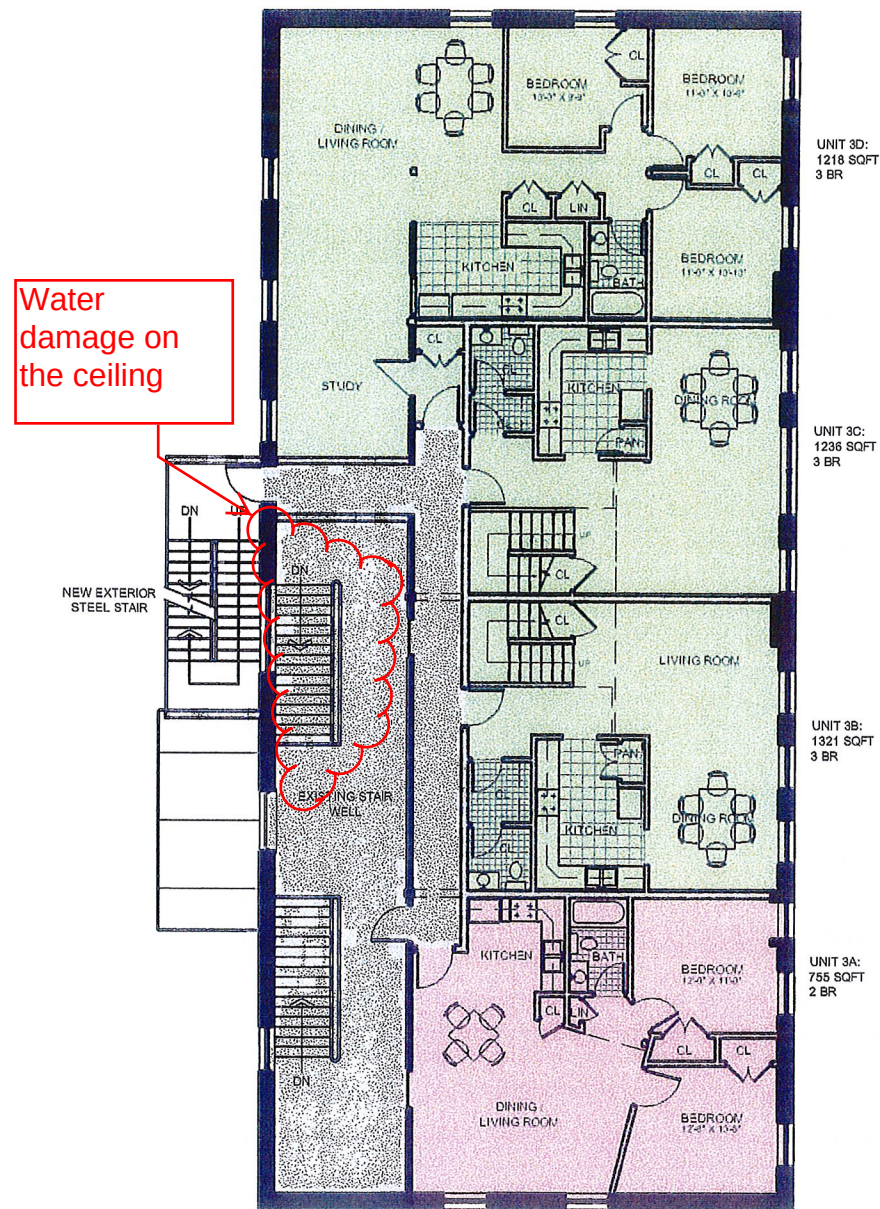
FIRST FLOOR
SCALE: 1/16" = 1'-0"

FIRST FLOOR SUMMARY
UNIT TOTAL: 4312 SQFT
PUBLIC: 878 SQFT
NOTE: UNIT SQUARE FOOTAGES ARE MEASURED TO CENTER OF PARTY WALLS AND INSIDE FACE OF EXTERIOR WALLS.



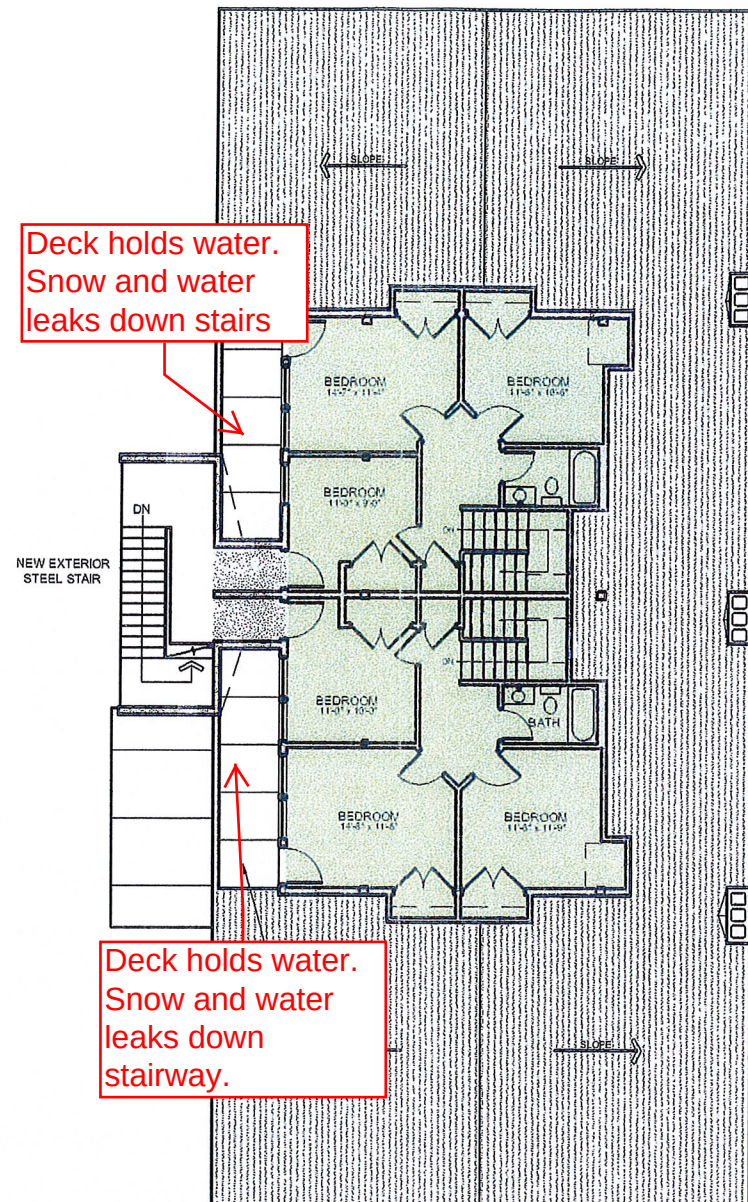
SECOND FLOOR
SCALE: 1/16" = 1'-0"

SECOND FLOOR SUMMARY
UNIT TOTAL: 3231 SQFT
PUBLIC: 1195 SQFT
NOTE: UNIT SQUARE FOOTAGES ARE MEASURED TO CENTER OF PARTY WALLS AND INSIDE FACE OF EXTERIOR WALLS.



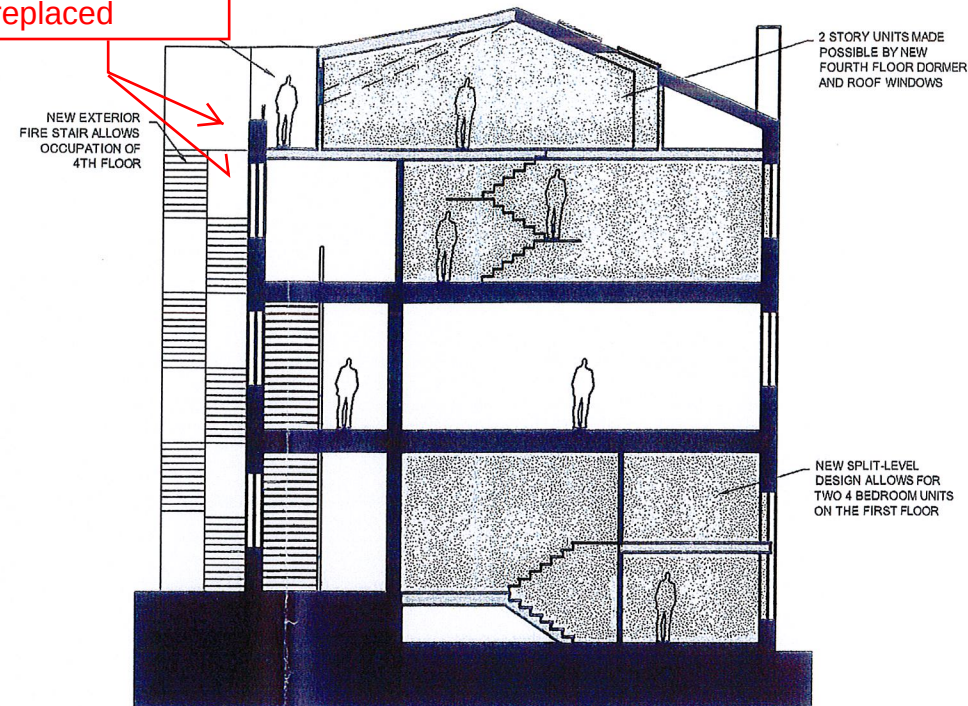
THIRD FLOOR
SCALE: 1/16" = 1'-0"

SECOND FLOOR SUMMARY
UNIT TOTAL: 4530 SQFT
PUBLIC: 1271 SQFT
NOTE: UNIT SQUARE FOOTAGES ARE MEASURED TO CENTER OF PARTY WALLS AND INSIDE FACE OF EXTERIOR WALLS



FOURTH FLOOR
SCALE: 1/16" = 1'-0"

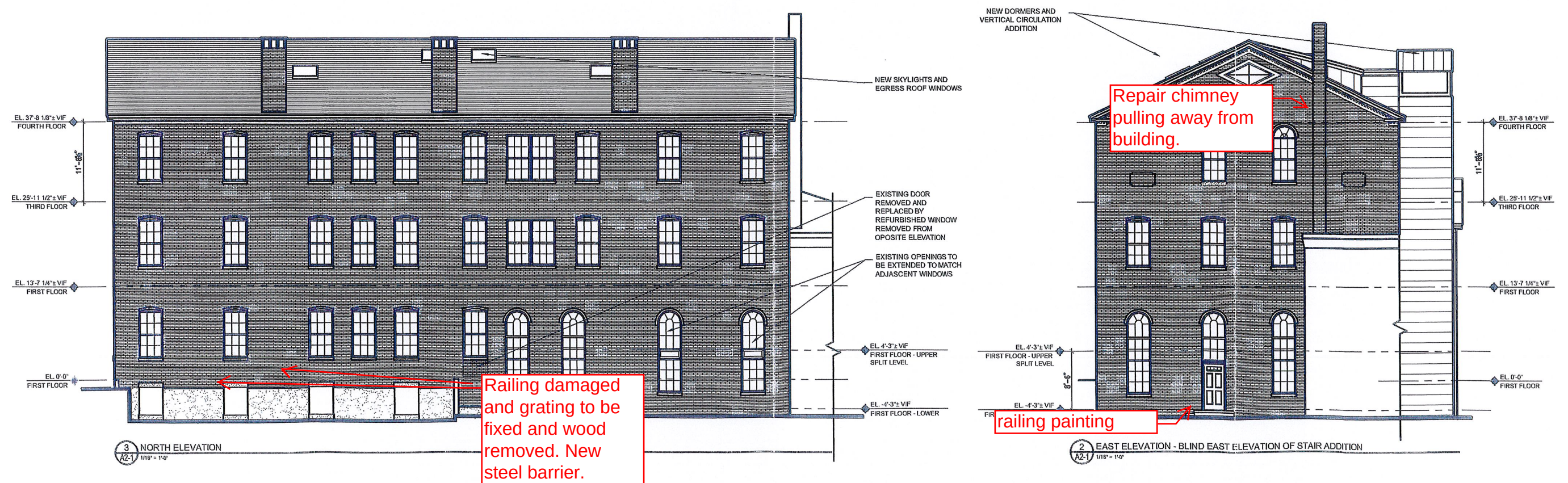
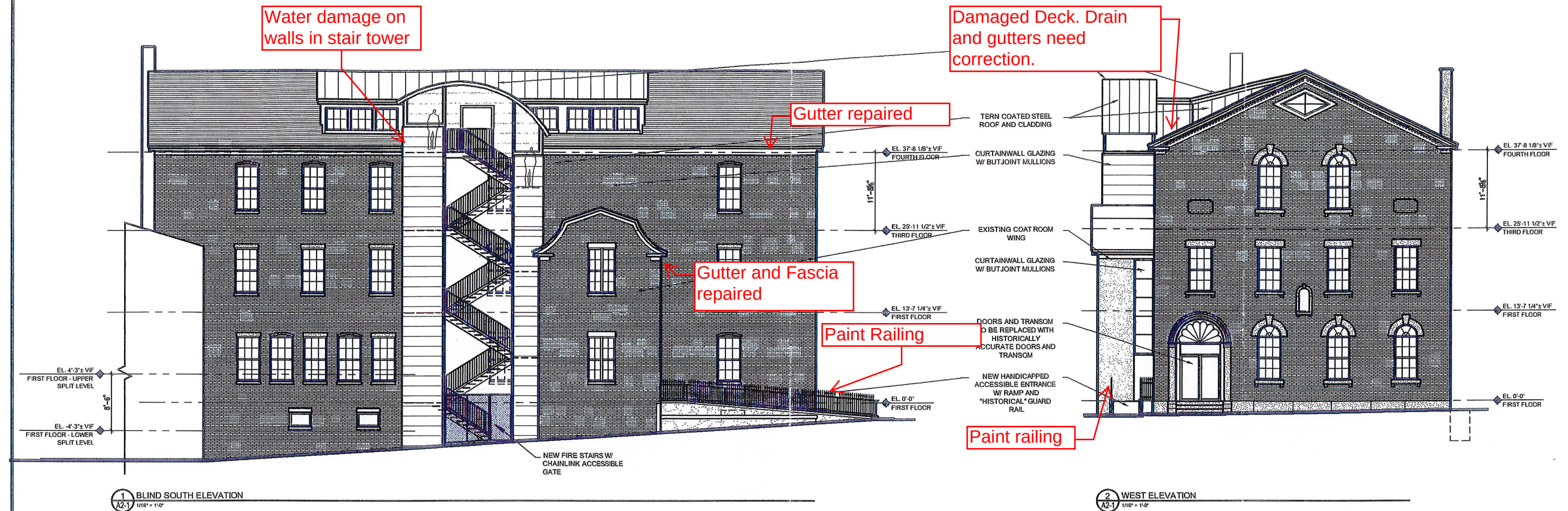
Damaged Sheetrock to be replaced



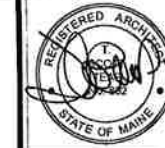
SCHEMATIC SECTION
SCALE: 1/16" = 1'-0"

SUMMARY OF UNITS				
	1 BDRM. UNITS	2 BDRM. UNITS	3 BDRM. UNITS	4 BDRM. UNITS
3RD & 4TH FLOOR		1 755 SQFT.	3 1,218 SQFT. 1,236 SQFT. 1,321 SQFT.	
SECOND FLOOR	1 661 SQFT.	2 760 SQFT. 762 SQFT.	1 1,058 SQFT.	
FIRST FLOOR		2 766 SQFT. 935 SQFT.		2 1,282 SQFT. 1,330 SQFT.
TOTAL	1 661 SQFT.	5 3,975 SQFT.	4 4,833 SQFT.	2 2,612 SQFT.
TOTAL OF 12 UNITS				

-TOTAL UNIT SQUARE FOOTAGE: 12,073 SQFT. - INCLUDES 1/2 PARTY WALL, EXCLUDES EXTERIOR WALL
-TOTAL COMMON CIRCULATION SQUARE FOOTAGE: 5144 SQFT. - INCLUDES EXTERIOR WALLS, PARTITIONS, AND CIRCULATION
-TOTAL COMMON SPACE SQUARE FOOTAGE: 2,791 SQFT. - INCLUDES LAUNDRY, COMPUTER ROOM, PLAY ROOM, MECHANICAL, PROJECT MAINTENANCE AND STORAGE
-TOTAL PROJECT SQUARE FOOTAGE: 19,008 SQFT.



STATE OF MAINE, CUMBERLAND COUNTY
REGISTERED ARCHITECT
Received December 30, 2002
at 3:50 PM and recorded in
Plan Book 202, Page 757
Attest: John B. O'Brien
Register



© 2002 TFH ARCHITECTS

CONDOMINIUM PLAT ST. DOMINIC'S CONDOMINIUM

Declarant: St. Dominic's Housing Associates Limited Partnership
And Irish Heritage Center
PORTLAND, MAINE

TFH ARCHITECTS
100 COMMERCIAL STREET
PORTLAND, MAINE 04101
TELEPHONE 207 775 8141
ARCHITECTURE PLANNING

CONSULTANTS

REVISIONS
REV 1: 10/14/02
REV 2: 12/11/02

DATE: December 17, 2002
PROJECT NO.: 0104
DRAWN BY: GWL/CMB/CSC
CHECKED BY: CMB
SCALE: 1/8" = 1'-0"
SHEET TITLE:
Condominium Plat

CON 1

STATE ST.

LIMITED
COMMON
ELEMENT,
UNIT 2

UNIT
2

LIMITED
COMMON
ELEMENT,
UNIT 2

PARKING
EASEMENT
(BOOK 10127,
PAGE 81)

LIMITED COMMON
ELEMENT A
LIMITED COMMON
ELEMENT B
COMMON
ELEMENT C

LIMITED COMMON
ELEMENT D,
UNIT 2

N/F
CATHOLIC
CHARITIES OF
MAINE
(NOT PART OF
CONDOMINIUM)

UNIT
1

LIMITED
COMMON
ELEMENT,
UNIT 1

LIMITED
COMMON
ELEMENT,
UNIT 1

COMMON ELEMENT D, SHARED USE OF
CLAMFESTER, SUBJECT TO LICENSE
AGREEMENT FROM CATHOLIC CHARITIES
MAINE, TO BE RECORDED HEREWITH.

POLE LINE EASEMENT TO CMP
ET AL, BOOK 1171, PG. 171

ACCESS EASEMENT
(BOOK 10127, PAGE 81)

COMMON ELEMENT E, SHARED USE OF
CLAMFESTER, SUBJECT TO LICENSE
AGREEMENT FROM CATHOLIC CHARITIES
MAINE, TO BE RECORDED HEREWITH.

DANFORTH ST.

GRAY ST.

WINTER ST.

LEGEND

- EXISTING BUILDING
- EXISTING BUILDING
- EXISTING EASEMENT
- PROPOSED EASEMENT OR LIMITED
COMMON ELEMENT
- PROPERTY LINE
- PROPOSED EASEMENT LINES
- ADJACENT PROPERTIES LINES
- HOUSING UNIT PARKING

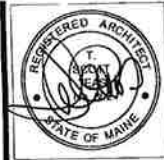
GENERAL NOTES

- DECLARANT: ST. DOMINIC'S HOUSING
ASSOCIATES LIMITED PARTNERSHIP
(SOLAP) AND PEOPLE'S REGIONAL
OPPORTUNITY PROGRAM, 510
CUMBERLAND AVE., PORTLAND, ME 04102
AND IRISH HERITAGE CENTER (IHC), PO
BOX 7588, PORTLAND, ME 04112-7588.
 - ARCHITECT: TFH ARCHITECTS, 100
COMMERCIAL ST., PORTLAND, ME 04101.
 - EASEMENTS: SUBJECT TO ALL
EASEMENTS SHOWN ON THE PLANS
RECORDED IN THE CUMBERLAND
COUNTY REGISTRY OF DEEDS IN PLAN
BOOK 192, PAGE 137 AND PLAN BOOK
194, PAGE 436.
- SUBJECT TO DECLARATION OF
CONDOMINIUM FOR ST. DOMINIC'S
CONDOMINIUM OF EVEN OR NEAR DATE
TO BE RECORDED HEREWITH (THE
DECLARATION)

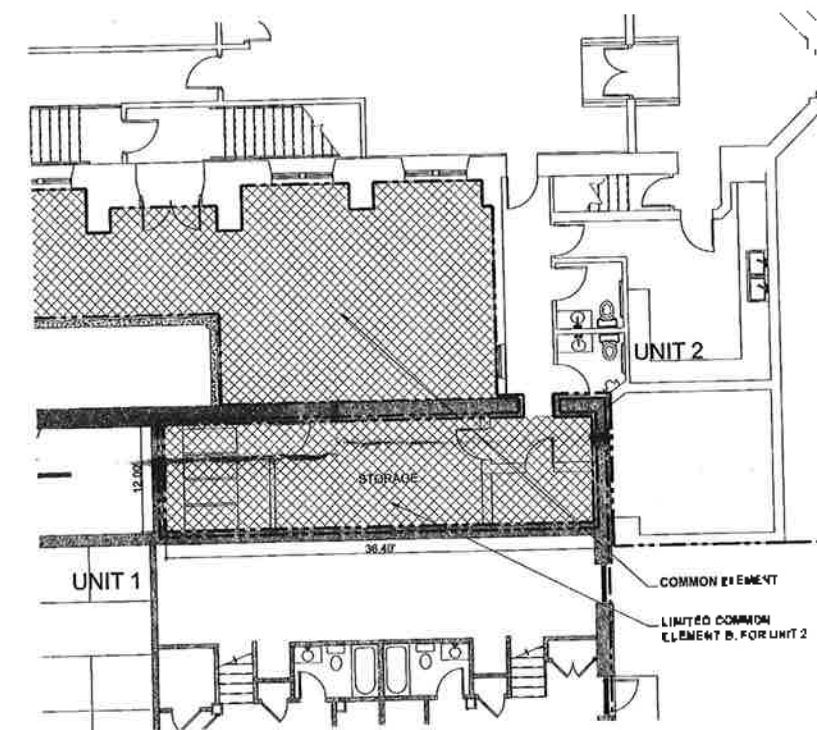
COMMON ELEMENT AND
LIMITED COMMON ELEMENTS
NOTES

- LIMITED COMMON ELEMENT A, STAIR
TOWARD UNIT 15, DOWNSIDE UNIT
1 SHALL BE A LIMITED COMMON ELEMENT
FOR UNIT 1, (BOOK 10127, PAGE 81).
- LIMITED COMMON ELEMENT B, THIS
SPACE IS A LIMITED COMMON ELEMENT
FOR UNIT 2 AND SHALL BE USED FOR
STORAGE THERE IS NO ACCESS FROM
UNIT 1 TO THIS SPACE.
- COMMON ELEMENT C, PARTY WALL
EASEMENT FOR BOTH UNIT 1 AND UNIT 2
SEE DECLARATION.
- COMMON ELEMENT D, AS NOTED
HEREON.

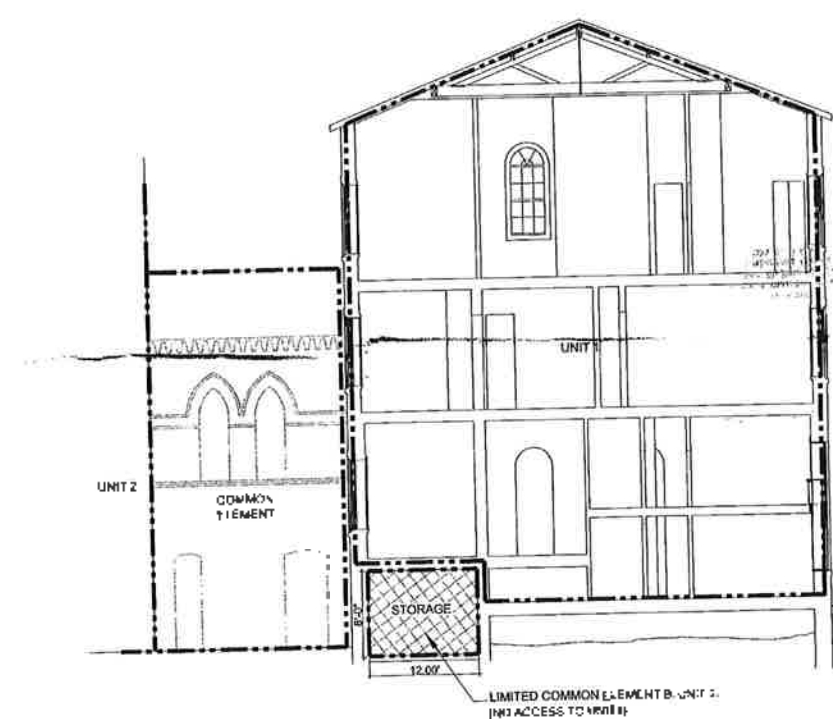
STATE OF MAINE: 17 HADLEY, AND 55
 RECEIVED: December 30, 2002
 at 3:53 p.m. and recorded in
 Plan Book 202 Page 158
 Attest: John B. O'Brien
 Register



15-2002 TPA 443-118-19



1 Basement Plan
 1/8" = 1'-0"



2 Section
 1/8" = 1'-0"

CONDOMINIUM PLAT ST. DOMINIC'S CONDOMINIUM

Declarant: St. Dominic's Housing Associates Limited Partnership
 And Irish Heritage Center
 PORTLAND, MAINE

THIS ARCHITECTURAL
 FOR CONDOMINIUM PLAT
 PORTLAND, MAINE, HAS
 TO BE DONE BY THE
 ARCHITECT, IN ACCORDANCE

CONSULTANTS

REVISED:
 REV 1 10/02
 REV 2 12/11/02

DATE December 17, 2002

PROJECT No. 2104

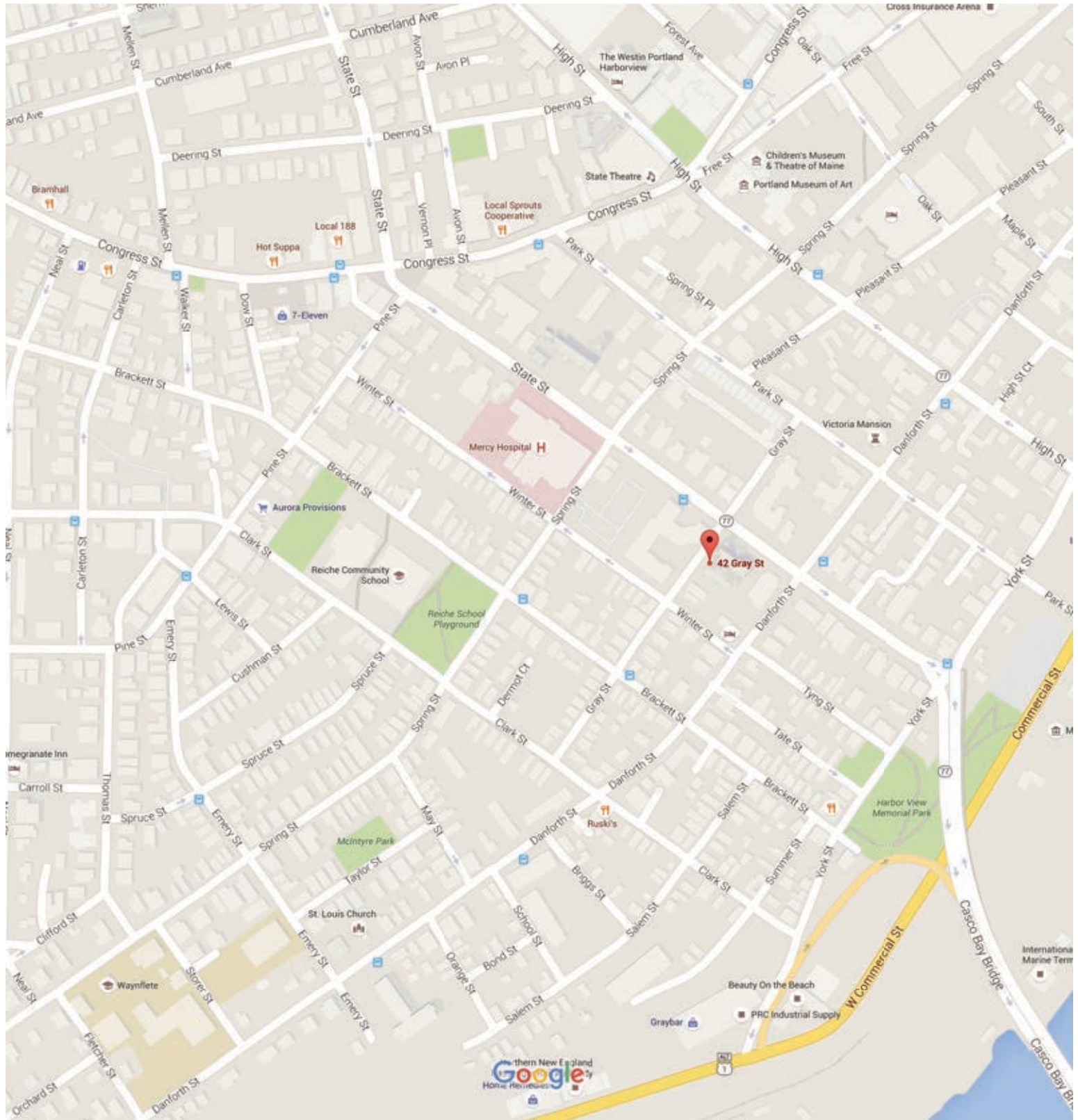
DRAWN BY: JMB, GMD, CSC

CHECKED BY: GMD

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

SHEET TITLE:
 Condominium
 Detailed Plan
 Section

CON 2



Map data ©2016 Google 200 ft





42 Gray St
Portland, ME 04102



Google Maps



February 25, 2002

Secretary of State
Corporate Examining Section
101 State House Station
Augusta, ME 04333-0101

Dear Sir/Madam:

This letter is to certify that Ethan Strimling, Executive Director of Portland West, is authorized by the Board of Directors to form the necessary legal entities and cause the required papers to be filed with Federal and State authorities to carry out the purchase and development of the St Dom's Girls' School Renovation project.

This action was taken and unanimously approved by the Board on November 8, 2001. The resolution remains in force without amendment.

Sincerely,
PORTLAND WEST, INC.

A handwritten signature in dark ink, appearing to read "Bruce Kornbluth", is written over a horizontal line.

Bruce Kornbluth
President

File: kdavis/property/stdom's/ltr022502

181 Brackett Street • Portland, Maine 04102 • ph: 207-775-0105 • fax: 207-780-1701

SUPPLEMENTARY INFORMATION

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF RENTAL OPERATIONS EXPENSES

For the Years Ended September 30, 2015 and 2014

	2015	2014
ADMINISTRATIVE EXPENSES		
Management Fees	\$ 7,958	\$ 7,246
Legal	3,386	2,408
Audit	4,700	4,700
Bad Debts	3,564	-
Other	3,563	3,369
Total Administrative	23,171	17,723
OPERATING EXPENSES		
Electricity	6,368	6,936
Fuel	17,768	15,467
Water and Sewer	16,752	10,732
Total Operating	40,888	33,135
MAINTENANCE EXPENSES		
BUILDING MAINTENANCE		
Tools and Supplies	2,930	2,173
Contractual Services	15,629	15,617
Snow Removal	3,995	2,665
Exterminating	1,463	6,699
Miscellaneous Maintenance	2,725	2,342
Trash Removal	2,364	2,139
Total Maintenance	29,106	31,635
DEPRECIATION AND AMORTIZATION	85,611	87,241
INTEREST	21,828	22,139
GENERAL EXPENSES		
Property Taxes	17,612	16,728
Property and Liability Insurance	10,423	9,192
Total General	28,035	25,920
Total Rental Operations Expenses	\$ 228,639	\$ 217,793

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF RECEIPTS AND DISBURSEMENTS / DEVELOPMENT OPERATING FUND

For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
SOURCE OF FUNDS		
Rental Operations		
Receipts		
Tenant Rent	\$ 131,853	\$ 131,438
Interest	7	8
Other	<u>3,520</u>	<u>1,124</u>
Total Rental Operations Receipts	<u>135,380</u>	<u>132,570</u>
DISBURSEMENTS		
Administrative	20,768	19,267
Operating	40,095	36,947
Maintenance	26,953	33,035
General	<u>26,638</u>	<u>34,253</u>
Total Rental Operations Disbursements	<u>114,454</u>	<u>123,502</u>
Cash Provided by Rental Operations	20,926	9,068
OTHER RECEIPTS		
Transfers from Restricted Cash		
Reserves and Escrows (Schedule 3)	33,021	50,725
Transfer from Tenant Security Deposit Account	135	1,069
OTHER DISBURSEMENTS OR TRANSFERS		
Transfers to Restricted Cash		
Reserves and Escrows (Schedule 3)	(32,443)	(34,744)
Purchases of Fixed Assets	(8,869)	(18,443)
Related Party Advances	<u>(10,000)</u>	<u>(11,300)</u>
Net Increase (Decrease) in Development Fund Cash	2,770	(3,625)
Development Fund Cash Balance at Beginning of Year	<u>4,884</u>	<u>8,509</u>
Development Fund Cash Balance at End of Year	<u><u>\$ 7,654</u></u>	<u><u>\$ 4,884</u></u>

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS

For the Year Ended September 30, 2015

<u>Description of Fund</u>	<u>Balance Beginning of Year</u>	<u>Deposits</u>		<u>Withdrawals</u>		<u>Regulatory Agreement</u>	<u>Excess or (Deficiency) of Actual From Estimated Required Balance</u>
		<u>Transfers from Operations Account</u>	<u>Interest Earned</u>	<u>Transfers to Operations Account</u>	<u>Balance End of Year</u>	<u>Estimated Required Balance</u>	
<u>Restricted Accounts:</u>							
Tax and Insurance Reserve	\$ 3,613	\$ 26,851	\$ -	\$ 28,021	\$ 2,443	\$ 9,581	\$ (7,138)
Replacement Reserve	24,361	5,592	4	-	29,957	34,025	(4,068)
Operating Deficit Escrow	<u>40,245</u>	<u>-</u>	<u>3</u>	<u>5,000</u>	<u>35,248</u>	<u>35,248</u>	<u>-</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 68,219</u>	<u>\$ 32,443</u>	<u>\$ 7</u>	<u>\$ 33,021</u>	<u>\$ 67,648</u>	<u>\$ 78,854</u>	<u>\$ (11,206)</u>

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS
(Continued)

For the Year Ended September 30, 2015

Restricted Reserve Funding Calculations:

	<u>Payment Due</u>	<u>Due Date</u>	<u>Per Month</u>	<u>Number of Months Funding</u>	<u>Required Balance</u>
Taxes (Annual)	\$ 17,779	9/11, 3/11	\$ 1,481.58	1	\$ 1,482
Insurance (Annual)	\$ 10,803	3/17/16	\$ 900.25	6	5,402
Insurance (Due on Policy effective 3/17/15)	\$ 2,697	3/17/15	\$ -		<u>2,697</u>
Total Required Balance					<u><u>\$ 9,581</u></u>

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF SURPLUS CASH CALCULATION

September 30, 2015

CASH

Development Operations Account	<u>\$ 7,654</u>
--------------------------------	-----------------

Total Cash	<u>7,654</u>
------------	--------------

LESS CURRENT OBLIGATIONS

Deficit Funding of Restricted Reserve and Escrow Accounts (Schedule 3)	11,206
---	--------

Accounts Payable	6,756
------------------	-------

Prepaid Rent	113
--------------	-----

Underfunding of Tenant Security Deposit Account	<u>101</u>
---	------------

Total Current Obligations	<u>18,176</u>
---------------------------	---------------

Cash Deficiency at Balance Sheet Date	<u>(10,522)</u>
---------------------------------------	-----------------

ADD ADJUSTMENTS TO SURPLUS

Accounts Receivable - Tenant Rent (Current)	<u>957</u>
---	------------

Total Adjustments	<u>957</u>
-------------------	------------

Total Adjusted Cash Deficiency	<u><u>\$ (9,565)</u></u>
--------------------------------	--------------------------

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF CASH IN FINANCIAL INSTITUTIONS

September 30, 2015

Account Name	Account Number	Financial Institution	Account Type	Interest Rate	Maturity Date	Signatory Control	Balances
Development Operations Account	24-1079848	TD Bank	Checking	-	-	Either/Or	<u>\$ 7,654</u>
Tax and Insurance Reserve	7430288772	Federated	U.S. Government Trust	-	-	MaineHousing	<u>\$ 2,443</u>
Replacement Reserve	7430288771	Federated	U.S. Government Trust	0.01%	-	MaineHousing	<u>\$ 29,957</u>
Operating Deficit Escrow	7430288776	Federated	U.S. Government Trust	0.01%	-	MaineHousing	<u>\$ 35,248</u>
Tenant Security Deposit Account	24-1079517	TD Bank	Money Market	0.10%	-	Sole	<u>\$ 8,854</u>

ST. DOM'S HOUSING ASSOCIATES, L.P.

FINANCIAL STATEMENTS

September 30, 2013 and 2012

ST. DOM'S HOUSING ASSOCIATES, L.P.

FINANCIAL STATEMENTS

September 30, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

The Partners
St. Dom's Housing Associates, L.P.

Report on the Financial Statements

We have audited the accompanying financial statements of St. Dom's Housing Associates, L.P., which comprise the balance sheets as of September 30, 2013 and 2012, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Dom's Housing Associates, L.P. as of September 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script, reading "Otis I. Stowell". The signature is written in dark ink and is positioned above the printed name of the firm.

Certified Public Accountants

November 22, 2013
South Portland, Maine

ST. DOM'S HOUSING ASSOCIATES, L.P.

BALANCE SHEETS

September 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash		
Development Operations Accounts (Note 5)	\$ 8,509	\$ 5,848
Restricted Reserves and Escrows (Schedule 3)	<u>84,192</u>	<u>96,784</u>
Total Cash	<u>92,701</u>	<u>102,632</u>
Other Current Assets		
Accounts Receivable - Tenant Rent	803	2,612
Tenant Security Deposits (Note 5)	8,360	8,620
Prepaid Expenses (Note 7)	<u>3,789</u>	<u>11,426</u>
Total Other Current Assets	<u>12,952</u>	<u>22,658</u>
Total Current Assets	<u>105,653</u>	<u>125,290</u>
PROPERTY AND EQUIPMENT (Note 2)		
Land	200,000	200,000
Land Improvements	4,397	4,397
Buildings	3,234,649	3,234,649
Building Improvements	36,984	29,118
Building Equipment	<u>29,137</u>	<u>28,058</u>
Total	3,505,167	3,496,222
Less Accumulated Depreciation	<u>807,768</u>	<u>720,955</u>
Net Property and Equipment	<u>2,697,399</u>	<u>2,775,267</u>
OTHER ASSETS (Note 6)	<u>7,460</u>	<u>7,977</u>
TOTAL ASSETS	<u><u>\$ 2,810,512</u></u>	<u><u>\$ 2,908,534</u></u>

See accompanying notes to the financial statements.

ST. DOM'S HOUSING ASSOCIATES, L.P.

BALANCE SHEETS
(Continued)

September 30, 2013 and 2012

LIABILITIES AND PARTNERS' EQUITY

	2013	2012
CURRENT LIABILITIES		
Accounts Payable	\$ 3,553	\$ 4,274
Accrued Liabilities (Note 10)	8,354	-
Due to Related Party (Note 5)	21,300	-
Tenant Security Deposits and Interest	7,256	9,421
Total Current Liabilities	40,463	13,695
LONG-TERM LIABILITIES		
Mortgage Notes Payable (Note 2)	683,664	683,664
Development Fee Payable (Note 5)	9,693	9,693
Deferred Interest (Note 2)	208,278	186,450
Total Long-term Liabilities	901,635	879,807
TOTAL LIABILITIES	942,098	893,502
Partners' Equity	1,868,414	2,015,032
TOTAL LIABILITIES AND PARTNERS' EQUITY	<u>\$ 2,810,512</u>	<u>\$ 2,908,534</u>

See accompanying notes to the financial statements.

ST. DOM'S HOUSING ASSOCIATES, L.P.

STATEMENTS OF INCOME

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
RENTAL OPERATIONS		
Income		
Tenant Rent	\$ 120,724	\$ 124,205
Interest	18	21
Miscellaneous	<u>701</u>	<u>1,581</u>
TOTAL INCOME	<u>121,443</u>	<u>125,807</u>
Expenses		
Administrative	29,829	21,012
Operating	43,899	44,518
Maintenance	59,282	42,355
Depreciation and Amortization	87,330	87,095
Interest	21,828	21,828
General	<u>25,893</u>	<u>23,569</u>
TOTAL OPERATING EXPENSES	<u>268,061</u>	<u>240,377</u>
Net Loss	<u><u>\$ (146,618)</u></u>	<u><u>\$ (114,570)</u></u>

See accompanying notes to the financial statements.

ST. DOM'S HOUSING ASSOCIATES, L.P.
 STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
 For the Years Ended September 30, 2013 and 2012

	<u>Total</u>	<u>General Partner</u>	<u>Limited Partner</u>
Partners' Equity (Deficit), September 30, 2011	\$ 2,129,602	\$ (73)	\$ 2,129,675
Net Loss	<u>(114,570)</u>	<u>(11)</u>	<u>(114,559)</u>
Partners' Equity (Deficit), September 30, 2012	2,015,032	(84)	2,015,116
Net Loss	<u>(146,618)</u>	<u>(15)</u>	<u>(146,603)</u>
Partners' Equity (Deficit), September 30, 2013	<u>\$ 1,868,414</u>	<u>\$ (99)</u>	<u>\$ 1,868,513</u>
Percentage Interest	<u>100%</u>	<u>0.01%</u>	<u>99.99%</u>

See accompanying notes to the financial statements.

ST. DOM'S HOUSING ASSOCIATES, L.P.

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Net Loss	\$ (146,618)	\$ (114,570)
Adjustments to Reconcile Net Loss to Net Cash Used for Operating Activities:		
Depreciation	86,813	86,578
Amortization	517	517
Deferred Interest	21,828	21,828
Changes in Operating Assets and Liabilities:		
Accounts Receivable - Tenant Rent	1,809	(367)
Tenant Security Deposits	260	(1,971)
Prepaid Expenses	7,637	8,817
Accounts Payable	(721)	(21,311)
Accrued Liabilities	8,354	-
Due to Related Party	21,300	-
Tenant Security Deposit Liability	<u>(2,165)</u>	<u>834</u>
Net Cash Used for Operating Activities	<u>(986)</u>	<u>(19,645)</u>
Cash Flows from Investing Activities		
Purchases of Fixed Assets	<u>(8,945)</u>	<u>(5,640)</u>
Net Cash Used by Investing Activities	<u>(8,945)</u>	<u>(5,640)</u>
Decrease in Cash	(9,931)	(25,285)
Cash at Beginning of Year	<u>102,632</u>	<u>127,917</u>
Cash at End of Year	<u><u>\$ 92,701</u></u>	<u><u>\$ 102,632</u></u>

See accompanying notes to the financial statements.

ST. DOM'S HOUSING ASSOCIATES, L.P.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Partnership was formed on February 22, 2002 as a limited partnership under the laws of the State of Maine. The Partnership's purpose is to acquire, construct, develop, own and operate a 12-unit low income housing complex in Portland, Maine.

Method of Accounting - The financial statements of the Partnership are prepared on the accrual basis of accounting, and include only those assets, liabilities and results of operations which relate to the business of St. Dom's Housing Associates, L.P.

Property and Equipment - Property and equipment are stated at cost. Buildings, improvements, and equipment are being depreciated using the straight-line method over their estimated useful lives. Expenditures for repairs and maintenance are expensed and renewals are capitalized as incurred. When assets are retired or disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains and losses are reflected in income.

Income Taxes - No provision for taxes on income is made in the Partnership's financial statements since, as a partnership, all taxable income and losses are allocated to the partners for inclusion in their respective tax returns. The development and operation of the residential units in accordance with certain statutory requirements entitles the partners to low-income housing tax credits established by Section 42 of the U.S. Internal Revenue Code.

Cash - For purposes of reporting cash flows, cash includes cash on hand and amounts due from banks. The statement of cash flows does not include tenant security deposits in cash. These funds are held in trust and may be returned to the tenants.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Other Assets - The permanent financing fee is being amortized over the term of the related note payable. The tax credit monitoring fee is being amortized over the term of the tax credit compliance period.

Subsequent Events - Subsequent events have been evaluated through November 22, 2013, the date the financial statements were available to be issued.

ST. DOM'S HOUSING ASSOCIATES, L.P.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 2 - MORTGAGE NOTES PAYABLE

A mortgage note is payable to the City of Portland and is secured by real estate and personal property. The mortgage note balance at both September 30, 2013 and 2012 was \$260,000 and deferred interest was \$122,057 and \$109,265 at September 30, 2013 and 2012, respectively. The note bears interest at 4.92% per annum and will be amortized as follows:

Payments of 20% of net cash flow as defined in the Partnership Agreement are due annually with all unpaid principal and interest due January 2033.

A mortgage note is payable to the City of Portland and is secured by the real estate and personal property. The note bears interest at 4.92% per annum, with all payments of principal and interest being deferred until December 30, 2032. The mortgage note balance at both September 30, 2013 and 2012 was \$183,664. Deferred interest at September 30, 2013 and 2012 totaled \$86,221 and \$77,185, respectively.

A mortgage note is payable to MaineHousing and is secured by the real estate and personal property. The note bears no interest and all principal payments are deferred until April 2034. The mortgage note balance at both September 30, 2013 and 2012 was \$240,000.

The liability of the Partnership under these mortgage notes is limited to the underlying value of the real estate collateral.

The mortgage notes will be amortized as follows:

2014	\$ -
2015	-
2016	-
2017	-
2018	-
Thereafter	<u>683,664</u>
Total	<u>\$ 683,664</u>

NOTE 3 - AFFORDABILITY RESTRICTIONS

As required by MaineHousing, for a period of thirty years, the Partnership will endeavor to keep at least 8 of the units in the Development occupied by individuals or families whose income is 50% or less of the area median income and 4 units in the Development occupied by individuals or families whose income is 60% or less of the area median income.

ST. DOM'S HOUSING ASSOCIATES, L.P.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - COMMITMENTS

Under the terms of the Leasehold Mortgage and Security Agreement with MaineHousing, the Partnership is required to make deposits to an escrow account to fund expected future costs as follows:

Escrow Account	Amount
Replacement Reserve	\$466 monthly
Tax and Insurance Escrow	\$2,078 monthly

Operating Deficit Escrow - The Partnership was required to fund an Operating Deficit Escrow account at permanent loan closing equal to \$36,000. MaineHousing shall hold and administer the account in accordance with the terms of an Operating Deficit Escrow Agreement. MaineHousing is the sole signatory of the account.

During 2012, the Project was allowed to borrow \$18,019 from the Operating Deficit Escrow to pay outstanding accounts payable. According to MaineHousing, if there is a deficit for 2012, then the amount of the loan will be reduced by the amount of the deficit. If there is any loan balance thereafter, it will be carried to the following year and the loan will be further reduced by any fiscal year end deficit. If there is a surplus for 2012, the surplus will be used to repay the loan from the Operating Deficit Escrow prior to any distribution. During 2013, the project had an adjusted cash deficiency of \$24,946, which reduced the balance of the loan to \$0 at September 30, 2013.

NOTE 5 - TRANSACTIONS WITH RELATED PARTIES

Capital Contributions - Pursuant to the terms of the Partnership Agreement, the partners have agreed to make the following capital contributions (net of applicable tax adjusters):

General Partner	\$ 100
Investment Limited Partner	2,856,741
Total	<u>\$2,856,841</u>

Development Fee - An affiliate of the General Partner has earned a development fee of \$387,500 in connection with the development of the project. A total of \$377,807 had been paid as of September 30, 2013 and 2012. The remaining balance will be paid from annual available surplus cash as allowed by the Partnership Agreement.

Incentive Managing Partner Fee - The Partnership has agreed to pay the General Partner an incentive management fee for managing the Partnership's operations and assets and coordinating the preparation of various tax returns and financial reports. The fee is equal to 100% of the balance of available surplus cash (after certain priority payments as described in the Partnership Agreement) up to a maximum of \$20,000. No Incentive Managing Partner Fees were paid during 2013 and 2012.

Management Agreement - The Partnership has entered into a management contract with LearningWorks, a related affiliate, and is required to pay a management fee equal to the greater of 7% of gross rents or \$60 per unit month. Management fees incurred during 2013 and 2012 were \$3,331 and \$8,929, respectively. The contract ended in 2013. See also Note 8 - Management Contract.

ST. DOM'S HOUSING ASSOCIATES, L.P.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 5 - TRANSACTIONS WITH RELATED PARTIES (Continued)

The Partnership also reimbursed LearningWorks for maintenance services provided to the project. Maintenance fees incurred during 2013 and 2012 totaled \$1,080 and \$5,154, respectively.

Cash Deposits - The Partnership had cash on deposit with TD Bank, a related party through common ownership. Amounts on deposit at September 30, 2013 and 2012 were \$16,869 and \$14,268, respectively.

During 2013, LearningWorks paid operating expenses on behalf of the project. As of September 30, 2013, the project owed LearningWorks \$25,300 for expenses paid on its behalf. \$21,300 has been shown as due to related party and \$4,000 was included in accrued liabilities on the accompanying balance sheet.

NOTE 6 - OTHER ASSETS

The other assets consist of:

	2013	2012
Permanent Financing Fee	\$ 9,500	\$ 9,500
Tax Credit Monitoring Fee	3,000	3,000
	12,500	12,500
Less Accumulated Amortization	5,040	4,523
	<u>\$ 7,460</u>	<u>\$ 7,977</u>

NOTE 7 - PREPAID EXPENSES

Prepaid expenses consisted of the following items:

	2013	2012
Prepaid Insurance	\$ 3,789	\$ 5,196
Prepaid Taxes	-	4,055
Prepaid Fuel	-	2,175
	<u>\$ 3,789</u>	<u>\$ 11,426</u>

NOTE 8 - MANAGEMENT CONTRACT

On February 1, 2013, the Partnership entered into a management contract with Phoenix Management Corporation and is required to pay a management fee of 6% of collected rents per month. Management fees incurred during 2013 were \$4,514. See also Management Agreement (Note 5). The Partnership reimbursed Phoenix Management Corporation for maintenance services provided to the project. Maintenance fees incurred during 2013 totaled \$11,430.

NOTE 9 - INSURANCE CLAIM

During 2013, the project sustained water damage in one of the units. The cost of the damage was \$20,904 with all but \$5,000 covered by insurance. The repairs were completed during 2013.

ST. DOM'S HOUSING ASSOCIATES, L.P.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 10 - ACCRUED EXPENSES

Accrued expenses consisted of the following at September 30, 2013:

Fuel (Due to Related Party)	\$ 4,000
Real Estate Taxes	4,054
Miscellaneous	<u>300</u>
	<u>\$ 8,354</u>

SUPPLEMENTARY INFORMATION

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF RENTAL OPERATIONS EXPENSES

For the Years Ended September 30, 2013 and 2012

	2013	2012
ADMINISTRATIVE EXPENSES		
Management Fees	\$ 7,845	\$ 8,929
Legal	1,643	2,285
Audit	5,000	4,766
Bad Debts	6,767	1,360
Other	8,574	3,672
Total Administrative	29,829	21,012
OPERATING EXPENSES		
Electricity	6,153	6,601
Fuel	27,393	24,957
Water and Sewer	10,353	12,960
Total Operating	43,899	44,518
MAINTENANCE EXPENSES		
BUILDING MAINTENANCE		
Tools and Supplies	8,383	5,452
Contractual Services	27,101	10,785
Snow Removal	2,839	1,976
Exterminating	5,955	13,980
Unreimbursed Flood Expenses (Note 9)	5,000	-
Miscellaneous Maintenance	7,085	7,458
Trash Removal	2,919	2,704
Total Maintenance	59,282	42,355
DEPRECIATION AND AMORTIZATION	87,330	87,095
INTEREST	21,828	21,828
GENERAL EXPENSES		
Property Taxes	16,219	15,828
Property and Liability Insurance	9,674	7,741
Total General	25,893	23,569
Total Rental Operations Expenses	\$ 268,061	\$ 240,377

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF RECEIPTS AND DISBURSEMENTS / DEVELOPMENT OPERATING FUND

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
SOURCE OF FUNDS		
Rental Operations		
Receipts		
Tenant Rent	\$ 122,533	\$ 123,838
Interest	7	7
Other	<u>701</u>	<u>1,581</u>
Total Rental Operations Receipts	<u>123,241</u>	<u>125,426</u>
DISBURSEMENTS		
Administrative	28,257	30,786
Operating	40,312	43,887
Maintenance	60,862	54,523
General	<u>14,202</u>	<u>14,752</u>
Total Rental Operations Disbursements	<u>143,633</u>	<u>143,948</u>
Cash Used by Rental Operations	(20,392)	(18,522)
OTHER RECEIPTS		
Transfers from Restricted Cash		
Reserves and Escrows (Schedule 3)	27,068	60,675
Transfer from Tenant Security Deposit Account	(1,905)	(1,137)
Advance from Related Party	21,300	-
OTHER DISBURSEMENTS OR TRANSFERS		
Transfers to Restricted Cash		
Reserves and Escrows (Schedule 3)	(14,465)	(33,167)
Purchases of Fixed Assets	<u>(8,945)</u>	<u>(5,640)</u>
Net Increase in Development Fund Cash	2,661	2,209
Development Fund Cash Balance at Beginning of Year	<u>5,848</u>	<u>3,639</u>
Development Fund Cash Balance at End of Year	<u><u>\$ 8,509</u></u>	<u><u>\$ 5,848</u></u>

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS

For the Year Ended September 30, 2013

<u>Description of Fund</u>	Balance Beginning of Year	<u>Deposits</u>		<u>Withdrawals</u>		<u>Regulatory Agreement</u>	Excess or (Deficiency) of Actual From Estimated Required Balance
		Transfers from Operations Account	Interest Earned	Transfers to Operations Account	Balance End of Year	Estimated Required Balance	
Restricted Accounts:							
Tax and Insurance Reserve	\$ 8,824	\$ 12,205	\$ 2	\$ 16,377	\$ 4,654	\$ 5,523	\$ (869)
Replacement Reserve	43,223	2,260	5	10,691	34,797	39,033	(4,236)
Operating Deficit Escrow	<u>44,737</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>44,741</u>	<u>44,741</u>	<u>-</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 96,784</u>	<u>\$ 14,465</u>	<u>\$ 11</u>	<u>\$ 27,068</u>	<u>\$ 84,192</u>	<u>\$ 89,297</u>	<u>\$ (5,105)</u>

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS
(Continued)

For the Year Ended September 30, 2013

Restricted Reserve Funding Calculations:

	<u>Payment Due</u>	<u>Due Date</u>	<u>Per Month</u>	<u>Number of Months Funding</u>	<u>Required Balance</u>
Taxes (Annual)	\$ 16,670	9/7/13, 3/8/14	\$ 1,389.17	1	\$ 1,389
Insurance (Annual)	\$ 8,267	3/17	\$ 688.92	6	<u>4,134</u>
Total Required Balance					<u><u>\$ 5,523</u></u>

ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF SURPLUS CASH CALCULATION

September 30, 2013

CASH

Development Operations Account	<u>\$ 8,509</u>
--------------------------------	-----------------

Total Cash	<u>8,509</u>
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LESS CURRENT OBLIGATIONS

Deficit Funding of Restricted Reserve and Escrow	
--	--

Accounts (Schedule 3)	5,105
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Accounts Payable	3,553
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Accrued Liabilities	4,300
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Due to Related Party	<u>21,300</u>
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Total Current Obligations	<u>34,258</u>
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Cash Deficiency at Balance Sheet Date	<u>(25,749)</u>
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ADD ADJUSTMENTS TO SURPLUS

Accounts Receivable - Tenant Rent (Current)	<u>803</u>
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Total Adjustments	<u>803</u>
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Total Adjusted Cash Deficiency	<u><u>\$ (24,946)</u></u>
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ST. DOM'S HOUSING ASSOCIATES, L.P.

SCHEDULE OF CASH IN FINANCIAL INSTITUTIONS

September 30, 2013

Account Name	Account Number	Financial Institution	Account Type	Interest Rate	Maturity Date	Signatory Control	Balances
Development Operations Account	24-1079848	TD Bank	Checking	-	-	Either/Or	<u>\$ 8,509</u>
Tax and Insurance Reserve	7430288772	Federated	U.S. Government Trust	0.00%	-	MaineHousing	<u>\$ 4,654</u>
Replacement Reserve	7430288771	Federated	U.S. Government Trust	0.01%	-	MaineHousing	<u>\$ 34,797</u>
Operating Deficit Escrow	7430288776	Federated	U.S. Government Trust	0.01%	-	MaineHousing	<u>\$ 44,741</u>
Tenant Security Deposit Account	24-1079517	TD Bank	Money Market	0.01%	-	Sole	<u>\$ 8,360</u>

Sources

HOME Funds

254,485

Total Sources**254,485****Uses**

Roof top deck does not drain and currently has standing water causing damage to EPDM and possibly substrate. Once water becomes deep enough it leaks through the stairwell doorway damaging 2 floors of sheetrock on the stairwell wall. Remove decking and reinstall EPDM, allowing for draining of roof.

Correct drywall damage. \$4500.

26,000

Correct drain gutters for flow of water, install new down spout.

4,000

Historic windows require new storm/screens for energy saving improvement

37,000

Elevator Floor needs repair. New base flooring to be installed. Monitor and ensure pump is maintained. Seal base.

8,000

Change out energy efficient low flow faucets. Also Change fixtures in apt #4 bathroom

7,000

Lighting change out to energy efficient LED fixtures inside and outside the building.

13,500

Dumpster enclosure needs new siding enclosing all four sides with an ADA access.

4,850

Masonry work to the chimney that is pulling away from the building. Partial rebuild.

12,000

Unit #1, lower counters \$1,600 and replace lower cabinets. \$2400.

4,000

Cosmetic improvements in the common areas are needed. Refinish wood floors \$8,800 and painting all wall surfaces in accordance with historic agreement. \$7,400

16,200

Common Area ceiling repairs Approx. 200sqft. Drywall and paint.

5,400

Landscaping, Trim trees and appropriate signage. 10 trees, ADA signs, Apt sign.

7,600

Asphalt, overlay existing parking lot area. Approx. 12000 sqft

72,000

Change reinstall catch basin when improving parking lot.

3,000

Install master controlled thermosets in the units with limiters.

2,800

Paint ADA ramp Iron fencing. \$2000 Repair/install railing around lower level egress. \$6000

8,000

10% Contingency

23,135

Total Uses**254,485**

St. Dominic's School Apartments



CNA 2014
Prepared for
Szanton Company
Portland, Maine

Capital Needs Assessment Project Summary

Project: St. Dominic's School Apartments

Provider

Name: Merriam Architects
Addr: 58 Park Street, Suite 102
City: Rockland
State: Maine, 04841
Phone: 207-594-1421
Email: jason@merriamarchitects.com

Request for CNA

Name: The Szanton Company
Addr: 482 Congress Street Suite 203
City: Portland
State: Maine, 04101
Phone: 207-871-1661
Email: acullen@szantoncompany.com breelacasse@gmail.com

Site Information/Unit Mix

Type: Apartments
Year Built: 1900
Last Renovated: 2004
1 Bedroom Apts: 3
2 Bedroom Apts: 3
3 Bedroom Apts: 4
4 Bedroom Apts: 2
Total Dwelling: 12

Project

Name: St. Dominic's School Apartments
Addr: 42 Gray Street
City: Portland
State: Maine, 04101
County: Cumberland

Inspection Report

Date: 3/10/2014
Inspector: Jason Merriam, Principal, Merriam Architects



Capital Needs Assessment

Purpose

In accordance with authorization received in March 2014, Merriam Architects has conducted a Capital Needs Assessment (CNA) of the St. Dominic's School Apartments facility located in Portland, Maine. The purpose of the CNA is to provide an assessment of the physical condition of the property in keeping with MSHA guidelines. This report does not provide absolute solutions, nor is it intended for use as a construction document.

The CNA identifies and provides cost estimates for the following key items:

- Immediate Capital Needs – repairs, replacements and significant maintenance items which should be addressed immediately
- Physical Needs Over the Term – repairs, replacements and significant maintenance items which will need to be addressed over the term of 20 years

The assessment included a review of major site, architectural, dwelling, and electrical and mechanical elements.

Assessment Methodology

The CNA was conducted using the “FANNIE MAE Physical Needs Assessment Guidance to the Property Evaluator.” The review activities for the preparation of the report were conducted under the following system categories:

- A. Site
- B. Architectural
- C. Dwelling unit
- D. Mechanical/Electrical

The review has been conducted to assess the physical condition of elements in each system category based on our judgment of the physical condition of the elements and their useful lives as defined in the “FANNIE MAE Expected Useful Life Tables.” The review is based on observations of the visible and apparent condition of the facility and major components made on the date of the site observation visit, and made only in the best exercise of our professional ability and judgment. Merriam Architects, and/or its representatives, makes no representations regarding latent or concealed defects that may exist and no warranty or guarantee is expressed or implied.

Estimate prices in this report are preliminary in nature and are intended only as a guide. Estimates are based on the firm's experience, consultation with a current construction estimator, database of work on similar projects, and information from national estimating publications adjusted to the local area.

Capital Needs Assessment

Unless otherwise noted, building components are assumed to meet the building code requirements in force at the time of construction. No destructive testing was performed. Verification of fire-rated assemblies occurred only to the extent that partition door fire-rating identification tags could be read. The facility was reviewed for compliance with the Americans With Disability Act (ADA) for public areas, the ANSI 2003 and the Maine Human Rights Commission handicapped accessibility guidelines. Visual review of possible environmental issues and potential site hazards such as chemical storage tanks, was conducted to the extent possible. Additional environmental concerns, including but not limited to asbestos containing materials (ACMs), lead-based paint, chlorofluorocarbons (CFCs), and polychlorinated biphenyls (PCBs) has not been undertaken as part of this assessment.

The conclusions presented in this report are based on estimates of the age and normal working life of various items of equipment and/or statistical comparisons. The actual performance of individual components may vary from a reasonably expected standard, and may be affected by circumstances occurring after the date or beyond the scope of this evaluation. Conclusions reached in this review assume responsible ownership and competent management of the facility. Information provided by others is believed to be reliable, but Merriam Architects assumes no accuracy thereof.

For consistency and clarity, forms modeled on those suggested by the “FANNIE MAE Physical Needs Assessment Guidance to the Property Evaluator” guidelines have been utilized in documenting and assessing the condition of the systems at the facility. These forms provide a summary of the assessment of the major systems and are presented in the attached spreadsheets.

The terms used in the forms are defined as follows:

- EUL – The expected Useful Life figure is taken from the Expected Useful Life Tables provided in the “FANNIE MAE Physical Needs Assessment Guidance to the Property Evaluator.” These tables provide standard estimates of the expected useful lives of many components typically found in apartment complexes.
- Age – The actual or estimated age of the component.
- ERL – The Effective Remaining Life is an estimate of the remaining life of the component, determined by subtracting the Age from the EUL. Descriptions of items needing to be addressed are in the Site & Facility Review.
- Cost by Year – The sum of the action items, in current dollars, inserted in the column for the year in which the action is expected to take place.
- Total – This is the sum of the all of the appropriate action items, without including an inflation factor.

A site plan was provided by the owner. Photographs documenting the general conditions of the property and areas of potential concern are presented in the attached photo sheets.

Site Observation Visit

Merriam Architects conducted a site observations of exterior conditions of the facility which consists of 1 apartment building, and the interior of 4 units. Jason Merriam represented Merriam Architects, and prepared this report. Greg Hanks represented the Phoenix Management Company and Bree Lacasse represented The Szanton Company. The site observation visit included a visual review of the exposed site and building elements. Four dwelling units were viewed for interior conditions.

The physical condition of the individual components in the major systems present at the property is described in Section 3 Site & Facility Review. While the assessment is not intended to identify minor, inexpensive repairs or other aesthetic maintenance items, reasonable efforts were made to identify infrequently occurring major expense items, deferred maintenance, and repairs or replacements which normally involve significant expense or outside contracting.

Health and Safety

Life Safety Code

The facility was reviewed against Chapter 31 of the NFPA 101/ Life Safety Code (2006). Given that the facility consists of an existing building, adaptability may be an issue with respect to some code requirements. These requirements are to be reviewed with code enforcement officials. Revisions/upgrades deemed necessary due to health and safety concerns have been identified in this report.

Handicapped Accessibility

The facility was reviewed against the ANSI 2003 requirements for the common spaces and dwelling units, ADA for public spaces, the Fair Housing Act and Maine Human Rights Commission accessibility standards. All statutes provide for reasonable accommodation in the case of existing structures. There is one handicap unit at this time with access to parking, laundry, and appropriate entrance/exit. An elevator is available with an accessible route to unit #1 and a ramp and walkway to the handicap parking space. The existing slopes and surfaces appear to meet the ADA. See page 11 for more information.

The elevator floor needs replacing and the source of the decay needs to be explored. We believe standing water in the elevator shaft may be the cause of the moisture which caused the need for floor replacement.

Capital Needs Assessment

Dwelling Units

The repair/replacement costs for the individual dwelling units are outlined in the attached spreadsheets. Most of the appliances are in good condition. Given the age of the facility and the last renovations, in 2004, much of the building is in good condition. It is recommended that a schedule be developed for the facility, addressing the areas identified in this report as needing renovations.

When considering upgrades to dwelling unit kitchens and baths, the scheduled work should incorporate all necessary upgrades to be implemented simultaneously. In the case of a kitchen, for example, when upgrading the cabinets, the counter top, sink, and faucet should be addressed simultaneously. While the cabinets are removed, the floor should be replaced, and any repairs and painting completed. Appliances are to be assessed, and any older than 15 years replaced. Remaining repairs to other areas in the unit should be scheduled at the time of the upgrades when feasible.

Four dwelling units were viewed. Unless otherwise noted, the unit electric panel has circuit breakers and is clearly marked; GFI receptacles are installed in bathrooms and kitchens as required; doors, hardware, light fixtures etc. are acceptable and in working order. The inventory of the reviewed dwelling units is included with the attached spreadsheets.

Recommendations for dwelling unit issues needing to be addressed immediately are outlined in the attached spreadsheets. In addition to specific dwelling unit recommendations, repair any cracks and holes in drywall surfaces. Where water stains appear on ceilings, determine and address the cause of the stain prior to repairing and repainting the ceiling. Repair or replace missing hardware, light fixtures, and other amenities.

Site

Site Lighting

Exterior lighting is provided for parking areas via 1 light pole and 3 building mounted light fixtures. It could not be determined if lighting was adequate as the survey was performed during the day; however, based upon the number of exterior lighting fixtures and tenant interviews, the lighting appeared to be adequate at the subject property. We recommend that LED lighting fixtures be used when replacement is called for.

Driveways, Parking Lots and Sidewalks

The parking lot/driveway areas at the property are surfaced in asphalt with approximately 18 standard parking spaces and 2 handicap spaces. The entire property utilizes some city brick sidewalks along the front of the Building, and a small walkway in the lower lot, no other walkways are present. Asphalt parking lots and drives are in average condition, as some pot holes are evident as well as cracking in the pavement. These areas should be repaired and cracks sealed to extend the life of the existing pavement. This repair should be addressed before the fall of 2014. See pages 14 for photos.

Site Drainage

The site is gently pitched to Gray St. in the main upper parking lot. The remaining lower parking 'behind' the building is pitched to Danforth St. The parking appears to have about a 2% slope which facilitates drainage. The buildings all have finished floor elevations above the elevations of the parking areas. Given the constraints of the parking areas in a city setting, it is recommended that snow removal take place on a regular basis to minimize ponding and ice covered parking areas.

Landscaping

Landscaping is present predominantly along the front of Gray St. A combination of trees and small shrubs are generally overgrown, but in healthy and useful condition. The trees located in the upper parking area are encroaching on the neighboring building and pose maintenance and possible safety issues for the tenants in the parking area. We recommend that these trees be trimmed to improve the property. The remaining landscaping should be pruned to promote healthy, dense growth. See page 16 for photos.

Signage

There is no sign at the entrance to the main parking lot. Various metal parking signs are present in the lot.

Dumpster Enclosures

The site features a commercial dumpster that is surrounded on three sides with wood fencing. The fencing is in fair to poor condition and should be replaced. We recommend that a fourth side (gate) should be installed. When gate is installed, a handicap access in a side needs to be built. The access needs to have a level surface for entry. 17 for photos.

Architectural

The St. Dominic's Apartments are unique among most multi-family apartment buildings in Maine in that St. Dominic was built in 1900 and had a life as a school for girls before being repurposed. The building was renovated for apartments in 2004. An addition was constructed on the north side to house a stairwell and elevator.

Structural Elements

Masonry bearing walls and heavy timber framing. Wood rafters at roof.

Exterior Walls

All walls are brick masonry with granite slab and stone base in there useful life. We observed a difference in brick in the third level due to a changing of the roof profile. No data was found on when change occurred. It is recommended that some attention is taken in the rear of the building where the chimney attaches to the building. It appears to be pulling away from the building. See page 20 for photos.

Windows

Most of the windows have been historically preservation to appear as the original windows did in 1900. To this end, these large windows appear to be in good condition. Since they are single pane window, clear storm windows have been added in the 2004 renovations. The storm window will need to be replaced.

Unit Doors

The unit doors are in good condition with the exception of one at unit #9. These solid wood panel doors are historic as well. Care must be taken to maintain these doors with mostly sealing cracks with caulking and painting at tenant turnover at minimum.

Common Areas

There are no community buildings or laundry buildings at this property. Washers and dryers are provided in a basement location, and a handicap accessible washer and dryer is on the first level. The only common area that exist is a common corridor areas. This area needs some repair in 2014, and we also recommend carpet runners and accustic sound panels along the walls to help lower sound levels . Cosmetic improvements that agree with historic preservation requirements should be used.

Fire Suppression and Life Safety

The subject property is equipped with an NFPA-13 fully automatic fire suppression (sprinkler) system. Examination by a licensed sprinkler company is recommended to ensure full compliance with NFPA-13. No issues with the sprinkler system were reported.

Smoke detectors are present in the hallways and all units. Could not verify carbon monoxide detectors. Must be installed if not present. Inspection of these devices is recommended on a regular basis.

Mechanical and Electric

HVAC Systems

The dwelling units are hot water fin-tube baseboard heat fed by central, natural gas fired boilers. The high efficiency boilers appear to be 10 years old and should provide a good heating system for years to come. Natural gas provides lower heating costs. See page 22 for photos.

Plumbing Systems

The main water supply for the apartment buildings originates at water meters located in the basement. Visually accessible domestic water piping is constructed of copper piping, fittings, couplings and joints. Where visible, domestic water piping is not insulated; however, the majority of the system is concealed behind GWB walls and could not be visually inspected. Visually accessible plumbing piping was observed in good condition.

Sewer connections at the property were not visible. Based upon reported site conditions, the sewer connections at the property are adequate.

Domestic hot water is stored in two tanks and is heated by the boiler.

Electrical Systems

It is our understanding that electrical service to each dwelling unit is in good working order with no reports of problems. We typically see units consists of 120/240V AC 3-wire, single phase with 100 amps available for each panel. The electrical panels were observed with breakers and are located in each unit. 600amp/ 3 phase power

Properly grounded, three-prong outlets were adequately located throughout each dwelling unit. The outlets located in the kitchens are Ground Fault Circuit Interrupter (GFCI) outlets. The outlets in the bathrooms were observed to be GFI outlets as well. In all other respects, the electrical system was observed to be adequate at the time of inspection.

Note: Telephone and data lines are exposed in the basement laundry area. We recommend lockable closet around system.

Lighting Systems

Surface mounted lighting fixtures are found in the kitchens, living areas, and bathrooms of the each dwelling units. Surface mounted incandescent lighting fixtures are found in common areas throughout the property. Surface mounted exterior lights are located at the common entries to each building. We recommend that these lights should be replace (when called) for with LED fixtures.

Fire Suppression & Life Safety

This project has an NFPA-13 automatic sprinkler system throughout the building as well as fire alarms. The alarm panels are located in the electrical rooms. Horns strobes are located throughout apt #1, accessible unit the system should be tested annually by qualified a sprinkler company. The system appeared to be in good condition with no issues reported by management.

Dwellings

Interior Elements

Dwelling unit interior walls consist of painted gypsum wallboard (GWB) or plaster, and the ceilings are painted GWB with plaster. They were observed to be in generally good physical condition. Floor coverings within the dwelling units consist of resilient floors in kitchens and bathrooms, with the remainder of the unit consisting of wall-to-wall carpet.

Kitchen cabinets are solid wood base and suspended wall cabinets in good condition. Counter tops are laminated and in good condition. Kitchen fixtures include single basin stainless steel sinks observed in good condition. Kitchen appliances include four-top electric ranges and ovens in good condition and frost-free refrigerators in good condition. Range hoods are venting type and are in good condition.

Bathrooms include lavatories in good condition. Bathroom fixtures include a ceramic toilet and fiberglass tub and surrounds which were observed to be in good physical condition. Bathroom ventilation is supplied via switch operated electric exhaust fans, which were observed in good physical condition. We recommend replacement of old toilets with water saving models and installation of low flow showerheads in all units in 2014.

Accessibility

The site was screened for compliance with the Architectural Barriers Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act. The Fair Housing Amendments Act effective date is 3/13/91.

Multifamily housing dwelling units and common areas such as vehicle parking lots, mailboxes, and trash dumpsters are subject to compliance with ANSI. There is one accessible unit in this project. A ramp with a 1:12 slope and handrails is present along with an elevator. Unit #1, a 1 bedroom unit is accessible. We noted that only a segment of counter at the sink was at the proper height. The remaining counter should be lowered to meet UFAS. The push and pull clearances at the doors appeared to be adequate and lever hardware was present on all swinging doors.

ADA guidelines require that 1 van-accessible parking space shall be made available for every 8 accessible spaces (but not less than one). Van Accessible and handicap parking space signs are also required, with a sign post and aisle directly connected to the accessible route.

New Renovations

The lower level of this building is planned on being renovated in the future. Life safety features including a NFPA 13 sprinkler system and full fire alarm system should make several occupancies possible. The existing metal window grates at grade level will need to be removed to allow escape if any living areas are planned. We recommend review with the local Code Enforcement Officer and Architect prior to any renovation plans.

Environmental

Lead Based Paint

The subject property was renovated in 2004, after the 1978 ban on lead paint. The entire facility was painted with non-lead based paint. The basement area is slated for renovations. Since this area was outside of the scope of the 2004 renovation, lead paint testing is recommended for this area.

Asbestos Containing Material

The subject property was renovated in 2004, after the 1978 ban on asbestos containing construction materials; therefore, asbestos containing materials may exist but were not observed.

Mold and Mildew

The subject property was visually inspected for the presence of moisture intrusion and mold growth. Interior evidence of moisture intrusion or mold growth was not observed during our site visit. An inspection of exterior areas of the property did not identify evidence of standing water, excessive mulch bed height, or improper site drainage characteristics.

Flood Zone

No flood zone concerns were identified at the subject property.

Transmission Lines

No electrical power transmission lines were observed in the immediate vicinity of the subject property.

Other Environmental Concerns

No other environmental concerns were identified at the subject property.

How Replacement Costs are Determined

We assisted in developing a scope of work for the owner. Our scope of work considered published cost data from reliable sources. When possible, we utilized actual contractor pricing in developing our cost estimates. Also, we used the FNMA expected useful life table as a guide in our replacement reserve analysis. These table were provided by the current USDA requirements regarding Capital Needs Assessments.

Acknowledgements

This assessment was conducted by individuals trained and experienced in building construction. The inspection included a review of pertinent available documentation (construction documents) and interviews with the property management staff and tenants. This assessment included a review of buildings, foundations, roofs, exterior/interior walls, mechanical systems, doors and windows, interior elements, landscaping, paved areas and utilities. Finally, this inspection included the preparation and submittal of a written report in a format consistent with USDA Rural Development requirements.

The description of the property and its components is based upon visual observations, the inspector's knowledge of typical construction practices, as well as information obtained during personnel interviews.

Driveways, Parking Lots, and Sidewalks

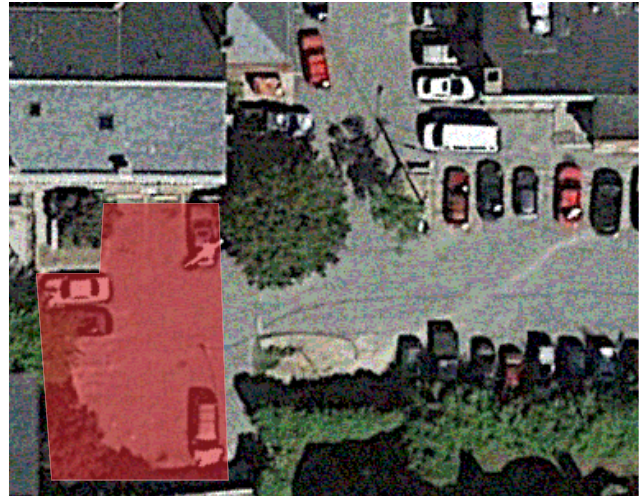
Building Parking Upper and Lower



Building Parking Upper Lot



Building Parking Lower Lot



Driveways, Parking Lots, and Sidewalks



Missing and cracking curbing for this curbed area



Granite curbing and brick walkway appear newer.



Concrete steps in good shape



Area in need of fixing or egress area for new sublevel spaces.



Unable to view under snow pack



Ramp in good shape and meets ADA needs, but in need of re-painting.

Landscaping

Landscaping



Landscaping areas in yellow

Alley way



Unable to view the ground due to the snow cover



Large trees are overgrown and should be trimmed in order to allow proper drying and avoid future maintenance costs.



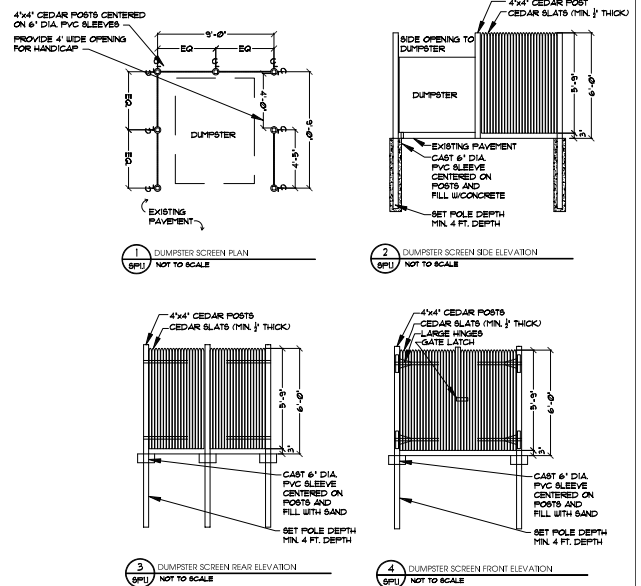
Growth is too close to the building or other structures may cause unintended maintenance issues.

Dumpster Enclosure

Building Dumpster



The dumpster is not enclosed on all sides, with no place for larger items or recycling items. Level area access for accessibility is needed. Existing concrete slab may need to be removed.



Above is a typical Dumpster enclosure with access for both truck pick up and person drop off.

Building Elements



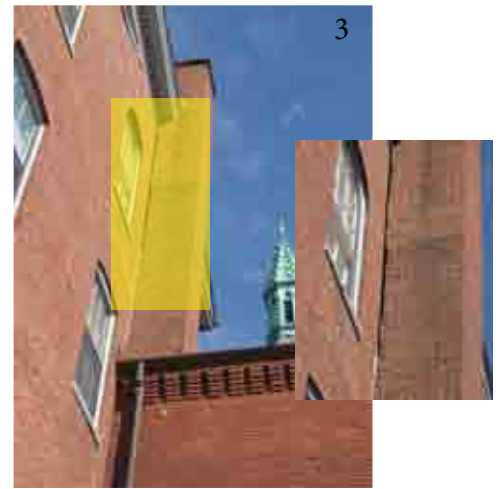
Building Elements are exterior elements which has structure. There are eight elements .



The main entrance has granite steps which appear to be in good shape.



The ADA Ramp which leads to the elevator appears to be solid and in good shape.



The chimney in the rear of the building is detaching from the building.



Retaining wall and fencing is in good shape.

Building Elements



This area could be used as egress for space in the sub level. If not used for egress rails and covering must be fixed to meet code.



This fencing or railing needs to be fixed to code. The covering of wood and metal grating needs to be addressed.



Stairs from the upper level parking to lower level parking is in good shape.



The concrete steps are in good shape with no apparent decay.



The upper level of the stair is in good shape with no apparent decay.



The stair and elevator tower is of newer construction. There is concern of water infiltration in the tower. There are signs in the stairwell and possible standing water in the elevator shaft.

A large metal gate has been installed between the building and the neighboring building to restricted access to the alley way. This gate seems to be in good shape.



Exterior Walls



The chimney appears to be pulling away from the main structure.



The chimneys appear to be in good shape.



There is a difference in brick and mortar on the third floor exterior. This comes from an addition to the building, date unknown, to expand the third floor.



The roof trim appears to be in good shape .

Stone foundation in this one area is in good shape.



Stone foundation in this one area should have attention given to the connection between stone and brick.



Windows



Left; Is a typical window in the bedrooms of each unit.

Right; Is a typical set of windows in the living area in each unit. The windows are large, measuring 8'x4'.

With the size of the window so large in all of the units, renters have trouble controlling the light. A solution should be reached to help control light into each unit.



Skylight



In the basement, windows appear to be in good shape.



Fire Suppression and Life Safety



Typical Sprinkler Head



Snow blocking the egress and maybe the cause of water damage in the stair tower.



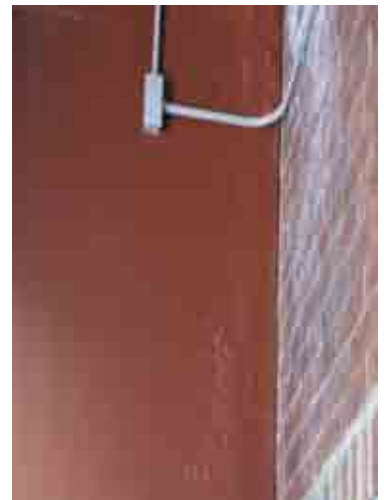
Water damage in stair tower



Moisture damage present floor repair needed and investigation into source of moisture recommended.



Stair tower is in need of attention



HVAC



Typical baseboard in units



Ceiling fans in most units



Electronic thermostats in units



Gas fired heating units



Hot water tanks. Mechanical room in good clean shape.



Typical light and fan in Bathrooms.



Capital Needs Assessment Inspected Units



Project: St. Dominic's School Apartments

Date: 3/6/2014

Apartment # 1

Type of Unit: 1 Bedroom

Rating: E (Excellent) G (Good) F (Fair) P (Poor) X (Installed & Operational)

Items	Kitchen	Living Space		Bath	Bedroom #1		Remarks
Amenities							*designed as an accessible unit
Refrigerator	G						*sprinkler system and fire alarm system
Range	G						throughout
Cabinets	G						*11'-10 ceiling height in living room
Counters	G						34" counter ht. at sink only
Fans	F						
Sink	G						
Faucet	G						
Toilet				G			Grab bars present
Tub				G			
Grab Bars				G			
Mirrors				G			
Finishes							
Ceilings							
Floors	SV-G	CPT-G		SV-G	CPT-F		Replace carpet
Walls							
Water Heater	N/A	N/A		N/A	N/A		Hot water from boiler
Baseboard Heat	G	G		G	G		Repair/replace damaged covers
Smoke Detector	G	G		G	G		
Interior Door	G	G		G	G		Lever hardware present
Entry Door		G					
Interior Lights	G	G		G	G		
Comments	VCT= VINYL COMPOSITION TILE, CPT= CARPET, PTD= PAINTED, ACT = ACOUSTIC CEILING TILE, SV= SHEET VINYL						

Capital Needs Assessment Inspected Units



Project: St. Dominic's School Apartments

Date: 3/6/2014

Apartment #4

Type of Unit: 4 Bedroom

Rating: E (Excellent) G (Good) F (Fair) P (Poor) X (Installed & Operational)

Items	Kitchen	Living Space	Bath #1	Bath #2	Bedroom #1	Bedroom #2	Bedroom #3	Bedroom #4	Remarks
Amenities									
Refrigerator	G								
Range	G								Electric range
Cabinets	G								
Counters	G								
Fans	G								
Sink	G								
Faucet	P								
Toilet			F	F					*Bathrooms need to be fully renovated
Tub			F	F					* Egress windows in 2 bedrooms had manual sliding locks installed. These need to be removed.
Grab Bars			N/A	N/A					
Mirrors			F	F					
Finishes									*multi-level apartment
Ceilings									
Floors	SV-G	CPT-G	SV-F	CPT-G	CPT-G	CPT-G	CPT-G	CPT-G	
Walls	G	G	G	G	G	G	G	G	
Water Heater	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Hot Water from Boiler
Baseboard Heat	G	G	G	G	P	F	F	G	Repair in Bedroom #1
Smoke Detector	G	G	G	G	G	G	G	G	
Interior Doors	G	G	G	G	G	G	G	G	
Entry Doors		G							
Interior Lights	G	G	F	F	G	G	G	G	
Comments	VCT= VINYL COMPOSITION TILE, CPT= CARPET, PTD= PAINTED, ACT = ACOUSTIC CEILING TILE								

Capital Needs Assessment Inspected Units



Project: St. Dominic's School Apartments

Date: 3/6/2014

Apartment #5

Type of Unit: 2 Bedroom

Rating: **E** (Excellent) **G** (Good) **F** (Fair) **P** (Poor) **X** (Installed & Operational)

Items	Kitchen	Living Room	Bath	Bedroom #1	Bedroom #2	Remarks
Amenities						*Original single pane windows with storm windows. Historic preservation effort took place during 2004 renovation.
Refrigerator	G					
Range	G					
Cabinets	G					
Counters	G					
Fans	F					
Sink	G					
Faucet	G					
Toilet						
Tub						
Grab Bars						
Mirrors						
Finishes						
Ceilings	G					
Floors	SV-G	CPT-G	SV-G	CPT-G	CPT-G	Seam filler needed at kitchen floor
Walls	G	G	G	G	G	
Water Heater	N/A					Hot water from Boiler
Baseboard Heat	G	G	G	G	G	
Smoke Detector	G	G	G	G	G	
Interior Doors	G	G	G	G	G	
Entry Doors		G				
Interior Lights	G	G	G	G	G	
Comments	VCT= VINYL COMPOSITION TILE, CPT= CARPET, PTD= PAINTED, ACT = ACOUSTIC CEILING TILE					

Capital Needs Assessment Inspected Units



Project: St. Dominic's School Apartments

Date: 3/6/2014

Apartment #11

Type of Unit: 3 Bedroom

Rating: E (Excellent) G (Good) F (Fair) P (Poor) X (Installed & Operational)

Items	Kitchen	Living Space		Bath	Bedroom #1	Bedroom #2	Bedroom #3	Remarks
Amenities								*multi-level apartment
Refrigerator	G							
Range	G							
Cabinets	G							
Counters	G							
Fans	G							
Sink	G							
Faucet	G							
Toilet				G				
Tub				G				
Grab Bars								
Mirrors				G				
Finishes								
Ceilings		G						
Floors	SV-G	CPT-G		SV-G	CPT-G	CPT-G		
Walls								
Water Heater	N/A							Hot water from boiler
Baseboard Heat	G	G		G	G	G		
Smoke Detector	G	G		G	G	G		
Interior Doors	G	G		G	G	G		*tenant or owner must keep deck clear for egress
Entry Doors		G						*2 egress doors from 2 bedrooms
								to exterior deck and adjacent stair tower
Interior Lights	G	G		G	G	G		*2 skylights in good condition
								*stair tower door sticks- repair
Comments	VCT= VINYL COMPOSITION TILE, CPT= CARPET, PTD= PAINTED, ACT = ACOUSTIC CEILING TILE							

**Capital Needs Assessment
Materials and Conditions - Site**



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	EUL	AGE	RUL	Cond	Action	DUR	QTY	Unit	Unit Cost	Total Cost	Comments
Catch Basin	40	10	30	Good	Maintain	1	1	ea	2000	2000	reset when new paving occurs
Dumpster Enclosure	10	10	0	Fair	Replace	1	1	ea	4500	4500	Add gate at front with a side opening for handicap access
Site Lighting	25	10	15	Fair	Replace	1	3	ea	800	2400	Replace with LED fixtures
Parking: Asphalt	25	10	15	Fair	Repair	1	12000	sf	4	48000	Overlay existing pavement
Landscaping	50	15	0	Fair	Repair	1	10	ea	600	6000	Trim trees
Landscaping	50	10	0	Fair	Replace	1	4	ea	400	1600	Replace signage
Parking: Asphalt	25	21	4	Fair	Repair	1	1	ea	3500	3500	patch, seal pavement

Capital Needs Assessment Capital Needs Over the Term - Site



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	H & S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
Catch Basin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dumpster Enclosure	4500	0	0	0	0	0	0	0	0	0	4500	0	0	0	0	0	0	0	0	0	4500	13500
Site Lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2400	0	0	0	0	0	2400
Parking: Asphalt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	48000	0	0	0	0	0	48000
Landscaping	6000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6000
Landscaping	1600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1600
Parking: Asphalt	0	0	0	0	3500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3500
Uninflated Totals	12100	0	0	0	3500	0	0	0	0	0	4500	0	0	0	0	50400	0	0	0	0	4500	75000
Inflation Factor (3%)	1.0000	1.0000	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126	1.5580	1.6047	1.6528	1.7024	1.7535	
Inflated Totals	12100	0	0	0	3825	0	0	0	0	0	5871	0	0	0	0	76235	0	0	0	0	7891	105921

**Capital Needs Assessment
Materials and Conditions - Architectural**



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	EUL	AGE	RUL	Cond	Action	DUR	QTY	Unit	Unit Cost	Total Cost	Comments
Stair Structure	50	10	40	Good	Maintain	0	0	ea	0	0	
Common Area Ceilings: Concrete/Drywall/Plaster	50	10	40	Fair	Repair	2	450	sf	9	4050	Repair water damaged area and cracking
Exterior Walls: Brick or Block	40	10	30	Good	Maintain	0	0	sf	0	0	Building repointed in 2004 renovation
Roof Covering: Membrane	20	10	10	Good	Maintain	0	0	sf	3.8	0	Maintain
Storm/Screen Windows	20	10	0	Fair	Replace	1	50	ea	450	22500	Replace
Roof Covering: Asphalt Shingles	20	10	10	Good	Maintain	1	4500	sf	3.8	17100	
Common Area Walls	50	50	0	Fair	Repair	1	1	ea	2800	2800	right failing stairway wall
Chimney	25	50	0	Fair	Repair	1	1	ea	3000	3000	
Roof Drainage Exterior (gutter and fascia)	25	10	15	Good	Maintain	1	200	lf	20	4000	
Building Mounted Exterior Lighting	6	10	0	Fair	Replace	1	8	ea	300	2400	Replace with LED fixtures
Common Area Floors: Wood (strip or parquet)	30	100	0	Fair	Repair	1	1200	sf	7	8400	Refinish wd floors
Exterior Common Doors: Solid Core (wood or metal)	25	10	15	Good	Maintain	0	5	ea	3000	15000	
Radiation: Hydronic (baseboard or freestanding)	50	10	40	Good	Maintain	0	0	ea	0	0	
Appurtenant Structures: Wood Decks	20	10	10	Good	Maintain	1	1	ea	3500	3500	
Common Area Railings	50	10	40	Good	Maintain	0	0	ea	0	0	
Exterior Unit Doors	25	10	15	Good	Maintain	0	0	ea	0	0	
Windows (Frames and Glazing)	30	10	20	Good	Maintain	0	0	ea	0	0	paint and caulk windows out of operating account
Common Area Walls	50	50	0	Fair	Repair	1	3200	sf	2	6400	paint walls
	0	0	0			0	0	ea	0	0	

Capital Needs Assessment

Capital Needs Over the Term - Architectural



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	H & S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
Stair Structure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Common Area Ceilings: Concrete/Drywall/Plaster	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exterior Walls: Brick or Block	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Roof Covering: Membrane	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Storm/Screen Windows	22500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22500	45000
Roof Covering: Asphalt Shingles	0	0	0	0	0	0	0	0	0	0	17100	0	0	0	0	0	0	0	0	0	0	17100
Common Area Walls	2800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2800
Chimney	3000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3000
Roof Drainage Exterior (gutter and fascia)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4000	0	0	0	0	0	4000
Building Mounted Exterior Lighting	2400	0	0	0	0	0	2400	0	0	0	0	0	2400	0	0	0	0	0	2400	0	0	9600
Common Area Floors: Wood (strip or parquet)	8400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8400
Exterior Common Doors: Solid Core (wood or metal)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Radiation: Hydronic (baseboard or freestanding)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Appurtenant Structures: Wood Decks	0	0	0	0	0	0	0	0	0	0	3500	0	0	0	0	0	0	0	0	0	0	3500
Common Area Railings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exterior Unit Doors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Windows (Frames and Glazing)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Common Area Walls	6400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6400
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Uninflated Totals	45500	0	0	0	0	0	2400	0	0	0	20600	0	2400	0	0	4000	0	0	2400	0	22500	99800
Inflation Factor (3%)	1.0000	1.0000	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126	1.5580	1.6047	1.6528	1.7024	1.7535	
Inflated Totals	45500	0	0	0	0	0	2782	0	0	0	26878	0	3322	0	0	6050	0	0	3967	0	39454	127954

**Capital Needs Assessment
Materials and Conditions - Mechanical & Electrical**



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	EUL	AGE	RUL	Cond	Action	DUR	QTY	Unit	Unit Cost	Total Cost	Comments
Boilers, with Insulation, Piping, Controls & Flue: Gas-fired Atmospheric	25	10	15	Good	Maintain	1	1	ea	32,000	32000	
Fire Suppression	50	8	42	Good	Maintain	1	13296	ea	2.9	38558.4	
Emergency Call Alarm System, Station	15	10	5	Good	Maintain	1	1	ea	16,400	16400	
Elevator, Cab	15	10	0	Fair	Repair	1	1	ea	3500	3500	Inspect elevator. Repair damage to floor. Address moisture issue.

Capital Needs Assessment **Capital Needs Over the Term - Mechanical & Electrical**



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	H & S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Boilers, with Insulation, Piping, Controls & Flue: Gas-fired Atmospheric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32000	0	0	0	0	0	32000
Fire Suppression	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Emergency Call Alarm System, Station	0	0	0	0	0	16400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16400	32800
Elevator, Cab	3500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3500	0	0	0	0	0	7000
Uninflated Totals	3500	0	0	0	0	16400	0	0	0	0	0	0	0	0	0	35500	0	0	0	0	16400	71800
Inflation Factor (3%)	1.0000	1.0000	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126	1.5580	1.6047	1.6528	1.7024	1.7535	
Inflated Totals	3500	0	0	0	0	18458	0	0	0	0	0	0	0	0	0	53697	0	0	0	0	28757	104413

**Capital Needs Assessment
Materials and Conditions - Dwelling Units**



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	EUL	AGE	RUL	Cond	Action	DUR	QTY	Unit	Unit Cost	Total Cost	Comments
Interior Door	30	10	20	Fair	Maintain	15	254	ea	275	69850	
Closet Doors	10	10	0	Good	Maintain	10	122	ea	150	18300	
Living Area Walls	50	10	40	Good	Maintain	20	12200	ea	1	12200	Paint per maintenance schedule
Countertop and Sink	10	10	0	Good	Replace	4	12	ea	1250	15000	
Range	15	10	5	Good	Maintain	4	12	ea	650	7800	
Rangehood	15	10	5	Fair	Maintain	4	12	ea	200	2400	
Refrigerator	15	10	5	Good	Maintain	4	12	ea	650	7800	
Kitchen Cabinets	20	10	10	Good	Maintain	4	12	ea	1800	21600	
Bath Fixtures (Sink, toilet, tub)	20	10	0	Fair	Replace	1	12	ea	350	4200	Lav., faucet, pipe insul.
Bath Fixtures (Sink, toilet, tub)	20	10	0	Good	Replace	1	12	ea	1800	21600	Tubs with low flow shower heads
Bath Fixtures (Sink, toilet, tub)	20	10	0	Good	Replace	1	12	ea	375	4500	Toilets: Replace with water saving toilets
Countertop and Sink	10	10	0	Fair	Replace	1	1	ea	3200	3200	new countertop at ADA unit
Living Area Ceilings: Concrete/Drywall/Plaster	50	60	0	Fair	Repair	1	8200	sf	1.5	12300	
Living Area Floors: Carpet	7	10	0	Good	Replace	1	6500	sf	3.75	24375	
Living Area Floors: Resilient Flooring (tile or sheet)	15	10	5	Good	Maintain	6	1800	sf	5.5	9900	Kitchen- sheet vinyl
Hallway Door	30	50	0	Poor	Replace	1	1	ea	2000	2000	historic replica door unit #9
Unit Radiation: Hydronic or Steam (baseboard or freestanding)	50	10	40	Good	Maintain	0	0	ea	0	0	Repair dented covers
Unit Electric Panel	50+	0	#####			0	0	ea	0	0	
Vanities	20	10	10	Good	Maintain	4	12	ea	450	5400	Replace in conjunction with Lav. And Faucet
Electric Fixtures	20	10	10	Good	Maintain	0	80	ea	50	4000	Receptacles have GFI
Electric Fixtures	20	10	10	Good	Maintain	10	40	ea	150	6000	Replace 2 light fixtures a year starting in 2015

**Capital Needs Assessment
Capital Needs Over the Term - Dwelling Units**



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	H & S	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Interior Door	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4657	4657
Closet Doors	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	1830	38430
Living Area Walls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Countertop and Sink	3750	3750	3750	3750	0	0	0	0	0	0	3750	3750	3750	3750	0	0	0	0	0	0	3750	33750
Range	0	0	0	0	0	1950	1950	1950	1950	0	0	0	0	0	0	0	0	0	0	0	1950	9750
Rangehood	0	0	0	0	0	600	600	600	600	0	0	0	0	0	0	0	0	0	0	0	600	3000
Refrigerator	0	0	0	0	0	1950	1950	1950	1950	0	0	0	0	0	0	0	0	0	0	0	1950	9750
Kitchen Cabinets	0	0	0	0	0	0	0	0	0	0	5400	5400	5400	5400	0	0	0	0	0	0	0	21600
Bath Fixtures (Sink, toilet, tub)	4200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4200	8400
Bath Fixtures (Sink, toilet, tub)	21600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21600	43200
Bath Fixtures (Sink, toilet, tub)	4500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4500	9000
Countertop and Sink	3200	0	0	0	0	0	0	0	0	0	3200	0	0	0	0	0	0	0	0	0	3200	9600
Living Area Ceilings: Concrete/Drywall/Plaster	12300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12300
Living Area Floors: Carpet	24375	0	0	0	0	0	0	24375	0	0	0	0	0	0	0	24375	0	0	0	0	0	73125
Living Area Floors: Resilient Flooring (tile or sheet)	0	0	0	0	0	1650	1650	1650	1650	1650	1650	0	0	0	0	0	0	0	0	0	1650	11550
Hallway Door	2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2000
Unit Radiation: Hydronic or Steam (baseboard or freestanding)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unit Electric Panel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vanities	0	0	0	0	0	0	0	0	0	0	1350	1350	1350	1350	0	0	0	0	0	0	0	5400
Electric Fixtures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Electric Fixtures	0	0	0	0	0	0	0	0	0	0	600	600	600	600	600	600	600	600	600	600	0	6000
Uninflated Totals	77755	5580	5580	5580	1830	7980	7980	32355	7980	3480	17780	12930	12930	12930	26805	2430	2430	2430	2430	2430	49887	301512
Inflation Factor (3%)	1.0000	1.0000	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126	1.5580	1.6047	1.6528	1.7024	1.7535	
Inflated Totals	77755	5580	5747	5920	2000	8982	9251	38634	9814	4408	23199	17377	17898	18435	39364	3676	3786	3899	4016	4137	87477	391355

Capital Needs Assessment Executive Summary



Project: St. Dominic's School Apartments

Date: 3/6/2014

Item	H & S	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029	16 2030	17 2031	18 2032	19 2033	20 2034	Total
Site	15600	0	0	0	48000	0	0	0	0	0	4500	0	0	0	0	2400	0	0	0	0	4500	\$75,000
Architecture	45500	0	0	0	0	0	2400	0	0	0	20600	0	2400	0	0	4000	0	0	2400	0	22500	\$99,800
Mech & Electric	3500	0	0	0	0	16400	0	0	0	0	0	0	0	0	0	35500	0	0	0	0	16400	\$71,800
Dwelling Units	77755	5580	5580	5580	1830	7980	7980	32355	7980	3480	17780	12930	12930	12930	26805	2430	2430	2430	2430	2430	49887	\$301,512
Uninflated Totals	142,355	5,580	5,580	5,580	49,830	24,380	10,380	32,355	7,980	3,480	42,880	12,930	15,330	12,930	26,805	44,330	2,430	2,430	4,830	2,430	93,287	\$548,112
Inflation Factor (3%)	1.0000	1.0000	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126	1.5580	1.6047	1.6528	1.7024	1.7535	
Inflated Totals	142,355	5,580	5,747	5,920	54,451	27,440	12,033	38,634	9,814	4,408	55,949	17,377	21,220	18,435	39,364	67,053	3,786	3,899	7,983	4,137	163,579	\$709,165

		Non-Inflated	Inflated
Immediate Capital Needs:		\$142,355	
Total Capital Needs Over the Term:		\$405,757	\$566,810
Grand Total Capital Needs:		\$548,112	\$709,165
Units: 12	Capital Needs Per Unit	\$45,676	\$59,097



Estimate of Renovation Items

St. Dominic's

Affordable Apartments

42 Gray Street, Portland, Maine 04101

ESTIMATED BY HEATHER LUMB

	DESCRIPTION	TOTAL
1	Roof top deck does not drain and currently has standing water causing damage to EPDM and possibly substrate. Once water becomes deep enough it leaks through the stairwell doorway damaging 2 floors of sheetrock on the stairwell wall. Remove decking and reinstall EPDM, allowing for draining of roof. Correct drywall damage. \$4500.	\$26,000
2	Correct drain gutters for flow of water, install new down spout.	\$4,000
3	Historic windows require new storm/screens for energy saving improvement	\$37,000
4	Elevator Floor needs repair. New base flooring to be installed. Monitor and ensure pump is maintained. Seal base.	\$8,000
5	Change out energy efficient low flow faucets. Also Change fixtures in apt #4 bathroom	\$7,000
6	Lighting change out to energy efficient LED fixtures inside and outside the building.	\$13,500
7	Dumpster enclosure needs new siding enclosing all four sides with an ADA access.	\$4,850
8	Masonry work to the chimney that is pulling away from the building. Partial rebuild.	\$12,000
9	Unit #1, lower counters \$1,600 and replace lower cabinets. \$2400.	\$4,000
10	Cosmetic improvements in the common areas are needed. Refinish wood floors \$8,800 and painting all wall surfaces in accordance with historic agreement. \$7,400	\$16,200
11	Common Area ceiling repairs Approx. 200sqft. Drywall and paint.	\$5,400
12	Landscaping, Trim trees and appropriate signage. 10 trees, ADA signs, Apt sign.	\$7,600
13	Asphalt, overlay existing parking lot area. Approx. 12000 sqft	\$72,000
14	Change reinstall catch basin when improving parking lot.	\$3,000
15	Install master controlled thermostats in the units with limiters.	\$2,800
16	Paint ADA ramp Iron fencing. \$2000 Repair/install railing around lower level egress. \$6000	\$8,000
17	10% Contingency	\$23,135
18		\$0
TOTAL		\$ 254,485

Capital Needs Assessment and Renovation Comparison.

		CNA	Renovation
Site			
	Site Lighting	X	X
	Dumpster enclosure	X	X
	Trimming Trees	X	X
	Parking lot asphalt repair	X	X
	Signage	X	X
	Paint Iron Railing	X	X
Architectural			
	Storm Windows & Screens	X	X
	Painting Common Areas	X	X
	Roof Deck drainage issue		X
	3 rd floor Ceiling repair		X
	Chimney repair	X	X
Dwelling Unit			
	Curtains on the windows	X	
	Kitchen Cabinets in Unit #1	X	X
	Low flow faucets		X
	Master Limiting Thermostats		X
Mechanical/Electrical			
	Replace/repair elevator floor		X
	Lockable closet around data lines	X	
	Change out boilers in 10 years	X	
	L.E.D. Lighting	X	X



St. Dominic's School Apartments

42 Gray Street, Portland, Maine

RENOVATION

St. Dominic's was built in 1893 as a rectory later adapted into an affordable apartment building. Use and wear has resulted in many architectural elements needing attention and fixing.

Heather
June 2016

Renovation and Repair

This report is based on various visits to the property in fall of 2015 and spring of 2016 and the Capital Needs Assessment performed by Merriam Architects in 2014. Information was also obtained through brief interviews with personnel at LearningWorks, Phoenix Property Management and the State Fire Marshal. Replacement costs were determined by estimated costs in 2014 by a local contractor, RS Means Building Construction Cost Data and historical knowledge from previous projects.

Water Damage on Roof Deck

On the roof next to the penthouses there is a small decked roof area. The E.P.D.M. is pulling away from the edge vertical edging allowing water to migrate under the membrane. In other areas the decking is screwed down directly through the EPDM causing areas of possible leakage. Water is pooling and not draining properly. We propose to remove and replace the decking and roof substrate and install adequate drainage to address the water issue.



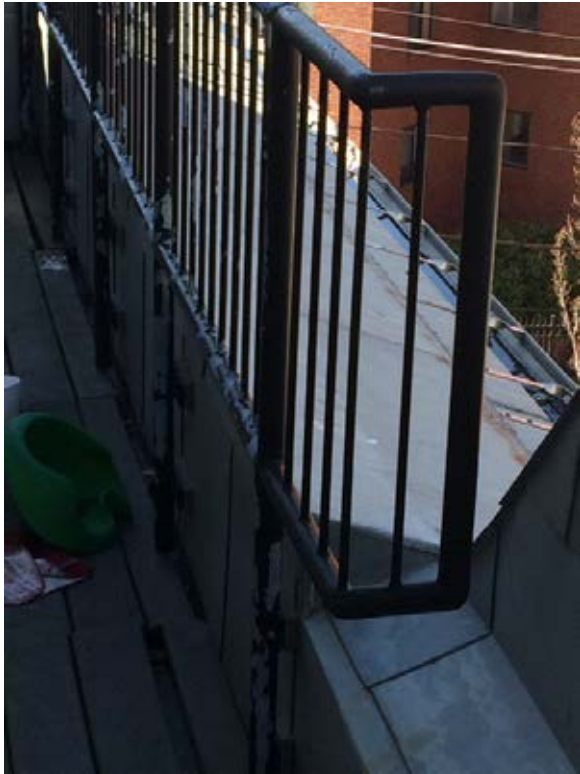
Pooling water
under decking



There are two doors that need weather stripping to prevent water leaking through the door and down the stair tower. Considerable damage has occurred in both door locations. We suspect that water has been leaking for numerous years.

Drain Gutters

As you can see in the photograph below, a considerable amount of water is sitting in the gutters and not draining out. Adjustment of the current gutters to allow for positive drainage needs to be completed. A new drain spout will be required to direct the water down to grade.



Standing
water in
gutter



Here is one of the gutters that is plugged causing damage to the fascia. Any rotten wood will be repaired or replaced depending on condition. The dental fascia and brick mold seem to be in good condition.

Storm/Screens

The windows at St Dominic's are historic and, for the most part, are in good condition. However, the windows have single pane glazing and need to be more energy efficient. Any storm windows that are present are twisted or ill fitting. Also many of the screens are missing or have rips in them.



Elevator Floor

The elevator floor is rusted and needs replacing/repairing. This may be caused from water sitting in the elevator pit and causing moisture from the underside of the cabin.

Low Flow Faucets

To lower the water consumption at the building we intend to install low flow fixtures in the units. This includes low flow faucet heads, low flow lavatories and low flow shower heads.

Lighting

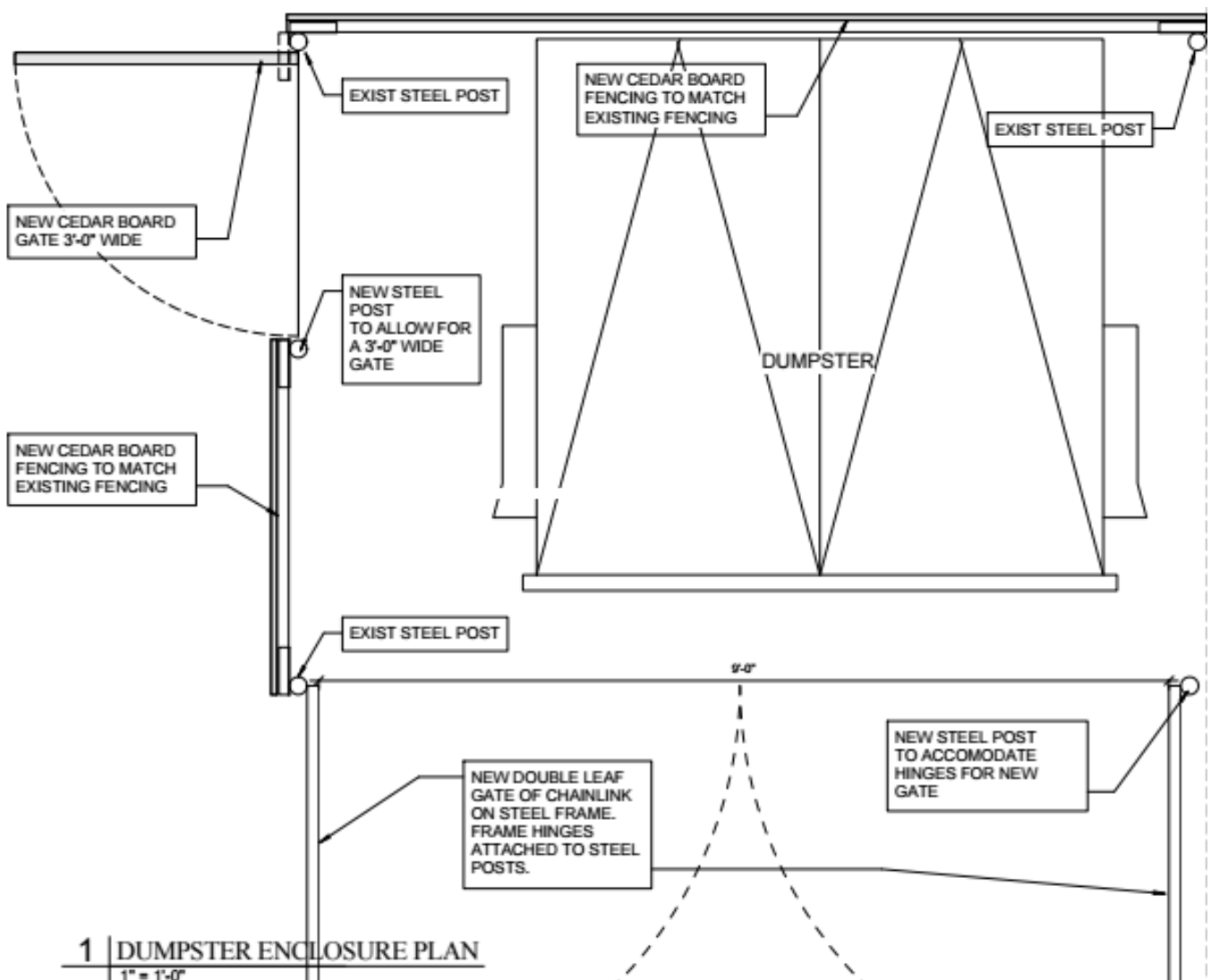
The lighting inside the building should be improved with LED fixtures. Not only will LED's provide brighter lighting, but the building will use less electricity and therefore be more environmental friendly.

Dumpster Enclosure

The dumpster enclosure currently does not have an ADA accessible door. The surrounding fencing is also broken and unsightly. We intend to surround the dumpster with cedar fencing and include a pedestrian trash drop off gate along with side opening for truck pick up. There currently exists a concrete lip/ramp at the enclosure that will need removing and leveling.

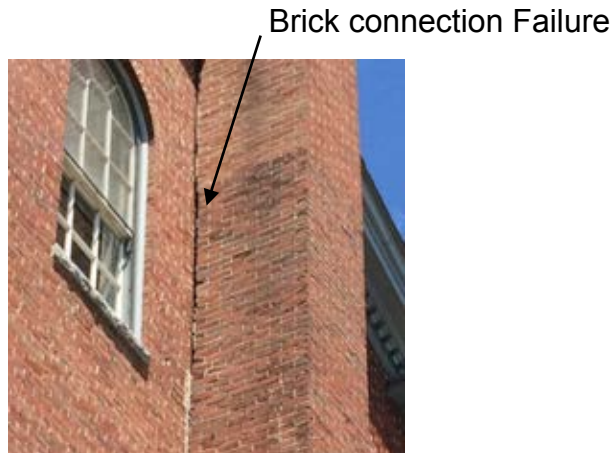
St. Dominic's

New Dumpster Enclosure



Masonry

The chimney has pulled away from the main building approximately 20 ft below the peak. The chimney needs to be taken down to the beginning of the brick failure and rebuilt matching historic brick type.

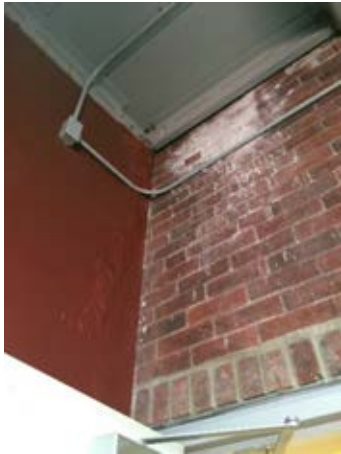


Unit #1 cabinet replacement

As noted in the C.N.A., unit #1 is an ADA accessible unit. The lower level cabinets however are currently not at accessible height. Removal of the cabinets and installation suitable cabinets will bring the unit into compliance. We intend to use Kabinart, Sherwood, Maple, All Wood Cabinets with dovetail drawers and soft closers. The counter top will be a veneer to match what is currently installed.

Common areas

Water damaged sheetrock needs to be removed and replaced in the stair tower. There is a large area of the third floor ceiling that also needs replacing due to numerous roof deck leaks.



All of the common areas require some attention. The hallways are in need of cleaning and freshening up. The stairs, walls and doors need repainting over the existing paint. The floors are also badly worn and require refinishing.



Landscaping

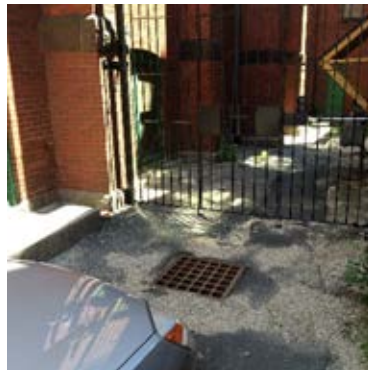
The trees around the property are over grown and require trimming to prevent property damage. Currently two very large trees are touching the brick.



A professional arborist will trim the limbs so that they provide shade but will no longer damage the building.

Asphalt and Catch Basin

The catch basin requires cleaning out as it is full of debris. The parking lot that encompasses the side of the building has fissures and will have 1" topcoat of asphalt.



Thermostats

Upon walking through the units it was obvious that the tenants are not conscious of conserving heat. In a number of units the windows were wide open and the heat was set to 80 degrees in the winter months. Chicago Master Limiting Thermostats are to be installed in the units allowing the tenants to increase and decrease the units' temperature within preset parameters. This should reduce wasteful heating costs.

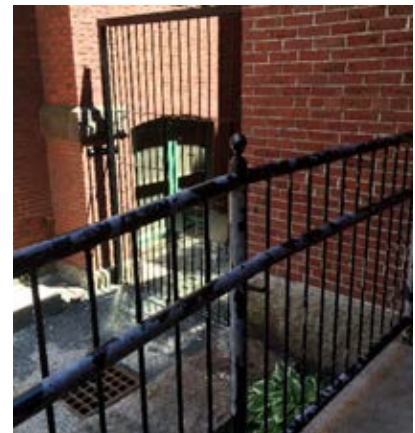
HC7176 Residential Thermostat



Iron Fencing

Alongside the ADA ramp, the top parking lot and the steps on the back of the building are iron fences. The paint is in disrepair and needs repainting. Alongside the building is a railing that looks to have been backed into. This railing is to be rebuilt.

Also alongside the building is grating over the subterranean windows in the basement. Plywood has been installed to keep trash and people from accessing the space. The plywood is to be removed. Proper containment and attachment/replacement of the grating will bring light into the basement rooms.



Affordability Analysis & Rent Schedule					
Affordable Rents					
Unit Type	HHL D Size	Fed Home	LIHTC Rent	UA	Max. Net Rent
1 BR @ 60%			877	49	\$828
2 BR @ 60%			1,053	61	\$992
3 BR @ 60%			1,217	74	\$1,143
4 BR @ 60%			1,357	88	\$1,269

Rent Schedule					
Unit Type	# Units	Net Rent	Utility Allow.	Gross Rent	Afford. @ % Med. Inc.
1 BR @ 60%	1	\$828	0	\$828	
2 BR @ 60%	5	\$992	0	\$1,044	
3 BR @ 60%	4	\$1,143	0	\$1,206	
4 BR @ 60%	2	\$1,269	0	\$1,269	
TOTAL	12				
Bedroom Mix	1 BR	2 BR	3 BR	4 BR	Total
	1	5	4	2	12
Income Mix	30%AMI	40%AMI	50%AMI	60%AMI	Sec8
Number	0	0	0	12	
Percent	0.0%	0.0%	0.0%	100.0%	0.0%

Operating Income & Expense		
Effective Gross Income	Monthly	Annual
Gross Potential Rental Income	13,875	154,776
Less Vacancy & Collection Loss	5.0% (651)	(7,814)
Other Revenue	125	1,500
Effective Gross Income	12,372	148,462
Annual Expenses	Per Unit	Total
ADMINISTRATIVE EXPENSES		
Management Fee	735	8,818
Legal	500	6,000
Audit	417	5,000
Marketing	83	1,000
Site Manager	624	6,235

Resident Services	359	3,588
Broadband Service	-	-
Other	268	3,215
<i>Subtotal Administrative</i>	2,985	33,856
OPERATING EXPENSES		
Water/Sewer	833	10,000
Electric	583	7,000
Heat/HW	1,667	20,000
<i>Subtotal Operating</i>	3,083	37,000
MAINTENANCE		
Building Maintenance	991	11,890
Janitorial	353	4,239
Supplies/Exterminating	108	1,296
Painting/Decorating	75	750
Grounds	75	750
Snow Removal	500	5,000
Trash Removal	208	2,500
<i>Subtotal Maintenance</i>	2,310	26,425
GENERAL EXPENSES		
Property taxes	1,500	18,000
Insurance	1,250	15,000
Management Broadband	-	-
<i>Subtotal General</i>	2,750	33,000
REPLACEMENT RESERVE		
Housing	452	5,424
TOTAL RESERVES	452	5,424
TOTAL EXPENSES PLUS RESERVES	11,309	135,705
Net Operating Income		12,757
Fund ODE		12,757
Cash Flow		-
Cash Flow PUPA		-
Income/Expense Ratio		1.09

ST. DOMINIC'S SCHOOL APARTMENTS

15-YEAR PROFORMA OPERATING INCOME AND EXPENSE STATEMENT

	Trend Rate	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
INCOME	2.00%																
Gross Rental Income	2.00%	154,776	157,872	161,029	164,250	167,535	170,885	174,303	177,789	181,345	184,972	188,671	192,445	196,293	200,219	204,224	208,308
Other Income		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Vacancy	5.00%	(7,739)	(7,894)	(8,051)	(8,212)	(8,377)	(8,544)	(8,715)	(8,889)	(9,067)	(9,249)	(9,434)	(9,622)	(9,815)	(10,011)	(10,211)	(10,415)
EFFECTIVE INCOME		148,537	151,478	154,478	157,537	160,658	163,841	167,088	170,400	173,778	177,223	180,738	184,322	187,979	191,708	195,512	199,393
EXPENSES																	
Administrative	3.00%	33,856	34,871	35,918	36,995	38,105	39,248	40,426	41,638	42,887	44,174	45,499	46,864	48,270	49,718	51,210	52,746
Operating	3.00%	37,000	38,110	39,253	40,431	41,644	42,893	44,180	45,505	46,870	48,277	49,725	51,217	52,753	54,336	55,966	57,645
Maintenance	3.00%	26,425	27,218	28,034	28,875	29,742	30,634	31,553	32,499	33,474	34,479	35,513	36,578	37,676	38,806	39,970	41,169
General	3.00%	33,000	33,990	35,010	36,060	37,142	38,256	39,404	40,586	41,803	43,058	44,349	45,680	47,050	48,462	49,915	51,413
Replacement reserve	3.00%	5,424	5,587	5,754	5,927	6,105	6,288	6,477	6,671	6,871	7,077	7,289	7,508	7,733	7,965	8,204	8,450
TOTAL EXPENSES		135,705	139,776	143,969	148,288	152,737	157,319	162,039	166,900	171,907	177,064	182,376	187,847	193,482	199,287	205,266	211,424
NET OPERATING INCOME		12,832	11,702	10,508	9,249	7,921	6,522	5,049	3,500	1,871	159	(1,638)	(3,525)	(5,504)	(7,579)	(9,753)	(12,031)

PORTLAND HOUSING DEVELOPMENT CORPORATION

**City of Portland, Maine
Affordable Housing Development
HOME Funds Application
2016-2017**

58 Boyd Street Apartments

June 10, 2016

**Contact:
Jay Waterman
Development Director
Portland Housing Authority
14 Baxter Boulevard
Portland, Maine 04101**

PORTLAND HOUSING DEVELOPMENT CORPORATION
14 Baxter Boulevard
Portland, Maine 04101

June 10, 2016

Mary Davis
City of Portland - Housing and Community Development Division
389 Congress Street
Portland, Maine 04101

Subject: 58 Boyd Street Apartments Affordable Housing Development
Response to RFP – HOME Funds 2016-2017

Dear Mary,

Portland Housing Development Corporation is pleased to submit this response to the City of Portland's Affordable Housing Development HOME Funds 2016-2017 Application. 58 Boyd Street Apartments is a 48 unit multi-family development in the heart of the East Bayside neighborhood that will compliment our Bayside Anchor project nearby.

This project is one of the first steps in Portland Housing Authority's master planning process looking at the renovation and redevelopment of up to 1000 units of housing throughout Portland and the creation of new affordable housing on under-utilized parcels of land within PHA's portfolio. PHA's East Bayside campus is at the forefront of planning efforts in the area that include a recently awarded Brownfields study grant, the Franklin Street redevelopment study, a Bayside transportation planning study and the East Bayside neighborhood plan.

Portland Housing Development Corporation and the PHA are excited that 58 Boyd Street Apartment will potentially be a part of the growth of this wonderful part of Portland.

Thank you for your consideration.

Sincerely,



Mark B. Adelson, President

Portland Housing Development Corporation

58 Boyd Street Apartments – Project Summary

Overview of Development Proposal

Portland Housing Development Corporation is initiating the next phase of development in the East Bayside neighborhood to continue to strive for one of our strategic planning goals of increasing the supply of affordable housing in the City of Portland.

Unit Mix

We are proposing to develop a 48 unit multi-family apartment building for families with the following tentative unit mix: Efficiency – 8 units; 1 bedroom – 20 units; 2 bedroom – 12 units; 3 bedroom – 8 units; TOTAL - 48 units

Affordability

- 65% of the units will be for households making at or below 50% of the Area Median Income (about \$38,550 for a family of 4).
- Of the 65%, half of the units (24) will have Project Based Rental Assistance.
- 15% of the units would be for households earning up to 60% AMI.
- 20% of the units would be market rate.
- 10% of the units will have a set-aside for homeless households
- Another 10% of the units will have a preference for homeless or disabled households

Response to Selection Criteria

Criterion 1 - Achieving City Goals and Addressing Demonstrated Need

Market demand – Please see our market demand analysis in Section B.16 that demonstrates the inadequacy of the existing supply of apartments to meet demand.

Economic diversity - Our program includes 10 market rate units (20%) in a census tract that had 54% of its residents living below the poverty line as of the 2010 Census. We have also discounted our market rate rents by 10%-15% below what a recent market study showed for market-rate rents. By doing this, we are trying to reach the “workforce housing” households that the City is targeting in their recent housing needs study. Remaining units are targeted to households earning below 50% and 60% of area median income allowing for additional income diversity.

No smoking - 58 Boyd Street Apartments will prohibit smoking in units and interior common areas as well as having a non-smoking clause in tenant leases. Additional information on management’s smoking policy can be found in Section B.14-15 regarding the management agreement and supportive services.

Criterion 2 - Financial Feasibility

The financial projections included herein have been developed directly with our architectural design team and looking at current development and operating budgets of active projects. Hard and soft costs of development are based on both the specifics of the conceptual plans as well as experience with comparable developments in Portland. Operating expenses are consistent with area developer experience and using data from partners on the Bayside Anchor project. Rents are 11% to 64% below market (ensuring a strong competitive position within the market). Finally, the financial projections - including prefunded replacement and operating reserves - conform to MSHA underwriting standards and the project characteristics should yield an extremely competitive application in the upcoming LIHTC round at MSHA. Please see attached Section B11, 12 Financial Analysis.

Criterion 3 - Applicant Ability and Project Readiness

The development team assembled for 58 Boyd Street Apartments features many of the most experienced and capable players in affordable housing in Portland and Maine.

Owner/Developer **PHDC** is the development subsidiary of Portland Housing Authority (PHA) PHA is the largest landlord in Portland and also manages the largest Section 8 program in Maine. **Jay Waterman**, PHDC's Director of Development, brings 6 years of experience as Avesta Housing's Director of Development and another 6 years as a leader in green building construction while at Thornton Tomasetti, an international engineering and green building consulting firm based in New York. Jay developed one of the recent affordable multi-family communities in the Bayside neighborhood, Pearl Place Phase I.

The project's Management Agent, **Avesta Housing Management Corporation** manages properties and reviews operating budgets for over 2,000 units in Maine including several hundred in Portland. PHDC will work closely with Avesta to ensure a financially viable project for the long-term.

CWS Architects is the premier architectural firm in the Portland area working on the design of multi-family buildings. They are designing the first ever multi-family *Passive House* project in the State of Maine and will use this knowledge to design 58 Boyd Street Apartments to the same standard. Sub-consultants to CWS include **Carroll Associates Landscape Architects, Becker Structural Engineering, Bennett Engineering and Ransom Civil Engineering.**

58 Boyd Street Apartments is well positioned to move from planning and design into production upon receipt of City and LIHTC funding. HUD approval for the transfer of the site will be received in advance of the LIHTC award, which will allow for unimpeded progress through the local development review process. The team plans to work through the planning board process during the course of late-Summer and Fall 2016 and will be ready for construction in the summer of 2017.

Criterion 4 - Impact on Surrounding Neighborhood, Design Compatibility and Environmental Issues

The site is located in an existing residential neighborhood with a mix of owner-occupied and rental housing. Multifamily rental is appropriate for and compatible with the site.

58 Boyd Street Apartments' design is consistent with the style and type of construction historically found in East Bayside and other residential neighborhoods on the Peninsula. We are currently in discussions with City planning staff regarding our request for a taller building than is allowed in the R-7 zone. Given other projects along the same Franklin Street corridor (Illuminato Condos) increasing to 77 feet in height and the West Bayside Height Overlay anywhere from 85 feet to 125 feet in height, we feel our building should enhance the higher density areas such as the Franklin transportation corridor with a building that is at least 70 feet tall.

Replacing a relocating office building and Head Start School with a high performance, human-scaled apartment building that will have an active connection to the adjacent gardens represents a significant step in the process of restoring the neighborhood fabric that existed in East Bayside before Urban Renewal.

Units are designed to serve the needs of residents with a focus on comfortable temperatures and excellent indoor air quality. Amenities include community facilities, common laundry room and community/event space.

58 Boyd Street Apartments' design will meet and significantly exceed the City's Green Building Code. The team's design professionals (CWS Architects) are leaders in the *Passive House* ultra-low-energy building movement including Community Housing of Maine's first Passive House building in the State of Maine, scheduled to open in 2016. 58 Boyd Street Apartments employs the *Passive House* principles of plentiful fresh air, passive solar design, superinsulation and airtightness, used in conjunction with highly efficient energy recovery ventilation, to dramatically reduce energy demand and simplify overly complex and expensive multifamily mechanical systems.

58 Boyd Street Apartments

Site Control and Land Use Analysis

June 2016

Site Control

Attached is the option agreement between Portland Housing Authority (the current owner) and Portland Housing Development Corporation (the developer of 58 Boyd Street Apartments). The option agreement allows assignment to related parties; the option will be assigned to the to-be-formed limited partnership that will own 58 Boyd Street Apartments.

The sale is subject to approval from the U.S. Department of Housing and Urban Development (HUD) under its Demolition / Disposition process. Portland Housing Authority (PHA) has begun discussions with HUD and will formally apply for approval in July of 2016. Historically, HUD has granted approval for the use proposed for the property - creation of a mixed-income, mixed-use building. HUD approval is expected by September 2016.

Land Use Feasibility Analysis

The 58 Boyd Street Apartments site is located at the corner of Boyd and Lancaster Streets in East Bayside. The site is currently occupied by PHA offices, and the area Head Start pre-school and is part of the larger PHA-owned Bayside East property. The 58 Boyd Street Apartments site will be divided from the larger parcel.

The 58 Boyd Street Apartments site is zoned R-7 following the zone change that occurred as part of the Bayside Anchor Apartments planning board approval. The density of 435 square feet of lot for each residential unit allows up to 60 units on the site with the affordability density bonus. We are proposing only 48 units on this site.

We have a preliminary design of a 6-story building and are in discussions with planning staff about the feasibility of requesting only this height change.

However, this current project is developable on the existing lot without any zone change or variance. CWS Architects has a 4-story design that meets all current zoning if our discussions with the planning staff and our construction manager determine the 6-story building is not feasible.

Consistency with Comprehensive Plan

The 58 Boyd Street parcel was specifically called out as part of the zone change discussion in the Bayside Anchor planning process, knowing that the Portland Housing Authority was interested in providing more affordable housing in the East Bayside

neighborhood. The increased density of the R-7 zone allows for the project finances to work better due to economies of scale while also meeting the City goals of providing more affordable housing to very low-income and “workforce housing” households.

The development team believes that the project goals are consistent with Policy #1 of the Housing Component of the Comprehensive Plan that states:

“Ensure that an adequate supply of housing is available to meet the needs, preferences, and financial capabilities of all Portland households, now and in the future.”

Portland continues to struggle with an inadequate supply of apartments serving all incomes. 58 Boyd Street Apartments will increase the supply of rental housing at rents serving a wide range of residents.

Consistency with Purpose of the R-7 Zone

The purpose of the R-7 Compact Urban Residential Overlay Zone is:

“To encourage and accommodate compact residential development on appropriate locations on the Portland peninsula, pursuant to the [...] housing plans of the City of Portland. Sites suitable for in-city living should be within walking distance of downtown or other work places, shopping and community facilities and have access to public or private off-site parking or transit service. The intent of this zone is to foster increased opportunities for compact in-city living for owners and renters representing a variety of income levels and household types.”

The 58 Boyd Street Apartments site is within walking distance of downtown and all its amenities. Additionally, it is a short walk away from the #1, #6, #7 and #8 Metro bus lines. The density of the building is consistent with the density of Bayside before the neighborhood’s fabric was undermined by Urban Renewal.

Ability to Meet the Requirements of the R-7 Zone

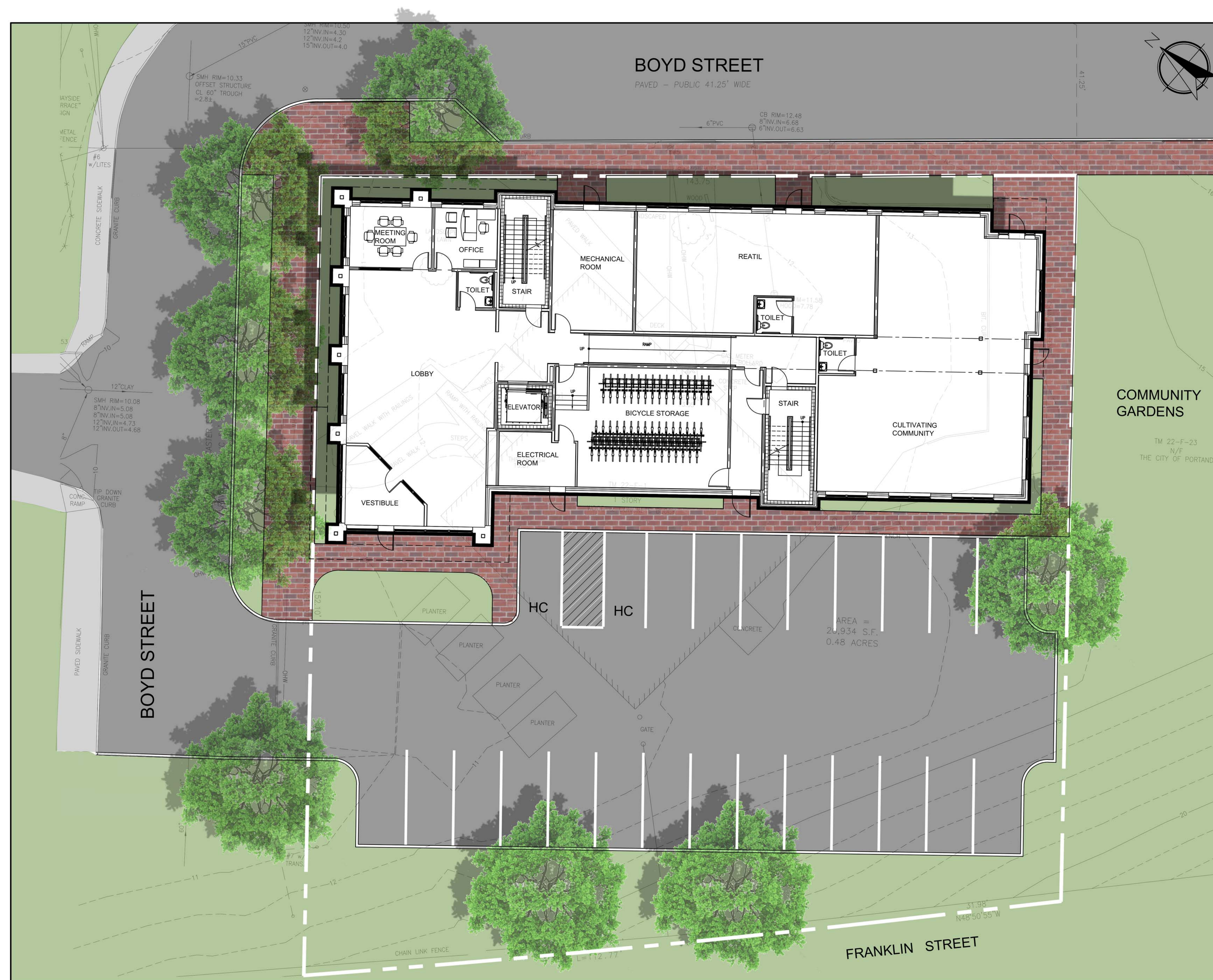
The proposed 58 Boyd Street Apartments building conforms to the dimensional requirements of the R-7 zone with the one exception of the building height. If our discussions with planning staff direct us to stay with four stories, we are willing to do that and thereby, will meet all R-7 requirements..

The 48 units proposed fall within the maximum of 60 units permitted under the R-7 density restriction of 435 square feet of land area per unit along with the 25% affordable housing density bonus. 48 units would be allowed even without the density bonus.

All units exceed the 400 square feet per unit floor area requirement of the R-7.

Required off-street parking will be delivered by a combination of a surface parking lot and off-site on neighboring PHA properties. There is capacity to provide at least a 0.75

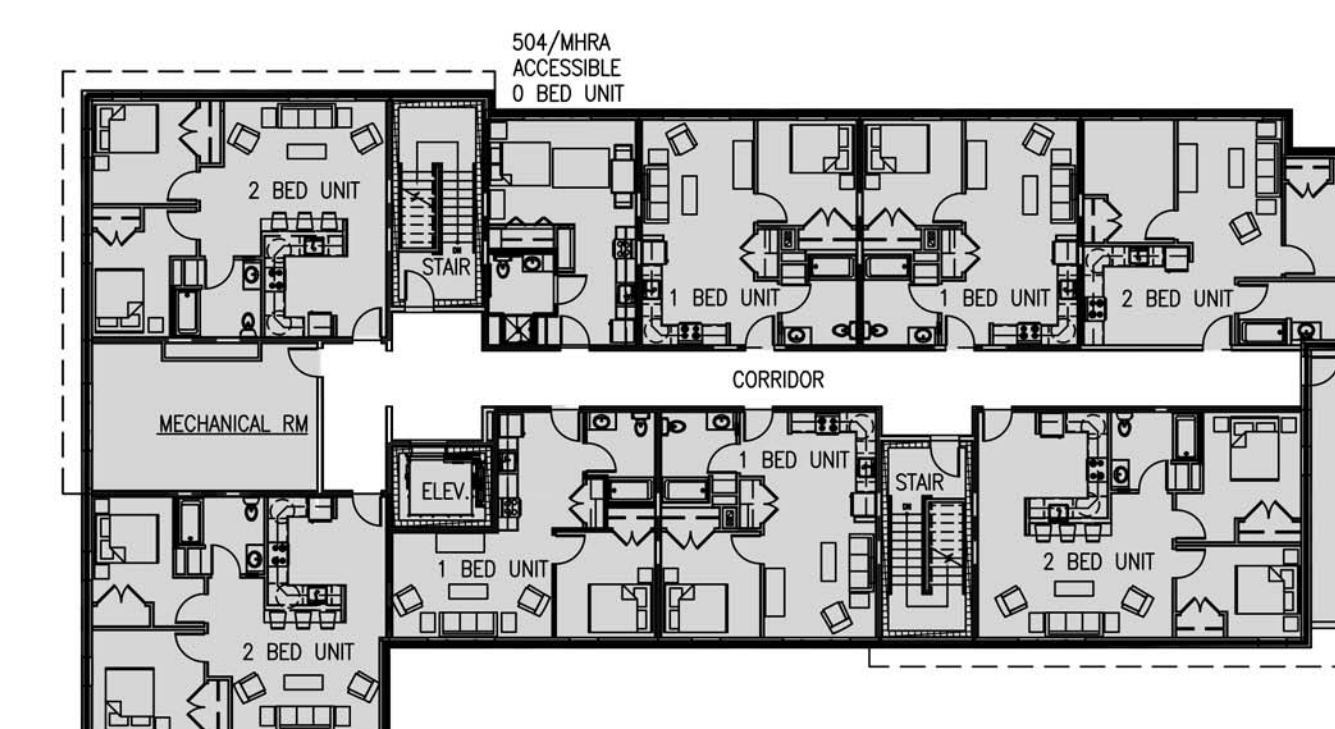
spaces per dwelling unit in both on-site and off-site locations which is consistent with other peninsular multi-family housing projects. However, the development team believes that the 58 Boyd Street Apartments proposal, like the Bayside Anchor project, presents an excellent opportunity to pursue aggressive alternatives to off-street parking including demand reduction strategies; expansion of the fee-in-lieu-of-parking to downtown residential zones (currently available only in business zones) and integration with public transit.



SITE PLAN
SCALE: 1"=10'-0"



LOCATION MAP
SCALE: NTS



FLOOR PLAN LEVEL 6
SCALE: 1"=20'-0"

OWNER:

58 BOYD STREET, LP
14 BAXTER BLVD.
PORTLAND, ME 04101

ARCHITECT:

CWS ARCHITECTS
434 CUMBERLAND AVE
PORTLAND, ME 04101

58 BOYD ST APARTMENTS

Portland, ME

MARCH 14, 2016

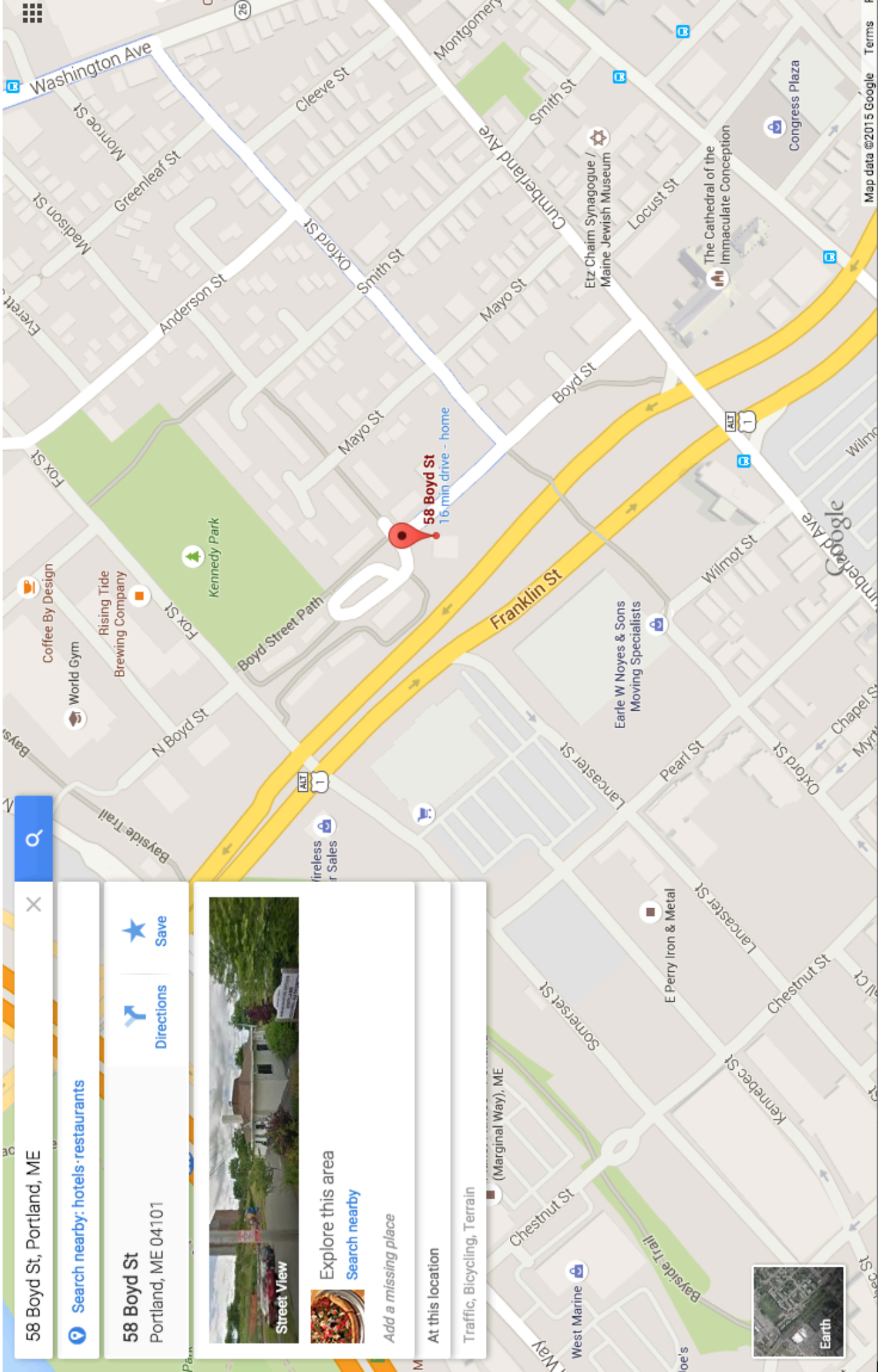


CARROLL ASSOCIATES
LANDSCAPE ARCHITECTS
217 COMMERCIAL STREET, STE 20
PORTLAND, MAINE 04101
207.772.1552 V. F. 207.772.0711



Project Completion Schedule

Activity		Actual/Scheduled Date Month/Year
A. SITE		
	Option/Contract	06/12/15
	Site Acquisition	owned for demo/ 'September 2017
	Zoning Approval	February 2017
	Site Analysis	October 2016
B. FINANCING		
	Construction Loan Commitment	April 2017
	Permanent Loan Commitment	April 2017
	Other Sources Committed	April 2017
C. PLANS AND SPECIFICATIONS		
	50%	December 2016
	90%	March 2017
	100%	June 2017
D. CONSTRUCTION LOAN CLOSING		September 2017
E. CONSTRUCTION START		September 2017
F. COMPLETION OF CONSTRUCTION		August 2018
G. LEASE-UP		
	Initial Lease-up	Aug-Nov 2018
	Sustained (95%) Occupancy	December 2018



58 Boyd Street Apartments

Financing – Sources and Uses

PHDC is requesting \$200,000 from the City of Portland Fed HOME RFP as gap financing for this project. The funds would be in the form of a 0%, deferred loan with a 30-year term.

A year ago we had requested \$360,000 of HOME funds and received approximately \$136,000 of CHDO HOME funds. We are looking to replace the CHDO funds with non-CHDO funds but decrease our overall request to \$200,000. With the award of Federal Home Loan Bank funds, we have reduced our needed gap funding. PHDC may become a CHDO in future years, but this project needs to move faster than the time it would take to convert PHDC to a CHDO, so we are looking to convert to non-CHDO funds.

PHDC plans to submit this project to MaineHousing for their Fall 2016 Low Income Housing Tax Credit round. LIHTC equity and associated MaineHousing Federal HOME funds, FHLB AHP funds and subsidized debt will make up the bulk of the financing with City HOME funds filling the gap.

We are requesting funds as of the June 10 deadline in the hopes that our project would have a commitment letter from the City to use as leveraged funds in our tax credit application.

Preliminary Source and Uses

Sources		
MH Interest Only Mortgage	0	
MH Subsidy	460,000	
City FedHOME	200,000	
AHP Loan	2,267,565	
FHLB Subsidy	500,000	
Net Syndication	6,190,219	711,591 Credit Allocation
Sponsor Loan	184,799	
Total	9,802,583	
Uses		
Construction	7,527,450	\$149.94 /sf Construction
Soft Costs	828,559	
Finance Costs	98,125	
Miscellaneous	161,143	
Acquisition	0	
Reserves	437,307	
Developer Fee	750,000	
Total	9,802,583	204,220 Gross TDC / Unit
		197,837 Adj. TDC / unit

58 Boyd Street Apartments

Financial Analysis

June 2016

Preliminary Development Budget

PRO FORMA DEVELOPMENT BUDGET		
	Residential	Per Unit
Site Improvements	400,000	8,333
Construction	6,200,000	129,167
Demolition	0	0
Builder Overhead	270,000	5,625
Builder Profit	264,000	5,500
Bond Premium	35,000	729
Construction Contingency	5% 358,450	7,468
Subtotal Construction Costs	7,527,450	156,822
Building Permits and Fees	154,359	3,216
Survey & Engineering	28,200	588
Architectural & Design	500,000	10,417
Legal	58,000	1,208
Title & Recording	15,000	313
Accounting	8,000	167
Construction Period Tax	8,000	167
Construction Period Insurance	25,000	521
Soft Cost Contingency	32,000	667
Subtotal Soft Costs	828,559	17,262
Construction Loan Origination Fees	2,500	52
Construction Loan Interest	83,125	1,732
Constr Partic. Fee/Perm Loan Fee	2,500	52
Lend Inspec, Const legal, Letter of Credit	10,000	208
Subtotal Finance Costs	98,125	2,044
Market Survey	4,500	94
Appraisal	6,000	125
Environmental Study	4,500	94
LIHTC Fees/ prepd monitor	44,393	925
Commissioning	64,250	1,339
FF&E	37,500	781
Subtotal Miscellaneous	161,143	3,357
Acquisition: Buildings	0	0
Acquisition: Land	0	0
Acquisition: Legal	0	0
Subtotal Acquisition	0	0
Operating Deficit Escrow	262,000	5,458
Pre-funded Replacements	67,690	1,410
Tax & Insurance Escrow	57,617	1,200
Working Capital	0	0
GP Contribution	0	0
Developer Overhead	420,000	8,750
Developer Profit	330,000	6,875
Rent-up & Marketing	50,000	1,042
Subtotal Fee and Reserves	1,187,307	24,736
Total Development Costs	9,802,583	204,220
TDC Less LIHTC Fees and ODE		197,837

Preliminary Rent Schedule

PROPOSED RENT SCHEDULE									
Type	AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow.		Total Rent
Efficiency	40% LIHTC	0				\$1,010	0	✓	0
	Low HOME	0				\$1,010		✓	0
	50% LIHTC	2	672	672	672	\$1,010	30		15,408
	60% HOME	0				\$1,010	0	✓	0
	60% LIHTC	2	807	807	807	\$1,010	30		18,648
	Market	4	\$909	\$909	909	\$1,010	30		42,192
8									
1BR	40% LIHTC	0				\$1,125	0	✓	0
	50% HOME	0				\$1,125			0
	50% LIHTC PBV	5	974	974	974	\$1,125	37		56,220
	50% LIHTC	5	720	720	720	\$1,125	37		40,980
	60% LIHTC	5	864	864	864	\$1,125	37		49,620
	Market	5	\$1,013	\$1,013	1,013	\$1,125	37		58,530
20									
2BR	40% LIHTC	0				\$1,465	0	✓	0
	50% HOME	0				\$1,465			0
	50% LIHTC PBV	11	1219	1219	1219	\$1,465	46		154,836
	High HOME	0				\$1,465	0	✓	0
	60% LIHTC	0				\$1,465	46	✓	0
	Market	1	\$1,319	\$1,319	1,319	\$1,465	46		15,270
12									
3BR	50% HOME	0				\$1,635	0	✓	0
	50% LIHTC PBV	8	1637	1637	1,637	\$1,635	56		151,584
	60% HOME	0				\$1,635	0	✓	0
	60% LIHTC	0				\$1,635	56	✓	0
	Market	0				\$1,635	0	✓	0
									0
8									
4BR	50% HOME					\$0	0	✓	0
	50% LIHTC					\$0	0	✓	0
	60% HOME					\$0	0	✓	0
	60% LIHTC					\$0	0	✓	0
	Market					\$0	0	✓	0
0									
Other:								✓	0
								✓	0
Subtotals		48						✓	603,288
			Vacancy Rate		5%				-30,164
			Other Income						0
			Other Income		Laundry				4,800
			Tenant Income		CSF				12,000
			Effective Gross Income					✓	589,924

Preliminary Operating Schedule

Expense	OPERATING EXPENSES				
	Residential Annual	Annual Per Unit	Monthly Per Unit	Community Facility Annual	Total Building Annual
Administrative Expenses:					
Management Fees	35,107	731	61	0	35,107
Management Charges	35,107	731	61	0	35,107
Marketing Expenses	500	10	1	0	500
Legal Expenses	2,000	42	3	0	2,000
Auditing Expenses	6,000	125	10	0	6,000
Other Administrative Expenses	0	0	0	0	0
Administrative Expenses	78,715	1,640	137	0	78,715
Operating Expenses:					
Janitorial Payroll	0	0	0	0	0
Janitorial Supplies and Equipment	0	0	0	0	0
Janitorial Contractual Services	17,500	365	30	0	17,500
Propane Heat & HW	24,000	500	42	1,000	25,000
Electricity	35,000	729	61	4,000	39,000
Water and Sewer	32,500	677	56	1,000	33,500
Garbage and Trash Removal	9,000	188	16	500	9,500
Vehicle and Equipment Expenses	0	0	0	0	0
Other Operating Expenses	0	0	0	0	0
Operating Expenses	118,000	2,458	205	6,500	124,500
Maintenance Expenses:					
Grounds Maintenance Payroll	0	0	0	0	0
Grounds Tools and Supplies	0	0	0	0	0
Grounds Contractual Services	7,500	156	13	750	8,250
Miscellaneous Ground Maintenance	0	0	0	0	0
Tenant Damage Charges - Grounds	0	0	0	0	0
Building Maintenance Payroll	0	0	0	0	0
Building Tools and Supplies	5,500	115	10	0	5,500
Building Contractual Services	25,000	521	43	1,000	26,000
Building Systems Maintenance	31,000	646	54	3,000	34,000
Miscellaneous Building Maintenance	500	10	1	0	500
Tenant Damage Charges - Building	0	0	0	0	0
Maintenance Expenses	69,500	1,448	121	4,750	74,250
General Expenses:					
Property Taxes	74,400	1,550	129	0	74,400
Property and Liability Insurance	17,500	365	30	750	18,250
Tenant Computer Network Expense	2,500	52	4	0	2,500
Tenant Service Expenses	17,500	365	30	0	17,500
General Expenses	111,900	2,331	194	750	112,650
Replacement Reserve Funding	21,600	450	38	0	21,600
Commercial Expenses (if applicable)	0	0	0		
Total	399,715	8,327	694	12,000	411,715

15-year Operating Pro Forma

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT														
2 Months														
	10/16/18	12/31/18	2	14	26	38	50	62	74	86	98	110	122	
Effective Gross Income	98,321	601,722	12/30/21	12/30/21	12/30/21	12/30/21	12/30/21	12/30/21	12/30/21	12/30/21	12/30/21	12/30/21	12/30/21	12/30/28
Less Operating Expense	66,619	424,066	613,757	626,032	638,552	651,323	667,606	684,297	701,404	718,939	736,973	754,911	772,944	736,973
Net Operating Income	29,701	177,656	436,788	449,892	463,389	477,290	491,609	506,357	521,548	537,194	553,310	569,426	585,541	553,310
Less RLP Repay	0	0	176,968	176,140	175,164	174,033	175,997	177,939	179,856	181,745	183,602	185,459	187,316	183,602
Less Other Repay	21,651	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908
Cash Flow	8,050	47,747	47,080	46,231	45,255	44,125	46,089	48,031	49,948	51,836	53,694	55,521	57,326	53,694
Cash Flow per Unit	1,006	995	980	963	943	919	960	1,001	1,041	1,080	1,119	1,158	1,197	1,119
Debt Coverage Ratio(RLP)	1.37	1.37	1.36	1.36	1.35	1.34	1.35	1.37	1.38	1.39	1.40	1.41	1.42	1.41
MH Subsidy	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
MH Interest Only Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Balance(RLP)	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
Operating Reserve Balance	262,000	275,100	303,298	318,463	334,386	351,105	368,660	387,093	406,448	426,770	448,109	469,426	490,741	448,109
Yr 15														
Effective Gross Income	755,335	774,219	793,674	813,414	833,749	858,761	884,524	911,060	938,392	966,544	995,540	1,025,381	1,056,060	995,540
Less Operating Expense	569,910	587,007	604,617	622,756	641,438	660,681	680,502	700,917	721,944	743,603	765,911	788,869	812,486	765,911
Net Operating Income	185,426	187,212	189,057	190,658	192,311	198,080	204,022	210,143	216,447	222,941	229,629	236,512	243,574	229,629
Less RLP Repay	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Other Repay	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908	129,908
Cash Flow	55,517	57,303	59,049	60,750	62,402	68,172	74,114	80,235	86,539	93,032	99,721	106,604	113,681	99,721
Cash Flow per Unit	1,157	1,194	1,230	1,266	1,300	1,420	1,544	1,672	1,803	1,938	2,078	2,217	2,356	2,078
Debt Coverage Ratio(RLP)	1.43	1.44	1.45	1.47	1.48	1.52	1.57	1.62	1.67	1.72	1.77	1.82	1.87	1.77
MH Subsidy	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
MH Interest Only Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Balance(RLP)	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
Operating Reserve Balance	448,109	470,514	518,742	544,679	571,913	600,509	630,534	662,061	695,164	729,922	766,418	803,765	841,966	766,418

**COMMISSIONERS**

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Shirley Peterson, Vice Chairperson
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Thomas Valleau, Commissioner

Mark B. Adelson
Executive Director

14 Baxter Boulevard
Portland, Maine 04101
Office: 207-773-4753
Fax: 207-761-5886
www.porthouse.org

June 10, 2016

Mary Davis
City of Portland - Housing and Community Development Division
389 Congress Street
Portland, Maine 04101

**Subject: 58 Boyd Street Apartments
Financial Capacity to Develop Affordable Housing**

Dear Mary,

The purpose of this letter is to self-certify that Portland Housing Development Corporation (PHDC), an affiliate of the Portland Housing Authority, has the financial capacity to develop the 58 Boyd Street Apartments affordable housing development.

Pre-Development:

Portland Housing self-finances pre-development expenses with unrestricted funds, and is then reimbursed at the construction loan closing.

Construction Financing:

Portland Housing Authority has secured \$30,000 of CDBG funds from the City of Portland that is outside of the 58 Boyd Street transaction but is critical to the success of the project. When the current occupants in the existing small office building at 58 Boyd Street move to the new Bayside Anchor building, PHA will use the CDBG funds to demolish the building and have the site cleared for the new project.

Portland Housing Development Corporation will seek construction financing from Bangor Savings Bank, with whom we have a banking relationship. Bangor Savings acted as our sponsor bank for the successful Federal Home Loan Bank of Boston AHP application.

Permanent Financing

PHDC is proud to state that 58 Boyd Street Apartments has secured \$500,000 of direct subsidy from the Federal Home Loan Bank of Boston's AHP program with additional subsidy buying down the rate for a permanent loan from Bangor Savings Bank. Total committed funds including subsidized debt and the direct subsidy is \$2,767,565.

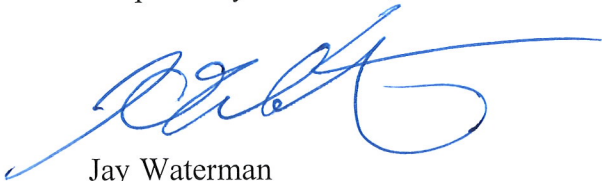
Please also note that the City of Portland has conditionally committed \$136,961 of CHDO HOME funds for the project in September of 2015. While we are seeking to replace those funds with \$200,000 of non-CHDO funds, we note that the City has approved this project once, and we hope they do that again.

Regarding our capacity to win Low Income Housing Tax Credits, Portland Housing Development Corporation scored the second highest score of all LIHTC applications to MaineHousing in the 2014 application round for our Bayside Anchor project. We understand the competitive nature of the LIHTC funding rounds and have maximized our points under the latest Qualified Allocation Plan (QAP). The QAP is awarding more points for family projects this year, giving us a critical boost of two points.

As the Director of Development, I have been developing affordable housing for over 15 years and was the Director of Development at Avesta Housing when that agency developed Logan Place, Fore River Apartments and the first phase of Pearl Place, among other Portland area projects. I have successfully secured funding from various financing sources for affordable housing including Low Income Housing Tax Credits, Federal HOME funds, Federal Home Loan Bank Affordable Housing Program grants and subsidized advances, HUD 202 grants, RD 515 funds and local and national foundation grants.

Beyond the importance of filling a gap in our sources of funding, the award of HOME funds would be a critical piece of our overall funding as it allows the project to achieve extra points in MaineHousing's Qualified Allocation Plan for leveraged funds. The LIHTC application is due at MaineHousing on October 27, 2016 and then they should notify the project of an award of tax credits and HOME subsidy within 60 days of that application date. Please refer to the project schedule included in this application for the timeline for other financing commitments.

Respectfully Submitted,



Jay Waterman
Director of Development



You matter more.

Tobi Goldberg
Senior Community Investment Manager
Federal Home Loan Bank of Boston
800 Boylston Street
Boston, MA 02199

February 1, 2016

Re: AHP Award A20151-047 for 58 Boyd Street Apartments

We were very pleased to receive notice that the Federal Home Loan Bank of Boston approved an Affordable Housing Program award for the 58 Boyd Street Apartments Project sponsored by Portland Housing Development Corporation and the Portland Housing Authority to be located in Portland, Maine.

We believe that this project is an innovative example of public-private partnership leveraging the Low Income Housing Tax Credit program for the development of a proposed 48-unit multi-family rental housing project in Portland, Maine. The support of the Federal Home Loan Bank of Boston's Affordable Housing Program is a critical and necessary component for the project to be able to move forward.

Enclosed please find an original executed Award Notification Acknowledgement Letter and Qualifying Characteristics Addendum.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Moore", written over a circular embossed or stamped mark.

John A. Moore
Senior Vice President
Community Development Banking/ CRA Officer



January 22, 2016

EDWARD A. HJERPE III
President and Chief Executive Officer

ed.hjerpe@fhlbboston.com

Mr. Robert Montgomery-Rice
President and Chief Executive Officer
Bangor Savings Bank
P.O. Box 930
Bangor, ME 04402-0930

RE: Notice of Award for **A20151-047 (58 Boyd Street Apartments)**

Dear Mr. Montgomery-Rice:

It is with pleasure that I write to notify you that we have approved your application for funding in the 2015 Affordable Housing Program (AHP) round. Congratulations on submitting a successful application. We have approved your initiative for the following funding, subject to the terms below:

Amount of Direct Subsidy: \$500,000

Amount of Advance: \$2,267,565

Term: 15 years

Amortization Period: 30 years

Please sign below and return this letter to our Housing and Community Investment department by **March 7, 2016**, keeping a copy for your records. Signing this letter in no way obligates your institution to accept the AHP funds. Extensions may be requested for the project and will be approved at the sole discretion of the Bank. If at any time it is determined that the project does not require the AHP funds, or cannot use the funds in a timely manner, please notify the Bank immediately.

We have enclosed the AHP subsidy agreement and an AHP Next Steps guide. The subsidy agreement clarifies the responsibilities of the parties involved and addresses the terms and conditions of AHP funding. The agreement must be signed before the first disbursement, but no later than 12 months from the award date.

If you have any questions, please contact our Housing and Community Investment staff at 888-424-3863. Again, congratulations on your successful AHP application.

Sincerely,

Enclosures

Award Notification Acknowledged By:

Signature

Bob Montgomery-Rice, President & CEO

Typed name and title

1.27.2016

Date

cc: John A. Moore, Senior Vice President and CRA Officer
Jay Waterman, Portland Housing Authority, Development Director
Jay Waterman, Portland Housing Development Corporation,

58 Boyd Street Apartments

Management Plan, Qualifications and Services Provided

Portland Housing Authority, PHDC's parent company, has considerable property management experience including income verification and tenant eligibility, but not specifically in LIHTC developments. For this specialized segment of the affordable housing sector, PHDC will hire Avesta Management Corporation of Portland to be the property manager.

Attached is a management agreement and statement of qualifications for Avesta Management.

58 Boyd Street Apartments will have a preference for special needs populations and the homeless. In order to provide a higher level of supportive services for this population, PHDC has partnered with The Opportunity Alliance for this project.

A letter from TOA is attached to describe the supportive services available to residents of 58 Boyd Street Apartments.

June 10, 2015



Mr. Jay Waterman
Development Director
Portland Housing Authority
14 Baxter Boulevard
Portland ME 04101

RE: 58 Boyd Street Apartments

Dear Mr. Waterman,

The Opportunity Alliance is pleased to provide this letter in support of the application to the City of Portland for their Federal HOME funds as gap financing for this project, and is committed to working with Portland Housing Authority to meet the needs of formerly homeless tenants. The two organizations are together committed to meeting the needs of low income and homeless tenants throughout Southern Maine.

The Opportunity Alliance will provide the following services to tenants that receive an apartment based on the homeless preference:

1. Creation of a tenant stabilization plan, including financial budgeting support and helping residents identify their needs and coordinating existing resources with which to meet these needs;
2. Providing follow-up outreach to residents to manage their stabilization plan and access to other services.
3. Creating a network of contact persons with the communities' social service agencies to facilitate residents' access to programs;
4. Overseeing the coordination and delivery of multiple supportive services to residents of the designated apartments.

The Opportunity Alliance will utilize skilled social work staff to identify prospective tenants and provide these services.

Given Portland Housing Authority's track record of developing and maintaining communities that have dramatically increased the availability of affordable housing for homeless individuals and families, as well as their commitment to partnership that works in the interest of residents, The Opportunity Alliance enthusiastically supports this application.

Sincerely,



Michael J. Tarpinian
President & CEO



58 Boyd Street Apartments

Analysis of Market Demand

June 2016

The development team commissioned a market study for 58 Boyd Street Apartments in preparation for the October 8, 2015 LIHTC application to MaineHousing. In addition, PHDC and Avesta Management Corporation, as our management company, operate thousands of affordable apartments in Southern Maine. We experience firsthand the shortage of affordable and market-rate apartments in Portland.

Our experience is corroborated by third-party analysis. In September 2015, the Signal Group provided a comprehensive market study for the 58 Boyd Street Apartments development. The market study analyzed market rents as well as demand for studio, 1BR, 2BR and 3BR apartments.

The 58 Boyd Street market study found that:

1. An estimated supply in 2015 of 17,798 rental units in Portland, occupied and vacant, is inadequate for the demand of 18,818 units. Over 1,000 units of housing are immediately needed in Portland.
2. 64.5% of the housing stock is over 55 years old in Portland, indicating a need for newer housing stock.
3. 3,917 households in Portland are income-eligible for the LIHTC units; An additional 6,670 households are income eligible but need rental assistance to afford the higher range of LIHTC rents.
4. There were seven vacant units out of 1,401 subsidized units in 34 surveyed properties in Portland - an occupancy rate of 99.5% .
5. Market rents are \$1,010 for efficiency units, \$1,125 for one-bedroom units, \$1,465 for two bedroom units and \$1,635 for three-bedroom units (includes all utilities).

Regarding the three-bedroom unit, Portland Housing Authority is the largest landlord for the immigrant community in Maine, which typically has larger family sizes. We have requests for larger units regularly and cannot find our clients enough 3-, 4-, and 5-bedroom units. We are absolutely sure the three-bedroom units will rent up immediately.

Portland , Westbrook and South Portland housing authorities have a combined waiting list for Section 8 vouchers of over 5,000 households.

PHA plans to include 24 Project Based Section 8 Vouchers in the project to reach a more diverse income group for this property. While the targeting is from 50% of Area Median Income (AMI) to market rate units (above 100% AMI), having these vouchers will allow households with extremely low income to afford these apartments. As noted above, over 63% of LIHTC-eligible households cannot afford the required rent.

The 58 Boyd Street Apartment program includes rents targeted to a range of income levels in recognition of the strong demand and need for apartments at all income levels. The table below summarizes the budgeted rents (in 2015) for the project in comparison to market rents.

We have a average 50.1% advantage over market rate rents in our tax credit unit rents.

We believe market rents have only increased since 2015. Note that even our market rate rents are targeted at least 10% below the true market rents for the area.

<i>Unit Type</i>	<i>Number of Units</i>	<i>Market Rent</i>	<i>Maximum Net Rent</i>	<i>Market Advantage</i>
Studio (50%)	2	\$ 1,010	\$ 632	59.8%
Studio (60%)	2	\$ 1,010	\$ 767	31.7%
Studio (Market)	4	\$ 1,010	\$ 955	5.8%
One-Bedroom (50%)	5	\$ 1,125	\$ 674	66.9%
One-Bedroom (60%)	5	\$ 1,125	\$ 818	37.5%
One-Bedroom (Market)	5	\$ 1,125	\$ 1,120	0.4%
One-Bedroom (50% PBV)	5	\$ 1,125	\$ 674	66.9%
Two-Bedroom (50% PBV)	11	\$ 1,465	\$ 806	81.8%
Two-Bedroom (Market)	1	\$ 1,465	\$ 1,430	2.4%
Three-Bedroom (50% PBV)	8	\$ 1,635	\$ 929	76.0%

Overall, the weighted average market rent is 50.1 percent higher than the weighted average maximum tax-credit rent.

City of Portland

Affordable Housing Development

HOME Funds Application

Project:

977 Brighton Avenue
Portland, ME 04102

Submitted by:



307 Cumberland Avenue
Portland ME 04101

June 9, 2016



977 Brighton Avenue Senior Housing Project Summary

Avesta Housing Development Corporation requests \$326,743 under the City of Portland's Development of Affordable Housing HOME Funds Application RFP to provide critical financing for the development of 977 Brighton Avenue Apartments.

The proposed development will include 25 one- and two-bedroom apartments for people ages 55 and over with incomes at 50% and 60% of the Area Median Income with a term of affordability for a minimum of 90 years. Fifteen apartments will be reserved for seniors at 50% AMI, and 10 apartments will be reserved for seniors at 60% AMI. Projected rents for are estimated to be 42% lower than comparable market-rate apartments. 977 Brighton Avenue 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.

977 Brighton Avenue 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. Currently more than 9,000 new units of senior housing are needed statewide 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 a previously planned senior project nearby 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).

977 Brighton Avenue will also bring economic diversity to the neighborhood by serving senior households with incomes 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 the project commits to set-aside 10% of the units for individuals or households residing in a Portland shelter. The City's Health and Human Services Department would be responsible for providing referrals, providing or coordinating supportive services and financial resources to assist with monthly rent payments. A Memorandum of Understanding between the City and the Developer would document the services and expectations.

In addition to the City FedHOME funds sought through this application, the project will be financed through an AHP grant and AHP subsidized loan, an affordable housing TIF, and federal Low Income Housing Tax Credits. Since the project will use tax credits as a primary funding source, the ownership



977 Brighton Avenue Senior Housing Project Summary

entity will be a limited partnership. A Maine limited partnership named Avesta 977 Brighton 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 2,000 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 graduated annual increase in rents (2% in years 1-5, 2.5% in years 6-10, and 3% in years 11-15; and a 3% annual increase for operating expenses. This budget includes a pre-funded operating reserve (required by Maine State Housing) with additional annual reserve deposits (see attached Pro-Forma and 15 Year Operating Budget for more detail).

977 Brighton Avenue Apartments will build upon Avesta Housing's commitment to construct and subsequently manage buildings that are long-term community assets. It 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 handicap units, as well as meet all fair and equal housing regulations as required.

977 Brighton Avenue is located in the RP – Residential Professional Zone, which currently does not allow multi-family housing. Avesta's proposed development will require zoning relief which we are currently working on with the City's Planning Staff. The form of zoning relief requested will not require contract zone or conditional zoning and would be consistent with the City's Comprehensive Plan. We anticipate that the zoning relief would involve either a text amendment to the RP zone allowing multi-family housing of the density we require or a map change for the property or area to a zone consistent with the requirements of the project, likely B2B. We anticipate Planning Board approval by January 2017. The project will utilize 8 lots on the corner of Brighton Avenue and Wessex Street to build a single structure that complements the existing neighborhood, which is comprised of commercial, mixed-use, 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.

CWS Architects will be the architect for the project and a general contractor will be selected through competitive bid at the time of construction commencement. Avesta Housing has worked on numerous successful projects in Portland with CWS Architects including such recent projects as 409 Cumberland Avenue and Bishop Street. The three-story, flat-roofed building will be designed as a contemporary take on New England architecture. Parking behind the building 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.

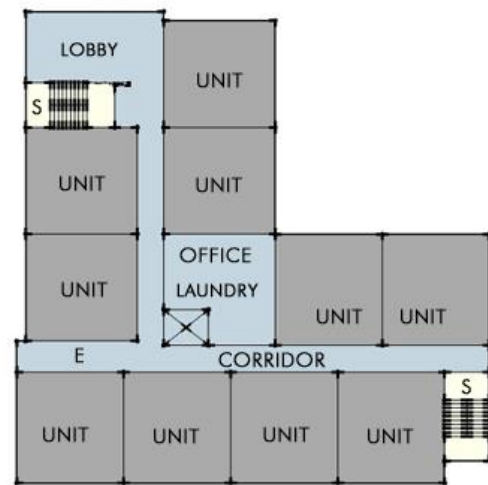
CONCEPT PROJECT SCOPE DEFINITION

**977 Brighton Avenue Apartments
Portland, Maine**

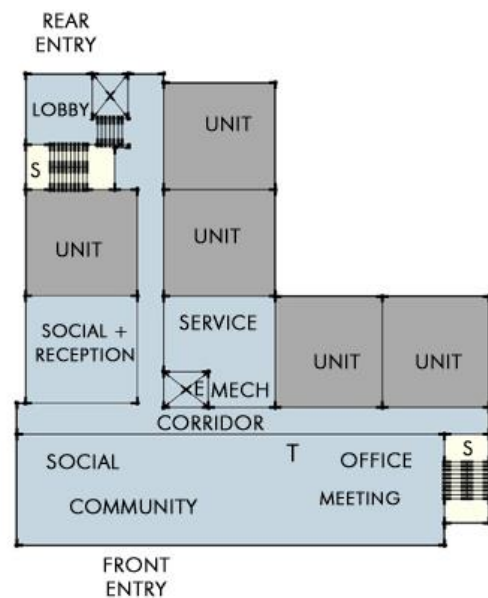


Scope Summary: New construction at 977 Brighton Avenue is a three story Type 5A protected wood frame construction residential use that will serve as a Senior Housing facility that will provide 25 one-bedroom housing units located on the corner of Brighton Avenue and Wessex Street in Portland, Maine. The vertical circulation systems consist of two stairs and one elevator in CMU shafts. Mechanical systems will primarily consist of gas fired condensing boilers supplying radiant baseboard heat, recirculating loop domestic hot water and rooftop ERV's with hot-water pre-heat and dehumidification. In addition to the residential units, the common areas will consist primarily of normal residential, service and building support spaces including social, community, meeting, service, office, laundry and mechanical spaces.

The concept site configuration indicates approximately 27 on-grade parking spaces set back from the structure, though from past experience it is likely less parking will be required and could be approved by the City. The development team has met with City staff about the use at the location. It is likely that some zone change or waivers will be required and would be supported by City staff as it is clearly meets the objectives of the City's Comprehensive plan. Some fine tuning of the building program is expected prior to submission of final development scope.



2ND + 3RD FLOOR PLANS



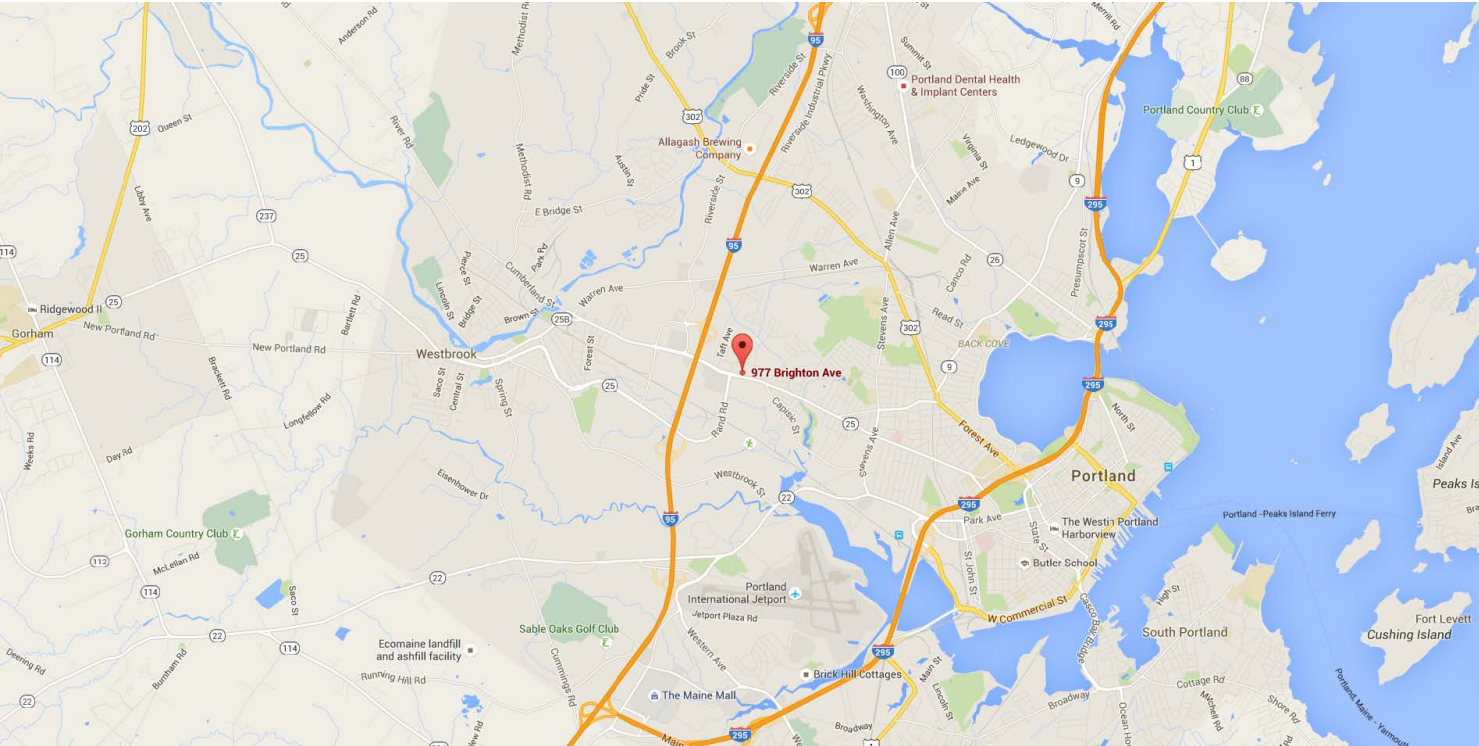
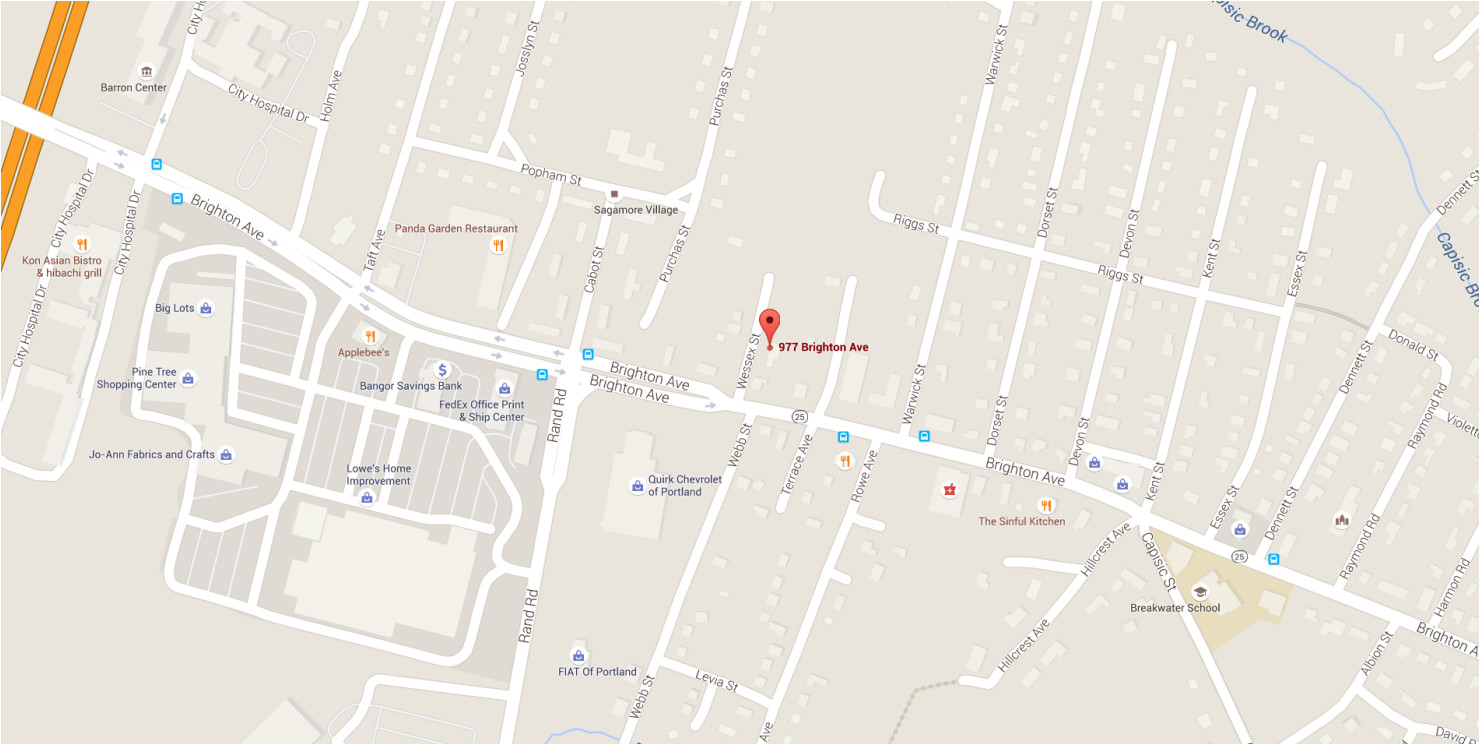
FIRST FLOOR PLAN

977 Brighton Avenue
Project Completion Schedule

Activity	Actual/Scheduled Date Month/Year
A. SITE	
Option/Contract	06/30/15
Site Acquisition	06/30/15
Zoning Approval	12/31/16
B. FINANCING	
Construction Loan Commitment	09/30/17
Permanent Loan Commitment	09/30/17
Other Sources Committed	09/30/17
C. PLANS AND SPECIFICATIONS	
50%	05/01/17
90%	07/01/17
100%	08/01/17
D. CONSTRUCTION LOAN CLOSING	09/30/17
E. CONSTRUCTION START	09/30/17
F. SUBSTANTIAL COMPLETION	07/30/18
G. COMPLETION OF CONSTRUCTION	07/30/18
H. LEASE-UP	
Lease-up Begins	07/30/18
Sustained (95%) Occupancy	12/30/18

* project already occupied

977 Brighton Avenue, Portland, Maine



977 Brighton Ave., Portland, ME



PROJECT NAME: 977 Brighton Avenue
LOCATION: Portland

Date: 09/07/15

DEVELOPMENT ASSUMPTIONS					
Total Units		25	Inflation Adjustments	Yr 1-5	Yr. 6-15
# @ 50% AMI (low HOME)	0.0%	0	Rent	2.00%	2.50%
# @ 50% AMI (LIHTC/High HOME)	60.0%	15	Operating Expense	3.00%	3.00%
# @ 60% AMI (LIHTC/High HOME)	0.0%	0	Other Income	2.00%	3.00%
# @ 60% AMI (LIHTC)	40.0%	10	Debt Coverage Ratio	1.15	
# @ Market	0.0%	0	Vacancy	5%	
Appraised Market Value		446,680	Market Value/Unit	\$17,867	

2,352,253

LIHTC Alloc.	132,607
Equity yield	0.950
Synd. %	99.99%
Equity Raise	1,259,638

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

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

Total Equity:	1,259,638
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Gross Square Footage	17,500
Construction Cost/Sq ft.	\$165

157

PRO FORMA DEVELOPMENT BUDGET				
	Residential	Per Unit	Commercial	Total
Site Improvements	175,000	7,000		175,000
Construction	2,572,500	102,900		2,572,500
General Requirements	0	0		0
Builder Overhead	0	0		0
Builder Profit	0	0		0
Bond Premium	0	0		0
Construction Contingency	5% 137,375	5,495		137,375
Subtotal Construction Costs	2,884,875	115,395	0	2,884,875
Building Permits and Fees	94,700	3,788		94,700
Survey & Engineering	33,000	1,320		33,000
Architectural & Design	321,000	12,840		321,000
Legal	45,000	1,800		45,000
Title & Recording	5,885	235		5,885
Accounting	10,000	400		10,000
Construction Period Tax	3,300	132		3,300
Construction Period Insurance	12,000	480		12,000
FF&E	62,000	2,480		62,000
Subtotal Soft Costs	586,885	23,475	0	586,885
Construction Loan Origination Fees	10,000	400		10,000
Construction Loan Interest	56,250	2,250		56,250
Lender Inspection Fees	8,000	320		8,000
Permanent Loan Fees	2,500	100		2,500
Construction Lender Legal	20,000	800		20,000
Subtotal Finance Costs	96,750	3,870	0	96,750
Market Survey	3,500	140		3,500
Appraisal	5,000	200		5,000
Environmental	12,700	508		12,700
LIHTC Fees	22,978	919		22,978
Soft Cost Contingency	25,000	1,000		25,000
3rd Party Consultants	18,000	720		18,000
Subtotal Miscellaneous	87,178	3,487	0	87,178
Acquisition: Buildings	0	0		0
Acquisition: Land	283,000	11,320		283,000
Carrying Costs	10,000	400		10,000
Subtotal Acquisition	293,000	11,720	0	293,000
Operating Deficit Escrow	114,160	4,566		114,160
Pre-funded Replacements	28,849	1,154		28,849
Tax & Insurance Escrow	20,250	810		20,250
Developer Overhead	262,500	10,500		262,500
Developer Profit	262,500	10,500		262,500
Marketing & Rent-Up Reserve	30,000	1,200		30,000
Subtotal Fee and Reserves	718,259	28,730	0	718,259
Total Development Costs	4,666,947	186,678	0	4,666,947

Notes:

MAXIMUM DEVELOPER FEE AVAILABLE	500,000
ACTUAL DEVELOPER FEE	686,307
% OF MAXIMUM DEVELOPER FEE	137.3%
NET DEVELOPER FEE COLLECTED	586,307
% OF MAXIMUM DEVELOPER FEE	117.3%

FLOW OF FUNDS									
Sources	CLC Oct-16	Dec-16	During Construction			PLC Nov-17	Jan-17	Jun-17	Total
			Mar-17	Jun-17	Sep-17				
Beginning Cash	0	0	0	0	0	0	0	0	0
Capital Contribution	125,964		125,964			795,210	162,500	50,000	1,259,638
Construction Loan	395,995	19,476	595,255	721,219	721,219				2,453,163
GP Bridge Loan									0
MSHA Subsidy	681,854					681,854			1,363,709
MSHA Amortizing Mortgage						0			0
AHP Grant	0	375,000				375,000			750,000
AHP Loan						866,858			866,858
City HOME		326,743							326,743
Other	0	0							0
Other	0								0
Other									0
Development Fee Loan						100,000			100,000
TOTAL SOURCES	1,203,813	721,219	721,219	721,219	721,219	2,818,922	162,500	50,000	7,120,111
Uses									
Acquisition	293,000								293,000
Construction		721,219	721,219	721,219	721,219				2,884,875
Soft Costs	586,885								586,885
Financing Costs	96,750								96,750
Miscellaneous	87,178					30,000			117,178
Dev Fee	140,000					172,500	162,500	50,000	525,000
Reserves						163,259			163,259
TOTAL DEV. COSTS	1,203,813	721,219	721,219	721,219	721,219	365,759	162,500	50,000	4,666,947
Repay GP Bridge Loan						0			0
Repay Construction Loan						2,453,163			2,453,163
SUBTOTAL OTHER ITEMS	0	0	0	0	0	2,453,163	0	0	2,453,163
TOTAL USES OF FUNDS	1,203,813	721,219	721,219	721,219	721,219	2,818,922	162,500	50,000	7,120,111
Ending Cash	0	0	0	0	0	0	0	0	0

PROJECT FINANCING								
Source	Amount	Rate	Term	Lien	Annual D/S			
					Yr. 1-5	Yr. 6-15	Yr. 16-30	
Source 1:	MSHA Subsidy	1,363,709	0.00%	30	First	0	0	0
Source 2	MSHA Interest Only Mortgage	0	6.00%	30	First	0	0	0
Source 3	AHP Grant	750,000	0.00%	30	Co-First	0	0	0
Source 4	AHP Loan	866,858	2.50%	30	Second	41,102	41,102	41,102
Source 5	City HOME	326,743				Grant		
Source 6	Other	0				Cash Flow		
Source 7	Development Fee Loan	100,000				Cash Flow		
Source 8	Net Syndication	1,259,638	\$0.95					
	Capitalization Gap (Surplus)	0						
	Total	4,666,947						

COLLATERAL COVERAGE		
	Total	Per Unit
Projected Mortgage	0	0
Appraised Market Value	446,680	17,867
Market Rent Differential	0	0
Supportable Mort.: Unrestricted	#VALUE!	#VALUE!
Subsidy per Unit		54,548
Subsidy per Low Income Unit		54,548

PROPOSED RENT SCHEDULE								
Type	AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow.	Total Rent
Efficiency	50% HOME						0	0
	50% LIHTC	0		0	0	\$955	0	0
	60% HOME						0	0
	60% LIHTC	0		0	0	\$955	0	0
0	Market							0
1BR	50% HOME							0
	50% LIHTC	13		720	720	\$1,000	0	112,320
	60% HOME							0
	60% LIHTC	9		864	864	\$1,000	0	93,312
22	Market							0
2BR	50% HOME						0	0
	50% LIHTC	2		865	865	\$1,250	0	20,760
	60% HOME						0	0
	60% LIHTC	1		1038	1,038	\$1,250	0	12,456
3	Market							0
3BR	50% HOME						0	0
	50% LIHTC						0	0
	60% HOME						0	0
	60% LIHTC						0	0
0	Market							0
4BR	50% HOME						0	0
	50% LIHTC						0	0
	60% HOME						0	0
	60% LIHTC						0	0
0	Market							0
Other:								0
								0
Subtotals		25						238,848
			Vacancy Rate		5%			(11,942)
			Other Income		laundry			0
			Other Income		50% TIF	0.5		13,915
			Effective Gross Income					240,821

AFFORDABLE MORTGAGE CALCULATION			
Effective Gross Income			240,821
Annual Operating Expense			187,219
Stabilized NOI			53,602
DSC	1.15		6,992
\$ Avail for D/S			46,610
Other DS			41,102
Balance			5,508
Affordable Mortgage	#REF!	#REF!	

BREAKEVEN ANALYSIS:		RENT SENSITIVITY		OCCUPANCY	
		Total		Annual	
Operating Expense		187,219	Gross Revenues	252,763	
Debt Service		41,102			
Breakeven Rent		761	Breakeven Occupancy	90%	

OPERATING EXPENSES			
Expense	Annual	Annual Per Unit	Monthly Per Unit
Administrative Expenses:			
Management Fees	14,331	573	48
Management Charges	14,331	573	48
Marketing Expenses	0	0	0
Legal Expenses	500	20	2
Auditing Expenses	4,437	177	15
Bad Debts	0	0	0
Other Administrative Expenses	0	0	0
Administrative Expenses	33,599	1,344	112
Operating Expenses:			
Janitorial Payroll	0	0	0
Janitorial Supplies and Equipment	0	0	0
Janitorial Contractual Services	10,000	400	33
Fuel and Gas	15,000	600	50
Electricity	16,500	660	55
Water and Sewer	5,500	220	18
Garbage and Trash Removal	3,400	136	11
Vehicle and Equipment Expenses	0	0	0
Other Operating Expenses	0	0	0
Operating Expenses	50,400	2,016	168
Maintenance Expenses:			
Grounds Maintenance Payroll	0	0	0
Grounds Tools and Supplies	0	0	0
Grounds Contractual Services	6,500	260	22
Miscellaneous Ground Maintenance	0	0	0
Tenant Damage Charges - Grounds	0	0	0
Building Maintenance Payroll	0	0	0
Building Tools and Supplies	4,750	190	16
Building Contractual Services	19,750	790	66
Building Systems Maintenance	11,500	460	38
Miscellaneous Building Maintenance	0	0	0
Tenant Damage Charges - Building	0	0	0
Maintenance Expenses	42,500	1,700	142
General Expenses:			
Property Taxes	32,500	1,300	108
Property and Liability Insurance	8,000	320	27
Tenant Computer Network Expense		0	0
Tenant Service Expenses	8,970	359	30
General Expenses	49,470	1,979	165
Replacement Reserve Funding	11,250	450	38
Commercial Expenses (if applicable)		0	0
Total	187,219	7,489	624

#DIV/0!
0
current
taxes
4,670

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT												
	1 Months											
	11/25/17	12/31/17	12/31/18	12/31/19	12/30/20	12/31/21	12/31/22	12/31/23	12/30/24	12/31/25	12/31/26	12/31/27
Effective Gross Income		20,068	240,821	245,637	250,550	255,561	260,672	267,189	273,868	280,715	287,733	294,926
Less Operating Expense		15,602	187,219	192,836	198,621	204,579	210,717	217,038	223,549	230,256	237,163	244,278
Net Operating Income		4,467	53,602	52,801	51,929	50,982	49,955	50,151	50,319	50,459	50,570	50,648
Less RLP Repay			0	0	0	0	0	0	0	0	0	0
Less Other Repay		3,425	41,102	41,102	41,102	41,102	41,102	41,102	41,102	41,102	41,102	41,102
Cash Flow		1,042	12,500	11,700	10,828	9,880	8,854	9,049	9,218	9,358	9,468	9,546
Cash Flow per Unit		500	500	468	433	395	354	362	369	374	379	382
Debt Coverage Ratio(RLP)		1.30	1.30	1.28	1.26	1.24	1.22	1.22	1.22	1.23	1.23	1.23
Operating Reserve Balance	114,160	119,868	125,862	132,155	138,763	145,701	152,986	160,635	168,667	177,100	185,955	195,253

10-year Avg Cash Flow Per Unit #VALUE!	Total Cash Flow Projected over 12 Years 120,634
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1.25

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
	Yr 15											
	12/31/28	12/31/29	12/31/30	12/31/31	12/31/32	12/31/33	12/31/34	12/31/35	12/31/36	12/31/37	12/31/38	
Effective Gross Income	302,300	309,857	317,603	325,544	333,682	343,693	354,003	364,623	375,562	386,829	398,434	
Less Operating Expense	251,607	259,155	266,929	274,937	283,185	291,681	300,431	309,444	318,728	328,290	338,138	
Net Operating Income	50,693	50,702	50,674	50,606	50,497	52,012	53,572	55,179	56,834	58,539	60,296	
Less RLP Repay	0	0	0	0	0	0	0	0	0	0	0	
Less Other Repay	41,102	41,102	41,102	41,102	41,102	41,102	41,102	41,102	41,102	41,102	41,102	
Cash Flow	9,591	9,601	9,572	9,505	9,395	10,910	12,470	14,077	15,733	17,438	19,194	
Cash Flow per Unit	384	384	383	380	376	436	499	563	629	698	768	
Debt Coverage Ratio(RLP)	1.23	1.23	1.23	1.23	1.23	1.27	1.30	1.34	1.38	1.42	1.47	
Operating Reserve Balance	195,253	205,015	215,266	226,030	237,331	249,198	261,657	274,740	288,477	302,901	318,046	333,949

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued										
	12/31/39	12/31/40	12/31/41	12/31/42	12/31/43	12/31/44	12/31/45	12/31/46	11/29/47	
Effective Gross Income	410,387	422,699	435,380	448,441	461,894	475,751	490,023	504,724	476,544	
Less Operating Expense	348,282	358,731	369,493	380,578	391,995	403,755	415,867	428,343	404,428	
Net Operating Income	62,105	63,968	65,887	67,863	69,899	71,996	74,156	76,381	72,116	
Less RLP Repay	0	0	0	0	0	0	0	0	0	
Less Other Repay	41,102	41,102	41,102	41,102	41,102	41,102	41,102	41,102	37,676	
Cash Flow	21,003	22,866	24,785	26,762	28,798	30,895	33,054	35,279	34,440	
Cash Flow per Unit	840	915	991	1,070	1,152	1,236	1,322	1,411	1,503	
Debt Coverage Ratio(RLP)	1.51	1.56	1.60	1.65	1.70	1.75	1.80	1.86	1.91	
Operating Reserve Balance	333,949	350,646	368,178	386,587	405,917	426,212	447,523	469,899	493,394	518,064