HOUSING COMMITTEE
DATE: September 26, 2017 (TUESDAY)
TIME: 5:30 pm – 7:30 pm
LOCATION: Room 209, 2nd Floor, City Hall

1. 0. Agenda - Housing Committee 09/26/2017

   Documents:

   00 HC AGENDA - 09.26.17.PDF

2. 1. Review And Accept Minutes Of Previous Meeting Held On July 12, 2017

   Documents:

   01 DRAFT - MINUTES HOUSING COMMITTEE 07.12.2017.PDF

3. 2. Communication Item - Review Of FY 17 HUD Consolidated Annual Performance Report (CAPER).

   Documents:

   02 COMMUNICATION ITEM FY 16.17 CAPER.PDF

4. 3. Review And Discussion On Housing Policy Proposals.

   Documents:

   03 HOUSING POLICY TOOLS.PDF

5. 4. Review And Recommendation On Requests For HOME And TIF Project Funding – (1) 58 Boyd Street And (2) Deering Place.

   Documents:

   04 HOME APPLICATIONS AND TIF REQUEST MEMO 09.22.2017.PDF

6. 5. Committee Discussion Re: 2017 And 2018 Work Plan

   Documents:

   05 DRAFT 2017 HC WORKPLAN 09.18.2017.PDF

Councilor Jill Duson, Chair
Next Meeting Date: October TBD, 2017

HOUSING COMMITTEE

DATE: **TUESDAY, September 26, 2017 ****
TIME: **5:30 p.m. – 7:30 p.m.**
LOCATION: **City Hall – 2nd Floor – Room 209**

<u> MEETING WILL BE HELD ON TUESDAY NIGHT</u>**

A G E N D A

1. Review and accept Minutes of previous meeting held on July 12, 2017

2. Communication Item - Review of FY 17 HUD Consolidated Annual Performance Report (CAPER). See enclosed memorandum from Mary Davis, HCD Division Director.

3. Review and discussion on housing policy proposals. See enclosed memorandum from Jeff Levine, Director of the Planning and Urban Development Department, Mary Davis HCD Division Director and Victoria Volent, Housing Program Manager.

4. Review and Recommendation on Requests for HOME and TIF Project Funding – (1) 58 Boyd Street and (2) Deering Place. See enclosed memorandum from March Davis, HCD Division Director. This is an action item. Public Comment will be taken.

5. Committee Discussion re: 2017 and 2018 Work Plan

Councilor Jill Duson, Chair

<u>Next Meeting Date: October (date to be determined)</u>

Housing Committee

Minutes of July 12, 2017 Meeting

A meeting of the Portland City Council's Housing Committee (HC) was held on Wednesday, July 12, 2017 at 5:30 P.M. in Council Chambers of Portland's City Hall. Councilors present at the meeting included Committee members Councilor David Brenerman, Councilor Brian Batson, and Councilor Jill Duson, Chair of the Committee. City staff present included Mary Davis, Division Director Housing and Community Development; Richard Bianculli, Jr., Esq. Police Department Neighborhood Prosecutor, Ms. Anne Torregrossa, Associate Corporation Counsel, Keith Gautreau, Assistant Fire Chief, David Jackson, Fire Chief, David Petruccelli, Captain/Fire Inspector and John Brennan, Captain/Fire Inspector.

. **<u>Item 1: Review and accept Minutes of previous meeting held on June 14, 2017</u>**

Councilor Batson motioned and Councilor Brenerman seconded to accept the minutes from the June 14, 2017 Housing Committee meeting. Minutes were unanimously approved 3-0.

<u>Item 2: Review and recommendation of proposed amendment to Chapter 6 re: Short Term Rental Registration Ordinance as it pertains to a disorderly house designation</u>

Mr. Bianculli, Jr. introduces the item. Councilor Duson asks Ms. Torregrossa to explain concerns with proposed language; Ms. Torregrossa explains that the current ordinance has safety valves and due process protections and she is concerned that taking out that language takes due process protections out of ordinance solely for short term rentals (STR).

Councilor Duson says the committee's intent was to have the due process steps in the Disorderly House Ordinance (DHO) apply to STRs so that there is an atmosphere of seeking compliance instead of enforcement. Councilor Batson and Councilor Brenerman agree.

Public Comment:

George Rheault West Bayside, added language is not useful, it could be much stronger; doesn't define what second designation means; ordinance should give the neighborhood prosecutor the tools at time of first designation not wait until 2^{nd} designation.

Councilor Brenerman asks if Mr. Bianculli, Jr. could respond to public comment and go through the process. Mr. Bianculli, Jr. explains how DHO and STR work and suggests that the committee may wish to consider a different trigger for STR; right now ordinance says 3 or more "founded" calls in a 30 day period. Councilor Brenerman asks for an explanation of due process concerns.

Councilor Batson comments that a STR could have 2 founded calls every month for a year and not trigger the DHO and asks Mr. Bianculli, Jr. if there is a middle ground. Mr. Bianculli, Jr. says perhaps a change in the number # of calls for service in STR.

Councilor Duson asks if the number of founded calls in one month is for all types of property (STR and others). Mr. Bianculli, Jr. affirms. Councilor Duson asks if Mr. Bianculli, Jr. thinks his hands are tied under the current ordinance to encourage owners to change management practices. Mr. Bianculli, Jr. responds that 3 or more calls in a month for long term rentals is a good tool and that time will tell if it works for STR.

Councilor Duson states that the committee plans to review the STR ordinance six months after implementation but asks that the neighborhood prosecutor should notify the committee if the need arises.

Ms. Torregrossa and Mr. Bianculli, Jr. suggested revised language at the request of the Committee.

Motion to approve the revised language as suggested by Ms. Torregrossa and Mr. Bianculli, Jr. passed 3-0. Item will be moved forward for council approval.

Item 3: Update on Fire Department Inspection Program

Keith Gautreau, Assistant Fire Chief (AFC) provides update to committee and introduces Captains Petruccelli and Brennan, fire inspectors.

AFC Gautreau provides the committee with a history of the program prior to the Noyes Street fire. The fire department was doing pro-active inspections of three units and above, schools and commercial buildings; the department was aware that they needed to improve their inspections program. A task force was created after the Noyes Street fire. The task force provided a strong recommendation that education be a critical part of the process. A life safety plan reviewer is now in place, helping with the permitting process. The ordinance was changed to allow inspections of two units.

The department is using a risk based inspections prioritizing process for residential properties. Landlords are responding well to the process and the department is able to provide education by having landlords there during the inspection.

AFC Gautreau feels that the inspection program is working well and is very effective; he notes that prior to the Noyes Street fire, the department saw about 10-12% compliance and now that is closer to 70-75% compliance.

Councilor Brenerman acknowledges his appreciation for the team and what they have accomplished with the inspections program. He inquires if every fire fighter involved with inspections. AFC Gautreau states that they use nine companies to do the proactive inspections and re-inspections, with the fire prevention captains doing all final certificate of occupancy inspections.

Councilor Brenerman asks how they track if a landlord has corrected violations. AFC Gautreau explains that Code Enforcement, Housing Safety and Fire are all using the same system, Urban Insight.

Councilor Brenerman asks if fire inspectors do inspections along with housing inspectors. AFC Gautreau states that they have done some; the housing inspectors are now trained to do life safety and working separately allows for more properties to be inspected. AFC Gautreau states that the fire inspectors are inspecting buildings with three or more units and housing safety is inspecting single-families and two unit buildings.

Councilor Duson questions the intermingling of the housing and fire safety offices; when housing safety completes an inspection of a one or two unit property do they have a checklist of things to look for re: life safety? Capt. Petruccelli responds that the housing inspectors and fire inspectors are working well together and housing inspectors notify the fire department when they see issues.

Councilor Duson asks if the implementation of Tyler Technologies software will assist with the sharing of data across both departments. Capt. Petruccelli states they are able to do this now with Urban Insight and that the goal with Tyler Technology is to maintain that level of integration.

Councilor Duson states her strong supports of the work that fire and housing safety office are doing. She asks for regular updates and asks the department to work the Housing and Community Development office for annual reports to the committee.

Chief Jackson states that he is truly appreciative of the City Council's support for adequately staffing fire prevention office and that the recent changes to the program have truly been a collaborative effort; the program has never worked better and he believes the city is on the right track. Chief Jackson says the landlords are supporting the efforts and the department is working on providing more education for landlords. The ultimate goal is voluntary compliance and the program is getting there.

Item 4: Update on HUD 2017 Formula Allocations for CDBG, HOME and ESG.

Mary Davis introduces the memo and explains that HUD released the final FY 18 funding amounts for these programs after the Council adopted the budget allocations. Council approval included authority to the City Manager to make proportional adjustments to the budget allocations. The final budgets will be presented to the City Council as a communication item. Councilor Duson asks that the council memo include the percentage changes for each program.

Item 5: Committee discussion re: 2017 Work Plan

Committee had a brief discussion of the work plan.

On a motion made and seconded the Committee voted 3-0 to adjourn the meeting at 7:17 pm. 3-0

Respectfully submitted,
Mary Davis

Mary Davis
Division Director, Housing & Community Development Division

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

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

DATE: September 22, 2017

SUBJECT: Communication Item
2016-2017 HUD Consolidated Annual Performance Evaluation Report (CAPER)

Attached is the CAPER for FY 2016-2017. The CAPER is a report required by HUD in which the City of Portland reports accomplishments for the CDBG, HOME and ESG Programs. The CAPER must be submitted to HUD by September 30.

This is presented as a communication item. No Committee action is required.

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

This CAPER is for Year 1 of the City of Portland's 2016-2020 Five-Year Consolidated Plan. In preparation for the 2016-2020 Consolidated Plan, the City of Portland created a new set of goals and priorities to address the needs in our community. The City placed these needs, goals, and priorities into four categories: Addressing the Needs of the Growing Homeless Population; Housing Availability; Economic Opportunity; and Neighborhood Investment and Infrastructure. The four categories of needs, goals and priorities that are guiding our Consolidated Plan are based on a combination of HUD-provided data, independent research, community outreach, consultation with various agencies and service providers, and the established goals and priorities of the City of Portland and the Cumberland County HOME Consortium.

All projects and activities funded during PY2016 were selected in order to help address a need in one of the four categories. The vast majority projects, particularly in the CDBG social services category, met or exceeded their project goals. While Portland, like many cities, is continuing to struggle with a shortage of affordable housing, in addition to a social service Opioid crisis, the City is carefully administering the HOME, ESG, and CDBG to maximize the impact of the these funds within our community.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Address the Needs for Growing Homeless Population	Homeless	CDBG: $ / ESG: $ / Competitive McKinney-Vento Homeless Assistance Act: $ / Section 8: $	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	78250	8907	11.38%	10300	8907	86.48%
Address the Needs for Growing Homeless Population	Homeless	CDBG: $ / ESG: $ / Competitive McKinney-Vento Homeless Assistance Act: $ / Section 8: $	Homeless Person Overnight Shelter	Persons Assisted	3500	329	9.40%	400	329	82.25%

Address the Needs for Growing Homeless Population	Homeless	CDBG: $ / ESG: $ / Competitive McKinney-Vento Homeless Assistance Act: $ / Section 8: $	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0		0	0	
Economic Opportunity	Economic Development	CDBG: $ / Section 108: $	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	300	283	94.33%	300	283	94.33%
Economic Opportunity	Economic Development	CDBG: $ / Section 108: $	Jobs created/retained	Jobs	115	16	13.91%	25	26	64.00%
Economic Opportunity	Economic Development	CDBG: $ / Section 108: $	Businesses assisted	Businesses Assisted	35	19	54.29%	16	19	118.75%
Housing Availability	Affordable Housing Public Housing	CDBG: $ / HOME: $ / ESG: $ / Housing Trust Fund: $ / LIHTC: $ / Program Income: $	Brownfield acres remediated	Acre	1	0	0.00%			

Housing Availability	Affordable Housing Public Housing	CDBG: $ / HOME: $ / ESG: $ / Housing Trust Fund: $ / LIHTC: $ / Program Income: $	Rental units constructed	Household Housing Unit	75	0	0.00%	4	4	0.00%
Housing Availability	Affordable Housing Public Housing	CDBG: $ / HOME: $ / ESG: $ / Housing Trust Fund: $ / LIHTC: $ / Program Income: $	Rental units rehabilitated	Household Housing Unit	75	0	0.00%	0	6	
Housing Availability	Affordable Housing Public Housing	CDBG: $ / HOME: $ / ESG: $ / Housing Trust Fund: $ / LIHTC: $ / Program Income: $	Homeowner Housing Added	Household Housing Unit	10	0	0.00%	0	0	

Housing Availability	Affordable Housing Public Housing	CDBG: $ / HOME: $ / ESG: $ / Housing Trust Fund: $ / LIHTC: $ / Program Income: $	Homeowner Housing Rehabilitated	Household Housing Unit	125	1	0.80%	30	6	2.22%
Housing Availability	Affordable Housing Public Housing	CDBG: $ / HOME: $ / ESG: $ / Housing Trust Fund: $ / LIHTC: $ / Program Income: $	Direct Financial Assistance to Homebuyers	Households Assisted	10	0	0.00%	0	0	
Housing Availability	Affordable Housing Public Housing	CDBG: $ / HOME: $ / ESG: $ / Housing Trust Fund: $ / LIHTC: $ / Program Income: $	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	1000	175	17.50%	235	175	74.47%

Housing Availability	Affordable Housing Public Housing	CDBG: $ / HOME: $ / ESG: $ / Housing Trust Fund: $ / LIHTC: $ / Program Income: $	Buildings Demolished	Buildings	1	0	0.00%	1	0	0.00%
Neighborhood Investment & Infrastructure	Non-Housing Community Development	CDBG: $	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	75000	671	0.89%	27544	20753	2.44%
Neighborhood Investment & Infrastructure	Non-Housing Community Development	CDBG: $	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	20000	7283	36.42%	5000	7283	145.66%
Neighborhood Investment & Infrastructure	Non-Housing Community Development	CDBG: $	Facade treatment/business building rehabilitation	Business	15	0	0.00%	0	2	
Neighborhood Investment & Infrastructure	Non-Housing Community Development	CDBG: $	Buildings Demolished	Buildings	1	0	0.00%	0	0	

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

CDBG funds were directly used to address the priority and specific objectives identified in the 5 year consolidated plan and year 1 annual action plan. As mentioned above all of the CDBG activities funded in program year 2016 address at least one need, goal and priority in our community. All the planning/administration and public service projects were completed within the program year, these included Community Policing, Preble Street's Teen Shelter, Florence House Women's shelter, Resource Center , and Emergency Food programs, Catherine Morrill Day Nursery Child Care Voucher Program, Milestone Foundation, Wayside Foods Program, Amistad Peer Support and Recovery Center, Amistad's Peer Coaching Initiative, LearningWork English language program, Oxford Street Shelter – follow-up services for long term shelter stayers, and the Family Shelter After Hours Program.

This year several of the City's social services programs served more units of service (bed nights, meals, interventions, etc.) than their anticipated goal, yet they served a smaller number of unduplicated individuals. After discussing this with several of the social service providers, it became clear that the affordable housing shortage in the greater Portland area is causing there to be less turn over in what should be emergency only services. For this reason, the City fell short of the estimated number of people served for 'Public service activities other than Low/Moderate Income Housing Benefit' field, even though the social service providers were running at full capacity and completed their estimated units of service.

During FY2016 the City funded two microenterprise assistance programs that created a total of 16 new Portland based businesses. Additionally, the Portland Jobs Alliance is on track to meet or exceed their goal of 25 net new full times jobs by the fall of 2017. In addition the PY2016 funded economic development, 7 businesses received financial assistance and were able to expand their businesses to create 10 net new full time jobs, all filled by low or moderate income Portland residence. Additionally, two prior year funded façade projects are were completed during PY2016, four more are currently under construction, and three additional projects are expected to go under construction by the spring of 2018.

While one of the two public infrastructure projected funded through PY2016 are still in the design phase, the City completed four prior year infrastructure projects; Anderson Street, Brackett Street, St. John/Valley Street, and a bike rack installation project. There are an addition three prior year projects that will be finishing up before the end of 2017; Elm Street, Cumberland Avenue, and North Boyd Street Trail connector. The other PY2016 public infrastructure projects is already under construction and has an expected completion date of May 2018.

Finally, the City also completed one non-profit rehab project for a historic building called the Abyssinian. This project was initially delayed due to archeological study that needed to be completed before the building renovations could take place.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted). 91.520(a)

	CDBG	HOME	ESG
White	6,580	209	1513
Black or African American	2,825	47	933
Asian	301	5	18
American Indian or American Native	105	3	26
Native Hawaiian or Other Pacific Islander	32	0	13
Total	**9,843**	**264**	**2503**
Hispanic	427	16	80
Not Hispanic	9,416	248	2476

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

According to the ACS estimates for 2016, the City of Portland is 76.9% white, 13.3% Black/ African American, 5.7% Asian, and less than 3% of all other races/multiracial. The CDBG program served 67% white, 29% African American, 3% Asian, and less than %1 other races/multiracial. The higher percentage of African American's served by the CDBG program, which compared the City makeup, is due to several CDBG programs that are targeting Portland's immigrant and refugee population, most of who are coming from central and northern African nations.

The HOME program serves all of Cumberland County. According to the ACS estimates for 2016, 92.4% of Cumberland County is white, 3% are black/African American, 2.3% are Asian, and less than 1% are other races/multiracial. Like the CDBG program, the HOME program serves a larger percentage of black/African American than the general makeup for Cumberland County, with 79% white, 18% black/African American, 2% Asian, and less than 1% of all other races/multiracial.

The ESG race and ethnicity data is pulled directly from the eCart. The eCart breakdown race and ethnicity into more categories than are listed in the CAPER report, causing a mismatch between the totals for Hispanic/non-Hispanic and race/ethnicity. The racial makeup of the City's family shelter is very different than the racial makeup of the Oxford Street shelter. The majority of clients at family shelter are refugees and asylum seekers from other nations, whereas the Oxford Street shelter serves a racial population similar to the make-up for Portland as a whole.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	2,259,406	2,500,323.64
HOME	HOME	1,037,642	1,202,471.65
ESG	ESG	161,232	92,788
Competitive McKinney-Vento Homeless Assistance Act	Competitive McKinney-Vento Homeless Assistance Act	303132	
Housing Trust Fund	Housing Trust Fund	468,551	175,0000
LIHTC	LIHTC	11,053,494	6,101,832
Section 108	Section 108	9,007,000	999,999
Section 8	Section 8	15,865,000	
Other	Other	1,423,907	

Table 3 - Resources Made Available

Narrative

Community Development Block Grant funds were spent on a combination of current year's allocation of administration and planning activities, social services programs, economic development projects, and a select number of infrastructure improvement projects. Funding was also expended during this fiscal year on past years funded economic development, non-profit rehabilitation, and infrastructure improvement projects.

Of the CDBG funds expended in the past fiscal year $400,717 was spent on Administration and Planning, $840,728 was spent on Infrastructure projects located in the City of Portland's eligible areas, $269,400 was spent on Economic Development projects including Business Assistance, façade improvements, job creation, and microenterprise assistance, and $195,726 was spent on nonprofit rehabilitation including historic preservation of the Abyssinian, building and safety improvements to LearningWorks, and surveillance installation at several Portland Housing Authority buildings. Finally $610,715.63 was spent on social service programs including community policing, childcare, employment support services, shelters, homeless resource centers, peer center and support services for persons with mental illness, food programs, and assistance to homeless individuals.

HOME Funds are divided by program and by location. HOME is spent on Administration, owner-occupied rehabilitation, tenant based rental assistance, and affordable housing development. In this fiscal year $112,617.82 was spent on administration, $250,817.46 on owner occupied rehabilitation ($141,226.09 within the City of Portland and $109,591.37 in Cumberland County), $194,250.74 on tenant based rental assistance and $644,625.63 on affordable housing development. The affordable housing development projects underway or completed this year include Bayside Anchor which created 45 new rental units, Rosa True which rehabilitated 8 units and created 2 new rental units, Motherhouse which will create 88 new rental units, Bartlett Woods which will create 28 new rental units, and Blackstone which will include the renovation of 19 rental units and the creation of 20 new rental units.. These projects will create or maintain 188 units of rental housing affordable to households earning at or below 60% of the area median income.

The Emergency Shelter Grant is divided into programs as well administration, operations and essential services, homeless prevention and rapid rehousing. In the past fiscal year $12,092 was spent on administration, $28,327 on operations and essential services, and $52,369 on homeless prevention and $33,159 was spent on rapid rehousing.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Bayside Neighborhoods	2	2	Planned Percentage and Actual percentage match, due to the substantial amendment submitted in June.
CDBG Target Neighborhoods	26	25	Planned Percentage and Actual percentage match, due to the substantial amendment submitted in June.
Cumberland County	11	11	Planned Percentage and Actual percentage match, due to the substantial amendment submitted in June.
Eligible Census Tracts	8	9	Planned Percentage and Actual percentage match, due to the substantial amendment submitted in June.
PORTLAND, MAINE	53	53	Planned Percentage and Actual percentage match, due to the substantial amendment submitted in June.

Table 4 – Identify the geographic distribution and location of investments

Narrative

The planned percentage of the allocation and the actual percentage of the allocation match very closely for PY2016. With that said, the percentage of actual funds spent in each target area during PY2016 does not match these numbers because of the build out time for public infrastructure, HOME Affordable Housing and Homeowner Rehabilitation projects. Over the course of the 2016-2020 consolidated plan, we estimate that the planned percentages and actual funds spent in each target area will match quite closely.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Housing resources are highly leveraged. The Cumberland County HOME Consortium leveraged HOME resources in the construction of new affordable housing. The Housing Rehabilitation Program leveraged $36,444 in owner matching funds; the Affordable Housing Development Program leveraged over $28 million in new investment including low-income housing tax credits, Maine State Housing Authority and private development funds.

CDBG is also highly leveraged, especially by the non-profit programs funded. The CDBG funds leveraged in PY2016 were more than fifteen times the annual HUD allocation; that equates to $28,399,804. Of that, $12,397,396 was funds leveraged from public service programs funded and expended over the past year. The remaining $16,002,408 is leveraged and matching funds for economic development, public housing rehab, and public infrastructure projects.

Emergency Solution Grant funding is equally matched dollar for dollar. For every dollar expended from federal resources an equal match was spent from City or State funds.

In 2012, the City Council adopted a Housing Investment Policy that requires the Housing & Community Development Committee (HCDC) to complete an annual review of program priorities that includes the type and location of housing, and an analysis of tax acquired or City-owned property that may be included as a development resource. In its 2014 Common Goals and Objectives the City Council identified the promotion of housing availability as a goal with one objective being the assessment of city owned property to construct affordable housing. The City recently sold public land to create eight affordable homeownership units at 65 Munjoy Street. The City also passed new provisions governing tax acquired property in Portland wherein any profits from subsequent sales will be allocated to the City's Housing Trust Fund. Over the next few years, the HCD staff will continue to identify additional city-owned properties for affordable housing development.

The City also has a goal of creating more Housing First development projects targeting housing for long term shelter stayers. The City recently completed its third Housing First development project, called Huston Commons, which consists of 30 efficiency apartments. Staff is currently examining additional means of incentivizing and supporting the creation of additional Housing First projects.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	$47,866,264
2. Match contributed during current Federal fiscal year	$1,291,291
3 .Total match available for current Federal fiscal year (Line 1 plus Line 2)	$49,157,555
4. Match liability for current Federal fiscal year	$321,517.91
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	$48,836,038

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	**Date of Contribution**	**Cash (non-Federal sources)**	**Foregone Taxes, Fees, Charges**	**Appraised Land/Real Property**	**Required Infrastructure**	**Site Preparation, Construction Materials, Donated labor**	**Bond Financing**	**Total Match**
GA062017	06/30/2017	$1,291,291	0	0	0	0	0	$1,291,291

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period $	**Amount received during reporting period $**	**Total amount expended during reporting period $**	**Amount expended for TBRA $**	**Balance on hand at end of reporting period $**
$237,353	**$269,989**	**$193,653.81**	**$57,928.32**	**$313,688.19**

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	**Minority Business Enterprises**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Contracts						
Number	20	0	0	0	0	20
Dollar Amount	19,954,289					
Sub-Contracts						
Number						
Dollar Amount						

	Total	**Women Business Enterprises**	**Male**
Contracts			
Number			
Dollar Amount			
Sub-Contracts			
Number		3	
Dollar Amount		$804,677	

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	**Minority Property Owners**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Number	**0**	**0**	**0**	**0**	**0**	**0**
Dollar Amount	**0**	**0**	**0**	**0**	**0**	**0**

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition		
Parcels Acquired	**0**	**0**
Businesses Displaced	**0**	**0**
Nonprofit Organizations Displaced	**0**	**0**
Households Temporarily Relocated, not Displaced	**1**	**$54.00**

Households Displaced	**Total**	**Minority Property Enterprises**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Number	**0**	**0**	**0**	**0**	**0**	**0**
Cost	**0**	**0**	**0**	**0**	**0**	**0**

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of homeless households to be provided affordable housing units	**235**	**172**
Number of non-homeless households to be provided affordable housing units	**49**	**26**
Number of special-needs households to be provided affordable housing units	**0**	**0**
Total	**284**	**198**

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through The Production of New Units	6	6
Total	**6**	**6**

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City of Portland/Cumberland County HOME Consortium had several projects, carried over from previous years that were completed. The TBRA/rental assistance program is in its third year and has proven very successful. One new construction project, called Bayside Anchor was completed in Portland during the program year and two affordable housing development projects, called CHOM- St. John Street and Rosa True received HOME funds for renovations.

Discuss how these outcomes will impact future annual action plans.

The City of Portland/Cumberland County HOME Consortium will continue to allocate a portion of our future HOME entitlement towards the development of new affordable rental housing. Since 2001 the City of Portland and the Cumberland County HOME Consortium have contributed more than $10.1 million dollars towards the creation of 32 new rental housing developments with 1075 new units of which 946 were available to households earning at or below 60% of the area median income. In addition, it is likely that the City will continue to fund the Tenant Based Rental Assistance Program. The TBRA Program has proven to be a successful tool in the City's efforts to prevent and end homelessness.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	2	177
Low-income	10	18
Moderate-income	0	2
Total	**12**	**197**

Table 13 – Number of Households Served

Narrative Information

Portland is blessed with many assets. It is a community that offers a balance between urban living and the outdoors. This has helped drive development. The City of Portland is experiencing a housing boom, with several hundred housing units permitted over the past two years. This demand is driving up the cost of existing housing and producing new housing priced for the more affluent. In 1999, six in 10 households who rented were able to find homes that did not cost more than 30 percent of their income. By 2012, the number had reversed, with six in 10 households spending more than they can afford to rent in Portland. The 2015 Portland Economic Scorecard issued by the Portland Community Chamber also highlighted housing affordability as a "lagging" indicator that needs to be addressed. While gentrification is an issue, it is a far better challenge to have than disinvestment. However the City needs to respond to the trend with proactive planning.

The City is utilizing many tools towards this effort, such as recent updates the zoning code to allow for more residential density and a mandate for inclusionary zoning which requires new housing developments to keep a fraction of the units priced right for the middle-class working families. The City also revised its zoning code to allow construction of additional housing units that would have been very difficult to build under previous zoning. These changes have allowed for significant housing growth to occur organically, in ways that match the existing fabric of the City's neighborhoods. As developers profit from building high-end housing, the City instituted a new inclusionary zoning ordinance mandating 10% of all new projects of ten units or more be reserved as workforce housing. Several projects have been approved under inclusionary zoning and are now beginning to reach the start of construction. The City has several non-profit partners who build affordable and work force housing. City leaders are working with staff to identify city-owned parcels where housing for middle-class families could be developed.

The City is exploring ways to better capitalize its Housing Trust Fund, which provides funds for projects that may not meet the requirements of federal programs but are nonetheless worthy of City support. The City is also working on ways to inspire the creation of additional units outside of its downtown by revising zoning along transportation corridors and transit nodes. The City has a dedicated housing planner that works with the City Council's Housing Committee, other agencies and the community to build on our existing housing programs and provide a consistent resource to continue to move housing policy forward.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Portland continues to be a leader in responding to the needs of people experiencing homelessness. The City of Portland's Health & Human Services Department operates the Oxford Street Shelter, the family shelter, and the Community Overflow Shelter(s). Our shelter programs provide a safe haven on a temporary basis for Portland's homeless population, as well as efficient and effective support services to promote rapid re-stabilization and the achievement of permanent housing.

The City meets the HUD recommendation for a centralized or coordinated homeless assessment and intake process that includes a comprehensive and standardized assessment process with a client centered plan focused on locating and retaining housing. This approach reflects our belief that early intervention and immediate connection to housing and casework services can make a difference in reducing the number and length of homeless occurrences, resulting in an overall reduction in the need for emergency shelter and allowing for a more focused effort and increased resources to assist those in the shelter with the longest lengths of stay and leads to permanent housing and ultimately self-sufficiency.

It is the responsibility of shelter staff to assist each new client through the intake process. A "new client" is any person who has never been to the shelter or who has been away for more than 90 consecutive days. During intake, shelter staff will:

- Welcome the client to the shelter, acknowledging the extreme stress and possible resulting trauma that the person is experiencing having to resort to accessing a shelter and provide the client with a copy of the document, *Welcome to the Shelter*;
- Inform the client that the shelter is intended to provide temporary, emergency shelter and that professional support and services will be available to them to help them through this process;
- Reassure the client that Housing Counselors are available to assist in locating housing;
- Whenever possible, introduce the client to a Housing Counselor;
- Explain the purpose of the weekly Orientation Meeting;
- Inform the client of the date, time, and location of the next Orientation Meeting;
- Review the weekly open access hours for Housing Triage so that the client and Triage Counselor can develop a self-sufficiency/housing plan;
- Assess the client for vulnerability using the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT)

The Intake Worker or Housing Counselor will then make a referral to in-house or community mental health services for diagnostic assessment, as needed, in order to help the person gain housing and access community resources such as housing subsidies and mental health or recover treatment and/or counseling. Every attempt will be made to have this review completed within seven (7) days after the initial intake.

The Family Shelter also serves as a Welcome House for New Mainers or refugees/immigrants. New Mainers often arrived in Maine without resources or housing and speaking limited or no English. New Mainers initially present themselves to the Family Shelter as homeless. In PY2016, a total of 276 of the 522 individuals served by the Family Shelter are of Refugee/Immigrant status. Refugees/Immigrants present from a variety of nations, but the majority of New Mainers are from Angola, the Democratic Republic of Congo, Burundi, Rwanda and Djibouti.

One of the biggest changes this year for the Family Shelter was the ability to lease an adjacent building, which expanded the shelter capacity and allowed the shelter to exit from hotels. The capacity of the family shelter is now 151 beds, compared to 109 in FY2015. Additionally, the family shelter has been running a warming center on a nightly basis for an average of 30 individuals.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Portland's Health and Human Services Department, Social Services Division operates two shelters, the Oxford Street Shelter and Family Shelter.

The Oxford Street Shelter is the largest emergency shelter in the State of Maine. This low-barrier shelter provides safe, temporary housing for homeless adults. The Shelter offers a variety of support services to assist homeless individuals enhance their self-esteem, secure housing, and work towards a self-sufficiency plan. The shelter has a capacity of one hundred and fifty-four (154) mats and raised beds. This year the shelter housing staff has worked hard to house many vulnerable, medically compromised clients. This has allowed the shelter to maximize its space and accommodate 154 people at the main Oxford Street location. The Oxford Street Shelter reaches full capacity on a regular basis, requiring staff to operate up to two additional facilities. The Preble Street Resource Center is currently used as an emergency overflow for men when Oxford Street reaches full capacity for 75 additional mats. When this is full, staff opens the General Assistance lobby for 16 more beds or opens up for a warming center which can serve up to 75 individuals in chairs depending on need. The Oxford Street Shelter served 1,471 men, 450 women and 8 transgendered individuals for a total of 1,929 individuals (unduplicated numbers) in PY2016. This represents a decrease of around 1% compared to last year. The shelter provided 78,167 bed nights in PY2016, which represents an increase of 1% in bed usage compared to last year. As mentioned in an earlier section, the lack of affordable housing is causing individuals to remain in the shelters longer than in the past. This explains the increase in bed nights was decrease in unduplicated individuals.

The Family Shelter is the largest shelter for families in the State of Maine. The Family Shelter provides temporary housing to families with children under the age of eighteen (18). It offers both preventative services for families at risk of experiencing homelessness and support services to assist families locate housing and achieve stability. Combined, there is a total capacity of one hundred nine (151) beds in an apartment style living environment. The Family Shelter provided shelter for 147 families consisting of 522 individuals for a total of 45,352 bed nights.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Foster Care: Maine DHHS oversees foster care and contract with The Opportunity Alliance (TOA) to help youth & families develop healthy transition plans to help youth aging out obtain TH, PH, PSH, or remain in care until they finish their education. TOA & the Teen Shelter work to prevent & actively monitor whether teens are discharged from foster care to the streets or shelters & advocate with Maine DHHS for improved policies and resources. Youth can remain with their foster parents past age 18 to complete their education.

Health Care: Preble Street, through a collaboration with Maine Medical, has opened a triage medical clinic whose goal it is to bring unserved homeless and low-income individuals into low barrier medical care (wound management, basic screenings, etc.) and connect them with primary care. Portland's FQHC, Greater Portland Health, has also opened an office near the shelter that offers primary and mental health care for unserved, homeless populations which include walk in hours every day at 9am and 1pm.

Mental Health: 2 of Maine's publicly-funded MH hospitals have a discharge planning process that begins at admission & is pursued during the hospital stay to connect clients back to community supports & housing. A treatment team works with clients and community partners to identify community-based housing & services needed. Maine DHHS' top priority is to use BRAP (TH vouchers) to house those being discharged from psych hospitals. Portland homeless providers have regular d/c meetings with hospitals for "difficult to discharge" patients.

Corrections: The Portland CoC and the Statewide Homeless Council (SHC) oppose any policy language allowing release to a shelter or the streets, for any length of time. Maine Department of Correction's (DOC) goal is to not release to shelters but no written policy exists yet.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

<u>Homeless prevention</u>: The Family Shelter utilizes crisis intervention, case management and advocacy, to prevent homelessness for 18 families, or 96 individuals. Likewise at Oxford Street Shelter through the Emergency Shelter Grant prevented they prevented 109 individuals from becoming homeless.

<u>Permanent Housing</u>: The Family shelter placed 107 families into permanent housing without a subsidy, 29 families were re-unified with other family and 5 families were placed into permanent housing with a Housing Choice Voucher. Likewise the Oxford Street Shelter staff located permanent housing for 210 homeless individuals**,** 153 men and 57 women, (*including 27 Veterans and 101 chronically homeless individuals*). This intensive outreach approach is very successful in terms of the long-term outcomes. An estimated 85% will remain stably housed within a year of moving into permanent housing.

<u>Initiatives:</u>

The Long Term Stayer Initiative is a State-wide effort to end homelessness for those individuals who have been homeless 180 days or more during the year. The Long Term Stayer Initiative is based on the theory that if the program is successful in securing housing for individuals who are chronically homeless, it will create capacity in the shelters and free up resources that can be made available for others. At OSS, a significant portion of housing resources are prioritized for those who have been in the shelter the longest and those that are assessed to be more vulnerable.

The goal of the Emergency Solutions Grant program is to help people who become homeless by quickly moving them into permanent housing and to also prevent individuals and families living in the City of Portland from becoming homeless in the first place. By using ESG in the shelters, and in the community it helps ensure individuals and families do not become Long Term Stayers. When a family or individual is enrolled in ESG, we work rapidly to identify any barriers to self-sufficiency. Once barriers are identified they are addressed. In PY2016, 385 individuals and families received a wide range of comprehensive housing related services, including: full assessments to identify barriers to housing and housing stability, connection to appropriate mainstream resources in the community, employment and training opportunities, as well as at least three months of follow-up services after housing placement. Of the 385 enrolled in the program this year: 160 were rapidly re-housed, and 45 were prevented from becoming homeless.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Public Housing Program: The Public Housing Program was extremely busy in FY17, successfully moving in 171 tenants in FY17, 33 more than the previous year. 49 evictions were filed with the courts for a variety of serious lease violations.

Facilities: The facilities staff completed 4,549 work orders in FY17, while overseeing more than a million dollars in capital and energy improvements and dealing with five emergency water line breaks during the winter.

Safety and Security: The safety and security of PHA residents remains a high priority. Franklin Towers continued to a primary focus, with additional cameras installed, resident meetings, aggressive lease enforcement. New security cameras were also installed in our development in the East Bayside neighborhood to better monitor problem areas. Planning was completed for a new fire alarm system in Franklin Towers and a new security cameras in Harbor Terrace. Installation will occur in FY2018.

PHA continues its strong partnership with the Portland Police Department. Regular meetings between PPD and PHA staff are held. The community policing substations within PHA properties at Kennedy Park and Riverton Park continue to have a very positive impact on the safety and security of our residents.

PHA continues to install hard wired smoke/co detectors beyond what required in the life safety cope for existing residences to insure the safety of our residents.

Capital Improvements in Public Housing: During FY2017 capital improvements focused on new roofs, new siding, apartment renovations, and foundation water proofing and site work. In addition to the regular capital work, several energy conservation projects were completed as part phase 2 of PHA's Energy Performance Contract. These included, attic insulation and new bath fans in all Riverton Park buildings and new windows in Harbor Terrace.

Strategic Vision Plan: During FY2017 PHA continued to implement its Strategic Vision Plan. For the redevelopment of PHA Public Housing developments, and the development of additional units on PHA property. Planning and pre-development work continued on two priority redevelopment efforts including Front Street and 58 Boyd Street. Applications to the HUD Special Application Center for the disposition of these properties were filed in FY2017.

Public Transit: During FY2017 seventy Public Housing residents took advantage of PHA's discount bus pass program begun on FY2016. The program provides less expense monthly bus passes to encourage greater use of Portland's METRO bus system.

Invest Health Portland: Also, in Sagamore Village, staff and residents are working with **Invest Health** PORTLAND. Invest Health is a collaboration between the Robert Wood Johnson Foundation and the Reinvestment Fund. Portland was selected as one of 50 U.S. cities to receive $60,000 in planning funds and 18 months of technical assistance from June 2016 through November 2017. The program works to align communities around a vision for better health, create innovative ideas, and unlock new sources of investment, in order to improve health outcomes in low income communities. Community meetings are generating projects to accomplish these goals.

Head Start Programs: The plan to move the Head Start Program from Sagamore Village to Riverton Park was finalized. The need for early childhood education is far greater in Riverton Park. The move will take place in FY2018 following renovations to the program space. The Head Start Program serving in our developments in East Bayside moved into its new program space in the new Bayside Anchor Building.

Youth Programming: PHA Study Centers served 495 youth over the course of the academic year with over 20,800 hours of educational support programming and hosted 46 volunteers for 1,133 hours of service. Summer Lunch program served hundreds of youth daily throughout the summer months with meals provided by The Opportunity Alliance. $15,000 in scholarships were awarded to 9 candidates, either starting or continuing their post-secondary education. KeyBank once again generously donated funding for scholarships.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

Board Meetings: The PHA Board of Commissioners continued its effort to hold Board meetings at the developments in order to comments and concerns directly from residents. In May 2017 the Board met at Harbor Terrace.

Resident Services: The resident services programs had a busy year. One of the most important items was the rebranding and reorganization of PHA's family service programming to the emPOWERem Program that take a more comprehensive approach to services and referrals. The program provides wrap around services for adults and their families focusing on family stability, education, employment and financial empowerment. During FY2017 emPOWERme provided services to over 180 families, including seventy families are currently participating in the Family Self Sufficiency Program.

A successful food pantry was established in Sagamore Village.

PHA Website: Completed and launched new website in January 2017. The new website provides interactive opportunities for residents to receive alerts from the agency.

Tenant Councils: Staff worked with two reactivated Tenant Councils in Sagamore Village and Washington Gardens.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City of Portland is committed to the creation of new affordable housing. The goal is to encourage housing development by removing barriers to traditional urban housing types while ensuring the inclusion of workforce housing in significant development projects. Over the past two years, the City has passed a suite of ordinance changes that encourage housing development while still preserving City residents' quality of life. Part of this approach includes changes to Division 30 of the City's ordinance which refers to affordable housing. These changes provide additional density through development incentives as well as adding a workforce housing inclusionary zoning requirement. Other changes include amendments to the B2 zone to increase allowed housing densities to 100 units/ acre and R6 zone that would increase density from 45 to 60 units an acre and reducing minimum lot size; eliminate parking requirements for residential uses in the B3, B5, B6 and B7 business zones; eliminate residential density limits in B1 and B2 business zones; allow the use of fee-in-lieu of parking in off-peninsula business zones; amendments to the downtown height overlay map to increase it to 45 feet height limits; allow accessory dwelling units in island residential and R-5 zones permitting certain affordability restrictions; and amend Division 30: Affordable Housing, to increase the affordability levels to allow for rental properties to be affordable at up to 100% AMI. The conglomeration of these initiatives will help to reduce barriers to building affordable housing in the City of Portland.

The Planning Department is continuing to analyze and propose ordinance changes to help increase workforce housing development. The housing and community development division has a dedicated full time Housing Planner that works to develop and implement housing strategies such as inclusionary zoning ordinances and short term rental regulations. These strategies will help to forward the goal of increasing the availability and affordability of housing in Portland.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

In the City of Portland the majority of allocations for PY2016 addressed underserved needs of the City, including:

- *<u>Food</u>*- 602,034 soup kitchen meals to 1,520 persons and 131,519 community meals to 3,699 community members.
- *<u>Safety</u>*- community policing coordinators served four neighborhoods which assisted 7,283 persons through 9,825 hours of service providing 197 health, safety, and education presentations, 367 community meetings, and 294 youth programs.
- *<u>Shelter</u>*- 1,440 persons served in a day shelter and provided 631,276 client contacts to those persons. 14,362 bed nights to 183 women and 7,069 bed nights to 146 to homeless teens

- *Child care*- 42 low to moderate income families providing 215 weeks of subsidized child care.
- *Support for persons with Mental Illness*- a peer support and recovery center was able to stay open on Saturdays thereby facilitating 6,322 Saturday visits to the support center and serving 649 new persons. Additionally, 1,486 people received 4,101 support sessions with a peer coach.
- *Homeless Outreach-* 483 intoxicated homeless persons received support and resources from an outreach team 13,512 times
- *Tenant Based Rental Assistance* – 172 families received short term rental assistance, security deposits and utility payments.
- *Microenterprise assistance*: 96 immigrants and women received assistance in starting their own businesses, of which 16 business were created.
- *Alpha One*- 3 people received residential ramps allowing them the mobility to be independent
- *Job creation*- 10 net new jobs were created by a local for-profit businesses through the City's business assistance program. 16 net new jobs were created and filled with low income Portland residents participating in the Portland Jobs Alliance program.

Residential Rehab – 6 owner occupied Single family homes were rehabilitated serving 6 low to moderate income families.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The City of Portland has been committed to eliminating lead poisoning in children since 1995 when it received its first HUD Lead Hazard Control Grant. The control and elimination of lead-based paint remains a critical focus of the City of Portland in the housing rehabilitation program and over the years, 416 units have been made lead-safe in Portland. In past years Portland received Lead Hazard Control funds and has effectively and successfully addressed the lead hazards prevalent in the City's older housing stock. Lead-safe efforts will continue through the housing rehabilitation program and lead program income funded projects.

Portland also addresses lead-safe practices by leveraging funds as the lead entity for the Cumberland County HOME Consortium (CCHC). The Consortium allows both parties to reach a much wider audience with their lead outreach and education efforts, as well as produce a number of lead-safe units in other communities across Cumberland County. This joint effort results from a desire to provide cost-effective, efficient programs to benefit all communities of the region. An additional 30 lead-safe units will be created throughout Cumberland County by the end of FY2018. The Lead Hazard Control grant also has a Healthy Homes grant to address other health hazards at each property.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

Through the City's HOME program housing opportunities are provided for individuals and families at varying income levels. CDBG funds are used to focus on child care, mental health, and future employment opportunities.

For those who own their own homes, we have an Owner Occupied Rehabilitation program. This program is targeted to low and moderate-income homeowners many of whom are elderly and/or disabled. Rehabilitation enables owners to remain in their homes. Over the last year $250,824 in HOME funds and were spent on the owner-occupied rehabilitation program in the City of Portland and throughout Cumberland County; $141,260 were spent in the City of Portland and $109,564 were spent in Cumberland County.

HOME funding was made available for tenant based rental assistance targeted at individuals or households residing in homeless shelters earning less than 30% of the area median income and is designed to prevent homelessness or rehouse those in need. $193,000 was expended on short term tenant based rental assistance (rent, security deposits, utility deposits) for 172 households who were either homeless or in danger of becoming homeless.

Portland and Cumberland County have a shortage of affordable rental units. For that reason HOME funds are used to build new and rehab existing units to create affordable rental housing for low and moderate-income families and individuals. Two construction projects were completed during the program year and provided 55 units affordable to individuals earning 60% or less of the area median income. Three other developments were underway and should be completed by 2018.

In order to climb out of poverty an individual needs more than just housing, they need stable work and families need child care. During the PY2016, CDBG funds were used to provide child care vouchers which served 42 families and provided 215 weeks of subsidized child care. This assistance helped provide a stable environment for the child while the parent obtains or maintains employment, applies for a state funded voucher, seeks mental health and substance abuse services, or other challenge that could jeopardize other program subsidies or their ability to maintain employment.

The City of Portland is dedicated to economic development through the job training, job creation, business assistance and façade improvements. The City has put polices in place that will help to increase the coordination between employers, job seekers, and employment training services. Although the CDBG program no longer has a set-aside specifically for economic development, the economic development applications tend to score high and receive full funding during the CDBG allocation process. This year, the City completed façade improvements in two areas of the City, business assistance and microenterprise creation, English language training courses, and the creation of 26 net new jobs. Additionally the City of Portland created the Office of Economic Opportunity, specifically targeted at helping New Americans and those who are hard to employ find work.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City is continually evaluating and improving our priority setting process by engaging various community members, stakeholders, applicants and experts. In the development of the 2016-2020 Consolidated Plan the City held several meetings with community members, social service providers, various stakeholders, and industry experts. The purpose of these meetings was create a cohesive set of needs, goals, and priorities for the next five years. These goals and priorities were approved by the City Council in the fall of 2015 and implemented into the City's 2016-2020 Consolidated Plan. Since this time, City staff have continued to work with community members and other stakeholders to monitor the success of these goals and offer minor priority changes in order to keep with City on track toward its 2020 goals.

Prior to the 2015 reorganization of goals and priorities, the City had done extensive work to evaluate the needs of our community. A Working Group in 2013 focused and improving the City's use of CDBG funds. Prior groups such as the Priorities Task Force of 2012, the Priorities Task Force of 2008, the HCD Task Force of 2007, and the Shapiro-Boxer Memo to the City Manager in June of 2006 were all part of an ongoing process that has been examining and improving how Portland utilizes CDBG funds.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

Over the last year the City of Portland carried out its Housing and Community Development Plan in partnership with the other management and delivery entities for housing and community development activities. These organizations include the City's Housing and Community Development Division, Social Services Division, the Portland Housing Authority and a network of individual non-profit housing and social service providers.

City of Portland Housing and Community Development Division administers the City's housing rehabilitation, new construction and homebuyer programs and was responsible for overseeing the budget and distribution of the City's CDBG, HOME and ESG entitlement funds, and development of the Five-Year Consolidated Plan, Annual Action Plan and CAPER.

City of Portland Social Services Division administers the General Assistance Program, the City's emergency shelters for single male adults and families, transitional housing facilities, housing location services, job readiness training and employment services and several other support activities in coordination with non-profit housing and social service agencies. The Social Services director manages the Continuum of Care.

Portland Housing Authority owns and manages numerous public housing developments with over a 1,174 dwelling units and administers over 1,934 HUD Section 8 rental subsidies. PHA is a partner in the Family Investment Center and funds other resident initiatives to improve residents' skills and education. PHA also oversees the modernization of its developments to improve their livability.

Non-Profit Housing and Social Service Agencies play a large role in directly providing housing and services to low income and special needs populations throughout Portland and Cumberland County. Many outside organizations are funded through the City of Portland's CDBG Program or part of the Continuum of Care, managed by the Social Service Division.

Working collaboratively, these entities implemented the City's Housing and Community Development Plan. The system's strengths include the collaborative manner in which these diverse groups work together to maximize available resources. Portland is a large enough City to have many institutional resources, yet small enough to be able effectively communicate and collaborate.

Currently there are no gaps in types of housing and services, but there is a lack of adequate amounts of both due to insufficient resources. The City and its partners will continue to seek additional resources to improve the system's ability to meet community needs.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

During the past year, the City of Portland has been collecting information from other jurisdictions on the methods, successes and struggles they have had with analyzing and complying with the new Affirmatively Furthering Fair Housing (AFFH) requirements. The City was reaching out to other jurisdictions as a way to prepare for the AFFH undertaking the City will be doing in the coming years. The City is committed to minimizing the impediments to fair housing choices and will continue to work with housing developers and housing providers to address any found impediments. Prior to the AFFH, in 2013, the City Council approved an updated Analysis of Impediments (AI) to Fair Housing which identified the following impediments to fair housing choice: Geographic concentrations of race and poverty in certain neighborhoods of the city, Landlords in need of information regarding fair housing/accommodations for persons with disabilities, and High cost of both rental and home ownership housing.

Recommended Actions included: Actively pursue regional partnerships that work to widen the public transportation network and provide housing opportunities for a diversity of people throughout the region, Prioritize mixed income housing developments, Promote the development of affordable housing in a variety of locations in Portland and work to encourage other communities in the region to develop affordable housing, Set-up a City tenant-based rental assistance program, Create a partnership with the Cumberland County Community Development Office and local landlord associations to provide landlord awareness workshops, Set up a housing liaison system to resolve landlord/tenant issues.

The City then worked with Regional partners to create and adopt a regional Analysis of Impediments. As a result Portland benefited from the assistance and collaboration of the communities and partners and better met its requirements under the Federal Fair Housing Act. The HCD office also worked in collaboration with the Social Service Division to implement and revise a Tenant Based Rental Assistance program.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

For social service programs, our staff ensures compliance on a monthly or quarterly basis through Performance Reporting and Fund Requisitions or Invoices from each Agency. Staff tracks the units of service, number of clients served, and the income level of those clients. Staff also tracks the disbursements and revenues of each agency. This ensures that each agency is using the Grant for the proposed use in the signed contract.

For development activity projects, federal requirements are included in every contracts. Staff conducts environmental reviews for all projects, and where applicable receives the appropriate approval from the State Historic Preservation Office. Davis Bacon requirements, and Section 3 when applicable, are explained to each sub-recipient and staff presents the information and reporting requirements to contractors and sub-contractors. Before payment is released each project must submit a request for payment, supporting invoices from subcontractors and correct Davis Bacon paperwork. Onsite inspections are also typical prior to the release of funds.

CDBG & HOME housing projects are monitored regularly to ensure that rent levels, income guidelines and occupancy are being met. Owner occupied properties are monitored through an annual mailing to ensure occupancy and tenant requirements are being met. Large rental projects are monitored through annual contact with property management staff. Site inspections are conducted every two-three years. Typically tenant income certifications are completed in the spring and site inspections are completed in the fall. Site inspections are completed by the City's Housing Rehabilitation Specialist and include inspection of all HOME assisted units as well as common areas and exterior of each property.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City continues to use the traditional method of providing reasonable notice and opportunity to comment on performance reports or participate in public meetings through advertisements in the newspaper and postcard mailings. Given that more and more people are using social media and technology to gather public information, City Staff have also started to use Facebook, twitter, and the City’s website as a way to get reach a larger audience. Staff also work with the City’s communications director to do press releases and appearances on the local cable access channel. City staff also strive to provide a documents in multiple languages, an interpreter, or technical assistance when needed.

To comply with comprehensive planning requirements, the City of Portland created its Five Year Consolidated Plan in 2016; this is the first year of the 2016-2020 Consolidated Plan. This was a combined effort with several City Departments including Planning, Health and Human Services, and Public Services (combined public works and parks department). The City also worked with Portland Housing Authority, several social service providers, affordable housing developers, and neighborhood organizations. The collaborative effort led to new priorities and guidelines for ways to direct federal resources for the next five years.

Additionally, every three to five years the Portland City Council asks that our division re-examine our local priorities. The priority process involves citizen committees, public forums, advertising and public outreach, and public meetings. The Council convened a CDBG Priority Task Force in 2008 and again in 2012. Another Working Group was created in 2012-2013 to determine how to implement the recommendations from the 2012 CDBG Priority Task Force. In 2015, additional meetings were held with community members, local stakeholders, public service providers, and various agencies to evaluate and create a new set of needs, goals and priorities to be used in the 2016-2020 Consolidated Plan. In the summer of 2017, the council approved minor changes to the needs, goals, and priorities set in the 2016-2020 consolidated plan as a way to make sure the City is on track for completing its 2020 goals.

The City Council's Housing Committee reviews the expenditures of HOME funds and the priority of funding one eligible activity over another. Due to the success of the program, the Committee decided to continue funding for the Tenant Based Rental Assistance program for the third year in a row.

Prior to submission of the Consolidated Annual Performance Evaluation Reports (CAPER), the City makes it available to citizens and public agencies, such as the Cumberland County Community Development office, the Consortium of Care, Portland Housing Authority, etc., as well as other interested parties, a summary of the report which is published on the City web site. A notice of availability of the report is published in the local daily newspaper. A reasonable number of free hard copies are made available for review at City Hall in the Housing and Community Development Office, Room 312. There is a 15 day comment period for the Consolidated Annual Performance Evaluation Reports (CAPER).

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

In the past, the City of Portland has spread its federal funds thinly between social service agencies and sidewalk and park projects, balanced between the eligible districts. While this method succeeded in keeping neighborhoods and District Councilors relatively content by distributing a small amount of money for a multitude of projects, it dilutes the effectiveness of available funding, and has not allowed the Community Development grant to make a significant impact in any one area of need or area of the city. The program would have a bigger impact if funds were focused by strategic issues and by geographic location.

For the reasons listed above the City has created a public infrastructure target area. The first target area was identified as the Bayside and East Bayside Neighborhoods. The goals is to improve sidewalks, lighting, safety, and street scape aesthetic in a concentrated areas that was in much need of improvements before moving on to another neighborhood. By concentrating the public infrastructure funds in one area, the City has been able to leverage more private investment and economic development in this section of the City.

While the City's HOME program, CDBG economic development programs and social service programs are not targeted as specific neighborhood, many of the funds from these programs are being utilized in Bayside and East Bayside. For example, the Bayside Anchor new construction affordable housing project just created 45 new units in the East Bayside neighborhood, and, the Façade improvement program in currently serving businesses along the commercial corridor in the East Bayside neighborhood.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

Yes

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

In 2007, the City of Portland applied for HUD funds in an amount of $1.8 million in Brownfields Economic Development Initiative (BEDI) and $10.2 million in Section 108 loan funding. The funds were awarded in February 2008. The combined $12 million will revitalize the distressed area of Bayside by stimulating residential and commercial economic development activities and creating jobs. To date, Portland has invested $1,993,000 of combined BEDI/108 funds in the following types of activities:

a.) Acquire and relocate one scarp yard and b.) Public infrastructure upgrades to support Whole Foods, a large scale specialty grocery store.

The remainder of the combined BEDI/108 funds, totaling $10,007,000, are reserved to support investments in one 840 space parking structure with 43,000 sq. ft. of commercial space on the ground floor and upgrades to Somerset Street and utilities associated with the Federated Companies Midtown Project and area-wide Bayside economic growth needs. Unfortunately, the Midtown Project was delayed due to a private lawsuit which was settled in April, 2015. Settlement of the private lawsuit resulted in changes to the design of the Midtown Project which received Portland Planning Board approval in March, 2015. After working through several design issues, the City of Portland was finally able to sign a contract with Federated Companies in June of 2016; construction must begin by April of 2018.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

The City of Portland/Cumberland County HOME Consortium (CCHC) requires developers receiving HOME funds for new construction to provide a copy of their Affirmative Marketing Policy. Additionally, the Housing and Community Development office is updating its Policies and Procedures and will be recommending a new Affirmative Marketing Policy with other program policy and procedure updates.

The City/CCHC will continue its efforts to serve minority and female-heads of households with its programs. The City/CCHC broadly markets its housing rehabilitation programs by advertising in local newspapers, radio public service announcements, press releases, and the local cable access channel and on the city's website, the County Community Development Office website, and the websites of several of the CCHC member communities. Technical assistance for small, woman or minority owned businesses is available through the City's Economic Development Department.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

During the PY 2016-2107 $269,989 was received in HOME program income for both the City HOME funds and the County HOME funds. The attached Schedule of HOME Program income details the program income received on a monthly basis for both the City and County. Program income funds are tracked on a monthly basis through the City's accounting system. Program income is budgeted yearly as a part of the annual budget process and budget allocations are reported to HUD in the Annual Action Plan. $193,654 of program income was expended throughout 2016-2017. This expenditure is reflected in various housing rehabilitation and first-time home buyer projects completed during the program year.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

Portland administers housing programs for housing rehabilitation and new construction of rental housing throughout Cumberland County. The Cumberland County HOME Consortium (CCHC) is a partnership between the City of Portland and the communities of Cumberland County. The goal of the consortium is to expand financial resources for various eligible affordable housing activities in the region. While the City of Portland has traditionally received an annual allocation of HUD HOME funds, those funds have not been available to the communities of Cumberland County. The City of Portland retains independent operation of its HUD HOME program and acts as lead entity for consortium activities.

A priority of our housing rehabilitation program, which provides low interest loans and grants to assist low/moderate income homeowners with housing rehabilitation needs, is to provide each applicant with an energy audit and to incorporate energy efficient improvements into each project. By providing this service, we help the homeowners who participate in our program with property improvements that help to lower their home energy expenses.

The City of Portland and the Cumberland County HOME Consortium provides a significant portion of its annual HOME allocation for affordable housing development. Funds are made available through an application process. Three projects were completed this year, Bayside Anchor, Rosa True, and CHOM-St. John Street for a total of 59 units.

As mentioned previously, The City of Portland is committed to the creation of new affordable housing. The goal is to encourage housing development by removing barriers to traditional urban housing types while ensuring the inclusion of workforce housing in significant development projects. Over the past two years, the City has passed a suite of ordinance changes that encourage housing development while still preserving City residents' quality of life. Part of this approach includes changes to Division 30 of the City's ordinance which refers to affordable housing. These changes provide additional density through development incentives as well as adding a workforce housing inclusionary zoning requirement. Other changes include amendments to the B2 zone to increase allowed housing densities to 100 units/ acre and R6 zone that would increase density from 45 to 60 units an acre and reducing minimum lot size; eliminate parking requirements for residential uses in the B3, B5, B6 and B7 business zones; eliminate residential density limits in B1 and B2 business zones; allow the use of fee-in-lieu of parking in off-peninsula business zones; amendments to the downtown height overlay map to increase it to 45 feet height limits; allow accessory dwelling units in island residential and R-5 zones permitting certain affordability restrictions; and amend Division 30: Affordable Housing, to increase the affordability levels to allow for rental properties to be affordable at up to 100% AMI. The conglomeration of these initiatives will help to reduce barriers to building affordable housing in the City of Portland.

CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

Recipient Name	PORTLAND
Organizational DUNS Number	071747802
EIN/TIN Number	016000032
Identify the Field Office	BOSTON
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	

ESG Contact Name

Prefix	Mr.
First Name	David
Middle Name	E
Last Name	MacLean
Suffix	0
Title	Social Services Administrator

ESG Contact Address

Street Address 1	196 Lancaster Street
Street Address 2	0
City	Portland
State	ME
ZIP Code	04101-
Phone Number	2074825124
Extension	0
Fax Number	0
Email Address	DEM@portlandmaine.gov

ESG Secondary Contact

Prefix	MS
First Name	Kristin
Last Name	Styles
Suffix	0
Title	HCD Program Manager
Phone Number	2078748731
Extension	0
Email Address	KMS@portlandmaine.gov

2. Reporting Period—All Recipients Complete

Program Year Start Date	07/01/2016
Program Year End Date	06/30/2017

3a. Subrecipient Form – Complete one form for each subrecipient

Subrecipient or Contractor Name
City
State
Zip Code
DUNS Number
Is subrecipient a vistim services provider
Subrecipient Organization Type
ESG Subgrant or Contract Award Amount

CR-70 – ESG 91.520(g) - Assistance provided and Outcomes

10. Shelter Utilization

Number of New Units – Rehabbed	0
Number of New Units – Conversion	38
Total Number of bed - nights available	103,927 total 56,210 (OSS) + 47,717 (FS)
Total Number of bed - nights provided	123,519 total 78,167 (OSS) + 45,352 (FS)
Capacity Utilization	118%

Table 24 – Shelter Capacity

11. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

Oxford Street Shelter: Year five of the Oxford Street Shelter's (OSS) Emergency Solutions Grant (ESG) program was successful despite continuing to face staffing shortfalls and staff turnover. City staffers worked diligently to ensure that program participants were connected to services, created a housing stability plan, and had positive outcomes. The ESG program is divided into two categories, homeless prevention and rapid re housing. In total, the OSS ESG program enrolled 109 clients into the program.

Prevention (Oxford Street Shelter): 7 households were provided with prevention services. Of the 7 households served, 5 remained housed due to case management services, Landlord mediation, and linkage and referrals to mainstream benefits (SNAP, Mainecare and General Assistance).

Rapid Re-housing (Oxford Street Shelter): 109 individuals were enrolled in the ESG rapid re housing program. Of the 109 individuals enrolled, 104 individuals did not return to homelessness.

Family Shelter (ESG essential): The Family Shelter assisted 18 families for a total of 96 individuals for this reporting year.

Prevention (Family Shelter): The Family Shelter assisted 12 households' families, consisting of 38 individuals with prevention services. 11 of the households were able to use the HOME funded Tenant Based Rental Assistance and remain out of the shelter, only one family entered the shelter after seeking prevention services, due to the difficulties of their case.

Rapid Re-housing (Family Shelter): 18 households for a total of 58 individuals were enrolled in the ESG rapid re housing program. 15 of the 18 households families were able to secure permanent housing.

CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2014	2015	2016
Expenditures for Rental Assistance	0	0	0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	26,675	0	0
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	52,369	52,369
Subtotal Homelessness Prevention	**26,675**	**52,369**	0

Table 25 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2014	2015	2016
Expenditures for Rental Assistance	0	0	0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	33,159	55,200	0
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0
Subtotal Rapid Re-Housing	**33,159**	**55,200**	

Table 26 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2014	2015	2016
Essential Services	26,675	28,327	28,327
Operations	0	0	
Renovation	0	0	
Major Rehab	0	0	
Conversion	0	0	
Subtotal	**26,675**	**28,327**	28,327

Table 27 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year		
	2014	**2015**	**2016**
Street Outreach	0	0	
HMIS	6,836	12,138	12,092
Administration	0	0	

Table 28 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2014	2015	2016
	93,345	148,034	161,788

Table 29 - Total ESG Funds Expended

11f. Match Source

	2014	2015	2016
Other Non-ESG HUD Funds	0	0	
Other Federal Funds	0	0	
State Government	0	0	478,104
Local Government	27,724	44,410	
Private Funds	0	0	
Other	0	0	
Fees	0	0	
Program Income	0	0	
Total Match Amount	**27,724**	**44,410**	

Table 30 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2014	2015	2016
	121,069	192,444	

Table 31 - Total Amount of Funds Expended on ESG Activities

Portland, Maine Yes. Life's good here.

Jeff Levine, AICP
Director, Planning & Urban Development Department

Memorandum

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

From: Jeff Levine, Director
Mary Davis, Housing & Community Development Director
Victoria Volent, Housing Program Manager

Date: September 22, 2017

Re: Housing Policy Tools

INTRODUCTION

In an effort to identify and address housing issues in Portland, the 2016 Housing Committee undertook a four month long public process to solicit feedback from a wide array of community stakeholders and housing experts. This effort resulted in a "bucket list" of policy ideas from which the committee addressed several items during the 2016 and 2017 Housing Committee schedule. The remainder of the items were to be a resource for future Housing Committee work plan topics. (See attached copy of the "bucket list").

During the public process mentioned above, the Committee heard from Dr. Christopher Herbert, Director of the Joint Center for Housing Studies at Harvard University. Dr. Herbert pointed out that, while Portland is facing many of the same housing challenges as other urban communities across the country, it is already employing many of the best practices available. Dr. Herbert urged the city to remember that there is no silver bullet to solve Portland's housing issues and the city should take a long term comprehensive approach to affordable housing. He noted that the City is utilizing a number of national best practices, such as creating a Housing Trust; adopting Inclusionary Zoning; and offering City parcels for housing development.

In October the Committee will review an Annual Housing Report which will, in part, report out on the effectiveness of the City's adopted housing policies and initiatives. However, a brief highlight of these policies and initiatives is provided here.

389 Congress Street / www.portlandmaine.gov / tel, 207•874•8720 / tty, 207•874•8936 / fax, 207•756•8258

Current and Past City Investment in Housing

Since the adoption of the 2002 Housing Plan, the City has shown an ongoing commitment to housing production, using several programs and sources. The recently adopted Comprehensive Plan endorsed these approaches and recommended keeping them, along with looking at some additional ones.

Federal Funding: In the early 2000's, the City of Portland made a decision to focus resources toward the construction of affordable housing. Since that time, Portland has invested almost $14 million dollars that leveraged the creation of 24 units of homeownership housing and 927 units of rental housing. 798 of the rental units are affordable to households at or below 60% of the area median income. (See attached Subsidized Housing Development spreadsheet.)

Strategic Use of the Housing Trust: While the Housing Trust currently has limited funds, they have been applied strategically to market segments that cannot be served by other funding sources. As part of a layered financial plan, $175,000 of Housing Trust funds were provided to develop a vacant parcel at 65 Munjoy Street into 8 workforce condominium units that are currently being marketed to households below 120% of area median income.

Zoning Amendments: The City has been active in recent years revising its zoning ordinance to better reflect Portland's housing needs. Several major amendments to the City's land use ordinances have been approved since 2013 to encourage development of additional housing. These include:

- Significant changes to the R-6 zone – resulting in over 120 units of new housing;
- Creation of the India Street Form Based Code – resulting in about 100 units of new housing;
- Changes to the B-2 zone to allow additional housing density- resulting in 25 units of new housing;
- Creation of a new R-6A zone for campus sites – resulting in about 150 units of new senior housing to date;
- Additional R-7 zones – resulting in 45 unit of affordable housing in East Bayside to date, with more soon to be proposed;

In addition, at the September 6, 2017 City Council meeting, the council adopted text amendments to Division 30, the Affordable Housing ordinance that would offer incentives for low income and workforce housing along some of the corridors identified for growth in the new Comprehensive Plan. The incentives include density bonuses, building height increases and setback reductions consistent with the Comprehensive Plan's recommendations to grow sustainably along commercial corridors and nodes, as well as similar bonuses in Planned Residential Unit Developments that are master-planned. In the short term, these incentives will assist Portland Housing Authority on two projects in development (58 Boyd Street and Front Street).

Inclusionary Zoning: In 2015, Portland adopted a national best practice and approved an Inclusionary Zoning ordinance. See below for a summary of results to date.

Inclusionary Zoning Development Projects: December 2015 - September 2017					
Address	Status	# of Units	Type	Workforce Units	Fee-in-lieu
169 Newbury St	Under Construction	26	Condo	2	$0
62 India Street	Under Construction	29	Condo	0	$290,000
443 Congress St	Under Construction	28	Apt	4	$0
70 Anderson St	Approved (2016)	10	Town House	1	$0
75 Chestnut St	Approved (2016)	54	Apt	5	$0
20 Thames St	Approved (2017)	28	Condo	0	$280,000
161 York St	Approved (2017)	11	Condo	0	$110,000
221 Congress St	Approved (2017)	17	Condo	0	$170,000
153-165 Sheridan St	Approved (2017)	19	Condo	1	$0
218-220 Washington S	Under Review	45	Condo	5	$0
1 Joy Place	Under Review	12	Condo	1	$0
22 Hope Ave Subdivisi	Under Review	16	SF Home	1	$0
383 Commercial St	Under Review	82	Condo	9	TBD
1700 Westbrook St	Under Review	123	Mix	12	$0
58 Fore St	Expected Applicatio	630	Mix	TBD	TBD
21 Quebec St	Expected Applicatio	20	TBD	TBD	TBD
56 Hampshire St	Expected Applicatio	28	Condo	TBD	TBD
208 Fore St	Expected Applicatio	36	Condo	TBD	TBD
34 W Presumpscot St	Expected Applicatio	100	Apt	TBD	TBD

Additional information on the impact of these policies and initiatives will be included in the Annual Housing Report.

POLICY RECOMMENDATIONS

The policy recommendations introduced here, are a continuation of the 2016 public process as well as an introduction to policy recommendations that will be outlined in the Annual Housing Report next month.

A. HOME OWNERSHIP

1. Develop a strategic homebuyer assistance program ("HomePort 2")

From the early 1990’s through FY14, the City offered a first-time homebuyer program that offered up to $30,000 in a deferred loan to be used for down payment, closing cost or rehab assistance (the “HomePort” program.) The subsidy was repaid when the property was sold or no longer occupied as the owner’s primary residence. The repayment included the original subsidy amount plus a percentage of any net gain in the value of the property. The decision was made to stop the program for two reasons: (1) the subsidy amount would need to be increased to keep the cost of a home affordable to households at or below 80% of the area median income and (2) the local home prices exceeded the HOME Program maximum purchase price limit. The funding allocated to this program was transferred to the Tenant Based Rental Assistance Program that began in FY13.

Staff proposes development of a successor program focused on successful elements of the former HomePort program into a new HomePort 2 program. HomePort 2 would entail a combination of Private Mortgage Insurance (PMI) underwriting, asset security and a second mortgage program that would eliminate the need for PMI. Based on conversations with local lenders, we think there is an opportunity to leverage public commitment with some private funds.

If the city were to provide assistance with the cost of private mortgage insurance, an upfront single payment premium program would be the most cost-effective way to assist home buyers who could not afford a 20% down payment.

A pledged asset program would allow the city to establish an account with the lender for an amount equal to the down payment. The bank would hold that account as security in the case of default by the borrower. When the borrower’s loan balance reaches the required loan to value ratio, the account would be released back to the city.

Estimated costs:
Upfront private mortgage insurance $2,000-$3,000 per borrower.
Pledged Asset Account: $12,250 - $25,000 per borrower.
Second Mortgage Program: $30,000 - $50,000 per borrower.

***OVERALL ESTIMATED COST**: $50,000-$200,000 (50% City/50% Private) annually*

2. Develop a foreclosure prevention program that will provide emergency grants to those low-income homeowners in risk of foreclosure.

The program would be designed to assist Portland homeowners who are struggling to pay their mortgage payments because of a temporary financial hardship, for example job loss or healthcare issue. Assistance would be provided in the form of a 0% interest loan to be paid back when the temporary financial hardship has been resolved. These grants would be limited to $5,000 per household.

OVERALL ESTIMATED COST: *$50,000 (50% City/50% Private) annually*

B. RENTAL HOUSING

1. Secure Tenant Based Rental Assistance at $250,000 a year minimum, using a combination of City funds and federal funds (roughly 50/50.)

The current Tenant Based Rental Assistance (TBRA) Program is funded with HOME funding. The program provides security deposits, short term rental assistance and utility allowances for individuals and families, at or below 60% of the area median income, who are homeless or in danger of becoming homeless.

Beginning with FY14, the City budgeted an average of $132,000 for the TBRA Program. However, in FY16 ($25,000) and FY 17 ($63,000) in additional HOME funds were allocated to the budget as the need outpaced the original budget allocation. In FY17, the TBRA Program assisted in placing 175 households into permanent housing utilizing $193,000 in HOME funding.

The use of local funds would enable the City to provide assistance to those households that do not meet the household income limits established in federal programs such as HOME. With local funding, the City could offer assistance to households earning 80% to 100% of the area median income.

OVERALL ESTIMATED COST: *$250,000 to serve 200-250 households annually.*

2. Increase the condominium conversion fee significantly to fund TBRA and/or Housing Trust.

The condo conversion fee could be modeled on the fee structure in the Housing Replacement Ordinance. The fee would be set based on staff analysis and Council approval. A portion of the fee could be placed in the Housing Trust Fund and a portion used to fund the TBRA program.

Under the current ordinance, the condo conversion application fee is $150 plus the cost of work and a certificate of occupancy fee of $100 per unit. From 2012 to present there were 10 condo conversion applications which created 23 condominium units. If the Rent Stabilization referendum were to pass it may have an impact on the conversion rate.

OVERALL ESTIMATED REVENUE: *Depends on the level of the fee and the conversion rate but approximately $50,000 to $150,000 a year to fund other programs on this list.*

3. Review the current ordinance to assess whether the tenant notice and relocation assistance requirements are being followed.

The purpose of the Condominium Conversion ordinance is to ‘regulate the conversion of rental housing to condominiums; to minimize the potential adverse impacts of such conversions on tenants; to ensure that converted housing is safe and decent; and to maintain a reasonable balance of housing alternatives within the city for persons of all incomes.’ It requires that the developer give each tenant a written notice of intent to convert. For tenants living in the same building for 0-4 years, a 120-day notice period is required, an additional 30-day notice period is required for each additional year the tenant has been living in the building, up to 240 days (8 years of occupancy). The notice must contain the following statement:

If you do not buy your apartment, the developer of this project is required by law to assist you in finding another place to live and in determining your eligibility for relocation payments. If you have questions about your rights under the law, or complaints about the way you have been treated by the developer, you may contact the Permitting and Inspections Department, City of Portland, Maine 04101 (telephone: 874-8703).

For a 60-day period following the giving of the notice, the developer is required to give the tenant an exclusive and irrevocable option to purchase the unit. If the tenant does not purchase the unit during this 60-day period, the developer cannot offer the unit to any other person at a lower price or more favorable terms for an additional 180 days, until the same offer is made to the tenant.

If the tenant does not purchase the unit and qualifies at or below 80% AMI, the developer must make a cash payment to the tenant in an amount equal to the amount of rent paid by the tenant for the immediately preceding two months.

If within 120 days after a tenant is required by the developer to vacate, the developer records a declaration of condominium without having given notice as required, the developer shall be presumed to have converted in violation of this article. If the developer is found to be in violation, the request for a permit to convert is denied.

At the time of application, if any unit is vacant, the Permitting and Inspections Department requires the developer to disclose the reason the unit is vacant along with the name, new address and phone number of the previous tenant. However, this disclosure is not required under the current ordinance.

Staff would propose exploring changes to this ordinance that would extend notice requirements, require notification of current tenant contact information to the City; and increase penalties for non-compliance with this ordinance. For long-term tenants we would propose notice periods as long as a year.

***OVERALL ESTIMATED COST/REVENUE**: Approximately 100 hours of staff time.*

4. Create a "hotel linkage fee" to fund City housing programs

Require hotels to pay an impact fee that accounts for offsetting the increased workforce housing demand generated by their need for low-income employees (a "hotel linkage fee").

Since 2013, Portland experienced roughly 39 percent increase in number of hotel units. In 2015, the hotel industry on the peninsula reported a 70 percent occupancy rate (U.S. average is 66 percent). A hotel linkage fee would be assessed through comprehensive study and analysis to link costs, project new development, and realize the feasibility for developers. Once an impact fee is set, it is routinely reevaluated and revisited and adjusted based on new data, inflation, and other trends. By using an impact fee, future hotel developers have a predictable way to factor in the mitigation cost into their pro forma, rather than having to negotiate mitigation and deal with the uncertainty based on each case-by-case basis. Currently Portland only seeks mitigation for transportation and storm water impacts in most cases.

***OVERALL ESTIMATED REVENUE:** Depends on how fee is set but approximately $100,000-250,000 a year to fund other programs.*

C. OTHER

1. Have the City take the lead in exploring creation of a Portland Community Land Trust (CLT) that would get consideration at below-market rate for surplus city property for housing development.

A community land trust is a non-profit, community based organization designed to ensure community stewardship of land and is primarily used to ensure long-term housing affordability. The land trust acquires and maintains permanent ownership of land. The land trust enters into long-term leases with perspective homeowners. The homeowner earns a portion of the increased property value when they sell the property. (http://community-wealth.org/strategies/panel/clts/index.html)

A CLT is typically a non-profit 501c3 organization. Initially, the CLT would need significant administrative/organizing support from the City. The board of directors would need to include experienced housing and technical advisors along with area residents and other interested parties. A Land Trust would be a good way to both permanent affordability without relying on deed restrictions or sale of land to developers below cost. However, the City would have to be willing to provide the Land Trust with land at significant discounts in order for this approach to be successful. Since the Land Trust would be a quasi-governmental agency, the City would be retaining more control over the land than under the model of selling land for $1.

OVERALL ESTIMATED COST/REVENUE: *Approximately $0 to $100,000 annually plus the lost revenue from any surplus land placed into the Land Trust.*

2. Revisit our existing rehab programs to ensure they are working effectively and that those funds are not better repurposed for other uses.

a. Use CDBG funding to establish an emergency repair program.

The program would be designed to assist eligible households with repairs that are determined to be an immediate danger to the health or safety of the occupants of the household. The program would have a maximum loan of up to $7,500 in either a forgivable or payable loan determined by the household's financial situation. Eligible applicants would own and occupy a one to four unit building; income and rent requirements would be in place for the owner occupant and tenants.

Estimated annual program cost: $75,000 to assist 10 households

b. Offer rehab funding in conjunction with the Lead Safe Housing Program

One of the challenges with our current Lead Safe Housing Program is a local program policy which requires that any multi-family property receiving housing financial assistance must meet building and life safety code standards. Another challenge has been qualifying multi-family properties the meet the rent limit requirements established by CDBG and HOME regulations. If local funding was available to address code issues in connection with lead abatement, the guidelines could be more flexible in regards to rent caps.

c. The city has been approached by the Portland Water District (PWD) to administer a program on behalf of the PWD that would provide water efficiency and repair services.

PWD would provide $20,000-$30,000 per year and the city would coordinate the application process and contractor work for a 15% administrative fee per project.

OVERALL ESTIMATED COST/REVENUE: *Approximately 100 hours of staff time to evaluate, staff management thereafter.*

3. Consider creating a Housing Advisory Board, primarily consisting of housing professionals with some tenant and landlord representation, to help City staff and Councilors make informed policy decisions.

The Housing Advisory Board may be an expansion of the Rental Housing Advisory Committee. The Housing Committee work plan includes possible revisions to the role of the Rental Housing Advisory Committee and its connection to the Rent Board proposed in the Rent Stabilization Referendum. This discussion is slated to happen after the November election. A Housing Advisory Board would also recommend use and management of the Housing Trust to the Council.

A Housing Advisory Board has the advantage of bringing in housing professionals in Portland to provide considerable free consulting assistance to staff. While creation of another committee is not necessarily always the way to approach an issue, given that we already have to create Rental Housing Advisory Board, a broader Housing Advisory Board may be more effective. The Housing Advisory Board in Brookline was an effective mechanism for keeping housing policy coordinated and in line with best practices.

OVERALL ESTIMATED COST/REVENUE: *Approximately 40 hours of staff time to establish, about $10,000 annually thereafter for incidental expenses.*

SUMMARY

As noted in the Introduction, the policy recommendations introduced here will be outlined in more detail in the Annual Housing Report next month. Staff is looking for direction from the Committee regarding which recommendations should be the focus of additional analysis.

A) Tenant/Landlord Regulations

(i) Amendments to Rental Regulations

#		Potential Policy
1	A	Rent Control - limiting rent increases to a certain set amount in a certain period of time
2	A	Moratorium on No-Cause Evictions
3	A	Increase notification minimums from landlords to tenants for rent increases or non-renewal of any lease
4	A	Ordinance prohibiting landlords from refusing Section 8 or other vouchers
5	A	Clarify tenant rights in foreclosed buildings
6	A	Ordinance providing long-term residents of rooming houses protection under Maine's eviction statute
7	A	New ordinance prohibiting new development projects receiving City funding from denying tenants access to low-income units due to poor-credit history if tenant can demonstrate sufficient current income to pay the rent

(ii) Education, Mediation, & Understanding

#		Potential Policy
8	A	One page Tenant Rights Handout
9	A	Tenant/Landlord Ombudsmon to mediate disputes
10	A	Improve public understanding of tenant and landlord responsibilities
11	A	Encourage property owners to take a long term view when renovating older homes through federal tax incentives and increased energy efficiency in an effort to improve units while keeping rents stable
12	A	The City should offer regular classes for landlords that provide information on inspection/safety regulations

B) Expanding Existing Policy Tools

(i) Inclusionary Zoning

#		Potential Policy
1	B	Increase inclusionary zoning to require more than 10% of all new development units to be reserved as affordable
2	B	Revise inclusionary zoning ordinance to support lower income levels (Currently available to households earning **below** 100-120% of the area median income)
3	B	Amend inclusionary zoning to target income levels of existing residents in each neighborhood/census block/peninsula rather than using federal standards for the Portland area
4	B	Inclusionary zoning is a good idea. Remove its six year sunset clause

(ii) Housing Replacement Ordinance

#		Potential Policy
5	B	Housing Replacement Ordinance - Prohibit replacement units from being "luxury"
6	B	Housing Replacement Ordinance - Instead of paying fee, owners can make a market rate unit in another building affordable to low income households.
7	B	Housing Replacement Policy - Mandate developers pay into the Housing Trust Fund when replacement units are not at "affordable" levels

(iii) Other Policies: Condo Conversion & Tax Increment Financing

#		Potential Policy
8	B	Increase the condo conversion fee
9	B	Tighten up condo converstion regulations to clarify tenant rights, proof of notification, and timing to better capture future intent of landowners.
10	B	Continue to provide tax increment financing (TIF) to housing development projects to help financially support and encourage the development of more low and middle income housing
11	B	Create a TIF for individual property owners who create affordable units within their properties as a means of financially encouraging the creation of more affordable units
12	B	TIF projects should require units that are reserved affordable to average income levels of local residents in the surrounding neighborhood/census block rather than income levels of the entire City/metro area

C) Land Use Patterns - Zoning, Density, etc.

(i) Zoning Policies for More Flexibility on Accessory Units, Parking, Lot Size, Density

#		Potential Policy
1	C	Examine potential for more Accessory Dwelling Unit (ADU's), similar to in-law units, to be allowed in all residential zones
2	C	Allow for more accessory apartments (attic, basement, garage, expansions) in East Bayside
3	C	Locate higher density/larger buildings along neighborhood edges and transit corridors
4	C	Encourage the creation of denser village centers/nodes off-peninsula
5	C	Get rid of parking and height requirements in zones within walking distance of downtown
6	C	Parking in new developments that are in central locations, close to public transportation should have parking ratios of less than one space per new unit
7	C	The City should allow for greater density and height while lowering parking requirements to encourage more affordable housing development
8	C	Revise zoning codes where appropriate to allow new development to better reflect the beloved historic development patterns of certain neighborhoods
9	C	Allow for greater development on undersized lots on Peaks Island in the IR-1 and IR-2 so long as the development can provide its own septic and is restricted as affordable.
10	C	Allow for more density in East Bayside in areas that are not directly adjacent to single family homes
11	C	Locate R-6 zones in off-peninsula neighborhoods to encourage housing development

(ii) Zoning Policies: Amend to Protect Existing Neighborhood/Area Character

#		Potential Policy
12	C	The recently revised R-6 zone has helped fuel a development frenzy on Munjoy Hill and should be reconsidered
13	C	The City should increase housing density limits within existing buildings within all zones
14	C	Amend the R-5 zone (Deering Center, Oakdale, and others) to allow for more housing development in a way that is consistent with the historical development patterns of the existing neighborhoods
15	C	Develop policies to incentivize the retention, improvement, and replacement of 1, 2, and 3 unit housing structures along the streetscapes where they currently are the dominant housing typology
16	C	Larger housing developments threaten the existing character of neighborhoods
17	C	Provide greater clarity in the B2b zone language as it relates to how development in the B2b should relate to surrounding properties in abutting zones

(iii) Zoning Policies: Other Items

#		Potential Policy
18	C	Partner with organizations like Habitat for Humanity to allow for the creation of affordable units on smaller lots than what is currently allowed under zoning. Should consider having affordability and unit/building size restrictions for allowing development on these smaller lots.
19	C	Amend zoning ordinances to include and clarify protections for abutting residences bordered by commercial/industrial uses to help mitigate conflicts involving lighting, parking, noise, and pollution
20	C	Update housing definitions within zoning ordinance
21	C	Update and condense entire zoning ordinance for overall clarity and ease of use
22	C	Amend the ILB Zone for industrial uses in East Bayside to encourage new business development in an effort to attract more living wage jobs to the neighborhood (but not national chains)

D) Housing Safety/Quality

#		Potential Policy
1	D	Stricter enforcement of existing health & safety laws
2	D	Regular schedule for inspecting all units
3	D	Develop protocol for emergency complaints
4	D	Occupied rental units in foreclosure inspected monthly
5	D	Ordinance making building owner and party bringing foreclosure complaint jointly liable for maintaining the building
6	D	Clarify role and responsibilities of various inspection offices within the City to promote efficiency and minimize overlap.
7	D	The Housing Safety Office registration should include information on the type of rental (furnished, airbnb, etc) so that the public can have a better idea of who is around them.
8	D	Address the potential for overcrowding by revising allowable number of unrelated tenants per dwelling
9	D	Gain control and rehab abandoned properties
10	D	More strenuous code enforcement of rental units and stricter penalties for unresponsive/absentee landlords
11	D	Improve communication about brownfield remediation programs/needs for developers in certain areas of the City such as East Bayside
12	D	City should require copies of all inspections done by outside parties of subsidized housing units to ensure that standards are being met that support clean, dignified, safe, affordable housing
13	D	Incentivize improvements to rental units in older housing stock by offering landlords reimbursements for work that brings buildings up to code in return for deed restrictions regulating a units affordability

E) Encourage Development & Redvelopment on City Owned Land & Private Property

(i) City Owned

#		Potential Policy
1	E	Examine Loring House property for residential development potential
2	E	Embrace the redevelopment of schools or other institutional buildings into housing
3	E	Utilize tax acquired properties to capitalize the Housing Trust Fund and restrict long term affordability of the unit prior to sale
4	E	Work with non-profit like Habitat-for-Humanity to rehab city-owned tax acquired properties to turn them into affordable housing
5	E	The City should enter into long term ground leases for City owned land as a means of supporting long term affordability rather than selling land outright to a developer (both for-profit and non-profit developers).
6	E	Put City owned land out to bid to encourage diverse types of housing stock of numerous sizes and for a variety of populations
7	E	The City should purchase a large tract of land and act as the developer to create a model neighborhood/village with a mix of uses and building typology that will be great places to live/work/play and showcase how quality development can happen off-peninsula

(ii) Privately Owned

#		Potential Policy
8	E	Examine zoning for Jewish Community Center/School near Noyes & Ashmont Streets to encourage housing development on those sites
9	E	Work with local universities to encourage the development of more student housing
10	E	New ordinance to penalize dilapitated abandoned buildings and incentivize maintenance
11	E	Strengthen local Housing Land Trust to help create and preserve affordable housing

F) Taxes & Fees

#		Potential Policy
1	F	Reduce real estate related fees and taxes which harm fixed income households and cause landlords to pass along higher expenses to tenants
2	F	Create tax incentives for landlords to maintain/update units
3	F	All manners of City commerce, bills, taxes, fees, etc. should be dealt with via a single online platform
4	F	Rising cost of taxes/fees needs better justification from the City
5	F	Adopt an anti-speculation/anti-flipping tax
6	F	Support tax abatement for low income households or landlords who rent income restricted units
7	F	Support tax abatement for landlords who voluntarily rent to low income tenants
12	F	Progressive property tax on new "luxury" developments that would charge a higher real estate tax rate to new units sold or rented at "luxury" levels
13	F	Capture a portion of new property taxes for "luxury" units for a certain time period (first two years?) and place that money in the Housing Trust Fund
14	F	Create a property tax work-off program where senior citizens can work for the City for a predetermined number of hours to get some tax relief on their home.

G) Studies, Data, & Communication

(i) Studies & Data

#		Potential Policy
1	G	Redefine how affordability is determined using more focused data on specific neighborhoods/census blocks instead of the industry standard of the City's metro area as employed by most federal housing programs
2	G	The City should evaluate the evolution and impact of changes in its demographic mix as well as housing stock. The study should not just focus on trends but also determine what the desired mix is for the City in terms of demographics and housing typology
3	G	Creation of new City Housing Board comprised of a wide range of stakeholders to carry forward additional research, advise the City, and make policy recommendations
4	G	Comprehensive Plan to outline housing goals for the City over 3, 5, and 10 year periods
5	G	Rental unit data collected through registration should identify ownership type and unit make up. Data should be available to the public
6	G	Housing Safety Office should track additional landlord data such as pricing, amenities, bedrooms, past violations, etc. and make the information public to help prospective tenants more informed before signing a lease

(ii) Communication

#		Potential Policy
7	G	More frequent public communication about current and proposed developments including signage at proposed sites that provide sense of scale with surrounding neighborhood
8	G	Encourage/facilitate a better public process. Needs to be a way to encourage greater public participation and not just listen to the loudest voices who may not represent the needs of the larger community
9	G	The City should facilitate a larger public dialogue about the overall type of development that is appropriate for Portland. Focus should be on scale of development and how urban in character Portland should be.
10	G	The City should create a new position within the City to help interested parties understand the maximum development potential for various private properties throughout the City
11	G	Promote greater awareness of all the work already being done by the City to help alleviate housing concerns

H) Senior Housing

#		Potential Policy
1	H	The City should hire an aging in place specialist to help seniors navigate the complex zoning and home modification requirements at the state and local levels
2	H	Promote/support age-in-place efforts to make the community even more "age-friendly"
3	H	Lobby state government to release $15 million in voter approved bonds for affordable senior housing development
4	H	The City should help seniors participate in their communities
5	H	The City should help neighborhoods retain their intergenerational flavor
6	H	The City should support and encourage the creation of volunteer based "villages" to help aging seniors stay in their communities longer
7	H	Institute a homeshare program for seniors to help share costs of their home by finding "appropriate adult guests" to live with them so that they may remain in their homes

I) Short Term Rentals (AirBnB)

#		Potential Policy
1	I	Regulate Short Term Rentals (STR's) such as AirBnB in an effort to return existing housing stock to the long term rental market
2	I	Increase General Assistance maximums to match Portland rental market funded through increased AirBnB fees
3	I	Add fees/taxes to AirBnB type rentals to help capitalize the Housing Trust Fund

J) Open/Green/Community/Retail Space

#		Potential Policy
1	J	Provide greater access to green space and greater protection for existing large trees to better integrate nature into the urban environment
2	J	There is a need for greater access to open spaces for leisure and sport in East Bayside
3	J	The creation of community spaces within new large development projects to support a variety of community uses
4	J	City should partner with the non-profit organization that works on edible landscaping to design roof top gardens or raised bed gardens as part of new project designs
5	J	Increase small retail spaces in new development projects

K) General - Suggestions, Comments, Complaints

#		Potential Policy
1	K	Strengthen and clarify sober house regulations
2	K	Make regulations easier to convert a single family residence into a multi-family home
3	K	Remove barriers to expanding/renovating older homes
16	K	Support the creation tiny homes to increase the housing supply
17	K	Revise thresholds of commercial building codes to start at buildings larger than three units (currently a three unit building falls within commercial code instead of residential code)
18	K	Develop mechanisms and incentives for long term affordability restrictions
19	K	Limitations should be placed on how close registered sex offenders can live in proximity to schools
20	K	The City should support housing availability for sex offenders previously incarcerated as they begin to reintegrate into society.
21	K	Regional approach to housing demand with benchmark for each community for the creation of new housing.
22	K	Focus on the creation of new middle class/family housing - both rental and home ownership
23	K	Encourage/support the creation of additional low income and workforce housing
24	K	Create more Housing First projects to support long term shelter stayers
25	K	Improve communication channels with local universities to help place local students/faculty in extra bedrooms of existing Portland residents
26	K	City should support the creation and funding of a home ownership program to help households buy homes and fix up dilapidated properties
27	K	City should encourage more homeownership development as a means of reducing demand on the rental housing stock and helping to build stable long term communities
28	K	The City should be more supportive of new housing development projects despite the potential for neighbors being against a project
29	K	Small landlords should not be perceived as small businesses
30	K	New developments need to be held to higher achitectual standards in terms of design, materials, and connective space
31	K	Do not overreact to short term market fluctuations with overregulation and maintain a long term perspective on policy goals
32	K	Restrict medical marijuana grow operations from residential zones
33	K	Increase the speed at which new development projects and renovation projects can get through the City approval/permitting process
34	K	Increase Tenant Based Rental Assistance (TBRA) voucher funding to support extremely low income households at risk of homelessness
35	K	The City should come up with a policy for dealing with the closure and potential demolition of hotels by changing ordinances to encourage their use as single room occupancy (SRO's)

Subsidized Housing Development in Portland Since 2000

No.	Owner/Project	Units	HOME	HDF	CDBG	HTF	TIF	NSP
1	Motherhouse	88	$ 627,223	$ -	$ -	$ -	$ -	$ -
2	Adams School*	16	$ -	$ -	$ -	$ -	$ -	$1,710,000
3	Rosa True School	10	$ 118,500	$ -	$ -	$ -	$ -	$ -
4	53 Danforth	43	$ 325,000	$ -	$ -	$ -	$ -	$ -
5	Bayside Anchor	45	$ 500,000	$ -	$ -	$ -	$ -	$ -
6	134 Washington Ave	18	$ 522,448	$ -	$ -	$ -	$ 207,116	$ -
7	17 Carleton	37	$ -	$ -	$ -	$ -	$ 726,000	$ -
8	409 Cumberland	57	$ 500,000	$ -	$ -	$ -	$ 759,392	$ -
9	65 Munjoy*	8	$ -	$ -	$ -	$ 175,000	$ -	$ -
10	Florence House	25	$ 240,000	$ -	$ -	$ -	$ -	$ -
11	Fore River	20	$ 388,474	$ -	$ -	$ -	$ -	$ -
12	IRIS Park Apartments	31	$ -	$ 250,000	$ -	$ -	$ -	$ -
13	Logan Place	30	$ 435,000	$ -	$ -	$ -	$ -	$ -
14	Oak Street	37	$ -	$ -	$ -	$ 380,585	$ -	$ -
15	Pearl Place - Phase I	60	$ 427,000	$ -	$ -	$ -	$ 615,502	$ -
16	Pearl Place - Phase II	54	$ 400,000	$ -	$ -	$ -	$ -	$ -
17	Unity Village	33	$ 86,500	$ -	$ 363,863	$ -	$ -	$ -
18	Bayside East	20	$ 250,000	$ -	$ -	$ -	$ -	$ -
19	Elm Terrace	38	$ 403,795	$ -	$ -	$ -	$ -	$ -
20	Shalom House	10	$ 93,000	$ -	$ -	$ -	$ -	$ -
21	Island View Apartments	70	$ 71,015	$ 192,639	$ 136,346	$ -	$ -	$ -
22	Peaks Island Senior Housing	12	$ 150,000	$ -	$ -	$ -	$ -	$ -
23	Peninsula Community II LP	16	$ 307,700	$ -	$ -	$ -	$ -	$ -
24	Peninsula Community III LP	10	$ 200,000	$ -	$ -	$ -	$ -	$ -
25	Peninsula Community LP	12	$ 300,000	$ -	$ -	$ -	$ -	$ -
26	St. Doms Family Housing	12	$ -	$ 436,500	$ -	$ -	$ -	$ -
27	Valley Street	24	$ 320,000	$ -	$ -	$ -	$ -	$ -
28	Walker Terrace	40	$ 382,000	$ 220,000	$ -	$ -	$ -	$ -
29	Wellesley Estates	45	$ -	$ 256,000	$ -	$ -	$ -	$ -
30	Yale Court	30	$ 150,000	$ 200,000	$ -	$ -	$ -	$ -
		Units	**HOME**	**HDF**	**CDBG**	**HTF**	**TIF**	**NSF**
	Total	**951**	**$7,197,655**	**$1,555,139**	**$500,209**	**$555,585**	**$2,308,010**	**$1,710,000**

* = Homeownership

Total City Investment	**$13,826,598**
Avg. City Contribution/Unit	**$14,539.01**

Last Updated 09.19.2017

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MEMORANDUM

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Mary Davis, Housing & Community Development Division Director

DATE: September 22, 2017

SUBJECT: **Affordable Housing Development Funding Requests**

At the Housing Committee meeting on February 8, 2017, 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 August 8th and proposals were due on September 8th. Two proposals were received. The proposals were reviewed according to the selection criteria stated in the Application.

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.

58 Boyd Street: The Portland Housing Authority (PHA) is proposing to construct a 55 unit multi-family apartment building. The development will include:

58 Boyd Street		
Efficiency Units (25)	at or below 50% area median income	12
	at or below 60% area median income	5
	Market Rate	8
1-Bedroom Units (5)	at or below 50% area median income	3
	at or below 60% area median income	1
	Market Rate	1
2-Bedroom Units (16)	at or below 50% area median income	12
	at or below 60% area median income	2
	Market Rate	2
3-Bedroom Units (9)	at or below 50% area median income	9
	at or below 60% area median income	0
	Market Rate	0
Total Units		**55**

Twenty-eight (28) units will have project based rental assistance; ten percent (10%) of the units will have a set-aside for homeless households and another ten percent (10%) will have preference for homeless or disabled households. This is the next phase of Portland Housing Authority's strategic planning goal of increasing the supply of affordable housing.

The Portland Housing Development Corporation has requested two forms of financial assistance.

(1) HOME funds request: $200,000, 0% interest rate loan, deferred for 30 years; Total City Investment of $200,000/unit - $3,636.37

(2) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 50% of the increased taxable value, currently estimated at a 20 year annual average of $61,390, with an estimated total of $1,227,799 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable. The remaining increased taxable value will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.

Deering Place: Avesta Housing Development Corporation submitted an application requesting $300,000 in 2017 HOME Funds to support the development of 80 units of mixed income rental housing. The development will include:

Deering Place 510 Cumberland Avenue & 61 Deering Street		
Efficiency Units (15)	at or below 40% area median income	0
	at or below 50% area median income	9
	at or below 60% area median income	0
	Market Rate	6
1-Bedroom Units (40)	at or below 40% area median income	0
	at or below 50% area median income	17
	at or below 60% area median income	0
	Market Rate	23
2-Bedroom Units (12)	at or below 40% area median income	5
	at or below 50% area median income	4
	at or below 60% area median income	0
	Market Rate	3
3-Bedroom Units (13)	at or below 40% area median income	8
	at or below 50% area median income	5
	at or below 60% area median income	0
	Market Rate	0
Total Units		**80**

As stated in the developer's application:

"*Deering Place will combine the redevelopment of two under-utilized parking lots and the rehabilitation of an existing mixed-use building to create a mixed-income, contextually-appropriate residential community with 80 units and enhanced amenities. The project will include a mix of affordable and market rate units, making it possible to preserve and add affordable units as well as ensure the long term viability of the project. The scope of work includes a rehab and expansion of 510 Cumberland Avenue ("Building A") and the construction of a new building at 61 Deering Street ("Building B").*

The Avesta Housing Development Corporation has requested two forms of financial assistance.

(1) HOME funds request: $300,000, 0% interest rate loan, deferred for 30 years; City HOME Investment of $300,000/unit - $3,750.00

(2) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement between 50% - 75% of the increased taxable value, currently estimated at a 30 year annual average of $104,518, with an estimated total of $3,135,527 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable. The remaining 25% of the increased taxable value will be allocated to the City and will be used to contribute to an Affordable Housing Development Revolving Loan and Investment Fund. TIF projections and proposed district map are included in the backup to this memo.

STAFF RECOMMENDATION

The HOME Application made available $581,651 for the development of a wide-range of types of housing, $70,525 of which must be reserved for Community Housing Development Organizations (CHDO). Both proposals can be funded at 100% of their request.

As part of the Maine State Housing Authority's (MSHA) Qualified Allocation Plan (QAP) application due in February, the developers will need letters of commitment of support for their projects prior to the 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, satisfactory underwriting analysis, cost allocation, designation of HOME units and compliance with the new HOME Final Rule (effective August 23, 2013) and the Consolidated and Further Continuing Appropriations Acts of 2012 and 2013.

2. The commitment will include the requirement that the environmental review process be satisfactorily completed. The City's agreement to provide funds will be conditioned on the determination to proceed with, modify or cancel the project based on the results of the environmental review.

3. Commitment of funds to be stated as "an amount up to the funding request based on maximization of LIHTC equity raise", to ensure that the City's contribution is leveraged to the maximum extent possible.

4. If applicable, documentation acceptable to the City that the acquisition cost is reasonably related to market value. This is a HOME Program requirement.

5. Commitment should be subject to the projections and assumptions noted in the project budgets and pro-forma submitted, for both HOME and TIF funding, 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.

Staff is requesting approval of full funding for the 58 Boyd Street and Deering Place projects. Both proposals are quality projects that are in line with the City's goals for housing.

Committee approval would be conditioned on satisfactory underwriting approval before the HOME and TIF funding requests are approved by the City Council.

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.

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

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 55 unit multi-family apartment building for families with the following tentative unit mix: Efficiency – 25 units; 1 bedroom – 5 units; 2 bedroom – 16 units; 3 bedroom – 9 units; TOTAL - 55 units

Affordability
- 65% of the units will be for households making at or below 50% of the Area Median Income (about $41,500 for a family of 4).
- Of the 65%, half of the units (28) 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.23 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 5%-10% 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.21 and B.22 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 B.20 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 and recently completed the Bayside Anchor project for the Housing Authority.

The project's Management Agent, **Hallkeen Management Corporation** manages properties and reviews operating budgets for over 2,400 units in New England including over a hundred in Portland, including our 100 State Street senior housing development. PHDC will work closely with Hallkeen 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 is submitting a site plan application in mid-September, 2017 and, pending approval of MaineHousing tax credits, will be ready for construction in the Fall of 2018.

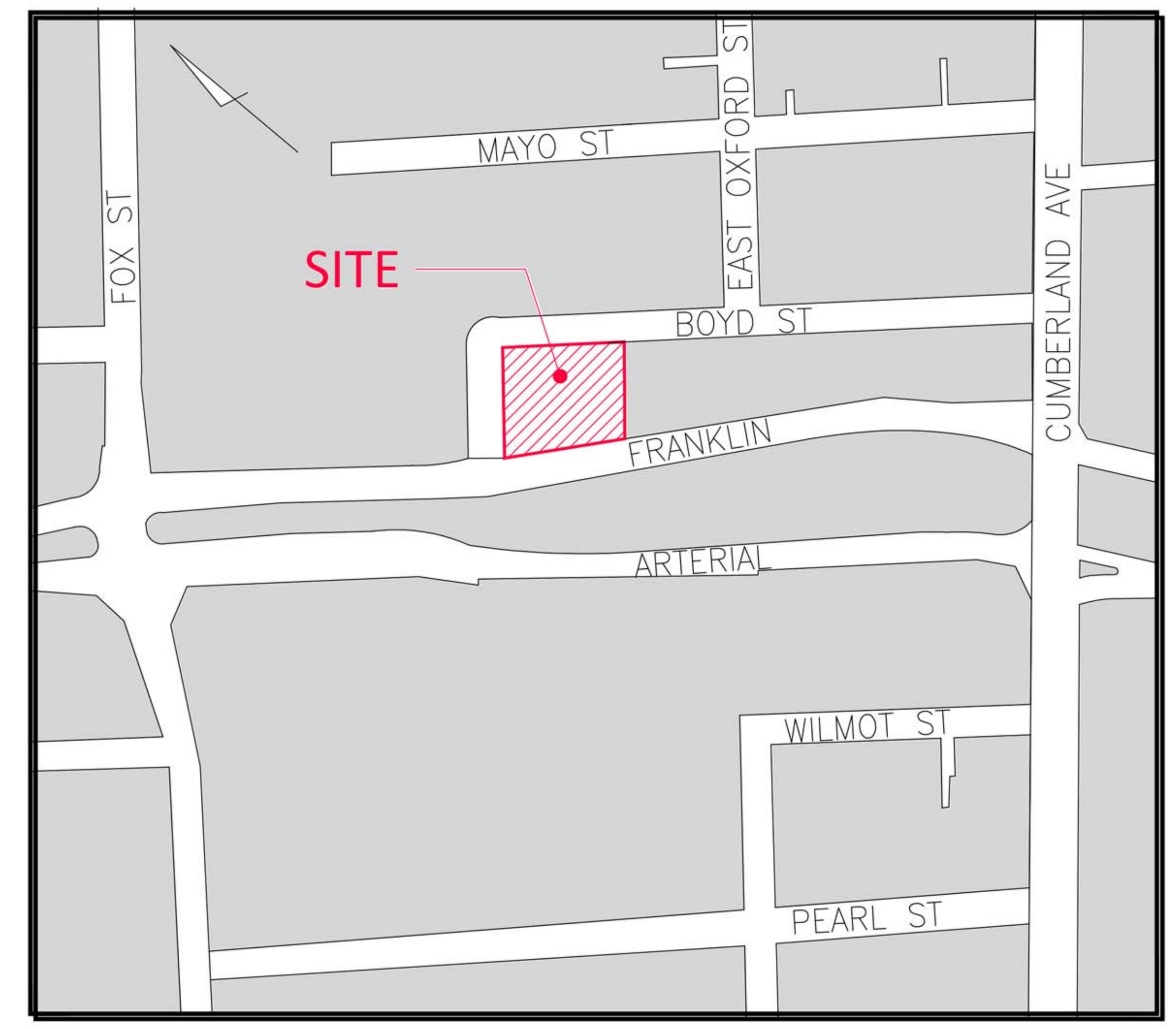
Criterion 4 - Impact on Surrounding Neighborhood, Design Compatibility and Environmental Issues
The site is in an existing residential neighborhood with a mix of owner-occupied and rental housing. Multifamily rental is appropriate for and compatible with the site. 58 Boyd Street Apartments' design is consistent with the style and type of construction historically found in East Bayside and other residential neighborhoods on the Peninsula. Our Site Plan submission to the planning board will use the new height bonus proved by the City Council in Division 30 of the zoning ordinance. 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 over 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, which opened 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.

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

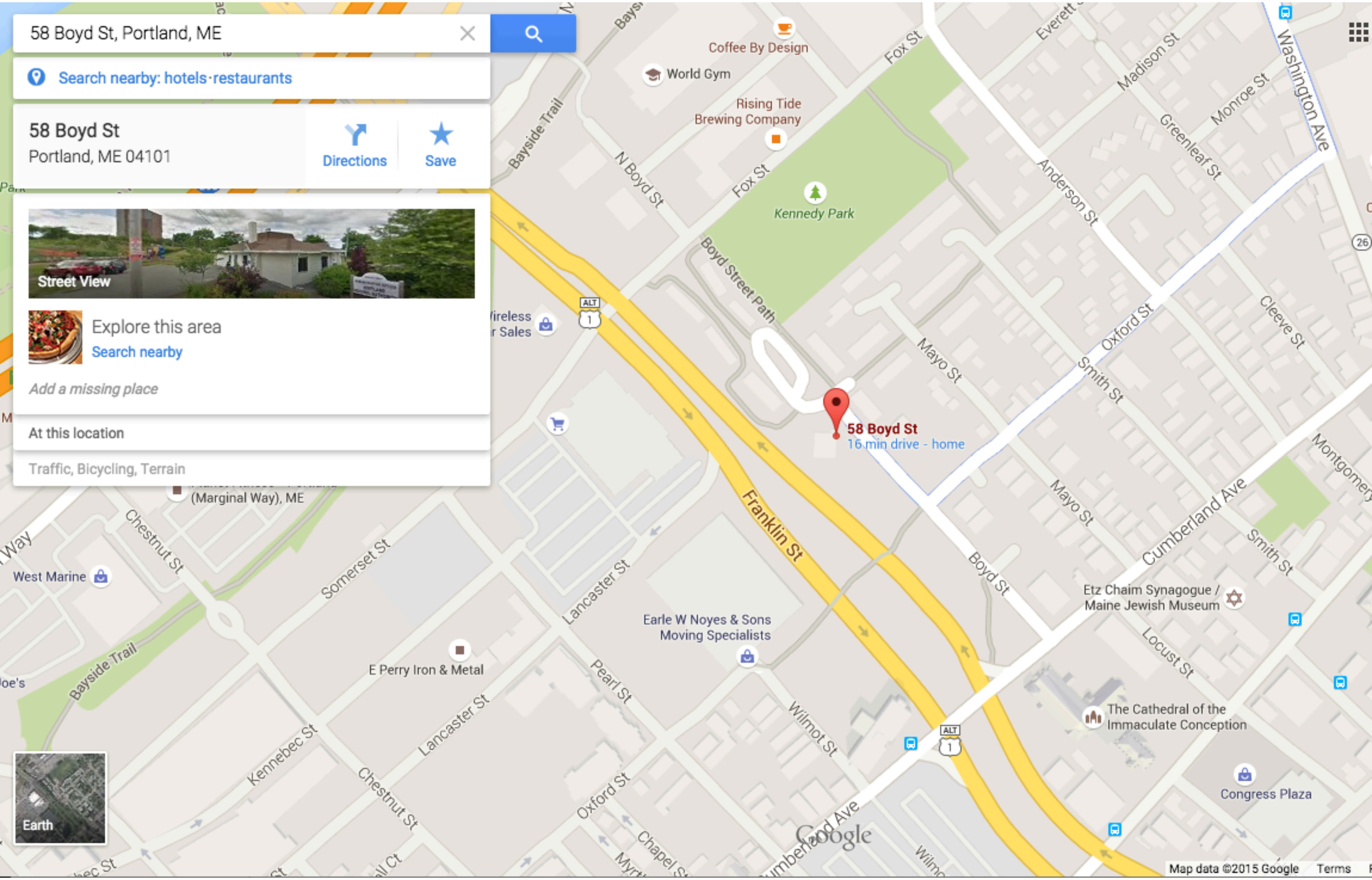
Portland, ME

September 8, 2017

CARROLL ASSOCIATES
LANDSCAPE ARCHITECTS
217 COMMERCIAL STREET, STE 200
PORTLAND, MAINE 04101
207.772.1552 V.   F. 207.772.0712

Project Completion Schedule

Activity	Actual/Scheduled Date Month/Year
A. SITE	
Option/Contract	10/11/16
Site Acquisition	09/15/18
Zoning Approval	12/01/17
Site Analysis	10/15/16
B. FINANCING	
Construction Loan Commitment	04/01/18
Permanent Loan Commitment	04/01/18
Other Sources Committed	12/15/17
C. PLANS AND SPECIFICATIONS	
50%	01/31/18
90%	05/01/18
100%	07/01/18
D. CONSTRUCTION LOAN CLOSING	09/15/18
E. CONSTRUCTION START	09/20/18
F. COMPLETION OF CONSTRUCTION	08/31/19
G. LEASE-UP	
Initial Lease-up	09/01/19
Sustained (95%) Occupancy	12/15/19


58 Boyd St, Portland, ME
Search nearby: hotels·restaurants
58 Boyd St
Portland, ME 04101
Directions
Save
Street View
Explore this area
Search nearby
Add a missing place
At this location
Traffic, Bicycling, Terrain
58 Boyd St
16 min drive - home
Coffee By Design
World Gym
Rising Tide
Brewing Company
Kennedy Park
Boyd Street Path
Franklin St
Cumberland Ave
Oxford St
Smith St
Mayo St
Anderson St
Greenleaf St
Monroe St
Madison St
Washington Ave
Cleeve St
Fox St
N Boyd St
Boyd St
Bayside Trail
Chestnut St
Somerset St
Lancaster St
Pearl St
Wilmot St
Kennebec St
Locust St
West Marine
E Perry Iron & Metal
Earle W Noyes & Sons
Moving Specialists
Etz Chaim Synagogue /
Maine Jewish Museum
The Cathedral of the
Immaculate Conception
Congress Plaza
(Marginal Way), ME
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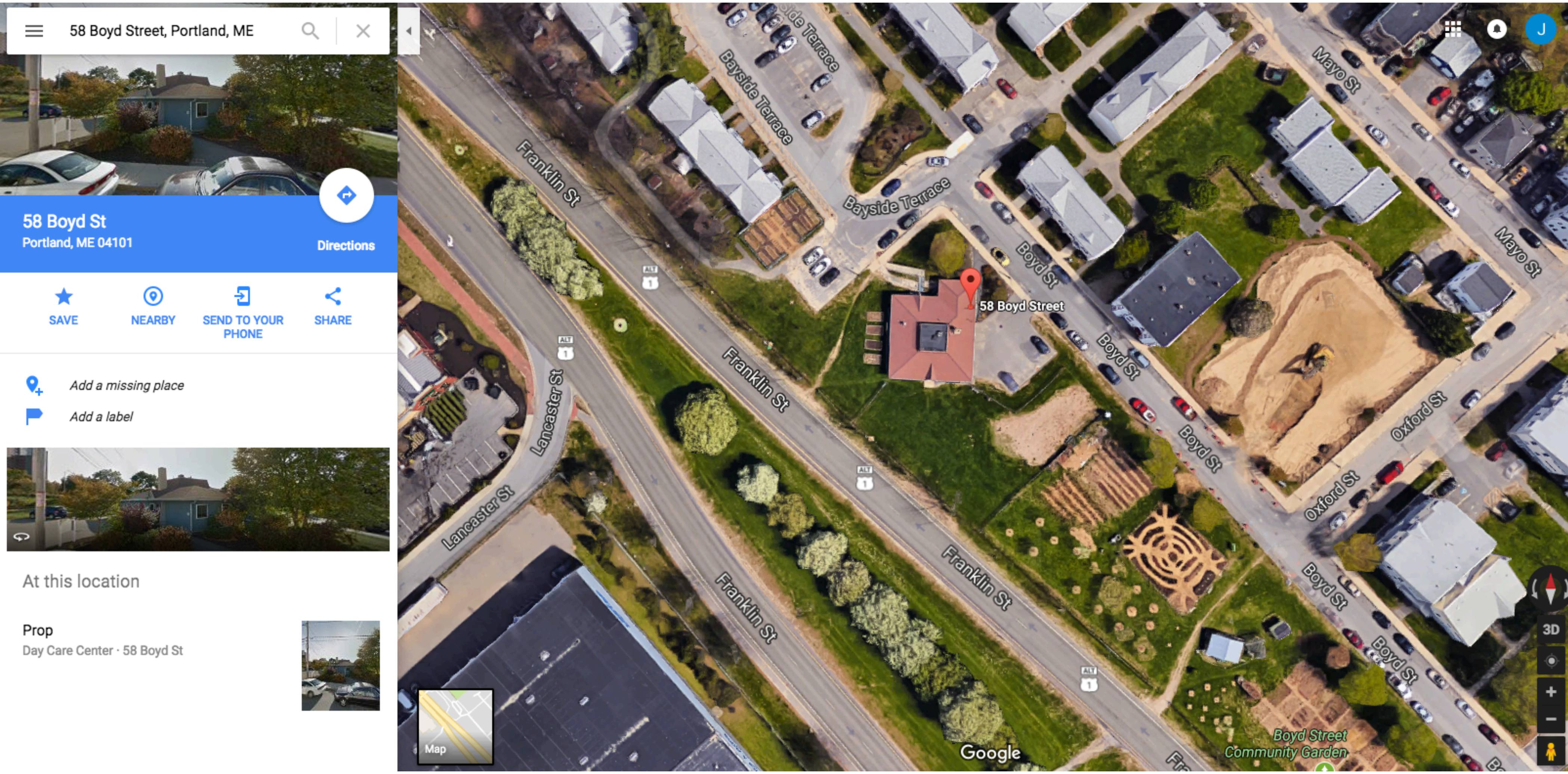

58 Boyd Street, Portland, ME
58 Boyd St
Portland, ME 04101
Directions
SAVE
NEARBY
SEND TO YOUR PHONE
SHARE
Add a missing place
Add a label
At this location
Prop
Day Care Center · 58 Boyd St
Franklin St
Bayside Terrace
Boyd St
58 Boyd Street
Mayo St
Oxford St
Lancaster St
Boyd Street Community Garden
Map
Google
3D


Whole Foods Market
58 Boyd Street
Boyd Street
Community Garden
2D
Map


Boyd St
47-49
Google

58 Boyd Street Apartment Sources and Uses

58 Boyd Street Apartments - Sources and Uses

Sources			
evelopment Fee Loan	0		
MH Amortizing Loan	550,000		
City FedHOME	200,000		
AHP Loan	2,932,139		
FHLB Subsidy	750,000		
Net Syndication	6,756,824	795,000	Credit Allocation
Sponsor Loan	119,936		
Total	11,308,899		
Uses			
Construction	8,769,264	$172.24	/sf Construction
Soft Costs	910,630		
Finance Costs	170,700		
Miscellaneous	198,780		
Acquisition	0		
Reserves	509,524		
Developer Fee	750,000		
Total	11,308,899	205,616	Gross TDC / Uni
		199,461	Adj. TDC / unit

PROJECT FINANCING

Source		Amount	Rate	Term	Lien	Annual D/S Yr. 1-5	Yr. 6-15	Yr. 16-30
Source 1:	MH Subsidy	0	0.00%	30	First	0	0	0
Source 2:	MH Amortizing Loan	550,000	6.00%	30	First	39,570	39,570	39,570
Source 3	AHP Loan	2,932,139	5.00%	30	First	188,884	188,884	188,884
Source 4:	Sponsor Loan	119,936	0.00%	30		3,690	3,690	3,690
Source 7	City FedHOME	200,000	0.00%	30	Third	0		0
Source 8	AHP Subsidy	750,000			Third		Grant	
Source 9	Development Fee Loan	0			Unsecured		Cash Flow	
Source 10	Net Syndication	6,756,824	$0.85					
	Capitalization Gap	-0						
	Total	11,308,899						

58 Boyd Street Development Budget

		Pro Forma Development Budget			
		Residential	Per Unit	Commercial	Total
Site Improvements		748,000	13,600		748,000
Construction		6,817,499	123,955	0	6,817,499
Demolition		0	0		0
Builder Overhead		420,000	7,636		420,000
Builder Profit		321,218	5,840		321,218
Bond Premium		44,963	818		44,963
Construction Contingency	5%	417,584	7,592		417,584
Subtotal Construction Costs		**8,769,264**	**159,441**	**0**	**8,769,264**
Building Permits and Fees		175,730	3,195		175,730
Survey & Engineering		66,900	1,216		66,900
Architectural & Design		510,000	9,273		510,000
Legal		68,000	1,236		68,000
Title & Recording		15,000	273		15,000
Accounting		8,000	145		8,000
Construction Period Tax		8,000	145		8,000
Construction Period Insurance		25,000	455		25,000
Soft Cost Contingency		34,000	618		34,000
Subtotal Soft Costs		**910,630**	**16,557**	**0**	**910,630**
Construction Loan Origination Fees		7,500	136		7,500
Construction Loan Interest		115,500	2,100		115,500
Constr Partic. Fee/Perm Loan Fee		14,500	264		14,500
Lend Inspec, Const legal, Letter of Credit		33,200	604		33,200
Subtotal Finance Costs		**170,700**	**3,104**	**0**	**170,700**
Market Survey		5,200	95		5,200
Appraisal		6,000	109		6,000
Environmental Study		13,500	245		13,500
LIHTC Fees/ prepd monitor		63,000	1,145		63,000
Commissioning		57,080	1,038		57,080
FF&E		54,000	982		54,000
Subtotal Miscellaneous		**198,780**	**3,614**	**0**	**198,780**
Acquisition: Buildings		0	0		0
Acquisition: Land		0	0		0
Acquisition: Legal		0	0		0
Subtotal Acquisition		**0**	**0**	**0**	**0**
Operating Deficit Escrow		305,530	5,555		305,530
Pre-funded Replacements		76,037	1,382		76,037
Tax & Insurance Escrow		77,958	1,417		77,958
Working Capital		0	0		0
GP Contribution		0	0		0
Developer Overhead		420,000	7,636		420,000
Developer Profit		330,000	6,000		330,000
Rent-up & Marketing		50,000	909		50,000
Subtotal Fee and Reserves		**1,259,524**	**22,900**	**0**	**1,259,524**
Total Development Costs		**11,308,899**	**205,616**	**0**	**11,308,899**
TDC Less LIHTC Fees and ODE			**199,461**		

58 Boyd Street Apartments

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				$1,045	0	0
	50% LIHTC PBV	4	718	718	718	$1,045	0	34,464
	50% LIHTC	8	718	718	718	$1,045	0	68,928
	60% HOME	0				$1,045	0	0
	60% LIHTC	5	862	862	862	$1,045	0	51,720
25	Market	8	$941	$941	941	$1,045	0	90,288
1BR	40% LIHTC	0				$1,215	0	0
	50% HOME	0				$1,215	0	
	50% LIHTC PBV	3	770	770	770	$1,215	0	27,720
	50% LIHTC	0	770	770	770	$1,215	0	0
	60% LIHTC	1	924	924	924	$1,215	0	11,088
5	Market	1	$1,033	$1,033	1,033	$1,215	0	12,393
2BR	40% LIHTC	0				$1,520	0	0
	50% HOME	0	923	923	923	$1,520	0	0
	50% LIHTC PBV	12	923	923	923	$1,520	0	132,912
	High HOME	0				$1,520	0	0
	60% LIHTC	2	1,108	1,108	1,108	$1,520	0	26,592
16	Market	2	$1,368	$1,368	1,368	$1,520	0	32,832
3BR	50% LIHTC	0	1067	1067	1,067	$1,810	0	0
	50% LIHTC PBV	9	1067	1067	1,067	$1,810	0	115,236
	60% HOME	0				$1,810	0	0
	60% LIHTC	0	1281	1281	1,281	$1,810	0	0
9	Market	0	$1,629	$1,629	1,629	$1,810	0	0
4BR	50% HOME					$0	0	0
	50% LIHTC					$0	0	0
	60% HOME					$0	0	0
	60% LIHTC					$0	0	0
0	Market							0
Other:								0
								0
Subtotals		55						604,173
			Vacancy Rate		5%			-37,573
			Other Income		50% TIF			55,208
			Other Income		PBV-HAP Diff.			147,288
			Other Income		Laundry			5,500
			Tenant Income		CSF			12,000
			Effective Gross Income					786,595

One Year Operating Expenses

OPERATING EXPENSES					
Expense	Residential Annual	Annual Per Unit	Monthly Per Unit	Community Facility Annual	Total Building Annual
Administrative Expenses:					
Management Fees	42,833	779	65	0	42,833
Management Charges	42,833	779	65	0	42,833
Marketing Expenses	500	9	1	0	500
Legal Expenses	2,000	36	3	0	2,000
Auditing Expenses	6,000	109	9	0	6,000
					0
Other Administrative Expenses	0	0	0	0	0
Administrative Expenses	94,167	1,712	143	0	94,167
Operating Expenses:					
Janitorial Payroll	0	0	0	0	0
Janitorial Supplies and Equipment	0	0	0	0	0
					0
Janitorial Contractual Services	20,000	364	30	0	20,000
Propane Heat & HW	24,000	436	36	1,000	25,000
Electricity	35,000	636	53	4,000	39,000
Water and Sewer	32,500	591	49	1,000	33,500
Garbage and Trash Removal	15,000	273	23	500	15,500
Vehicle and Equipment Expenses	0	0	0	0	0
Other Operating Expenses	0	0	0	0	0
Operating Expenses	126,500	2,300	192	6,500	133,000
Maintenance Expenses:					
Grounds Maintenance Payroll	0	0	0	0	0
Grounds Tools and Supplies	0	0	0	0	0
Grounds Contractual Services	7,500	136	11	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	100	8	0	5,500
Building Contractual Services	30,000	545	45	1,000	31,000
Building Systems Maintenance	45,000	818	68	3,000	48,000
Miscellaneous Building Maintenance	500	9	1	0	500
Tenant Damage Charges - Building	0	0	0	0	0
Maintenance Expenses	88,500	1,609	134	4,750	93,250
General Expenses:					
Off-Site Parking					
Property Taxes	110,415	2,008	167	0	110,415
Property and Liability Insurance	19,500	355	30	750	20,250
Tenant Computer Network Expense	2,500	45	4	0	2,500
Tenant Service Expenses	17,500	318	27	0	17,500
General Expenses	149,915	2,726	227	750	150,665
Replacement Reserve Funding	24,750	450	38	0	24,750
Commercial Expenses (if applicable)	0	0	0		
Total	483,832	8,797	733	12,000	495,832
Operating Cost per unit without Replacement Reserve		8,347			

58 Boyd Street Apartments

Supportive Services Provided

58 Boyd Street Apartments will establish a preference for persons who are homeless or displaced or disabled for 11 (20%) of its 55 units. If required, we also will meet the City of Portland HOME funds requirement for 10% of the units set-aside for homeless populations.

Services offered to those receiving this preference will be provided by The Opportunity Alliance (TOA). TOA will help create a tenant stabilization plan, including budgeting support; follow-up outreach to help residents manage their stabilization plan; creation of a network of contact persons to facilitate residents' access to other services; oversight and coordination of multiple supportive services.

In addition, we have 28 (50% of the units) project-based vouchers awarded to the project from Portland Housing Authority to assist the formerly homeless residents.

58 Boyd Street Apartments will maintain a waiting list for this preference.

58 Boyd Street Apartments will partner with The Opportunity Alliance to offer services appropriate for the targeted population. The attached letter from The Opportunity Alliance (TOA) describes those services.

In addition, 58 Boyd Street, LP commits to using Section 811 Project Based Rental Assistance if it becomes available and is required.

Community Service Facility Description

Community Overview:
The 58 Boyd Street Apartments development will be located at the corner of Boyd and Oxford Streets in Portland's East Bayside neighborhood. The development will be adjacent to Portland Housing Authority's Bayside East and Kennedy Park developments. East Bayside's boundaries are roughly those of Census Tract 5 with the exception that Congress Street acts as the neighborhood's southern boundary. East Bayside is predominantly low income. The 2010 census indicates that census tract 5 has a poverty rate of 54.1%. In 2012, the 178 families living in public housing in the East Bayside neighborhood had an average annual household income under $20,000.

Project and Program Overview:
The 58 Boyd Street building will be 48,488 square feet in total. The building will offer 55 apartments as well as +/- 1,300 square feet on the first floor to be used as community service facility space for a local non-profit providing services for building residents and neighborhood residents. Other first floor space, while not part of the CSF space, the community room (+/- 1,500 sf) will primarily serve the residents of 58 Boyd Street Apartments, but it will also be made available for neighborhood residents for community meetings.

Cultivating Community
PHDC has been in conversations with Cultivating Community for over a year regarding moving their central office and programmatic space back to their former neighborhood of East Bayside.

Cultivating Community primarily provides educational workshops on farming and nutrition, food distribution and leadership development programs for youths, which will enhance the quality of life for the target population.

Since 2001, Cultivating Community has worked to put the means of food production in the hands of community members and to ensure diverse points of access to healthy food for people regardless of income. The goals of Cultivating Community are to increase healthy food access, food security and food independence in Maine. Cultivating Community meets the food needs of low-income individuals by deploying retail, wholesale, and food distribution initiatives that provide healthy food, educate consumers and build people's confidence that they and their families can eat well and healthfully. Annually, Cultivating Communities engages approximately 2,500 current and potential customers in purchasing/receiving food from food access initiatives (i.e. low to no-cost farm share program, urban farm stands, farmers market and mobile food market).

No fees will be charged for the users of the Cultivating Community services. Cultivating Community primarily serves lower income families and individuals.

PHA Neighborhood Service Hub
While not part of the CSF, but just across the street from 58 Boyd Street Apartments, it is important to note the Portland Housing Authority will have established a Neighborhood Service Hub at the Bayside Anchor development. The Hub will act as a clearinghouse for a variety of services available to both residents of Bayside Anchor as well as the surrounding neighborhood, including residents of 58 Boyd Street Apartments. These include PHA public housing and management offices, a Head Start pre-school operated by The Opportunity Alliance, and a City of Portland Community Policing office.

Users of the Hub are expected to be primarily individuals with incomes at or below 60% of area median income. This expectation is based on a) the fact that the vast majority of the services offered are restricted to low- and moderate-income households and b) neighborhood demographics. No fees will be charged to users of the PHA Neighborhood Service Hub.

Operating Budget and Sources of Funding for the Community Service Facility
Consistent with the intent of the community service facility provision of Section 42, construction of the community service facility portion of 58 Boyd Street Apartments will be paid for with LIHTC equity. The cost of physically operating the community service facility is integrated into the overall project operating budget. The operating budget for the facility is estimated to be approximately $12,000/year or roughly 3.25% of the total operating budget (calculated on a pro rata basis using the ratio of CSF (excluding community room) to building square footage, discounted to reflect lower operating costs associated with non-residential use).

Please see below for the CSF operating budget totaling $12,000 per year. This will be their rent amount to the owner for the use of the space.

the Opportunity Alliance

October 19, 2016

To Whom It May Concern,

The Opportunity Alliance is pleased to provide this letter of support for the application for Low Income Housing Tax Credits for 58 Boyd Street Apartments in Portland, ME and is committed to working with Portland Housing Development Corporation 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 Development Corporation'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,

Louise Marsden
Vice President
Family & Early Childhood Education

COA United Way

ALLIANCE for Children & Families

www.opportunityalliance.org
50 Lydia Lane, South Portland, ME 04106
telephone 207.874.1175 *toll free* 1.877.429.6884 *fax* 207.874.1181 *tty* 207.874.1180

58 Boyd Street Apartments

Analysis of Market Demand

The development team commissioned a market study for 58 Boyd Street Apartments in preparation for the 2016 LIHTC application to MaineHousing. In addition, PHDC and PHA operate thousands of affordable apartments in Portland. We experience firsthand the shortage of affordable and market-rate apartments in Portland.

Our experience is corroborated by this third-party analysis. 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 28 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.

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

We believe market rents have only increased since 2016. Note that even our market rate rents are targeted about 10% below the true market rents for the area.

LIHTC Rents / Market Rents Differential

58 Boyd Street Apartments will charge market-rate rents for some of its efficiency and 1-BR unit apartments. There are no market-rate 2- or 3-BR apartments. The Signal Group's Market Study from October 2016 showed an increase in market rents over their study in 2015.

58 Boyd Street Market Rents from TSG Study (October 2016)

Estimated Market Rent					
Unit Type	# Units	Average Size (Sq. Ft)	Rent	$/Sq. Ft	Prepared Grid? (Y/N)
Studio	8	400	$1,045	$2.61	Y
One-Bedroom	20	574	$1,215	$2.12	Y
Two-Bedroom	12	815	$1,520	$1.87	Y
Three-Bedroom	8	1,040	$1,810	$1.74	Y
Total	48				

PHDC has chosen to discount the market rents at 58 Boyd Street by 5-10% from the rents noted in the study. While they are still well above the subsidized rents, they will reach somewhat lower income overqualified households. This allows for more affordability and also differentiates our project from other market rate apartment buildings in Portland.

The following chart shows the actual differential between LIHTC rents and market rents.

Market Advantage

The maximum rents for the subject are based on the affordable housing costs for households earning a maximum of 50 and 60 percent of AMI and provided below.

Unit Type	*Income Level*	*# Units*	*Market Rent*	*Maximum Net Rent*	*Market Advantage*
Studio	50%	2	$1,045	$629	66%
	60%	2	$1,045	$764	37%
One-Bedroom	50%	10	$1,215	$671	81%
	60%	5	$1,215	$815	49%
Two-Bedroom	50%	11	$1,520	$804	89%
Three-Bedroom	50%	8	$1,810	$924	96%

Overall, the weighted average market rent is 79 percent higher than the weighted average maximum tax-credit rent.

Exhibit A

TIF District Map

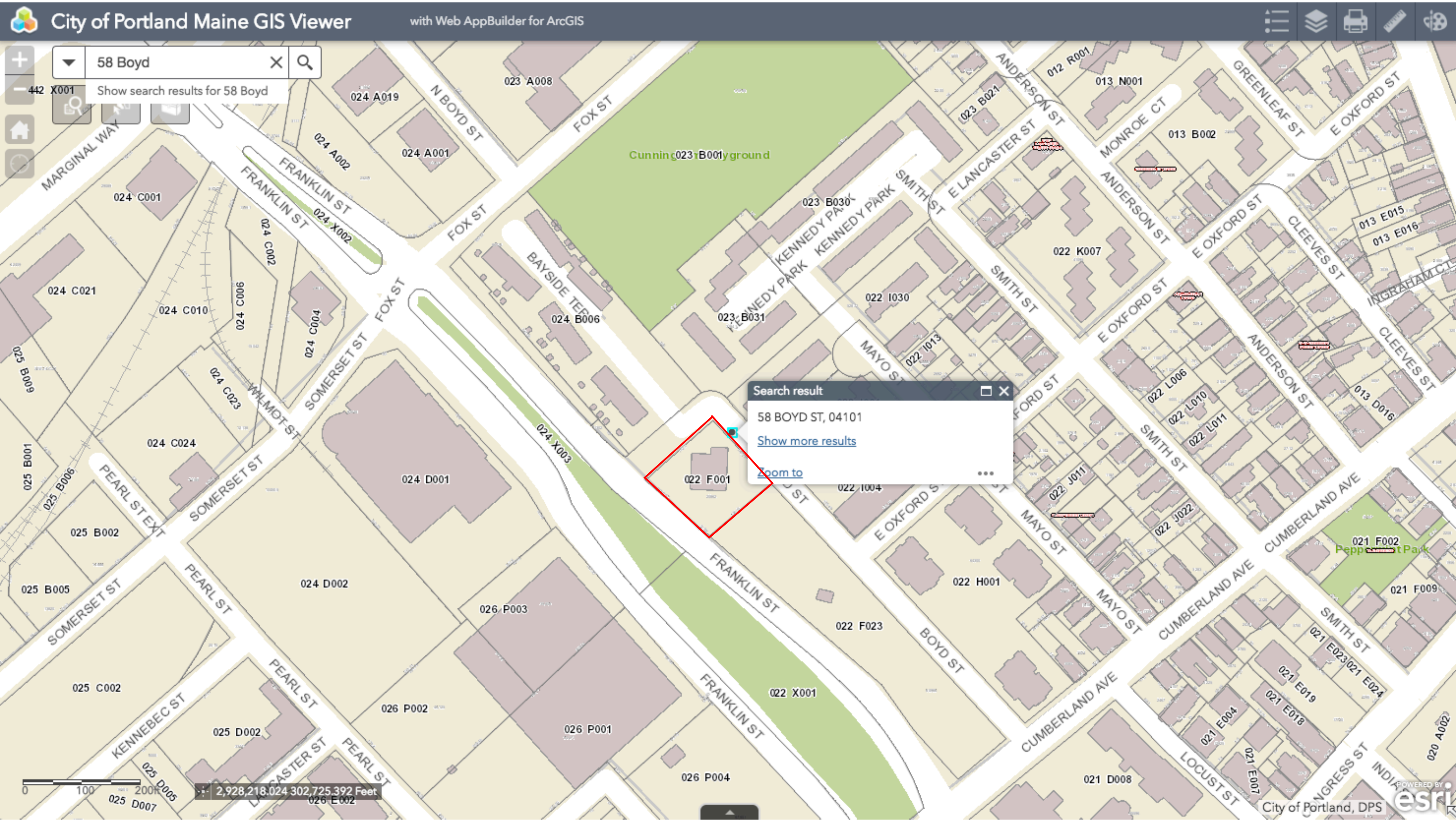


Exhibit B

City of Portland - DRAFT TIF Model
Portland Housing Authority Boyd Street Affordable Housing TIF Project
8/28/2017

City of Portland- TIF Projection Table									
TIF Year	**Tax Year-April 1**	**Increased Assessed Value Real Prop.**	**% of Value Captured**	**Captured Valuation**	**Projected Mill Rate**	**Total Projected New Taxes Captured**	**Captured Revenue to Business Project Account**	**Captured Revenue to Municipal Project Account**	**City Non-Captured General Fund Revenues**
1	2017	$4,668,100	50.00%	$2,334,050	21.65	$50,532	$50,532	$0	$50,532
2	2018	$4,668,100	50.00%	$2,334,050	22.08	$51,543	$51,543	$0	$51,543
3	2019	$4,668,100	50.00%	$2,334,050	22.52	$52,574	$52,574	$0	$52,574
4	2020	$4,668,100	50.00%	$2,334,050	22.98	$53,625	$53,625	$0	$53,625
5	2021	$4,668,100	50.00%	$2,334,050	23.43	$54,698	$54,698	$0	$54,698
6	2022	$4,668,100	50.00%	$2,334,050	23.90	$55,792	$55,792	$0	$55,792
7	2023	$4,668,100	50.00%	$2,334,050	24.38	$56,907	$56,907	$0	$56,907
8	2024	$4,668,100	50.00%	$2,334,050	24.87	$58,046	$58,046	$0	$58,046
9	2025	$4,668,100	50.00%	$2,334,050	25.37	$59,207	$59,207	$0	$59,207
10	2026	$4,668,100	50.00%	$2,334,050	25.87	$60,391	$60,391	$0	$60,391
11	2027	$4,668,100	50.00%	$2,334,050	26.39	$61,598	$61,598	$0	$61,598
12	2028	$4,668,100	50.00%	$2,334,050	26.92	$62,830	$62,830	$0	$62,830
13	2029	$4,668,100	50.00%	$2,334,050	27.46	$64,087	$64,087	$0	$64,087
14	2030	$4,668,100	50.00%	$2,334,050	28.01	$65,369	$65,369	$0	$65,369
15	2031	$4,668,100	50.00%	$2,334,050	28.57	$66,676	$66,676	$0	$66,676
16	2032	$4,668,100	50.00%	$2,334,050	29.14	$68,010	$68,010	$0	$68,010
17	2033	$4,668,100	50.00%	$2,334,050	29.72	$69,370	$69,370	$0	$69,370
18	2034	$4,668,100	50.00%	$2,334,050	30.32	$70,757	$70,757	$0	$70,757
19	2035	$4,668,100	50.00%	$2,334,050	30.92	$72,172	$72,172	$0	$72,172
20	2036	$4,668,100	50.00%	$2,334,050	31.54	$73,616	$73,616	$0	$73,616
20 Year TIF Total		**$93,362,000**		**$46,681,000**		**$1,227,799**	**$1,227,799**	**$0**	**$1,227,799**
20-Year Average:						**$61,390**	**$61,390**	**$0**	**$61,390**

City of Portland HOME Funds Application

Project: Deering Place

Avesta Housing is requesting $300,000 of HOME funds from the City of Portland to complete the Deering Place project ("Deering Place") at 61 Deering Street and 510 Cumberland Avenue, Portland, Maine.

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

Deering Place will combine the redevelopment of two under-utilized parking lots and the rehabilitation of an existing mixed-use building to create a mixed-income, contextually-appropriate residential community with 80 units and enhanced amenities. The project will include a mix of affordable and market rate units, making it possible to preserve and add affordable units as well as ensure the long term viability of the project. The scope of work includes a rehab and expansion of 510 Cumberland Avenue ("Building A") and the construction of a new building at 61 Deering Street ("Building B"). Upon completion, there will be a total of 80 apartments, of which 67 will be newly constructed units and 10 will meet handicapped accessible standards and requirements.

Building A is a three-story brick building originally constructed in 1927 and expanded in the early 1990s, currently comprised of 13 one- and two-story three-bedroom rental units, significant first floor commercial space, and a large surface parking lot. The building has not received any major capital improvements in almost 30 years and is in need of significant interior and exterior rehabilitation work. To address these issues and create a higher quality living experience for the residents, the project will facilitate much needed capital improvements at the building level (e.g., brick repointing, roof repair, HVAC enhancements) and through in-unit upgrades (e.g., new doors, energy efficient light fixtures and appliances, cabinets, flooring). The project will also convert the underutilized commercial space to seven new residential units. In addition, Building A will be expanded by constructing a new 33-unit residential building on the surface parking lot next to the existing building. The new building will be attached to the existing building and utilize the same address. The expanded Building A will include 53 units and 59 covered parking spaces, six of which will be handicapped accessible.

Building B will be comprised of 27 units and have five parking spaces, four of which will be handicapped accessible.

307 Cumberland Avenue • Portland, Maine 04101
207-553-7777 • 1-800-339-6516 Voice/TTY
207-553-7778 Fax • www.avestahousing.org

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

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

Deering Place will be a mixed-income project for individuals and families, comprised of 48 affordable rental units (60% of the project) and 32 market rental units (40% of the project). There are currently income and rent restrictions governed by a MaineHousing agreement requiring at least 13 units to be designated for households at or below 40% of Area Median Income (AMI). This project will ensure the preservation of those existing affordability restrictions over the long term. Additionally, the project has and will continue to have residents with Housing Choice Vouchers and other forms of rental assistance.

Incorporating the current affordability restrictions, the newly completed project will have 13 units designated for individuals or families at or below 40% of AMI, 37 units designated for individuals or families at or below 50% of AMI, and 32 market units. All units with affordability restrictions will have a utility allowance factored into the tenant rent payment.

These affordable units at Deering Place come at a critical time for very low income Portlanders. Vacancies in Portland are at all-time lows while rents continue to increase. In the first six months of 2017 alone, Avesta has had 1,600 households apply for an affordable apartment in Portland though we have only been able to place 97 of those households, showing demand far exceeds supply. Furthermore, Deering Place currently has a waitlist of over 100 households for the 13 existing units. Deering Place will preserve and improve existing affordable rental housing and add much-needed new affordable rental housing in a central location of the city rich with transit, services, and neighborhood amenities.

<u>BUILDING A TOTALS</u>
EXISTING UNITS -
13 - THREE BEDROOM UNITS
NEW UNITS -
7 - EFFICIENCY UNITS
25 - ONE BEDROOM UNITS
8 - TWO BEDROOM UNITS
53 TOTAL UNITS

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

<u>BUILDING B TOTALS</u>

8 - EFFICIENCY UNITS
15 - 1 BEDROOM UNITS
4 - 2 BEDROOM UNITS
27 UNITS TOTAL

5 PARKING SPACES
21,160 SF NEW CONSTRUCTION

<u>PROJECT TOTALS</u>

13 - 3 BEDROOM UNITS
12 - 2 BEDROOM UNITS
40 - 1 BEDROOM UNITS
<u>15</u>- EFFICIENCY UNITS
80 UNITS TOTAL

64 PARKING SPACES
56,030 SF -TOTAL NEW CONSTRUCTION (INCL NEW UNITS & COMM RM. IN EXIST BLDG A)

<u>ACCESSIBILITY CALCULATIONS</u>

<u>MAINE STATE HOUSING AUTHORITY</u>
MAINE HOUSING QUALITY STANDARDS AND PROCEDURES MANUAL 2016 EDITION.

<u>UNIT COUNT FOR ACCESSIBILITY CALCULATIONS</u>
39 FIRST FLOOR UNITS (INCLUDING 9 EXIST DOUBLE STORY TOWNHOUSES WITH NO ACCESSIBLE ROUTE THROUGH TOWNHOUSES AND 7 NEW UNITS RAISED WITH STAIRS ABOVE CUMBERLAND AVENUE FOR SECURITY AND PRIVACY IN EXIST BUILDING A)
<u>43</u> UNITS ON ACCESSIBLE UPPER FLOORS
82 UNITS TOTAL

<u>STATE OF MAINE HUMAN RIGHTS ACT</u>
REQUIRES 10% OF GROUND FLOOR AND 10% OF TOTAL UPPER LEVEL UNITS, IF ACCESSIBLE BY ELEVATOR, TO BE ACCESSIBLE PER ANSI 117.1. TYPE A.
GROUND FLOOR = 39 UNITS. 10% OF 39 = 4 UNITS
UPPER LEVEL UNITS (ON ACCESSIBLE ROUTE) = 43. 10% OF 43 = 5 UNITS

TOTAL ACCESSIBLE UNITS REQUIRED = 9 UNITS

<u>UFAS FEDERAL FAIR HOUSING ACT SECTION 504</u> UNDER THE PROVISIONS OF THE HUD DEEMING NOTICE UFAS WILL NOT BE THE STANDARD USED ON THIS PROJECT. THIS PROJECT WILL CONFORM TO THE REQUIREMENTS OF ADAAG.

<u>ADAAG AMERICAN WITH DISABILITIES ACT 2010</u> REQUIRES 5% OF TOTAL UNITS TO BE MOBILITY ACCESSIBLE AND 2% OF TOTAL UNITS TO BE FOR THE HEARING AND VISION IMPAIRED. ROUNDING THE NUMBERS UP THIS EQUALS 5 MOBILITY ACCESSIBLE UNITS AND 2 HEARING AND VISUAL IMPAIRED ACCESSIBLE UNITS.

<u>REQUIRED UNITS</u> A TOTAL OF 9 MOBILITY ACCESSIBLE UNITS MUST BE PROVIDED OF WHICH 5 UNITS MUST MEET THE REQUIREMENTS OF BOTH ADAAG AND ANSI 117.1 TYPE A.
A TOTAL OF 2 AUDIO/VISUAL ACCESSIBLE UNIT MUST BE PROVIDED

<u>PLEDGED UNITS</u> 1 ADDITIONAL UNIT IS PLEDGED UNITS FOR A TOTAL OF 10 MOBILITY ACCESSIBLE UNITS.

<u>UNITS PROVIDED:</u>
10 MOBILITY ACCESSIBLE UNITS OF WHICH 5 COMPLY WITH ANSI 117.1 TYPE 'A' UNITS AND OF WHICH 5 COMPLY WITH BOTH ADAAG AND ANSI 117.1 TYPE A.

2 HEARING AND VISUAL IMPAIRED ACCESSIBLE UNIT THAT COMPLIES WITH THE REQUIREMENTS OF ADAAG.

BEYOND THE 10 MOBILITY ACCESSIBLE UNITS, IN ORDER TO MEET THE REQUIREMENTS OF THE MAINE HUMAN RIGHTS ACT, THE REMAINING UNITS, NOT INCLUDING THE 9 DOUBLE STORY TOWNHOUSES WITH INACCESSIBLE UPPER LEVELS AND THE 7 UNITS RAISED WITH STAIRS ABOVE CUMBERLAND AVENUE, WILL COMPLY WITH ANSI 117.A-2003 TYPE 'B' UNITS. THERE WILL BE 56 ANSI 117.A-2003 TYPE 'B' UNITS.

1 SITE PLAN
1/16" = 1'-0"

Prepared For: AVESTA HOUSING

Consultant:

Architect: ARCHETYPE architects
48 Union Wharf Portland, Maine 04101
(207) 772-6022 ARCHETYPE@ARCHETYPEPA.COM

Project: 510 CUMBERLAND AVENUE HOUSING
Portland, ME 04101

Revisions:

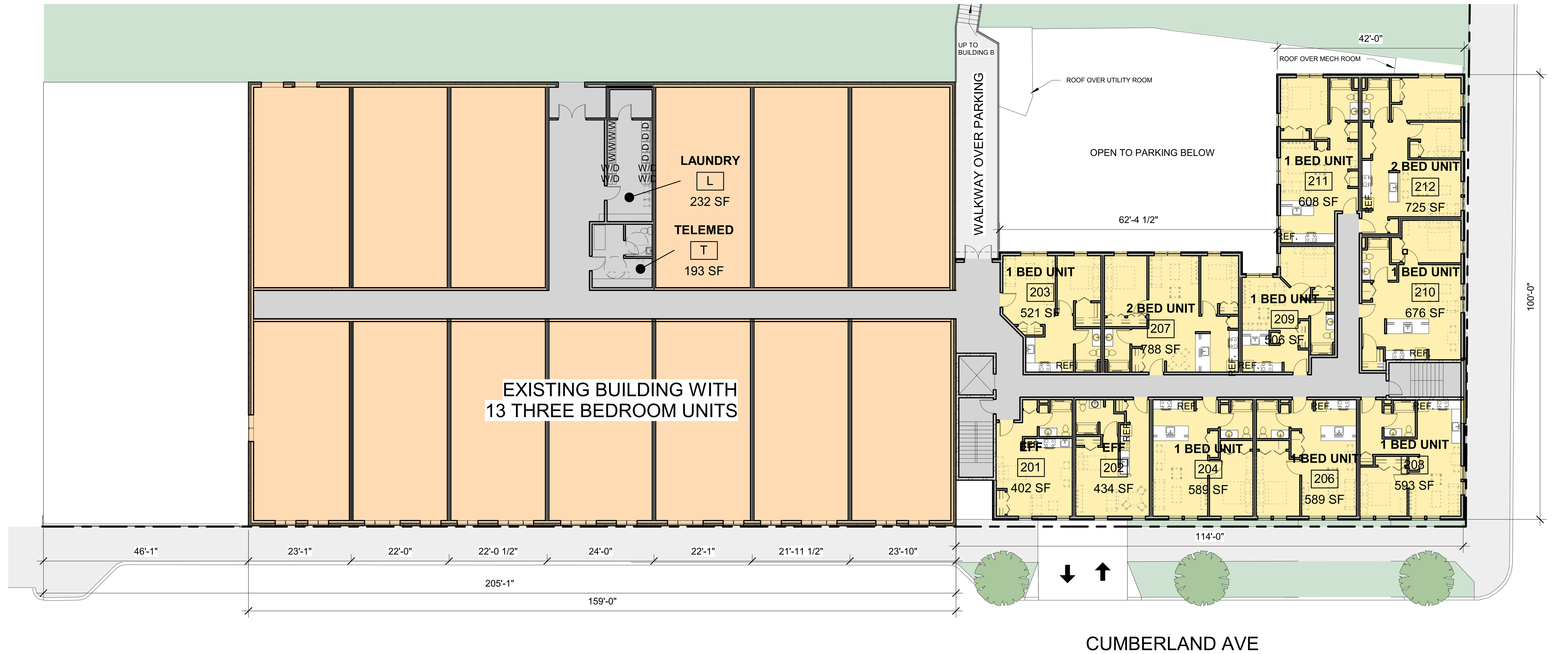
Date: 31 AUG 2017

Scale: 1/16" = 1'-0"

SITE PLAN

A0.00

3 3RD & 4TH FLOOR PLANS
1/16" = 1'-0"
NEW CONSTRUCTION 8,584 SF



2 2ND FLOOR
1/16" = 1'-0"
NEW CONSTRUCTION - 8,584 SF

BUILDING A TOTALS

EXISTING UNITS -
- 13 - THREE BEDROOM UNITS

NEW UNITS -
- 7 - EFFICIENCY UNITS
- 25 - ONE BEDROOM UNITS
- 8 - TWO BEDROOM UNITS

53 TOTAL UNITS

59 TOTAL PARKING SPACES

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

1 1ST FLOOR
1/16" = 1'-0"
NEW CONSTRUCTION - 1,330 SF
NEW UNITS & COMMUNITY IN EXIST BLDG - 5,915 SF

Prepared For:
AVESTA HOUSING

Consultant:

Architect:
ARCHETYPE architects
48 Union Wharf Portland, Maine 04101
(207) 772-6022 ARCHETYPEPA.COM

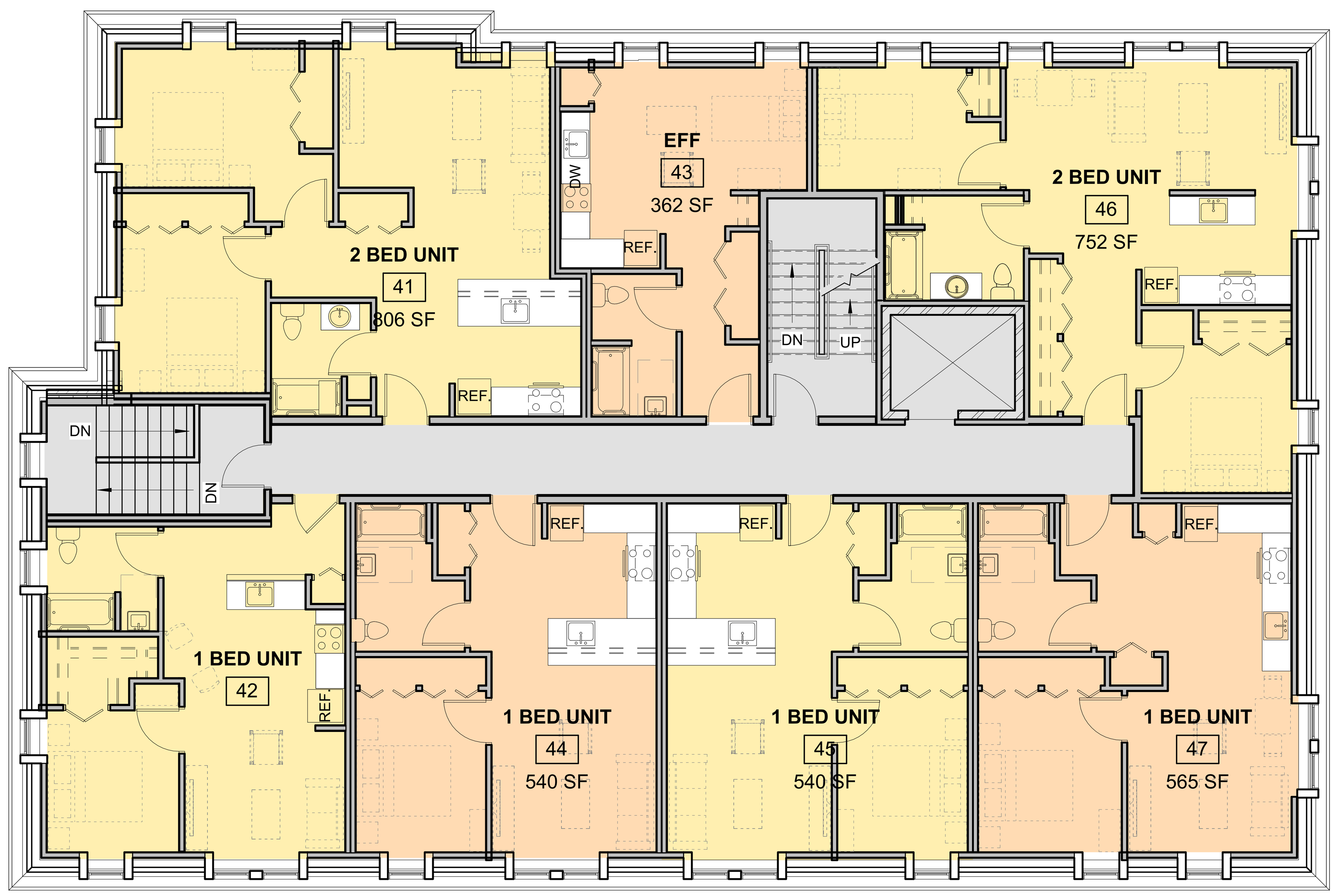
Project:
510 CUMBERLAND AVENUE HOUSING
Portland, ME 04101

Revisions:

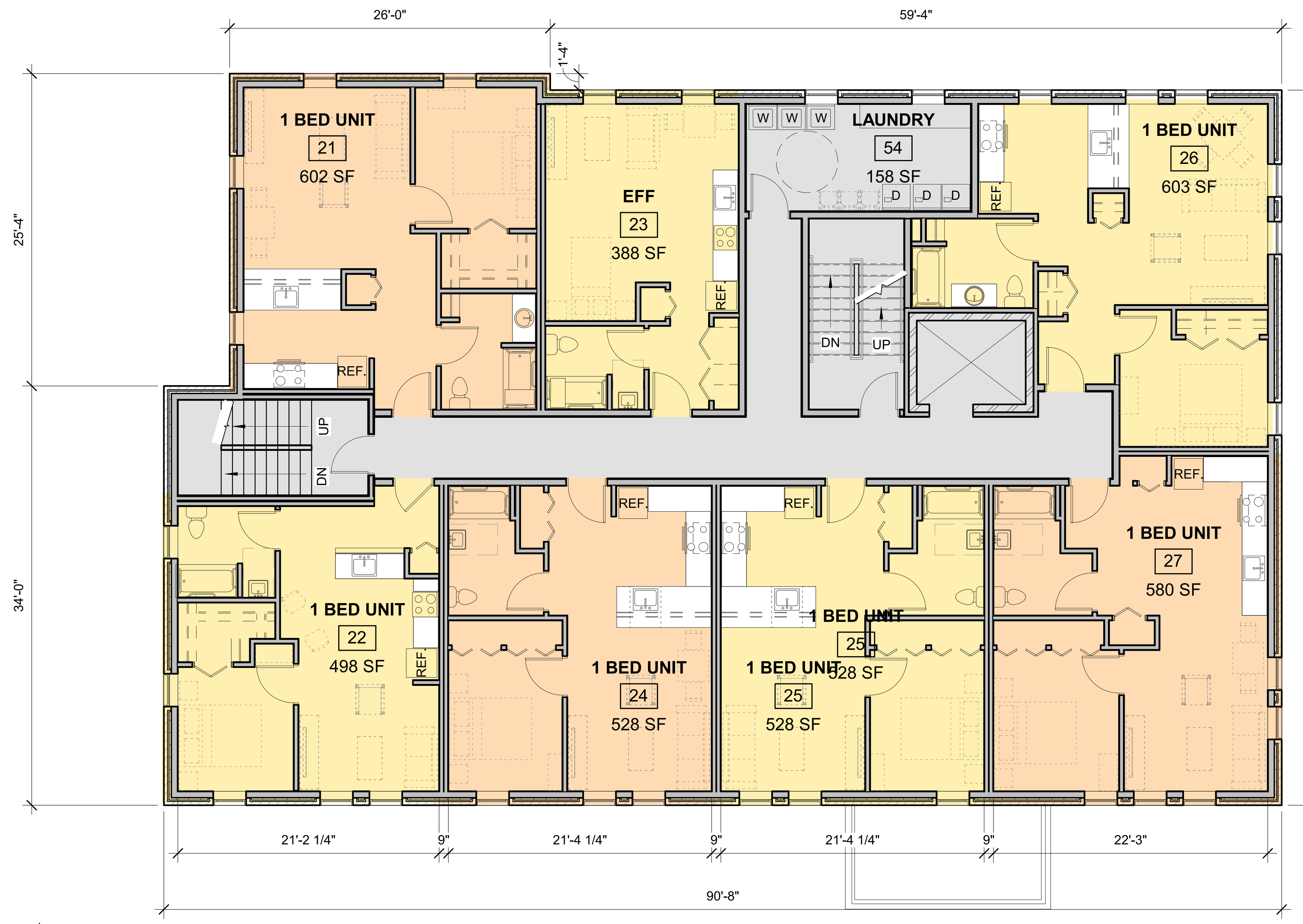
Date: 31 AUG 2017
Scale: 1/16" = 1'-0"

BUILDING A - FLOOR PLANS

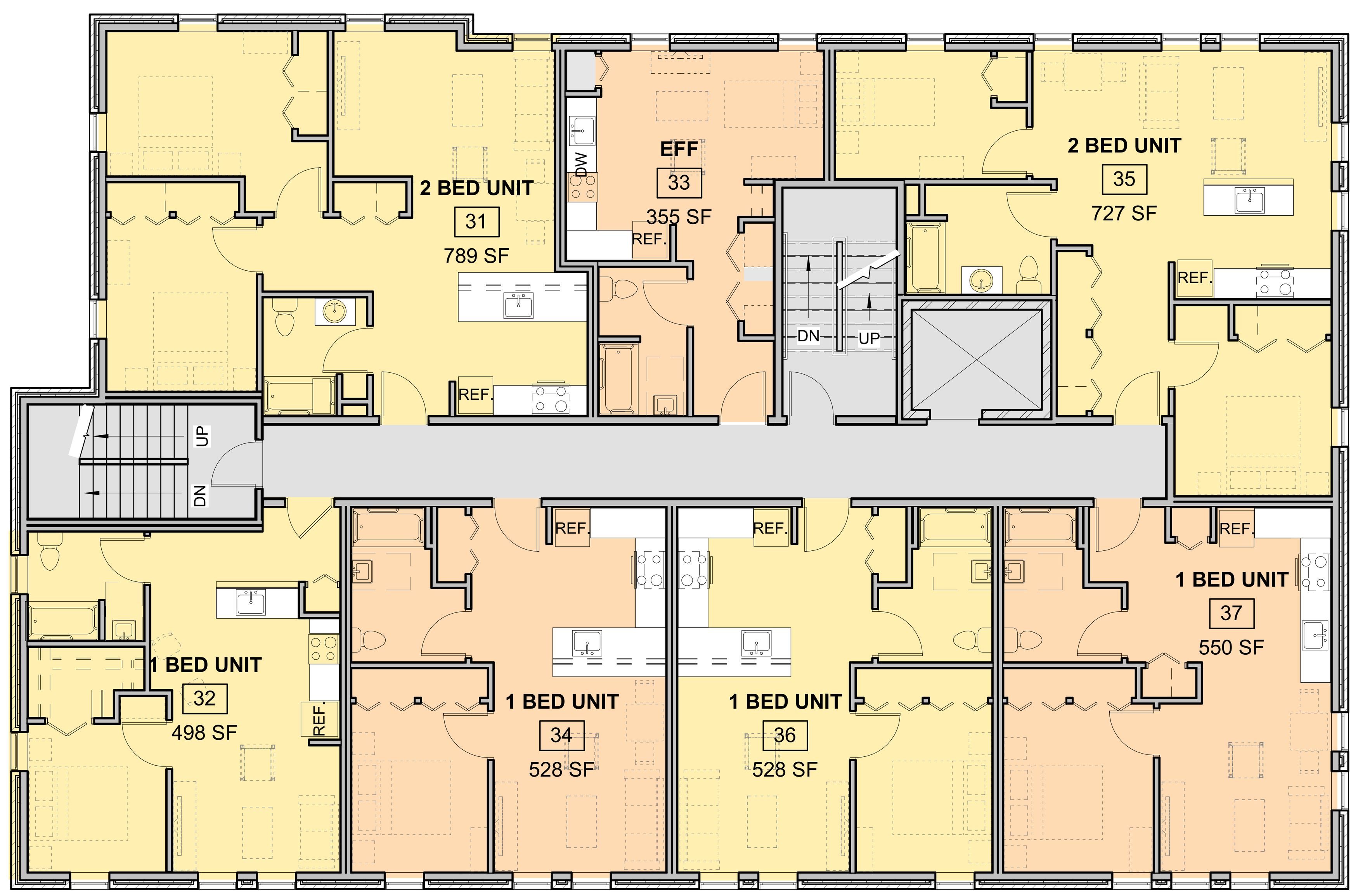
A1.01



4 4TH FLOOR 5,372 SF GROSS
1/8" = 1'-0"



2 2ND FLOOR 5,630 SF GROSS
1/8" = 1'-0"



3 3RD FLOOR 5,630 SF GROSS
1/8" = 1'-0"

1 1ST FLOOR 4,528 SF GROSS
1/8" = 1'-0"

BUILDING B TOTALS

8 - EFFICIENCY UNITS	**27 UNITS TOTAL**
15 - 1 BEDROOM UNITS	21,160 TOTAL GROSS SF
4 - 2 BEDROOM UNITS	5 PARKING SPACES

Prepared For: AVESTA HOUSING

Consultant:

Architect: ARCHETYPE architects
48 Union Wharf Portland, Maine 04101
(207) 772-6022 ARCHETYPE@ARCHETYPEPA.COM

Project: 510 CUMBERLAND AVENUE HOUSING
510 Cumberland Ave, Portland, ME 04101

Revisions:

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

Date: 17 AUG 2017

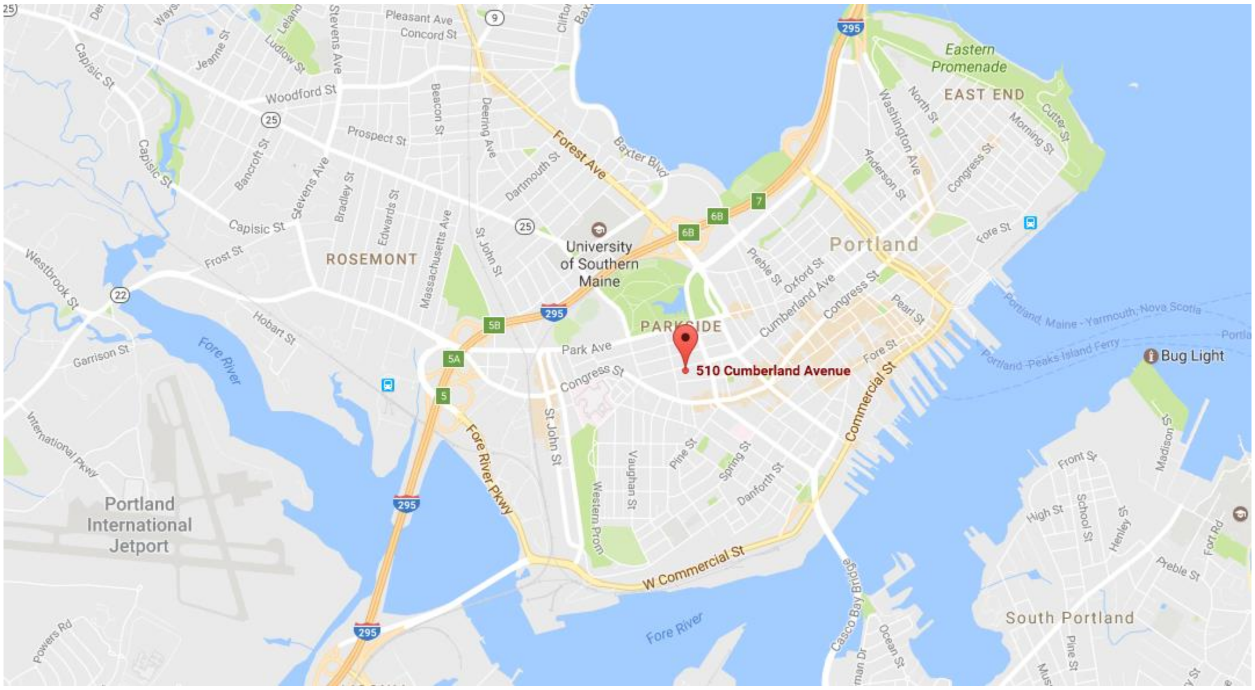
BUILDING B FLOOR PLANS

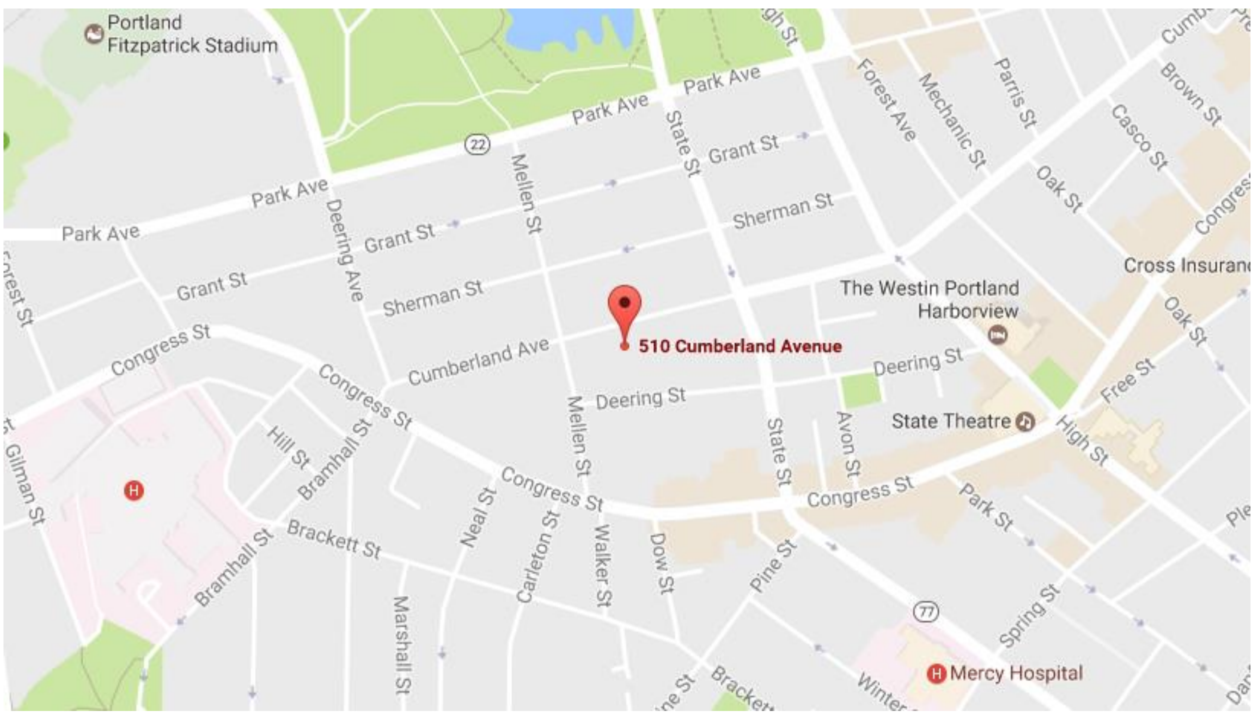
A1.02

Deering Place - Portland, ME
Project Completion Schedule

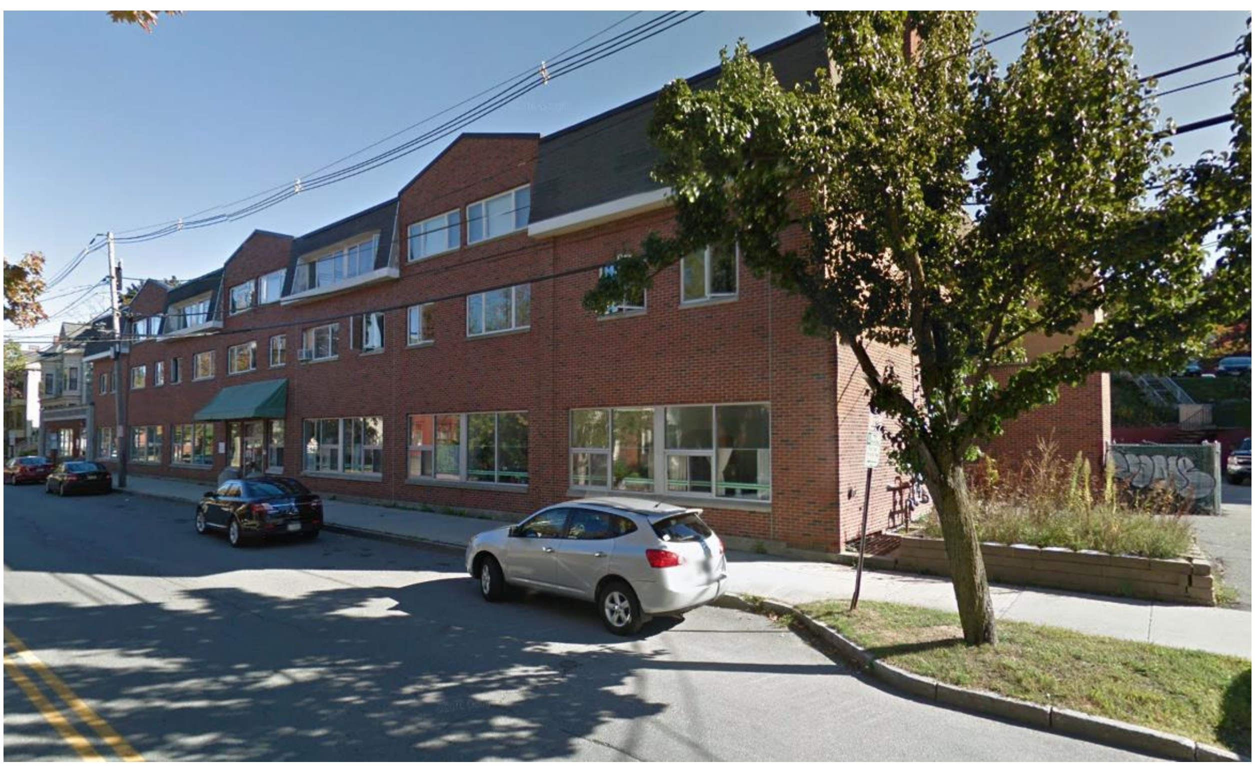
Activity	Scheduled Date Month/Year
A. SITE	
Option/Contract	07/19/16
Site Acquisition	10/15/16
Zoning Approval	NA
B. FINANCING	
Construction Loan Commitment	03/01/18
Permanent Loan Commitment	03/01/18
Other Sources Committed	03/01/18
C. PLANS AND SPECIFICATIONS	
50%	04/01/18
90%	06/01/18
100%	07/01/18
D. CONSTRUCTION LOAN CLOSING	09/01/18
E. CONSTRUCTION START	09/01/18
F. SUBSTANTIAL COMPLETION	08/01/19
G. COMPLETION OF CONSTRUCTION	08/01/19
H. LEASE-UP	
Lease-up Begins	07/01/19
Sustained (95%) Occupancy	12/31/19

Map and Photos of 510 Cumberland Avenue






Cumberland Ave
Cumberland Ave



Development Budget	
Sources	
MSHA Subsidy	1,000,000
HUD 221(d)(4) Mortgage	5,822,796
FHLBB AHP Subsidy	500,000
City of Portland HOME Funds	300,000
TD Bank: Grant	100,000
Developer Fee Loan	816,182
Low Income Housing Tax Credit Equity	7,176,782
Total Sources	**$ 15,715,760**
Uses	
Acquisition Costs	1,500,000
Construction Costs	10,642,656
Soft Costs: Design, Permitting, Engineeering	653,268
Financing Costs	454,258
Miscellaneous Costs	273,875
Developer Fee	1,566,182
Reserves	625,521
Total Uses	**$ 15,715,760**

PROJECT NAME:	Deering Place	Date: 08/23/17
LOCATION:	510 Cumberland & 61 Deering Portland, ME	

DEVELOPMENT ASSUMPTIONS						
Total Units		80	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
40% LIHTC	16.3%	13	Rent	2.00%	2.00%	3.00%
50% LIHTC	38.8%	31	Operating Expense	3.00%	3.00%	3.00%
50% AMI	5.0%	4	Other Income	2.00%	2.00%	3.00%
60% AMI (LIHTC)	0.0%	0	Debt Coverage Ratio	1.15		
Market	40.0%	32	Vacancy	5%		
Appraised Market Value		7,637,120	Market Value/Unit	$95,464		

LIHTC Alloc.	797,500
Equity yield	0.90
Synd. %	99.99%
Equity Raise	7,176,782

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:	7,176,782

Gross Square Footage	65,780
Construction Cost/Sq ft.	**$162**

PRO FORMA DEVELOPMENT BUDGET

		Residential	Per Unit	Commercial	Total
Site Improvements		562,500	7,031		562,500
Construction		8,756,220	109,453		8,756,220
General Requirements		780,000	9,750		780,000
Builder Overhead		0	0		0
Builder Profit		0	0		0
Bond Premium		0	0		0
Construction Contingency	5%	543,936	6,799		543,936
Subtotal Construction Costs		**10,642,656**	**133,033**	**0**	**10,642,656**
Building Permits and Fees		110,043	1,376		110,043
Survey & Engineering		51,000	638		51,000
Architectural & Design		342,900	4,286		342,900
Legal		48,000	600		48,000
Title & Recording		15,000	188		15,000
Accounting		10,000	125		10,000
Construction Period Tax		13,325	167		13,325
Construction Period Insurance		30,000	375		30,000
Other: as built, FFE, qt		33,000	413		33,000
Subtotal Soft Costs		**653,268**	**8,166**	**0**	**653,268**
Construction Loan Origination Fees		6,629	83		6,629
Construction Loan Interest		218,561	2,732		218,561
Permanent Loan Fees		187,918	2,349		187,918
Other		41,150	514		41,150
Subtotal Finance Costs		**454,258**	**5,678**	**0**	**454,258**
Market Survey		5,500	69		5,500
Appraisal		6,000	75		6,000
Environmental Study		3,500	44		3,500
LIHTC Fees		89,875	1,123		89,875
Other: Soft Cost Contingency/Relocation		40,000	500		40,000
Other: Commissioning		62,000	775		62,000
Subtotal Miscellaneous		**206,875**	**2,586**	**0**	**206,875**
Acquisition: Buildings		600,000	7,500		600,000
Acquisition: Land		900,000	11,250		900,000
Acquisition: Legal		0	0		0
Subtotal Acquisition		**1,500,000**	**18,750**	**0**	**1,500,000**
Operating Deficit Escrow		450,159	5,627		450,159
Pre-funded Replacements		95,362	1,192		95,362
Tax & Insurance Escrow		80,000	1,000		80,000
Total Syndication Expenses		0	0		0
Consultant Fee		0	0		0
Developer Overhead		750,000	9,375		750,000
Developer Profit		816,182	10,202		816,182
Other: Transition & Rent-up Reserve		67,000	838		67,000
Subtotal Fee and Reserves		**2,258,703**	**28,234**	**0**	**2,258,703**
Total Development Costs		**15,715,761**	**196,447**	**0**	**15,715,761**

Notes:

MAXIMUM DEVELOPER FEE AVAILABLE	1,050,000
ACTUAL DEVELOPER FEE	1,566,182
% OF MAXIMUM DEVELOPER FEE	149.2%
NET DEVELOPER FEE COLLECTED	**750,000**
% OF MAXIMUM DEVELOPER FEE	71.4%

PROJECT NAME:	**Deering Place**	Date:	08/23/17
LOCATION:	510 Cumberland & 61 Deering Portland, ME		

DEVELOPMENT ASSUMPTIONS						
Total Units		80	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
40% LIHTC	16.3%	13	Rent	2.00%	2.00%	3.00%
50% LIHTC	38.8%	31	Operating Expense	3.00%	3.00%	3.00%
50% AMI	5.0%	4	Other Income	2.00%	2.00%	3.00%
60% AMI (LIHTC)	0.0%	0	Debt Coverage Ratio	1.15		
Market	40.0%	32	Vacancy	5%		
Appraised Market Value		7,637,120	Market Value/Unit	$95,464		

PROPOSED RENT SCHEDULE

Type	AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow.	Total Rent
Efficiency	50% LIHTC	7			718	$915	34	57,456
	50% AMI	2			718	$915	34	16,416
	Market	6			915	$915		65,880
								0
15								0
1BR	50% LIHTC	15			770	$1,250	40	131,400
	50% AMI	2			770	$1,250	40	17,520
	Market	23			1,250	$1,250		345,000
								0
40								0
2BR	50% LIHTC	4			923	$1,500	50	41,904
	Market	3			1,500	$1,500		54,000
	40% LIHTC	5			738	$1,500	50	41,280
								0
12								0
3BR	40% LIHTC	8			854	$1,800	60	76,224
	50% LIHTC	5			1,067	$1,800	60	60,420
								0
								0
13								0
4BR								0
								0
								0
								0
0								0
Other:								0
								0
Subtotals		80						907,500
			Vacancy Rate		5%			(45,375)
			Other Income		TIF	75%		78,000
			Other Income		Laundry			6,000
			Effective Gross Income					946,125

OPERATING EXPENSES			
Expense	Annual	Annual Per Unit	Monthly Per Unit
Administrative Expenses:			
Management Fees	51,728	647	54
Management Charges	51,728	647	54
Marketing Expenses	150	2	0
Legal Expenses	1,000	13	1
Auditing Expenses	5,500	69	6
Bad Debts		0	0
Other Administrative Expenses	15,000	188	16
Administrative Expenses	125,105	1,564	130
Operating Expenses:			
Janitorial Payroll		0	0
Janitorial Supplies and Equipment		0	0
Janitorial Contractual Services		0	0
Fuel and Gas	48,000	600	50
Electricity	28,800	360	30
Water and Sewer	34,000	425	35
Garbage and Trash Removal		0	0
Vehicle and Equipment Expenses		0	0
Other Operating Expenses		0	0
Operating Expenses	110,800	1,385	115
Maintenance Expenses:			
Snow Removal	5,000	63	5
Grounds Tools and Supplies	5,000	63	5
Grounds Contractual Services		0	0
Miscellaneous Ground Maintenance	15,000	188	16
Tenant Damage Charges - Grounds		0	0
Building Maintenance Payroll		0	0
Building Tools and Supplies	7,500	94	8
Building Contractual Services	44,000	550	46
Building Systems Maintenance	50,000	625	52
Miscellaneous Building Maintenance	36,000	450	38
Tenant Damage Charges - Building		0	0
Maintenance Expenses	162,500	2,031	169
General Expenses:			
Property Taxes	104,000	1,300	108
Property and Liability Insurance	28,000	350	29
Tenant Computer Network Expense		0	0
Tenant Service Expenses	15,787	197	16
General Expenses	147,787	1,847	154
Replacement Reserve Funding	40,000	500	42
Commercial Expenses (if applicable)		0	0
Total	586,192	7,327	611

Unit Mix Calculator

Total Units:	80	
Market:	32	40.0%
LIHTC Elig. Units	44	55.0%
Tot. Aff Units	48	60.0%
Elig. 2 & 3 Beds	22	50%
Elig. 3 Beds	13	30%

AFFORDABLE MORTGAGE CALCULATION		
Effective Gross Income		946,125
Annual Operating Expense		586,192
Stabilized NOI		359,933
DSC	**1.15**	46,948
$ Avail for D/S		312,985
Other DS		0
Balance		312,985
Affordable Mortgage	4.50%	5,801,655

BREAKEVEN ANALYSIS:	RENT SENSITIVITY	OCCUPANCY	
	Total		Annual
Operating Expense	586,192	Gross Revenues	991,500
Debt Service	314,126		
Breakeven Rent	938	Breakeven Occupancy	91%

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT												
		18 Months										
	6/30/19	12/31/20	12/31/21	12/31/22	1/1/24	12/31/24	12/31/25	12/31/26	1/1/28	12/31/28	12/31/29	12/31/30
Effective Gross Income		1,419,188	965,048	984,348	1,004,035	1,024,116	1,044,598	1,065,490	1,086,800	1,108,536	1,130,707	1,153,321
Less Operating Expense		879,288	603,778	621,891	640,548	659,764	679,557	699,944	720,942	742,571	764,848	787,793
Net Operating Income		539,899	361,270	362,457	363,487	364,352	365,041	365,546	365,858	365,965	365,859	365,528
Less RLP Repay		471,188	314,126	314,126	314,126	314,126	314,126	314,126	314,126	314,126	314,126	314,126
Less Other Repay		0	0	0	0	0	0	0	0	0	0	0
Cash Flow		68,711	47,144	48,332	49,362	50,226	50,916	51,421	51,732	51,840	51,734	51,402
Cash Flow per Unit		573	589	604	617	628	636	643	647	648	647	643
Debt Coverage Ratio(RLP)		1.15	1.15	1.15	1.16	1.16	1.16	1.16	1.16	1.17	1.16	1.16
Principal Balance(RLP)	6,822,796	6,742,105	6,685,210	6,625,702	6,563,459	6,498,358	6,430,265	6,359,045	6,284,552	6,206,638	6,125,144	6,039,906
Conventional First Mortgage	0	0	0	0	0	0	0	0	0	0	0	0
Other: Amortizing Mortgage	0	0	0	0	0	0	0	0	0	0	0	0
Other: AHP Subsidy	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Other: City FedHOME	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Principal Balance(Other)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Operating Reserve Balance	450,159	472,667	496,300	521,115	547,171	574,529	603,256	633,419	665,090	698,344	733,261	769,924

Total Cash Flow
Projected over 12 Years

673,674

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
						Yr 15						
		1/1/32	12/31/32	12/31/33	12/31/34	1/1/36	12/31/36	12/31/37	12/31/38	1/1/40	12/31/40	12/31/41
Effective Gross Income		1,176,388	1,199,915	1,223,914	1,248,392	1,273,360	1,311,560	1,350,907	1,391,435	1,433,178	1,476,173	1,520,458
Less Operating Expense		811,427	835,770	860,843	886,668	913,268	940,666	968,886	997,953	1,027,892	1,058,728	1,090,490
Net Operating Income		364,960	364,145	363,071	361,724	360,091	370,894	382,021	393,482	405,286	417,445	429,968
Less RLP Repay		314,126	314,126	314,126	314,126	314,126	314,126	314,126	314,126	314,126	314,126	314,126
Less Other Repay		0	0	0	0	0	0	0	0	0	0	0
Cash Flow		50,835	50,020	48,945	47,598	45,966	56,769	67,895	79,356	91,160	103,319	115,842
Cash Flow per Unit		635	625	612	595	575	710	849	992	1,140	1,291	1,448
Debt Coverage Ratio(RLP)		1.16	1.16	1.16	1.15	1.15	1.18	1.22	1.25	1.29	1.33	1.37
Principal Balance(RLP)	6,039,906	5,950,752	5,857,503	5,759,970	5,657,956	5,551,255	5,439,653	5,322,924	5,200,832	5,073,132	4,939,565	4,799,862
Conventional First Mortgage	0	0	0	0	0	0	0	0	0	0	0	0
Other: Amortizing Mortgage	0	0	0	0	0	0	0	0	0	0	0	0
Other: AHP Subsidy	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Other: City FedHOME	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Principal Balance(Other)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Operating Reserve Balance	769,924	808,421	848,842	891,284	935,848	982,640	1,031,772	1,083,361	1,137,529	1,194,405	1,254,126	1,316,832

Financial Commitments and Applicant's Capacity

Founded in 1972, Avesta Housing has grown to become one of the country's most innovative and respected leaders in affordable housing. With steady growth over the subsequent four decades, Avesta has assets of $195 million, an annual operating budget of $26 million and a staff of approximately 100 employees. Avesta owns or manages more than 2,200 apartments and operates two assisted living facilities. Today, Avesta Housing is one of the largest nonprofit developers of affordable housing in New England. Avesta receives consistently high marks from its many state, federal and private-sector partners, and is recognized nationally for groundbreaking work in bringing together nonprofit, for-profit, private and public-sector organizations for the benefit of Maine communities.

We have a proven track record of securing funding and frequently utilize a variety of funding resources to complete our many projects. We will utilize Low Income Housing Tax Credit funding for a significant portion of the equity required for the proposed rental project. The remainder of the funding required is anticipated come from a mix of sources as listed below.

Source	*Amount*	*Anticipated Confirmation*
Federal Low Income Housing Tax Credit (LIHTC)	$7,176,782	March 2018
US Department of Housing and Urban Development (HUD) 221(d)(4) Loan	$5,822,796	March 2018
MaineHousing MSHA Subsidy	$500,000	March 2018
Federal Home Loan Bank Affordable Housing Program (AHP) Subsidy	$500,000	December 2017
City/Federal HOME	$300,000	October 2017
TD Bank Charitable Foundation Housing for Everyone Grant	$100,000	November 2017
Gorham Savings Bank Construction Loan	[up to $2,000,000, if necessary]	Term sheet received August 2017

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August 25, 2017

Ms. Rebecca Hatfield
Avesta Housing Development Corporation
307 Cumberland Avenue
Portland, Maine 04101

Re: Deering Place (fka 510 Cumberland Ave Apartments) Market Study dated September 12, 2016

Dear Ms. Hatfield:

At your request, we have updated certain market data as it relates to our Market Study dated September 12, 2016 for Deering Place (fka as 510 Cumberland Ave Apartments) ("Market Study"), including market rent, supply and demand and income eligible renter households.

As initially proposed and as described in the Market Study 45 units were to be located in three buildings. This included two renovated buildings and one newly constructed building, located at 510 Cumberland Avenue, 63 Deering Street, and 71 Deering Street. The initial proposed unit mix was as follows: 14 efficiency units, 17 one-bedroom units, 1 two-bedroom unit, and 13 three-bedroom units.

Based on the current proposal, the number of units has increased to 82, which will be located at 510 Cumberland Avenue and 61 Deering Street. The building at 510 Cumberland Avenue will be renovated to offer a total of 55 units. The renovation will include a newly constructed four-story addition. The remaining 27 units will be located in the newly constructed four-story building located 61 Deering Street. Copies of the revised plans are attached.

Based on the revised plans, the unit mix is as provided below:

	40% AMI	50% AMI	Market-rate	Total
Efficiency	0	9	6	15
One-Bedroom	0	19	24	43
Two-Bedroom	0	9	2	11
Three-Bedroom	13	0	0	13
Total	**13**	**37**	**32**	**82**

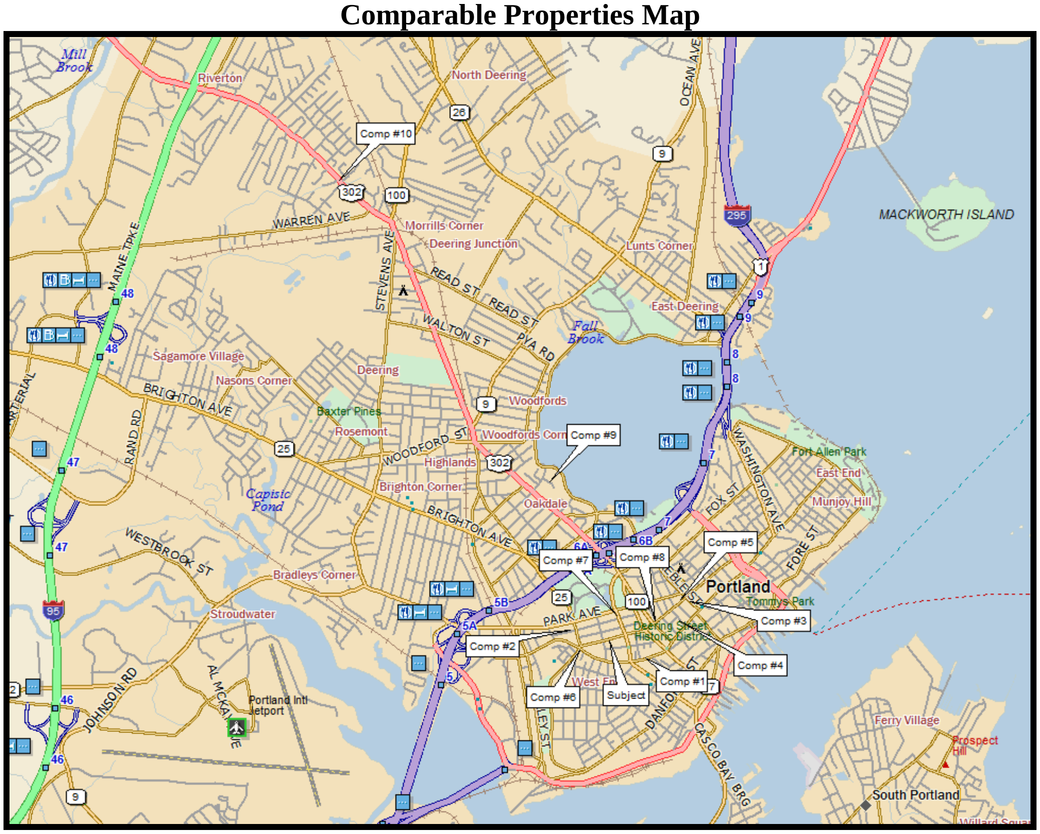
The table below outlines the location of the units.

Comparable	61 Deering Street New Construction	510 Cumberland Avenue Renovated Building	510 Cumberland Avenue Newly Constructed Addition
Efficiency	8	1	6
One-Bedroom	17	6	20
Two-Bedroom	2	-	9
Three-Bedroom	-	13	-
Total	**27**	**20**	**35**

Market Rent

During the month of August 2017, TSG contacted the property managers/contacts for each of the properties utilized in the Market Study. We were able to obtain updated rental data for each of the properties, with the exception of Comp #9, ***Princeton Back Cove***, where we were able to obtain updated rental data for the one- and two-bedroom units, but not the three-bedroom units.

Comparable Properties Map



Source: Data use subject to license. © Delorme. Delorme Street Atlas USA® 2015.

We updated our conclusion of market rent for the subject based on the same assumptions provided in the Market Study with the exception of the following:

- The utility allowance schedule utilized for this analysis is dated November 1, 2016, and was provided by Maine State Housing Authority.
- The property will offer a total of 64 covered or indoor garage parking spaces. Approximately 75% of the units will have covered parking free of charge. We estimate the rental value for covered parking is $100 per month; therefore, an adjustment of $75 was made.
- There will be a community policing center in the building at 510 Cumberland Avenue.

After all adjustments, the range of indicated monthly rents for the efficiency units was $1,080 to $1,256. Most weight was placed on the three comparables in the narrower range of $1,109 and $1,199, and the market rent for the efficiency units was concluded at $1,155, or $2.48 per square foot.

After all adjustments, the range of indicated monthly rents for the one-bedroom units was $1,265 to $1,393. Equal weight was placed on all comparables and the market rent for the one-bedroom units was concluded at $1,350, or $2.20 per square foot.

After all adjustments, the range of indicated monthly rents for the two-bedroom units was $1,551 to $1,683. Equal weight was placed on all comparables and the market rent for the two-bedroom units was concluded at $1,615, or $2.18 per square foot.

After all adjustments, the range of indicated monthly rents for the three-bedroom flat units was $1,689 to $2,100. Equal weight was placed on the four comps in the narrower range of $1,804 and $2,100, and the market rent for the three-bedroom units was concluded at $1,920, or $1.92 per square foot.

After all adjustments, the range of indicated monthly rents for the three-bedroom townhouse-style units was $1,839 to $2,250. Equal weight was placed on the four comps in the narrower range of $1,954 and $2,250, and the market rent for the three-bedroom townhouse-style units was concluded at $2,070, or $1.38 per square foot.

Our conclusion of market rents for the subject property as proposed and as of the date of this letter is provided in the table below:

Estimated Market Rent					
Unit Type	**# Units**	**Average Size (Sq. Ft)**	**Rent**	**$/Sq. Ft**	**Prepared Grid? (Y/N)**
Efficiency	15	465	$1,155	$2.48	Y
One-Bedroom	43	615	$1,350	$2.20	Y
Two-Bedroom	11	741	$1,615	$2.18	Y
Three-Bedroom Flat	4	1,000	$1,920	$1.92	Y
Three-Bedroom TH	9	1,500	$2,070	$1.38	Y
Total	82				

Attached please find our updated Rent Comparability Grids.

Maximum Tax-Credit Rents

As described above, occupancy in the units will be restricted to households as follows:

# Units	*Unit Type*	*Income Restrictions*
9	Effic / 1 BA	50% AMI
6	Effic / 1 BA	Market
19	1 BR / 1 BA	50% AMI
24	1 BR / 1 BA	Market
9	2 BR / 1BA	50% AMI
2	2 BR / 1 BA	Market
13	3 BR / 1 BA	40% AMI

The table below, provides income for 2017 at 40% and 50% AMI for the Portland, ME HUD Metro Area, in which the subject is located.

Household Income 2017

	40% AMI	*50% AMI*
1-person	$22,255	$28,750
2-person	$25,957	$32,850
3-person	$29,658	$36,950
4-person	$33,360	$41,050
5-person	$36,076	$44,350
6-person	$38,731	$47,650
7-person	$41,384	$50,950
8-person	$44,036	$54,200

Source: HUD Calculation

The table below, summarizes the calculations of the affordable housing costs based on the maximum incomes listed above. Maximum allowable rents (based on LIHTC Guidelines) at the subject property are calculated as follows: the applicable percent of AMI for the household (assuming 1.5 persons per bedroom), multiplied by 30 percent (the maximum percentage of gross income to be spent on housing costs), divided by 12 months per year. Rent for the efficiency units was based on one-person household income limits. Rent for the one-bedroom units was calculated by averaging the one- and two-person household income limits. Rent for the two-bedroom units is based on three-person household income limits. Rent for the three-bedroom units was based on the average of the four- and five-person household income limits.

Maximum Tax Credit Rents

Unit Type	% AMI	Income	Affordable Housing Costs	Utility Allowance	Net Rent
Efficiency	50%	$28,750	$718	$39	$679
One-Bedroom	50%	$30,800	$770	$45	$725
Two-Bedroom	50%	$36,950	$923	$55	$868
Three-Bedroom	40%	$34,718	$973	$68	$905

Source: TSG Calculation

Conclusion of Allowable Rent

Of the rents concluded, the maximum tax-credit rents are the lowest for the units. The table below, summarizes the market and tax credit rents (accounting for utilities) and the maximum allowable rent for the subject property. For the three-bedroom market rent we have utilized the average rent for the flat and the townhouse-style units.

Allowable Rents

Unit Type	Income Level	Market Rent	Gross Tax Credit Rent	Net Tax Credit Rent	Allowable Rent
Efficiency	50%	$1,155	$757	$679	$679
One-Bedroom	50%	$1,350	$815	$725	$725
Two-Bedroom	50%	$1,615	$978	$868	$868
Three-Bedroom	40%	$1,995	$1,041	$905	$905

Source: TSG Calculation

Household Income and Income Eligible Households

The table below, shows the range of eligible incomes for occupancy at the subject based on the LIHTC rent. Maximum income assumes two persons per bedroom and minimum income assumes gross housing costs do not require more than 35 percent of household income.

Unit Type	% AMI	LIHTC Rent	Minimum Income	Maximum Income
Efficiency	50%	$679	$23,280	$28,750
One-Bedroom	50%	$725	$24,857	$32,850
Two-Bedroom	50%	$868	$29,760	$41,050
Three-Bedroom	40%	$905	$31,029	$38,731

Source: TSG Calculation

Demand for units at the subject property can be estimated, in part, by projecting how many income-eligible, renter households exist in the market. We obtained demographic data from Ribbon Demographics, including estimated 2017 average household and income data as well estimated 2022 projected household and income data for households in the PMA.

2017 Estimated Renter Household

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	**Total**
$0-10,000	2,152	373	117	183	71	**2,896**
$10,000-20,000	2,305	497	212	78	142	**3,234**
$20,000-30,000	1,265	566	321	79	46	**2,277**
$30,000-40,000	1,052	546	217	105	69	**1,989**
$40,000-50,000	776	687	135	35	51	**1,684**
$50,000-60,000	765	591	124	56	55	**1,591**
$60,000-75,000	331	885	164	138	39	**1,557**
$75,000-100,000	343	602	417	103	36	**1,501**
$100,000-125,000	195	247	127	78	12	**659**
$125,000-150,000	120	103	44	26	13	**306**
$150,000-200,000	85	51	44	8	11	**199**
$200,000+	235	128	53	13	21	**450**
Total	**9,624**	**5,276**	**1,975**	**902**	**566**	**18,343**

Source: Ribbon Demographics HISTA Data

2022 Estimated Renter Household

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	**Total**
$0-10,000	2,049	353	115	175	65	**2,757**
$10,000-20,000	2,262	430	168	69	103	**3,032**
$20,000-30,000	1,259	526	297	76	46	**2,204**
$30,000-40,000	1,084	505	192	83	73	**1,937**
$40,000-50,000	802	635	138	37	43	**1,655**
$50,000-60,000	811	507	145	43	70	**1,576**
$60,000-75,000	405	910	160	143	31	**1,649**
$75,000-100,000	448	676	429	91	37	**1,681**
$100,000-125,000	255	296	149	87	17	**804**
$125,000-150,000	176	146	64	46	20	**452**
$150,000-200,000	163	107	77	14	13	**374**
$200,000+	336	194	71	44	26	**671**
Total	**10,050**	**5,285**	**2,005**	**908**	**544**	**18,792**

Source: Ribbon Demographics HISTA Data

We have estimated the total number of renter households for 2017 and 2022 based on the HISTA data obtained from Ribbon Demographics and provided above. We have applied the percent of households below the maximum income to the total number of households in that income range. The subject will not be age-restricted. For purposes of our analysis, we have assumed a maximum of one-person households in the efficiency units, two-person households in the one-bedroom units, four-person households in the two-bedroom units and 5+ households in the three-bedroom units.

	Income Level	Minimum Income	Maximum Income	Year	Estimated Number of Income/Age Eligible Renter Households	Total Renter Households	% of Total Renter Households
Efficiency	50%	$23,280	$28,750	2017	692	18,366	3.8%
				2022	689	18,812	3.7%
One-Bedroom	50%	$24,857	$32,850	2017	1,397	18,366	7.6%
				2022	1,371	18,812	7.3%
Two-Bedroom	50%	$29,760	$41,050	2017	2,145	18,366	11.7%
				2022	2,085	18,812	11.1%
Three-Bedroom	40%	$31,029	$38,731	2017	1,532	18,366	8.3%
				2022	1,492	18,812	7.9%
Overall		$23,280	$41,050	2017	3,696	18,366	20.1%
				2022	3,592	18,812	19.1%

The estimated number of age-eligible one- to 5+ person renter households earning below 50 percent AMI in the PMA estimated for 2017 is 3,696 which will decrease slightly to 3,592 by 2022.

In 2017, there are 7,035 one- to 5+ person renter households earning below the minimum income of $23,280, which would be able to afford the rent with a voucher. The number of renter households below the minimum income decreases to 6,867 by 2022.

We also analyzed the number of renter-households earning the minimum income needed in order to be able to afford market rent for the market-rate efficiency and one-bedroom units. That information is provided below.

Unit Type	Year	% AMI	Market Rent	Minimum Income	Renter Households
Efficiency	***2017***	Market	$1,155	$39,600	4,457
	2022	Market	$1,155	$39,600	4,311
One-Bedroom	***2017***	Market	$1,350	$46,286	5,224
	2022	Market	$1,350	$46,286	5,964

Supply and Demand

Based on updated data obtained from Ribbon Demographics (Nielsen Claritas), we estimate that there are 19,284 rental housing units needed in 2017, estimated to increase to 19,753 by 2022. According to the updated Ribbon Demographics data, there are an estimated 18,366 units that are renter-occupied in 2017. Ribbon Demographics was not able to provide the vacancy rate for renter-occupied housing units, only the total vacancy rate for all housing units. According to 2010-2015 American Community Survey 5-Year Estimates, 3.5% of the rental housing units in the Primary Market Area (PMA) were vacant. Applying this percentage to the number of renter occupied housing units, we estimate that there are 19,032 rental units (occupied and vacant) in the PMA in 2017.

We were able to speak with Barbara Barhydt in the Planning Department for the City of Portland to determine if there have been increases in rental housing supply. We also reviewed the recent awards for tax credit financing by MaineHousing for proposed new projects in the market area. According to these sources of data, we estimate that an additional 906 units of multi-family housing are in the planning or are currently under construction. These include the following:

Property	*Location*	*Type*	*# Units*
Deering Place (Subject)*	Portland	Affordable	37
17 Carleton Street (Family) • Under construction	Portland	Affordable	37
Motherhouse Senior Housing (Senior) • Moving forward-received funding	Portland	Affordable	88
443 Congress Street • Under construction; expected completion January 2018	Portland	Affordable	4
977 Brighton Avenue (Family)	Portland	Affordable	26
73 Powsland Street (Senior)	Portland	Affordable	34
Total Affordable Units			**226**

Property	*Location*	*Type*	*# Units*
Deering Place (Subject)*	Portland	Market	32
415 Cumberland Avenue • Withdrew but are coming back for review with planning department	Portland	Market	10
443 Congress Street • Under construction; expected completion January 2018	Portland	Mixed	24
5-9 Romasco Lane	Portland	Market	4
31 Fore Street • Under construction	Portland	Market	4
749 Congress Street • Under construction	Portland	Market	7
802 Ocean Avenue/Portland Retirement Residences • Under construction	Portland	Market	150
Veranda Street, Portland	Portland	Market	4
97 Cumberland Avenue	Portland	Market	5
Midtown-Bayside • At a standstill right now.	Portland	Market	440
Total Market Units			**680**
Total Units in Development			**906**

*Only the newly constructed units have been included in the calculation.

Midtown Bayside is a proposed 440-unit multi-family property that has been in the planning stages for several years and although it is unclear as to whether or not the project will proceed, in order to be conservative, we have included the 440 units in our calculation. The City of Portland has approved the master plan for the development of 58 Fore Street. Information on the developer's website and Mainebiz.com reports that there will be 638 residential units, for sale and rent. There is no specific information regarding how many of the units will be rentals and how many will be condominiums. We have reached out to the developer for details, but did not receive a response. Due to the uncertainty of the project and how many units will be rental units, we have not included the units in our calculation above.

Below is a breakdown of the supply and demand calculated for the PMA.

PMA		
	2017	2022
Supply (Less Substandard Units)	18,099	19,005
Demand	19,284	19,753
Excess (Supply)/Demand	1,185	748

Our estimate of supply assumes:

- All of the rental units included in the estimate will be available for occupancy;
- All of the units planned and permitted will be available for occupancy by 2022.

Affordable Housing

Based on our research, there are 49 affordable properties in the PMA with a total of 2,518 units. During the month of August 2017, TSG was able to obtain data for 1,887 affordable units in 40 projects. We were unable to obtain data from the remaining nine properties in 2017 because either our calls were not answered or our messages were not returned. We were able to obtain data for these properties in 2016, and included that information in our tables below

The projects that reported occupancy and waitlist information, reported six vacancies for an overall occupancy rate of 99 percent. Out of the 49 projects surveyed, 45 reported waitlists, which ranged between three months to five years or 12 to 306 people.

We were able to obtain the following information related to Housing Choice Vouchers (HCVs) in the PMA.

- In August 2016, Ms. Maureen Brown reported that MaineHousing Authority administered 20 HCVs to 20 households in the PMA with approximately 493 households on the waitlist. The waitlist was open. We contacted MaineHousing Authority several times and were told that Ms. Brown has since retired and they were in the process of converting to one global waitlist for the State and they were unable to provide current voucher/waitlist data for the PMA.
- Portland Housing Authority ("PHA") administers 1,854 HCVs. PHA reports that from their area of operation, they have 4,610 applications.
- There are 24,063 households on the Maine Centralized Section 8 HCV waitlist that is shared between PHA and the following Housing Authorities: South Portland, Westbrook, Augusta, Bangor, Biddeford, Waterville, Auburn, and Bath.

Given the waitlists and high occupancy of the existing supply of affordable housing in the PMA, the addition of the subject's 82 efficiency, one-, two- and three-bedroom units is not anticipated to significantly impact the current rental stock. Area stakeholders, including public employees, owners and managers of market, LIHTC or affordable rental properties did not identify any negative factors associated with the proposed project.

Capture Rates

As seen below, in order to attain stabilized occupancy (95 percent), the subject's restricted units will need to capture 1.22% of all income-eligible renter households in 2017 and 1.26% in 2022.

	Income Level	*Year*	*Estimated Number of Income/Age Eligible Renter Households*	*Number of Subject Units**	*Capture Rate*
Efficiency	50%	2017	692	9	1.17%
		2022	689	9	1.18%
One-Bedroom	50%	2017	1,397	18	1.23%
		2022	1,371	18	1.25%
Two-Bedroom	50%	2017	2,145	9	0.38%
		2022	2,085	9	0.39%
Three-Bedroom	40%	2017	1,532	12	0.77%
		2022	1,492	12	0.79%
Overall		2017	3,696	48	1.22%
		2022	3,592	48	1.26%

*at stabilization (95% occupied)

Market Advantage

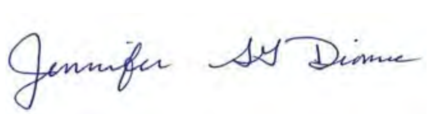
The maximum rents for the subject are based on the affordable housing costs for households earning a maximum of 40 or 50 percent of AMI as provided below.

Unit Type	*Income Level*	*# Units*	*Market Rent*	*Maximum Net Rent*	*Market Advantage*
Efficiency	50%	9	$1,155	$679	70%
One-Bedroom	50%	19	$1,350	$725	86%
Two-Bedroom	50%	9	$1,615	$868	86%
Three-Bedroom	40%	13	$1,995	$905	120%

Overall, the weighted average market rent is 194 percent higher than the weighted average maximum tax-credit rent.

Thank you for this opportunity to be of service. Should you have any questions, please contact me.

Sincerely,



Jennifer S. G. Dionne
Vice President and Market Analyst

April 2016, fy 2017

Tax Map Index, http://www.portlandassessors.com/taxmaps.htm

Index Number - E8NE

City of Portland - TIF Model
Avesta 498 Cumberland Avenue

September 2017

Avesta 498 Cumberland Ave./City of Portland- TIF Projection Table/50% Capture, 30 Years									
TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	2018	$7,000,000	50.00%	$3,500,000	22.08	$77,291	$77,291	$0	$77,291
2	2019	$7,000,000	50.00%	$3,500,000	22.52	$78,836	$78,836	$0	$78,836
3	2020	$7,000,000	50.00%	$3,500,000	22.98	$80,413	$80,413	$0	$80,413
4	2021	$7,000,000	50.00%	$3,500,000	23.43	$82,021	$82,021	$0	$82,021
5	2022	$7,000,000	50.00%	$3,500,000	23.90	$83,662	$83,662	$0	$83,662
6	2023	$7,000,000	50.00%	$3,500,000	24.38	$85,335	$85,335	$0	$85,335
7	2024	$7,000,000	50.00%	$3,500,000	24.87	$87,042	$87,042	$0	$87,042
8	2025	$7,000,000	50.00%	$3,500,000	25.37	$88,782	$88,782	$0	$88,782
9	2026	$7,000,000	50.00%	$3,500,000	25.87	$90,558	$90,558	$0	$90,558
10	2027	$7,000,000	50.00%	$3,500,000	26.39	$92,369	$92,369	$0	$92,369
11	2028	$7,000,000	50.00%	$3,500,000	26.92	$94,217	$94,217	$0	$94,217
12	2029	$7,000,000	50.00%	$3,500,000	27.46	$96,101	$96,101	$0	$96,101
13	2030	$7,000,000	50.00%	$3,500,000	28.01	$98,023	$98,023	$0	$98,023
14	2031	$7,000,000	50.00%	$3,500,000	28.57	$99,984	$99,984	$0	$99,984
15	2032	$7,000,000	50.00%	$3,500,000	29.14	$101,983	$101,983	$0	$101,983
16	2033	$7,000,000	50.00%	$3,500,000	29.72	$104,023	$104,023	$0	$104,023
17	2034	$7,000,000	50.00%	$3,500,000	30.32	$106,103	$106,103	$0	$106,103
18	2035	$7,000,000	50.00%	$3,500,000	30.92	$108,225	$108,225	$0	$108,225
19	2036	$7,000,000	50.00%	$3,500,000	31.54	$110,390	$110,390	$0	$110,390
20	2037	$7,000,000	50.00%	$3,500,000	32.17	$112,598	$112,598	$0	$112,598
21	2038	$7,000,000	50.00%	$3,500,000	32.81	$114,850	$114,850	$0	$114,850
22	2039	$7,000,000	50.00%	$3,500,000	33.47	$117,147	$117,147	$0	$117,147
23	2040	$7,000,000	50.00%	$3,500,000	34.14	$119,490	$119,490	$0	$119,490
24	2041	$7,000,000	50.00%	$3,500,000	34.82	$121,879	$121,879	$0	$121,879
25	2042	$7,000,000	50.00%	$3,500,000	35.52	$124,317	$124,317	$0	$124,317
26	2043	$7,000,000	50.00%	$3,500,000	36.23	$126,803	$126,803	$0	$126,803
27	2044	$7,000,000	50.00%	$3,500,000	36.95	$129,339	$129,339	$0	$129,339
28	2045	$7,000,000	50.00%	$3,500,000	37.69	$131,926	$131,926	$0	$131,926
29	2046	$7,000,000	50.00%	$3,500,000	38.45	$134,565	$134,565	$0	$134,565
30	2047	$7,000,000	50.00%	$3,500,000	39.22	$137,256	$137,256	$0	$137,256
30 Year TIF Total		**$210,000,000**		**$105,000,000**		**$3,135,527**	**$3,135,527**	**$0**	**$3,135,527**
30 Year TIF Avg.		**$7,000,000**		**$3,500,000**		**$104,518**	**$104,518**	**$0**	**$104,518**

2017 Housing Committee Work Plan
September 20, 2017

May 10, 2017

1) Overview of the Disorderly House Ordinance
2) Update and Overview of Housing Safety Office
3) Review of Proposed Changes to the Housing Code re: Habitation of Recreational Shelters
4) Review request(s) received through the Supplemental HOME Funds Application
5) Renewal of the City's participation in the Cumberland County HOME Consortium
6) 2017 Work Plan Discussion

June 14, 2017

1. Proposed revisions to the Disorderly House Ordinance/Short Term Rental Registration Ordinances
2. Review of Short Term Rental Implementation Guidelines
3. Update on the implementation of the 2016 Landlord/Tenants policies including review of Tenant Housing Rights brochure
4. Supplemental HOME Funds Update
5. 2017 Work Plan Discussion

July 12, 2017

1) Proposed revisions to the Disorderly House Ordinance/Short Term Rental Registration Ordinances
2) Update on Fire Department Inspection Program
3) Update on HUD 2017 HUD Funding Allocations for CDBG, HOME and ESG
4) 2017 Work Plan Discussion

August 9, 2017 – Committee will not meet in August.

September 26, 2017

1. Review of FY17 HUD Consolidated Annual Performance Report
2. Begin discussion on Policies to Capitalize the Housing Fund, opportunities to demonstrate engagement of the city in partnership (policy, expertise, funding, zoning, public land, etc) to leverage housing development, and other housing policy proposals.
3. Review of funding requests received from the Affordable Housing Development HOME application.
4. 2017 and 2018 Work Plan Discussion

October ???, 2017

1. Annual Housing Report - a current situation report on housing policy, availability and affordability. This would include, an update on the implementation of policies e.g. inclusionary zoning, recent revisions to the R-6 Zone, accessory dwelling unit analysis.
2. 2017 and 2018 Work Plan Discussion

November 8, 2017

1. Review of 2017 Annual Committee Report
2. 2017 and 2018 Work Plan Discussion

December 13, 2017 (First day of Hanukkah)